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Paper laid by the
Chairperson of the
Select Committee
on Budget and
Appropriation to
Hon. Mutava Mwangi
on the 04/06/2014

KENYA NATIONAL ASSEMBLY

ELEVENTH PARLIAMENT – SECOND SESSION

THE BUDGET AND APPROPRIATIONS COMMITTEE REPORT ON THE ESTIMATES OF
REVENUE AND EXPENDITURE FOR 2014/2015

JUNE 2014

PREFACE

Mr Speaker Sir, on behalf of the Members of the Budget And Appropriations Committee and as required under Article 221(5) of the Constitution, I hereby present to the House the Committee's report on the 2014/15 Estimates of Revenue and Expenditure for the National Government, Parliament and the Judiciary laid in the National Assembly on 30th April 2014.

Mr. Speaker Sir, over the last three years since the promulgation of the Constitution, the National Assembly has played an increasingly significant role in the management of public finances. Article 221 (4 and 5) of the Constitution and the Public Finance Management Act, 2012 provide for the establishment of a Committee of the National Assembly whose main role is to oversee the budget process. The Standing Orders and specifically Standing Order 207 give effect to this Article by establishing the Budget and Appropriations Committee with the specific mandate to:

- i. Investigate, inquire into and report on all matters relating to the coordination, control and monitoring of the national budget, and
- ii. Discuss and review the estimates for the three Arms of Government and make recommendations to the House.

Mr. Speaker Sir,

In line with the provisions of the Constitution, the budget estimates and related documents for the three arms of government namely, the National Government, Parliament, and the Judiciary are to be submitted to the National Assembly by the 30th of April every year. **Mr. Speaker Sir**, it is important to mention that although the deadlines are provided for in the statutes, the three arms of Government should endeavour to submit the estimates much earlier to give the National Assembly more time to scrutinize them. Consequently, this will also facilitate the passage of the Appropriation Bill in time to give Ministries, Departments and Agencies (MDAs) ample time to put in place the necessary systems to implement the budget.

Mr. Speaker Sir, the Budget and Appropriations Committee as currently constituted comprises the following Honourable Members:

- | | | |
|----|----------------------------------|-------------------------|
| 1. | Hon. Mutava Musyimi, M.P. | Chairperson |
| 2. | Hon. Mary Emaase, M.P. | Vice Chairperson |
| 3. | Hon. Alfred Sambu, M.P. | |
| 4. | Hon. Benjamin Langat, M.P. | |

5. Hon. Charles Nyamai, M.P.
6. Hon. Clement Wambugu, M.P.
7. Hon. Jackson Kiptanui, M.P.
8. Hon. Jamleck Kamau, M.P.
9. Hon. John Mbadi, M.P.
10. Hon. Mohamed Shidiye, M.P.
11. Hon. Moses Lessonet, M.P.
12. Hon. Moses Ole Sakuda, M.P.
13. Hon. Nelson Gaichuhie, M.P.
14. Hon. Abdikadir Omar Aden, M.P.
15. Hon. Abdulaziz Farah, M.P.
16. Hon. Alfred Agoi, M.P.
17. Hon. Alice Ng'ang'a, M.P.
18. Hon. Banticha Jaldesa, M.P.
19. Hon. Benjamin Andola Andayi, M.P.
20. Hon. Bitok S. Kirwa, M.P.
21. Hon. Daniel Nanok, M.P.
22. Hon. Dennis Kariuki, M.P.
23. Hon. Dr. James W. Nyikal, M.P.
24. Hon. Dr. Reginalda Wanyonyi, M.P.
25. Hon. Dorcas Kedogo, M.P.
26. Hon. Eng. Stephen Ngare, M.P.
27. Hon. Fatuma, Ali Ibrahim, M.P.
28. Hon. Francis Njenga, M.P.
29. Hon. George Muchai, M.P.
30. Hon. Irshad Sumra, M.P.
31. Hon. Isaack Mwaura, M.P.
32. Hon. James Gakuya, M.P.
33. Hon. James Lusweti, M.P.
34. Hon. Jared O. Opiyo, M.P.
35. Hon. Jonathan Lati Leleit, M.P.
36. Hon. Joseph Limo, M.P.
37. Hon. KK Stephen Kinyanjui, M.P.
38. Hon. Makali Mulu Benson, M.P.
39. Hon. Muriuki Njagagua, M.P.
40. Hon. Mwashetani Khatib Abdallah, M.P.
41. Hon. Omar Mwinyi, M.P.
42. Hon. Omondi George Mallan, M.P.

43. Hon. Patrick Ole Ntutu, M.P.
44. Hon. Peter WeruKinyua, M.P.
45. Hon. Priscilla Nyokabi, M.P.
46. Hon. Samuel Gichigi, M.P.
47. Hon. Shukran Hussein Gure, M.P.
48. Hon. SilverseLisamula Anami, M.P.
49. Hon. Suleiman Murunga Kasuti, MP
50. Hon. Tiyah Galgalo, M.P.

Mr. Speaker Sir,

In preparation of the 2014/15 budget, the Budget and Appropriations Committee has been extensively involved in the various stages of the budget process from review of sectoral priorities to evaluation of policy goals and strategic priorities of the government including review and approval of the Budget Policy Statement (BPS) 2014. With this enhanced involvement, Parliament and in particular the National Assembly is truly becoming a budget making institution as envisaged in the Constitution with the ultimate responsibility of ensuring that there is prudence, transparency and accountability in the use of public resources.

Mr. Speaker Sir,

The Committee has scrutinized the estimates for the National Government, the Judiciary and the Parliamentary Service Commission and has made significant recommendations to this House.

In reviewing the 2014/2015 Budget Estimates, the Committee held 9 Sittings. In line with the Constitution, the Committee also invited the participation of the public in the budget process by holding public hearings on the estimates in nine (9) centres countrywide; namely, Bungoma, Homa Bay, Narok, Nyandarua, Kitui, Wajir, Kwale, Samburu and Nairobi. These hearings were conducted to receive views and recommendations from *wananchi* on the proposed budget estimates in five main thematic areas; Security, Infrastructure, Energy, Education and Agriculture Development and whose report I do hereby lay.

Mr. Speaker Sir, allow me to sincerely thank members of the public who took time to participate in the consultations and whose views we have taken into account in this report. In addition to this and, as required by the Standing Orders, the Committee held fruitful discussions with all the twelve Departmental Committees regarding the budget proposals of the various Ministries, Departments

and Agencies (MDAs) which fall under their respective jurisdictions and received written submissions with recommendations for its consideration.

Mr. Speaker Sir, the Budget and Appropriations Committee is also grateful to the various Departmental Committees and all the Members of Parliament who participated in the process for their hard work and dedication in making sure that Parliament plays its rightful role in scrutinizing the budget. The reports of the Departmental Committees on the 2014/15 Budget Estimates are annexed to this report.

Honourable Members, I would like to emphasize that the budget oversight is a continuous process which should not come to an end with the adoption of this report. I therefore urge Members to take this role very seriously and to continue demanding reports on quarterly performance from the various MDAs which you oversee.

Lastly, **Mr. Speaker Sir**, the Committee is grateful to the Office of the Speaker, the Office of the Clerk of the National Assembly and the Parliamentary Budget Office for the continuous and relentless support received as it discharged its mandate.

Mr. Speaker Sir,

It is therefore my pleasant undertaking, on behalf of the Budget and Appropriations Committee, to table this Report and recommend it to the House for adoption.

Signed

A handwritten signature in black ink, appearing to read 'Mutava Musyimi', with a stylized flourish extending to the right.

The Hon. Mutava Musyimi, M.P.
Chairman, Budget and Appropriations Committee
June, 2014

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I. **LINKING THE 2014/15 BUDGET TO THE NATIONAL AGENDA AND THE HOUSE RESOLUTIONS ON THE BUDGET POLICY STATEMENT 2014**

1. **Mr. Speaker Sir**, Kenya adopted the Medium Term Expenditure Framework (MTEF) approach to budgeting which ensures that there is a clear link between policy, planning and budgeting. The Budget Policy Statement (BPS) is the key document that provides policy direction for the budget estimates. However, the Budget and Appropriations Committee has noted with concern that the 2014 BPS and in particular the resolutions of the House are not getting sufficient attention as a guide to the allocation of scarce resources amongst competing spending agencies. If this trend is perpetuated, **Mr. Speaker Sir**, the gravity of the BPS will become diminished and it may ultimately become a document of the willing.
2. **Mr. Speaker Sir**, Section 12 (1) of the second schedule of the PFM Act, 2012 requires implementation of program budgets to commence in 2013/14 for the National Government and in 2014/15 for County Governments. This Committee commends the National Government, the Parliamentary Service Commission and the Judiciary for providing a detailed 2014/15 Programme Based Budget (PBB). However, we note that most MDAs did not fully comply with some of the tenets of the PBB and as a result, there are instances where targets and indicators which will measure the success of programme implementation are neither specific nor measurable.
3. It is also important to note that the PBB framework focuses on tying decisions on allocation of resources to expected outputs. **Mr. Speaker Sir**, outputs are either goods and/or services delivered to the citizenry and they are prioritized based on the level of their respective expected impact to society. There should therefore be no reason why an MDA should be given resources without providing specific and measureable outputs.
4. **Mr. Speaker Sir**, if our country is to fully enjoy the benefits of PBB, such as increased efficiency of expenditure as well as its effectiveness, MDAs must review outputs and targets in their Programme Based Budgets (PBBs) and ensure reporting on the achievements of the various targets is carried out on a quarterly basis.

II.

III. HIGHLIGHTS OF THE 2014/15 BUDGET

i. Total Budget Highlights

5. **Mr. Speaker Sir**, the total proposed expenditure estimates for 2014/15 is **Ksh.1.77 trillion** which comprises the following:

a) National Recurrent Expenditure	– Ksh.654.1 billion
b) National Development Expenditure	– Ksh.476.4 billion
c) Transfer to Counties	– Ksh.226.6 billion
d) Consolidated Fund Services	– Ksh.362.49 billion
e) Equalization Fund	– Ksh.3.4 billion
f) Parliamentary Service Commission	– Ksh. 26.45billion
g) Judiciary	– Ksh. 19.1billion

TOTAL – **1.769 trillion**

6. **Mr. Speaker Sir**, a deeper analysis of the budget indicates that bulk of resources is being directed to the following areas: Education, Transport and Infrastructure, Energy, Agriculture, Water and Housing.

7. **Mr. Speaker Sir**, it is also worth noting that in the total budget, Ksh. 94.1 billion will be raised through Appropriations-in-Aid mainly from the State Department of Science and Technology, State Department of Transport and Infrastructure and the Ministry of Energy and Petroleum. However, over time, gross underreporting of A-in-A has persisted particularly relating to universities. To address this, **Mr. Speaker Sir**, the National Treasury must take significant steps towards reviewing A-in-A by converting it to revenue and thereby ensuring it is deposited in the National Exchequer as indicated in article 206 (1) of the Constitution, since reporting on A-in-A is irregular and this House does not get the necessary reports.

8. **Mr. Speaker Sir**, the Committee is concerned about the management of various levy funds after noting that some of these funds are not being utilized for the purpose for which they were established. For instance, Funds from the petroleum development levy fund were supposed to be utilized for energy exploration but have since been diverted to other

functions such as the construction of buildings and meeting operational expenditure. In addition to this, Mr. Speaker Sir, there remains outstanding issues

ii. State Corporations

9. **Mr. Speaker Sir**, in the proposed 2014/15 budget, the allocations to the various Semi-Autonomous Government Agencies (SAGAs) under Government Ministries are only provided as a block figure. The total allocation to SAGAs for 2014/15 amounts to Ksh.459.89 billion which translates to approximately 25% of the total budget. These are substantial resources since most of the SAGAs were expected to become self-sustaining when they were originally created.
10. **Mr. Speaker**, given that a significant portion of the budget has been allocated to transfers to other agencies and other levels of government, it is of paramount importance that both the programme and itemized budgets for these respective SAGAs are availed to Parliament.

IV. MACROECONOMIC PERSPECTIVE OF THE 2014/15 BUDGET

11. **Mr. Speaker Sir**, the National Treasury forecasts real GDP to grow by 5.8 % in 2014 up from 4.7 % in 2013 and to cross the 7 % mark by 2017. In terms of fiscal years, the projections translate to 5.3 % in 2013/14, 6.1 % in 2014/15, 6.6 % in 2015/16 and 6.9 % in 2016/17. It is stated that this growth in GDP will be achieved through regional integration and growth in the agricultural sector, infrastructure, building and construction, manufacturing, retail and wholesale, financial intermediation among others. It is, however, not clear which priority sector where investment of resources shall be concentrated in order to achieve the targeted growth of 5.8 % rising to 7 % in 2017.
12. **Mr. Speaker Sir**, the Committee observes a 'business as usual' approach to the public financial management in this economy. The absorption capacity of development remains quite low thereby limiting implementation of development projects and there are no specific measures to address this issue. This comes into clearer perspective when examined against the scarce successes of the concerted efforts by the government to put in place deliberate measures such as irrigation interventions in the past budgets as well as issues surrounding value chain management in agriculture development. In addition to this **Mr. Speaker Sir**, investment in key infrastructure projects may not give expected yields immediately due to lag effects

13. **Mr. Speaker Sir**, it is the Committee's considered opinion that the growth projection of 2014 GDP may be too high and that the economic growth is not likely to exceed 4.9 % in 2014. This is because devolved funds in the Financial Year 2013/14 the bulk of devolved funds were geared towards recurrent rather than investment expenditure and there is no indication that this will not be perpetuated into 2014/15. It is critical that the National Government creates the necessary capacity of devolved units for better prioritization and efficiency in the allocation of resources.

V. FINANCING OF THE 2014/15 BUDGET

14. **Mr. Speaker Sir**, the Treasury plans to fund the budget through revenues, loans and grants as indicated in the estimates of revenue, loans and grants for 2014/15. According to these estimates, the government will collect total revenues amounting to Ksh.1,180.52 billion, comprising of Ksh.1,086.41 billion in ordinary revenues and Ksh.94.11 billion in A-in-A. The Government further expects to receive grants amounting to Ksh.57.99 billion.

15. **Mr. Speaker Sir**, from the budget documents the deficit arising from the planned collection of revenue and expenditure amounts to Ksh.342.62 billion, which will be financed by both external and domestic borrowing. Out of this deficit the government hopes to borrow Ksh.190.81 billion from the domestic market, while the balance will be sourced from external sources, that is Ksh.149.82 billion in net external borrowing. External borrowing will noticeably include commercial loans amounting to Ksh.36.43 billion and Ksh.5 billion as program support.

16. **Mr. Speaker Sir**, although the National Treasury suggests that there is no financing gap in the 2014/15 budget the Committee is concerned that balancing the budget is premised on the successful issuance of a Sovereign Bond to realize the planned Ksh.36.43 billion commercial loans, and that the planned project loans will come through. Recent events demonstrate the intricacy and precariousness of realizing planned mega-borrowing plans owing to numerous prevailing issues. The Committee for example, observed that the planned Sovereign Bond for 2013/14 is yet to be realized and in the event that the endeavour to float the sovereign bond is not successful, the 2014/15 budget may have a financing gap that will have to be plugged through additional domestic borrowing or through expenditure cuts.

17. Further to this, **Mr. Speaker Sir**, the National Treasury projects to collect Ksh.1,086.41 billion in ordinary revenues in 2014/15 relative to Ksh.1,026.31 billion envisaged in the House Resolution. This target is ambitious given that ordinary revenues are projected to grow by 17% relative to 14.1 % growth in nominal GDP. It is not clear how the “on-going reforms in tax and customs administration” will help boost revenue.
18. **Mr. Speaker Sir**, revenue collection efforts should take into account some of the adverse effects that are befall on Kenyans when sudden changes lead to the society consuming cheaper and possibly harmful products. In particular the Committee is concerned with the recent loss of life which resulted from the consumption of harmful liquor.
19. In addition to this, **Mr. Speaker Sir**, tax waivers and other tax benefits should also be targeted to temporarily support various growth sectors, or high priority sectors such as the nascent extractive industry. It is imperative that the relevant Committee of the House and the National Treasury will within the next few months agree on holistic policies to support strong revenue collection, but policies that are just as responsive to equity considerations and growth.

VI. EXTERNAL FUNDING

20. **Mr. Speaker Sir**, the total external funding in the 2014/15 budget from development partners is Ksh.184.80 billion comprising total Loans of Ksh.149.82 billion and total grants of Ksh.57.99 billion. Some of the largest recipients of external loans are the Ministry of Energy and Petroleum (Ksh.47.97 billion); The State Department of Infrastructure (Ksh.32.97 billion); and State Department for Water and Regional Authorities (Ksh.13.20 billion). The biggest recipients of external grants are the National Treasury (Ksh.14.71 billion), the Ministry of Health (Ksh.10.46 billion) and the State Department of Infrastructure (Ksh.8.27billion)
21. **Mr. Speaker Sir**, 80.8% of grants and 75.03% of loans in the 2014/15 budget is proposed to be disbursed through Appropriation in Aid (AIA) and some of these funds are to be disbursed by the development partners directly to the contractors, goods and service providers and will therefore not go into the consolidated fund or any other public fund. This implies that some of the funds included in the estimates could be in contravention of Article 206 (1) which provides for all resources raised to be deposited in the Consolidated Fund.

VII. PRIORITY AREAS FOR THE 2014/15 BUDGET

22. **Mr. Speaker Sir**, as you will recall, the BPS identified five broad pillars which are targeted at achieving full economic potential. These are as follows:

- i. Pillar I: Creating conducive business environment for employment
- ii. Pillar II: Agricultural transformation and food security
- iii. Pillar III: Transport, Logistics, Energy and Water for Inclusive Growth
- iv. Pillar IV: Access to quality social services
- v. Pillar V: Entrenching devolution for better service delivery

23. **Mr. Speaker Sir**, during the public hearings as well as the Committee's deliberations with the various Departmental Committees, key issues arose with regard to the priority areas with regard to the 2014/15 budget which I will now highlight in the context of the five pillars as contained in the BPS.

a) Pillar I: Creating Conducive Business Environment for employment

24. **Mr. Speaker Sir**, the objective of reforms under this Pillar is to foster a favourable business environment by maintaining macroeconomic stability, deepening structural and governance reforms and improving security.

25. The Budget summary provides that the fiscal policy strategy for 2014/15 will be to maintain macroeconomic stability by upholding a strong revenue effort and containing growth of total expenditure, while shifting composition of expenditure from recurrent to capital expenditure and eliminating unproductive expenditures. **Mr. Speaker Sir**, as we notice the surpassing of budget ceilings is contrary to the pledge, the surpassing of budget ceilings in the Budgets for MDAs goes against containing expenditure growth which is therefore inconsistent with macroeconomic stability.

26. Another impediment to achieving this goal, **Mr. Speaker Sir**, is the less than favourable state of security in the country, which the public also expressed serious concern with during

our public hearings and the Committee realizes that this is a threat to fostering a favourable business environment. The Committee notes that the members of the public expressed dissatisfaction on the state of insecurity in the country and offered possible solutions which include protecting our territorial waters, enhancing border patrol, increasing operational resources for the various security agencies and supporting and considering other innovating measures.

b) Pillar II: Agricultural transformation and food security

27. **Mr. Speaker Sir**, this pillar seeks to prioritize investments in agricultural reforms and transformation to not only enhance food security and reduce food related prices, but also to create employment through spurring growth in related sectors.
28. **Mr. Speaker Sir**, the Committee observed that members of the public expressed concern with the perennially lethargic performance of the agriculture sector. The Committee equally notes that the bulk of the functions for this sector happen to be devolved and progress should therefore be largely driven by the devolved units. At national level, however, the Committee recommends that the resources appropriated for this year be geared towards extensive reforms particularly in enhancing agricultural research, transfer of technology, provision of quality seeds and enhancing access to farm inputs.

c) Pillar III: Transport, Logistics, Energy and Water for Inclusive Growth

29. **Mr. Speaker Sir**, this Pillar seeks to promote investment in infrastructure through establishment of first class rail and road networks, water transport and expansion of ports and harbours to enhance competitiveness and transform Kenya into a logistics hub for Eastern Africa. It also entails expansion and modernization of airports as well as investment in oil pipeline in order for the country to position itself as a preferred petroleum transporter of choice.
30. **Mr. Speaker Sir**, improvement of the road network and investment in Energy has routinely been cited as priority areas for the government to invest since it is essential in facilitating economic growth. However, despite significant resources being set aside in various budgets for investment in these sectors, the poor road network in some parts of the country remains a matter of grave concern.

31. **Mr. Speaker Sir**, drawing from the interactions with the Members of the public and the relevant Departmental Committees, significant resources to address infrastructural concerns particularly for grading of several high-use roads in deplorable state as well as providing resources for the upgrade to bitumen standard of key economically viable roads.
32. **Mr. Speaker Sir**, the Committee, however, observed that the Ministry of Transport and Infrastructure has pending bills owed to contractors amounting to at least Ksh.15.4 billion which could significantly affect the funding for on-going and planned projects. Lengthy procurement procedures were cited as an impediment to absorption of development funds and implementation of projects on time. In this regard, Mr. Speaker Sir, to address this matter, the Committee recommends proper alignment by MDAs of their respective procurement plans, cash flow plans and the treasury single account.

d) Pillar IV: Access to quality social services

33. **Mr. Speaker Sir**, this pillar seeks to ensure that Kenyans are healthy, educated and acquire basic life skills. It also seeks to provide social protection measures for the old as well as people living with disabilities.

i. Health

34. **Mr. Speaker Sir**, the Committee is well aware that a healthy nation guarantees economic growth. The Committee is further aware of the constitutional requirement for Kenyans to access health services.
35. **Mr. Speaker Sir**, although health services have been devolved, it is disconcerting that substantial resources for this sector continue to be held in the ministry yet Counties are expected to fully take up the function. The Committee is concerned that such budgeting amounts to double-budgeting and such resources should therefore be freed up for reallocation to critical yet underfunded programmes.
36. **Mr. Speaker Sir**, members of the public, during the Committee's public participation exercise expressed concern over the scarcity of both pharmaceutical as well as non-pharmaceutical products in various hospitals around the country. The Committee therefore requests this House to encourage counties to use the services the Kenya Medical Supplies

Authority (KEMSA) as opposed to opting to procure drugs through other institutions. However, the Committee commensurately urges the urgent reform in the procurement operations of KEMSA to ensure value for money is attained.

37. In addition to this, **Mr. Speaker Sir**, during the Committee's deliberations with the Departmental Committee on Health, it was observed that there remain several challenges regarding the implementation of the free maternity healthcare programme. The Committee therefore urges the Ministry of Health to explore measures such as introducing an insurance programme for expectant mothers through NHIF to cost effectively implement and manage the programme.
38. In addition **Mr. Speaker Sir**, the Committee noted concerns about the viability of the strategy adopted by the Ministry of Health to lease equipment for use at the level 4, 5 and 6 facilities. Despite inability to use Ksh.1 billion allocated for leasing of equipments in the current financial year, Ksh.3 billion has been allocated for the same use in the next financial year. The Committee therefore, while remaining cautiously optimistic on the use of these funds, awaits a detailed cost-benefit analysis on leasing of equipment by government agencies before recommending its further entrenchment in government financing.

ii. Education

39. **Mr. Speaker Sir**, the Education Sector accounts for the highest proportion of resources in the country's budget. This demonstrates the importance attached to increasing the human capital of the country and having sufficient trained personnel to spur the economy towards higher growth. The Committee, is, however, also aware that the Sector continues to face various challenges such as shortage of teachers due to unbalanced deployment and lack of systematic recruitment as well as concerns over governance issues relating to use of public resources in schools.
40. **Mr. Speaker Sir**, the public also decried the state of infrastructure in public schools, noting that it was in need of rehabilitation. The Committee therefore considers that the improvement of infrastructure should be therefore be disbursed under the CDF framework.

iii. Social Safety Nets

41. This entails provision of cash transfer programmes to the elderly and disabled in order to boost their welfare.
42. **Mr. Speaker Sir**, during the course of the public hearings, members of the public expressed concern with the management of this programme in terms of its transparency and its efficacy and output since its inception. To address this challenge, and to entrench oversight over and facilitate good governance in the management of public finances, the Budget and Appropriations Committee recommends that more creative mechanisms such as setting up special Committees be employed in the disbursement of these resources. These may comprise representatives from the public, executive and legislature be set up at Constituency level to steer this process in identifying the beneficiaries and ensure that the maximum amount of resources reaches those targeted by the programme.

e) Pillar V: Further entrenching of devolution for better service delivery

43. **Mr. Speaker Sir**, this pillar seeks to lay a strong foundation for devolution through adequate provision of resources to county governments and support in areas of public financial management as well as good governance practices.
44. **Mr. Speaker Sir**, the public is concerned about the quality of services in the county. Though county governments have taken over certain functions such as health, the public pointed out that service delivery in this sector is wanting and called upon the National government to support county governments until such a time that they are able to deliver these services.

VIII. RECOMMENDATIONS

a) Policy Prescriptions

45. Mr. Speaker Sir, having considered the above matters, and to support the realization of the economic and social goals espoused in the pillars for development, the Committee recommends the following:

- i) To ensure that the BPS remains the policy anchor of the budget no new programmes and projects shall be accepted after the House has passed its resolutions on the BPS unless there is sufficient justification provided in a memorandum submitted to Parliament.
- ii) All Appropriations-in-Aid collected by MDAs amounting to more than Ksh.500 million on an annual basis must be within one year from the approval of this report be converted to revenue payable to the consolidated fund in the spirit of Article 206 of the constitution.
- iii) To mainstream Programme Based Budgeting as per the Public Finance Management Act 2012, Parliament be informed on targets on quarterly basis as set out in the programme budget estimates. In this regard, the report submitted by the Controller of Budget to this House on a quarterly basis must contain information on the progress in achievement of targets of the various MDAs. The National Assembly will not accept a report from the Controller of Budget that does not include information on performance of targets.
- iv) To actualize Article 221 of the Constitution on considering the views of the public in finalizing the budget, the National Treasury set aside some funds to accommodate the views. In addition to this, to ensure equity, prudence and efficiency, these resources be allocated to projects with a national outlook.
- v) That the reviewed Public Procurement and Disposal Act, 2005 should be submitted to the National Assembly within 90 days from the approval of this report in order to address procurement challenges that delay project implementation.
- vi) That the policy on leasing of equipment and moveable assets be reviewed to determine its viability in terms of whether the government is saving money and the advantages of leasing as opposed to buying.

- vii) That the National Treasury submit the regulations of the Public Financial Management Act, 2012 within 90 days from the adoption of this report.

b) Proposed Adjustments and Re-allocations in the 2014/15 Budget

46. Mr. Speaker Sir, the Committee has considered the overall macroeconomic objectives of the country, with specific emphasis on containing expenditure to balance the budget while limiting the growth of debt. The Committee has further examined the needs of the citizenry and welcomed insightful submissions from the Cabinet Secretary, Treasury and submissions by individuals and organizations on the 2014/15 budget.

47. In this regard, **Mr. Speaker Sir**, the areas that are identified to receive resources are those that will lead to increased employment opportunities, security related programmes and tourism promotion. On the other hand, the Committee made a concerted effort to ensure that the recommendations of various Committees are upheld. Reductions have, however, also been proposed to votes that were higher than the House resolutions on the BPS:

i) Expenditure reallocations

The Committee recommends that the following expenditure reallocations be instituted on the budgets submitted to Parliament. The adjustments are listed by vote and the details of the specific areas affected are as per Schedule 1:

- ❖ Reduce the proposed allocation for the State Department of Planning by kshs.3.164 billion;
- ❖ Reduce the proposed allocation for the State Department of Education for rehabilitation of infrastructure in primary and secondary schools by Ksh.243 million; (this amount is to be disbursed through the CDF framework);
- ❖ Reduce the proposed allocation for the National Treasury by Ksh.2.46 billion;
- ❖ Reduce the proposed allocation for the ministry of Lands, Housing and Urban Development by kshs.1.244 billion;
- ❖ Reduce the proposed allocation for the Judiciary by kshs.826 million;
- ❖ Reduce the proposed allocation for the Public Service Commission by kshs.57 million;
- ❖ Reduce the proposed allocation for the ministry of Energy and Petroleum by kshs.633 million.

ii) Additions

i. Recurrent Expenditure

An additional allocation of;

- ❖ Ksh.387 million to Transition Authority;
- ❖ Ksh.33 million to the Ministry of Information and Communication;
- ❖ Ksh.84 million for establishment of Pan African Federation of Filmmakers (FEPACI) Secretariat subject to availability of funds;
- ❖ Ksh.544 million to the Office of the Attorney General and Department of Justice for recruitment of additional staff and computerization of registries;
- ❖ Ksh.80 million to the Witness Protection Agency;
- ❖ Ksh.100 million to the Kenya National Commission for Human Rights;
- ❖ Ksh.1.046 billion to the National Lands Commission;
- ❖ Ksh.200 million for geo-spatial mapping under the Ministry of Lands, Housing and Urban Development;
- ❖ Ksh.20 million to Commission on Revenue Allocation;
- ❖ Ksh.100 million to the Salaries and Remuneration Commission;
- ❖ Ksh.14 million to the Controller of Budget;
- ❖ Ksh.102 million to Commission on Administration of Justice;
- ❖ Ksh.57 million allocation to the Presidency;
- ❖ Ksh.61 million to the National Gender and Equality Commission;
- ❖ Ksh.250 million to the Judges and Magistrates vetting board subject to the availability of Funds;
- ❖ Ksh.90 Million to NACADA for the establishment of rehabilitation centres;
- ❖ Kshs.250 million for the Kenya Wildlife Service.
- ❖ kshs.100 million for the Kenya Law Reform Commission;
- ❖ kshs.50 million for the Commission for the Implementation of the Constitution;
- ❖ Kshs.100 million to the Parliamentary Service Commission for Civic education.

ii. Development Expenditure

- ❖ Increase allocation to the Constituency Development Fund by Ksh.5.0 billion; and these resources should be used for improving infrastructure in public primary and secondary schools in addition Ksh.243 million for rehabilitation of primary and secondary schools from the State Department of Education be disbursed through the CDF framework

- ❖ Increase allocation to the State Department of Infrastructure by Ksh. 1 billion for the upgrade to bitumen standards of Narok – Sekenani – Maasai Mara road;
- ❖ Increase allocation to the State Department of Environment and Natural resources by Ksh.100 million for the Mau Joint Enforcement Unit;
- ❖ Increase Allocation to the KONZA Technopolis Development Authority by Ksh.460 million;
- ❖ Increase allocation for Special Economic Zones under the Ministry of Industrialization by Ksh.600 million;
- ❖ Increase allocation to the State Department of Commerce and Tourism by Ksh.1.2 billion for Construction of Ronald Ngala Utalii College;
- ❖ Allocate a total of Ksh.5 billion for Strategic Response to Public Initiatives for Economic Development;
- ❖ An additional allocation of kshs.300 million for the Office of the Auditor General;
- ❖ An additional Kshs.40 million for rehabilitation of buildings in the National Gender Commission;
- ❖ An additional allocation of kshs.400 million for Chemsus dam and kshs.300 million for Kiserian dam and kshs.300 million for Umaa dam for ongoing works.

iii) Re-allocations

- ❖ Reduce the development expenditure for the State Department of Interior by Kshs.305 million and re-allocate the resultant savings to the Anti-Terrorism Police Unit in the recurrent expenditure of the same ministry;
- ❖ Reduce the proposed allocation for the State Department of Science and Technology by Ksh.500 million and reallocating Kshs.500 million of these resources to the Kenyatta University Children's Hospital;
- ❖ Reduce the proposed allocation in several areas shown in schedule 1 for the Ministry of Health by Ksh.1.35 billion and reallocate the resources to preventative and curative healthcare services;
- ❖ Reduce the proposed allocation for following the State Department of Environment and Natural Resources by Ksh.200 million and reallocate the resultant savings to the Kenya Wildlife Service;
- ❖ Reduce the allocation for the following two votes and reallocate the resultant savings to the Kenya Wildlife Service;
 - a. ministry of mining by kshs.100 million and;
 - b. State Department of Water Environment and Regional Authorities by kshs.200 million.

- ❖ Reduce the proposed allocation for the State Department of Water and Regional Authorities by kshs.50 million and reallocate the resultant savings to the Rangwe Water project;
- ❖ Reduce the proposed allocation for the Ministry of Labour, Social Security and Services by kshs.338 million and reallocate the resultant savings to national social safety nets as provided in schedule 1;
- ❖ An additional allocation for various services as per schedule 1 to the State department of Environment and Natural resources by Ksh.500 million and reallocate the resultant savings to the Kenya Wildlife Service.

Mr. Speaker Sir, these adjustments lead to an increase of the budget from **Kshs.1.769 trillion** to **Kshs.1.779 trillion** based on the scrutiny and review of the requirements of various ministries, while taking into account the needs of the public and critical issues. The Committee expects that the difference will be financed by cost-saving, increased efficiency of collection of resources and administrative measures.

Mr. Speaker Sir, the Committee therefore requests this House to resolve as follows;

That the House;

- a) Adopts this report;
- b) That the proposed amendments to the proposed 2014/15 budget as contained in this report be adopted; *and*
- c) That the schedule 1 and 2 attached to this report becomes the basis for the appropriations for 2014/15 budget.

SCHEDULE I: SUMMARY OF RECOMMENDATIONS BY BUDGET AND APPROPRIATIONS COMMITTEE

RECURRENT

	MDAs	Programme Affected	Sub-programme/ Item	Nature of change	Total Amount	
					Increments	Reductions
1.	The Presidency	State House Affairs	Office of Spouse of the Deputy President – Ksh 30 million (recurrent)	Increment	30,000,000	
		Government Advisory Services	Legislative and intergovernmental Liaison office – Ksh 27 million (recurrent)	Increment	27,000,000	
		Total			57,000,000	
2.	State Department of Interior	Police Services	Anti-Terrorism Police Unit – Ksh 305 million (recurrent)	Increment	305,000,000	
		National Government Administration and Field Services	NACADA – Ksh 90 million	Increment	90,000,000	
		Total			395,000,000	
3.	State Department of Planning	Monitoring and Evaluation Services	Programme Monitoring and Evaluation (EMU) – Ksh 64 million (recurrent)	Reduction		64,000,000
		Monitoring and Evaluation Services	Inspectorate of State Corporations – Ksh 50 million (recurrent)	Reduction		50,000,000
		Economic Policy and National Planning	Civil Service Reforms Secretariat PSM – Ksh 250 million (recurrent)	Reduction		250,000,000
		Gender and Youth Empowerment	National Youth Service (Hospitality) – Ksh 150 million (recurrent)	Reduction		150,000,000
		Total				514,000,000
4.	State Department of Devolution	Devolution Services	Transition Authority - Ksh 387million (recurrent)	Increment	387,000,000	
5.	The National Treasury	General Administration, Planning and Support Services	Leasing of police vehicles – Ksh 270 million (recurrent)	Reduction		270,000,000
6.	Ministry of Health	Preventing and Promotive Health Services	Tobacco Control Board – Ksh 50 million (recurrent)	Increment	50,000,000	
		Curative Health Services	National Blood transfusion – Ksh 70 million (recurrent)	Increment	70,000,000	
		Preventing and Promotive Health Services	Government Chemist – Ksh 27 million (recurrent)	Increment	27,000,000	

	MDAs	Programme Affected	Sub-programme/ Item	Nature of change	Total Amount	
					Increments	Reductions
		Preventing and Promotive Health Services	HIV Tribunal - Ksh 50 million (recurrent)	reduction		50,000,000
		Preventing and Promotive Health Services	National Aids Control Council for (Constituency Aids Control Committees) – Ksh 140 million (recurrent)	Increment	140,000,000	
		Maternal and Child Health	Family Planning Services – Ksh 22 million (recurrent)	Increment	22,000,000	
		Curative Health Services	Kenyatta National Hospital – Ksh 200 million (recurrent)	Increment	200,000,000	
		Curative Health Services	Moi Teaching & Referral Hospital – Ksh 113 million (recurrent)	Increment	113,000,000	
		Health Research and Development	Khat research project - Ksh 50 million (recurrent)	Increment	50,000,000	
		Health Research and Development	Pyrethrum research project - Ksh 95 million (recurrent)	Increment	95,000,000	
		Health Research and Development	Kirinyaga research & training project - Ksh 79 million (recurrent)	Increment	79,000,000	
		General Administration Planning and Support Services	Training Health personnel at the Ministry - Ksh 204 million (recurrent)	Increment	204,000,000	
		General Administration Planning and Support Services	Kenya Medical Supplies Authority (M&E) - Ksh 50 million (recurrent)	Increment	50,000,000	
		General Administration Planning and Support Services	Human Resources Management - Ksh 1 billion (recurrent)	Reduction		1,000,000,000
		General Administration Planning and Support Services	Operation & Maintenance of Ministry – Ksh 300 million (recurrent)	Reduction		300,000,000
		Total			1,100,000,000	1,350,000,000
7.	State Department of Environment and Natural Resources	Natural Resources Conservation and Management	Kenya Wildlife Service Ranger Recruitment Programme – Ksh 750 million (recurrent)	Increment	700,000,000	
		Metrological Services	Metrological Department – Ksh 80 million (recurrent)	Reduction		80,000,000
		Natural Resources Conservation and Management	Kenya Forest Service – Ksh 50 million (recurrent)	Reduction		50,000,000
		Natural Resources Conservation	Kenya Forest Research Institute – Ksh 20	Reduction		20,000,000

	MDAs	Programme Affected	Sub-programme/ Item	Nature of change	Total Amount	
					Increments	Reductions
		and Management	million (recurrent)			
		Total			700,000,000	150,000,000
8.	Ministry of Lands, Housing and Urban Development	General Administration Planning and Support Services	Administration Costs – Ksh 52 million (recurrent)	Reduction		52,000,000
		Land Policy and Planning	Land Policy Formulation – Ksh 2 million (recurrent)	Reduction		2,000,000
		Total				54,000,000
9.	Ministry of Information and Communication	Information and Communication Services	Kenya Broadcasting Corporation – Ksh 333 million (recurrent)	Increment	333,000,000	
		Information and Communication Services	News and Information Sub-programme – Ksh 400 million (recurrent)	Reduction		400,000,000
		Total			333,000,000	400,000,000
10.	Ministry of Sports, Culture and Arts	The Arts	Pan-African Federation of Film Makers Secretariat – Ksh 84 million (recurrent)	Increment	84,000,000	
11.	Ministry of Labor, Social Security and Services	Promotion of best labour practise	Trade Union Mediation Committee – Ksh 51 million (recurrent)	Reduction		51,000,000
12.	Office of the Attorney General and Department of Justice	Legal Services to Government	Computerization of registries - Ksh 150 million (recurrent)	Increment	150,000,000	
		Legal Services to Government	Hiring additional staff – Ksh 394 million (recurrent)	Increment	394,000,000	
		Constitutional Reforms	Judges and Magistrates Vetting Board – Ksh 300 million	Increment	300,000,000	
		Total			844,000,000	
13.	Judiciary	Dispensation of Justice	Operation Costs – Ksh 300 million (recurrent)	Reduction		300,000,000
			Kenya Law Reforms – Ksh 100 million	Increment	100,000,000	
			Total			100,000,000
14.	Witness Protection Agency	Witness Protection	Operation Costs – Ksh 80 million (recurrent)	Increment	80,000,000	
15.	Kenya National	Protection and Promotion of	Operation Costs - Ksh 100 million (recurrent)	Increment	100,000,000	

	MDAs	Programme Affected	Sub-programme/ Item	Nature of change	Total Amount	
					Increments	Reductions
	Commission for Human Rights	Human Rights				
16.	National Land Commission	Land Administration and Development	County Land Management Boards – Ksh 260 million (recurrent)	Increment	260,000,000	
		Land Administration and Development	Alternative Dispute Resolution Mechanism – Ksh 165 million (recurrent)	Increment	165,000,000	
		Land Administration and Development	Adjudication of Land - Ksh 118 million (recurrent)	Increment	118,000,000	
		Land Administration and Development	Land policy - Ksh 27 million (recurrent)	Increment	27,000,000	
		Land Administration and Development	Administration Costs – Ksh 52 million (recurrent)	Increment	52,000,000	
		Total			622,000,000	
17.	Parliamentary Service Commission	General Administration Planning and Support Services	Civic Education – Ksh 100 million	Increment	100,000,000	
18.	Commission on Revenue Allocation	Inter-governmental revenue and fiscal matters	Operation Costs – Ksh 20 million (Recurrent)		20,000,000	
19.	Salaries and Remuneration Commission	Salaries and Remuneration Management	Operational Costs – Ksh 100 million (recurrent)	Increment	100,000,000	
20.	Auditor General	Audit Services	Operation Costs – Ksh 300 million	Increment	300,000,000	
21.	Controller of Budget	Control and Management of public finances	Operation Costs – Ksh 14 million (recurrent)	Increment	14,000,000	
22.	Commission on Administration of Justice	Promotion of Administrative Justice	Operation Costs - Ksh 102 million (recurrent)	Increment	102,000,000	
23.	National Gender and Equality Commission	Promotion of Gender Equality and Freedom from Discrimination	Operation Costs - Ksh 61 million (recurrent)	Increment	61,000,000	
	Grand Total				5,499,000,000	3,089,000,000

SUMMARY OF RECOMMENDATIONS BY BUDGET AND APPROPRIATIONS COMMITTEE

Development

	MDAs	Programme Affected	Sub-programme/ Item	Nature of change	Total Amount	
					Increments	Reductions
1.	State Department of Interior	Police Services	Construction of building at Kiganjo Police College - Ksh 45 million (development) A	Reduction		45,000,000
		Police Services	Construction of building at Kiganjo Divisional HQ - Ksh 102 million (development)	Reduction		102,000,000
		National Government Administration and Field Services	Construction of building in Mt. Kenya School of Leadership - Ksh 13 million (development)	Reduction		13,000,000
		National Government Administration and Field Services	Construction of building in OOP HQ – Ksh 115 million (development)	Reduction		115,000,000
		National Government Administration and Field Services	Construction of building under County Administration - Ksh 30 million (development)	Reduction		30,000,000
		Total				
2.	State Department of Planning	Economic Policy and National Planning	CDF – Ksh 5 billion (development)	Increment	5,000,000,000	
		Economic Policy and National Planning	Rehabilitation of Primary and Secondary Schools by CDF – Ksh 243 million (development)	Increment	243,000,000	
		Public Service Transformation	Huduma Centers – Ksh 1 billion (development)	Reduction		1,000,000,000
		Economic Policy and National Planning	Civil Service Reforms Secretariat PSM – Ksh 1.8 billion (development)	Reduction		1,800,000,000
		Total				5,243,000,000
3.	State Department of Education	Primary Education	Rehabilitation of primary schools – Ksh 135 million (development)	Reduction		135,000,000
		Secondary Education	Rehabilitation of secondary schools – Ksh 108 million (development)	Reduction		108,000,000
		Total				243,000,000
4.	State Department of Science and	Youth Training and Development	Revitalization of Youth Polytechnics infrastructure – Ksh 600 million (development)	Reduction		500,000,000

	MDAs	Programme Affected	Sub-programme/ Item	Nature of change	Total Amount	
					Increments	Reductions
	Technology	University Education	Construction of Kenyatta University Children's Hospital – Ksh 500 million	Increment	500,000,000	
		Total			500,000,000	500,000,000
5.	The National Treasury	Public Finance Management	Human Resource Transformation – Ksh 1 billion (development)	Reduction		1,000,000,000
		Public Finance Management	Financial Reporting Center – Ksh 50 million (development)	Reduction		50,000,000
		Public Finance Management	Defined Pension Contribution Scheme – Ksh 500 million (development)	Reduction		500,000,000
		Public Finance Management	Expert Service Scheme –Ksh 5 million (development)	Reduction		5,000,000
		Public Finance Management	Construction and Equipping Naivasha Data recovery center – Ksh 182 million (development)	Reduction		182,000,000
		Strategic Response to Public Initiatives	Strategic Response to Public Initiatives	Increment	5,000,000,000	
		Public Finance Management	IFMIS upgrade – Ksh 200 million (development)	Reduction		200,000,000
		Public Finance Management	Public/Private Partnership – Ksh 250 million (development)	Reduction		250,000,000
		Total			5,000,000,000	2,187,000,000
6.	Ministry of Health	Health Research and Development	Kenya Medical Training Institute – Ksh 250 million (development)	Increment	250,000,000	
7.	State Department of Infrastructure	Road Transport	Allocation of funds to KENHA for construction of Narok Maasai Mara road – Ksh 1 billion (development)	Increment	1,000,000,000	
		Road Transport	Allocation of funds to KeRRA for road construction – Ksh 300 million (development)	Increment	300,000,000	
		Total			1,300,000,000	
8.	State Department of Environment and Natural Resources	Environment Management and Protection	Mau Joint Enforcement Unit (Maasai Mau) – Ksh 100 million (development)	increment	100,000,000	
		Environment Management and Protection	Green Zone Development Project – Ksh 100 million (development)	Reduction		100,000,000

	MDAs	Programme Affected	Sub-programme/ Item	Nature of change	Total Amount	
					Increments	Reductions
		Total			100,000,000	100,000,000
9.	State Department of Water and Regional Authorities	Water Resources Management	Rangwe Water Project – Ksh 50 million (development)	increment	50,000,000	
		Water Resources Management	Kirima Oluoch Project – Ksh 50 million (development)	Reduction		50,000,000
		Integrated Regional Development	Kerio Valley Development Authority – Ksh 20 million (development)	Reduction		20,000,000
		Integrated Regional Development	Rural Development Coordination – Ksh 40 million (development)	Reduction		40,000,000
		Integrated Regional Development	Development of Multipurpose Dams – Ksh 30 million (development)	Reduction		30,000,000
		Integrated Regional Development	Tana Athi Rivers Development Authority – Ksh 20 million (development)	Reduction		20,000,000
		Integrated Regional Development	Lake Basin Development Authority – Ksh 30 million (development)	Reduction		30,000,000
		Integrated Regional Development	Coast Development Authority – Ksh 30 million (development)	Reduction		30,000,000
		Water Resources Management	Water Resources (pre-feasibility studies) – Ksh 30 million (development)	Reduction		30,000,000
		Water Resources Management	Umaa Dam – Ksh 300 million	Increment	300,000,000	
		Water Resources Management	Kiserian Dam – Ksh 300 million	Increment	300,000,000	
		Water Resources Management	Chemususu – Ksh 400 million	Increment	400,000,000	
			Total			1,050,000,000
10.	Ministry of Lands, Housing and Urban Development	Land Policy and Planning	National bulk tilting center – Ksh 743 million (development)	Reduction		743,000,000
		Land Policy and Planning	Land policy formulation – Ksh 25 million (development)	Reduction		25,000,000
			Total			
11.	Ministry of Information and Communication	ICT Infrastructure Development	KONZA Technopolis Development Authority – Ksh 400 million (development)	increment	400,000,000	
12.	Ministry of Labor, Social Security and	National Social Safety Nets	Orphans and Vulnerable Children Cash Transfer – Ksh 120 million (development)	Increment	120,000,000	
		Manpower Development,	Establishment of Employment Center – Ksh	Increment	150,000,000	

	MDAs	Programme Affected	Sub-programme/ Item	Nature of change	Total Amount	
					Increments	Reductions
	Services	Employment and Productivity	150 million (development)			
		National Social Safety Nets	Urban Food Subsidy Cash Transfer – Ksh 131 million (development)	Reduction		131,000,000
		Total				270,000,000
13.	Ministry of Energy and Petroleum	Power Generation	Kenya Manufacturers Association – Ksh 33 million (development)	Reduction		33,000,000
		Power Transmission	KPLC Grants - Ksh 600 million	Reduction		600,000,000
		Total				
14.	Ministry of Industrialisation and Enterprise Development	Industrial Development and Promotion	Special Economic Zones - Ksh 500 million (development)	Increment	500,000,000	
15.	State Department of Commerce and Tourism	Tourism Development and Promotion	Construction of Ronald Ngala Utalii College – Ksh 1.2 billion (development)	Increment	1,200,000,000	
16.	Ministry of Mining	Mineral Resource Management	Geological Data Bank & Accredited Mineral Certification – Ksh 100 million (development)	Reduction		100,000,000
17.	Judiciary	Dispensation of Justice	Construction of law courts (Lodwar and Bomet) - Ksh 826 million (development)	Reduction		926,000,000
						926,000,000
18.	National Land Commission	Land Administration and Development	National Land Information Management System – Ksh 424 million (development)	Increment	424,000,000	
		Total			424,000,000	
19.	Public Service Commission	General Administration, Planning and Support Services	Construction of Building – Ksh 30 million (development)	Reduction		30,000,000
		General Administration, Planning and Support Services	Construction of Building – Ksh 27 million (development)	Reduction		27,000,000
		Total				57,000,000
20.	National Gender and Equality Commission	Promotion of Gender Equality and Freedom from Discrimination	Rehabilitation of buildings - Ksh 40 million (recurrent)	Increment	40,000,000	
	Grand Total				16,277,000,000	9,000,000,000

SCHEDULE II (a): ESTIMATES OF EXPENDITURE – RECURRENT (Ksh Millions)

Vote	Programme	Draft Estimates			Changes			Proposed Estimates		
		Gross	Net	AiA	Gross	Net	AiA	Gross	Net	AiA
101. The Presidency	Total	3,463	3,454	9	57	57	-	3,520	3,511	9
	General Administration, Planning and Support Services	419	416	3	-	-	-	419	416	3
	Cabinet Affairs	378	374	4	-	-	-	378	374	4
	Government Advisory Services	402	402	-	27	27	-	429	429	-
	State House Affairs	1,363	1,361	2	30	30	-	1,393	1,391	2
	Leadership and Coordination of MDAs	900	900	-	-	-	-	900	900	-
133. State Department for Interior	Total	78,891	78,525	366	395	395	-	79,286	78,920	366
	Policing Services (increment for ATPU Ksh 305 million, transfer from development)	62,857	62,857	-	305	305	-	63,162	63,162	-
	National Government Administration and Field Services (Increment for NACADA Ksh 90 million)	11,564	11,198	366	90	90	-	11,654	11,288	366
	Government Printing Services	558	558	-	-	-	-	558	558	-
	Population Management Services	3,912	3,912	-	-	-	-	3,912	3,912	-
134. State Department for Coordination of National Government	Total	15,411	15,411	-	-	-	-	15,411	15,411	-
	National Government Administration and Field Services	50	50	-	-	-	-	50	50	-
	Correctional Services	15,361	15,361	-	-	-	-	15,361	15,361	-
135. State Department for Planning	Total	15,260	15,057	204	(514)	(514)	-	14,746	14,543	204
	Economic Policy and Planning (reduction from Civil Service Reforms Secretariat Ksh 250 million)	1,138	1,137	1	(250)	(250)	-	888	887	1
	National Statistics Information Services	749	678	71	-	-	-	749	678	71
	Monitoring and Evaluation Services	419	419	-	(114)	(114)	-	305	305	-
	General Administration, Planning and Support Services	517	517	0	-	-	-	517	517	0
	Public Service Transformation	6,225	6,179	46	-	-	-	6,225	6,179	46
	Gender and Youth Empowerment (reduce from NYS Hospitality Ksh 150 million)	6,212	6,126	85	(150)	(150)	-	6,062	5,976	85
136. State Department for Devolution	Total	1,786	1,784	2	387	387	-	2,173	2,171	2

Vote	Programme	Draft Estimates			Changes			Proposed Estimates		
		Gross	Net	AiA	Gross	Net	AiA	Gross	Net	AiA
	Devolution Services (Increment for Transitional Authority Ksh 387 million)	944	942	2	387	387	-	1,331	1,329	2
	Special Initiatives	842	842	-	-	-	-	842	842	-
104. Ministry of Defence	Total	73,281	73,281	-	-	-	-	73,281	73,281	-
	Defence	71,309	71,309	-	-	-	-	71,309	71,309	-
	Civil Aid	450	450	-	-	-	-	450	450	-
	General Administration, Planning and Support Services	1,522	1,522	-	-	-	-	1,522	1,522	-
105. Ministry of Foreign Affairs	Total	10,894	9,829	1,065	-	-	-	10,894	9,829	1,065
	General Administration, Planning and Support Services	2,635	2,635	-	-	-	-	2,635	2,635	-
	Foreign Relations and Diplomacy	8,039	6,974	1,065	-	-	-	8,039	6,974	1,065
	International Trade and Investment Promotion	220	220	-	-	-	-	220	220	-
139. State Department for Education	Total	54,118	49,984	4,134	-	-	-	54,118	49,984	4,134
	Primary Education	17,354	17,144	211	-	-	-	17,354	17,144	211
	Secondary Education	28,667	28,661	6	-	-	-	28,667	28,661	6
	Quality Assurance and Standards	4,950	1,035	3,915	-	-	-	4,950	1,035	3,915
	General Administration, Planning and Support Services	3,147	3,145	2	-	-	-	3,147	3,145	2
140. State Department for Science and Technology	Total	53,783	37,100	16,683	-	-	-	53,783	37,100	16,683
	University Education	50,613	33,931	16,683	-	-	-	50,613	33,931	16,683
	Technical Vocational Education and Training	1,160	1,160	-	-	-	-	1,160	1,160	-
	Research, Science, Technology and Innovation	592	592	-	-	-	-	592	592	-
	Youth Training and Development	958	958	-	-	-	-	958	958	-
	General Administration, Planning and Support Services	459	459	-	-	-	-	459	459	-
107. The National Treasury	Total	39,616	39,616	-	(270)	(270)	-	39,346	39,346	-
	General Administration, Planning and Support Services (reduction from leasing of vehicles Ksh 270 million)	34,978	34,978	-	(270)	(270)	-	34,708	34,708	-
	Public Financial Management	3,317	3,317	-	-	-	-	3,317	3,317	-
	Economic and Financial Policy Formulation and Management	1,032	1,032	-	-	-	-	1,032	1,032	-

Vote	Programme	Draft Estimates			Changes			Proposed Estimates		
		Gross	Net	AiA	Gross	Net	AiA	Gross	Net	AiA
	Market Competition	290	290	-	-	-	-	290	290	-
108. Ministry of Health	Total (transfer to development)	26,311	22,449	3,862	(250)	(250)	-	26,061	22,199	3,862
	Prevention and Promotive Health Services	2,870	2,832	38	167	167	-	3,037	2,999	38
	Curative Health Services	14,573	11,842	2,731	383	383	-	14,956	12,225	2,731
	Health Research and Development	4,617	3,548	1,069	224	224	-	4,841	3,772	1,069
	General Administration, Planning and Support Services	4,238	4,213	24	(1,046)	(1,046)	-	3,192	3,167	24
	Maternal and Child Health	13	13	-	22	22	-	35	35	-
143. State Department for Infrastructure	Total	25,805	1,441	24,363	-	-	-	25,805	1,441	24,363
	General Administration, Planning and Support Services	1,315	1,295	20	-	-	-	1,315	1,295	20
	Road Transport	24,490	147	24,343	-	-	-	24,490	147	24,343
144. State Department for Transport	Total	5,763	1,370	4,392	-	-	-	5,763	1,370	4,392
	General Administration, Planning and Support Services	330	268	62	-	-	-	330	268	62
	Road Transport	382	382	-	-	-	-	382	382	-
	Rail Transport	-	-	-	-	-	-	-	-	-
	Marine Transport	530	530	-	-	-	-	530	530	-
	Air Transport	4,389	59	4,330	-	-	-	4,389	59	4,330
	Government Clearing Services	131	131	-	-	-	-	131	131	-
145. State Department for Environment and Natural Resources	Total	9,110	6,272	2,838	800	800	-	9,910	7,072	2,838
	General Administration, Planning and Support Services	589	587	2	-	-	-	589	587	2
	Environment Management and Protection	1,217	739	478	-	-	-	1,217	739	478
	Natural Resource Conservation and Management (Increase to KWS Ksh 700 million, reduction from KFS Ksh 50 million, reduction from KEFRI Ksh 20 million)	6,237	3,879	2,358	880	880	-	7,117	4,759	2,358
	Metrological Services	1,067	1,067	-	(80)	(80)	-	987	987	-
146. State Department for Water and Regional Authorities	Total	4,242	2,104	2,138	-	-	-	4,242	2,104	2,138

Vote	Programme	Draft Estimates			Changes			Proposed Estimates		
		Gross	Net	AiA	Gross	Net	AiA	Gross	Net	AiA
	General Administration, Planning and Support Services	760	700	60	-	-	-	760	700	60
	Water Resources Management	2,858	781	2,077	-	-	-	2,858	781	2,077
	Integrated Regional Development	623	623	-	-	-	-	623	623	-
111. Ministry of Lands, Housing and Urban Development	Total	4,140	4,094	46	(54)	(54)	-	4,086	4,040	46
	Land Policy and Planning	1,927	1,918	9	(2)	(2)	-	1,925	1,916	9
	Housing Development and Human Settlement	1,062	1,025	37	-	-	-	1,062	1,025	37
	Government Buildings	315	315	-	-	-	-	315	315	-
	Coastline Infrastructure and Pedestrian Access	56	56	-	-	-	-	56	56	-
	Urban and Metropolitan Development	334	334	-	-	-	-	334	334	-
	General Administration, Planning and Support Services	446	446	-	(52)	(52)	-	394	394	-
112. Ministry of Information and Communication	Total	2,089	1,993	96	(67)	(67)	-	2,022	1,926	96
	General Administration, Planning and Support Services	432	428	4	-	-	-	432	428	4
	Information and Communication Services (increase to KBC Ksh 333 million, reduction to news & information sub-programme Ksh 400 million)	1,420	1,420	-	(67)	(67)	-	1,353	1,353	-
	Mass Media Skills Development	196	104	92	-	-	-	196	104	92
	ICT Infrastructure Development	41	41	-	-	-	-	41	41	-
113. Ministry of Sports, Culture and Arts	Total	2,504	2,494	10	84	84	-	2,588	2,578	10
	Sports	546	546	-	-	-	-	546	546	-
	Culture	883	881	2	-	-	-	883	881	2
	The Arts (Increment for Pan-African Federation of Film-makers Secretariat Ksh 84 million)	302	294	8	84	84	-	386	378	8
	Library Services	580	580	-	-	-	-	580	580	-
	General Administration, Planning and Support Services	193	193	0	-	-	-	193	193	0
114. Ministry of Labor, Social Security and Services	Total	8,647	8,520	128	(51)	(51)	-	8,596	8,469	128
	Promotion of the Best Labour Services (Reduction in Trade Union Mediation Committee Ksh 51 million)	501	495	7	(51)	(51)	-	450	444	7
	Manpower Development, Employment and Productivity Management	586	483	103	-	-	-	586	483	103
	Social Development and Children Services	2,577	2,561	16	-	-	-	2,577	2,561	16

Vote	Programme	Draft Estimates			Changes			Proposed Estimates		
		Gross	Net	AiA	Gross	Net	AiA	Gross	Net	AiA
	National Social Safety Nets	4,398	4,398	-	-	-	-	4,398	4,398	-
	General Administration, Planning and Support Services	586	583	3	-	-	-	586	583	3
115. Ministry of Energy and Petroleum	Total	2,004	1,748	256	-	-	-	2,004	1,748	256
	General Administration, Planning and Support Services	301	269	32	-	-	-	301	269	32
	Power Generation	733	716	17	-	-	-	733	716	17
	Power Transmission and Distribution	839	696	144	-	-	-	839	696	144
	Alternative Energy Sources	107	61	46	-	-	-	107	61	46
	Exploration and Distribution of Oil and Gas	24	6	18	-	-	-	24	6	18
116. State Department for Agriculture	Total	7,905	7,477	428	-	-	-	7,905	7,477	428
	General Administration, Planning and Support Services	689	687	3	-	-	-	689	687	3
	Crop Development and Management	6,346	6,321	25	-	-	-	6,346	6,321	25
	Agribusiness and Information Management	199	199	-	-	-	-	199	199	-
	Irrigation and Drainage Infrastructure	649	249	400	-	-	-	649	249	400
	Livestock Resources Management and Development	21	21	-	-	-	-	21	21	-
153. State Department for Livestock	Total	1,838	1,814	24	-	-	-	1,838	1,814	24
	Livestock Resources Management and Development	1,838	1,814	24	-	-	-	1,838	1,814	24
154. State Department for Fisheries	Total	971	971	-	-	-	-	971	971	-
	Fisheries Development and Management	971	971	-	-	-	-	971	971	-
117. Ministry of Industrialisation and Enterprise Development	Total	2,284	2,260	24	-	-	-	2,284	2,260	24
	General Administration, Planning and Support Services	310	310	-	-	-	-	310	310	-
	Industrial Development and Investment	735	720	15	-	-	-	735	720	15
	Standard Business Incubation	936	936	-	-	-	-	936	936	-
	Cooperative Development and Management	303	294	9	-	-	-	303	294	9
156. State Department for East African Affairs	Total	1,619	1,617	2	-	-	-	1,619	1,617	2
	Coordination of East African Community Affairs in Kenya	1,430	1,430	-	-	-	-	1,430	1,430	-
	General Administration, Planning and Support Services	189	188	2	-	-	-	189	188	2
157. State Department for Commerce and	Total	2,751	2,721	31	-	-	-	2,751	2,721	31

Vote	Programme	Draft Estimates			Changes			Proposed Estimates		
		Gross	Net	AiA	Gross	Net	AiA	Gross	Net	AiA
Tourism										
	Tourism Development and Promotion	1,138	1,125	13	-	-	-	1,138	1,125	13
	Trade Development and Promotion	1,058	1,042	16	-	-	-	1,058	1,042	16
	General Administration, Planning and Support Services	556	554	2	-	-	-	556	554	2
119. Ministry of Mining	Total	722	708	14	-	-	-	722	708	14
	General Administration, Planning and Support Services	227	227	-	-	-	-	227	227	-
	Mineral Resources Management	248	236	12	-	-	-	248	236	12
	Resources Survey and Remote Sensing	247	245	2	-	-	-	247	245	2
120. Office of the Attorney General and Department of Justice	Total	2,779	2,434	345	844	844	-	3,623	3,278	345
	Legal Services to Government and Public (Increment for Computerization of registries Ksh 150 million, Hiring additional staff Ksh 394 million)	833	833	-	544	544	-	1,377	1,377	-
	Legal Education and Policy	820	475	345	-	-	-	820	475	345
	Constitutional Reforms (Increment for Judges and Magistrate Courts Ksh 300 million)	506	506	-	300	300	-	806	806	-
	General Administration, Planning and Support Services	621	621	-	-	-	-	621	621	-
121. Judiciary	Total	12,167	12,167	-	(200)	(200)	-	11,967	11,967	-
	Dispensation of Justice (reduction in operation costs Ksh 300 million and increment for Kenya Law Reform by Ksh 100 million)	12,167	12,167	-	(200)	(200)	-	11,967	11,967	-
122. Ethics and Anti-Corruption Commission	Total	1,546	1,546	-	-	-	-	1,546	1,546	-
	Ethics and Anti-Corruption	1,546	1,546	-	-	-	-	1,546	1,546	-
123. National Intelligence Service	Total	17,440	17,440	-	-	-	-	17,440	17,440	-
	National Security Intelligence	17,440	17,440	-	-	-	-	17,440	17,440	-
124. Directorate of Public Prosecutions	Total	1,732	1,732	0	-	-	-	1,732	1,732	0
	Public Prosecution Services	1,732	1,732	0	-	-	-	1,732	1,732	0
125. Commission for the Implementation of the Constitution	Total	306	306	-	-	-	-	306	306	-
	Implementation of the Constitution	306	306	-	-	-	-	306	306	-
126. Registrar of Political Parties	Total	467	467	-	-	-	-	467	467	-
	Registration, Regulation and Funding of Political Parties	467	467	-	-	-	-	467	467	-
127. Witness Protection Agency	Total	170	170	-	80	80	-	250	250	-

Vote	Programme	Draft Estimates			Changes			Proposed Estimates		
		Gross	Net	AiA	Gross	Net	AiA	Gross	Net	AiA
	Witness Protection	170	170	-	80	80	-	250	250	-
201. Kenya National Commission for Human Rights	Total	256	256	-	100	100	-	356	356	-
	Protection and Promotion of Human Rights	256	256	-	100	100	-	356	356	-
202. National Land Commission	Total	534	534	-	622	622	-	1,156	1,156	-
	Land Administration and Development (Increment in County Land Management Boards Ksh 260 million, Alternative Dispute Resolution Mechanism Ksh 165 million, Land Adjudication Ksh 118 million, Land policy Ksh 27 million, Administration Costs Ksh 52 million)	534	534	-	622	622	-	1,156	1,156	-
203. Independent Electoral and boundaries Commission	Total	3,000	2,993	7	-	-	-	3,000	2,993	7
	Management of Electoral Processes	3,000	2,993	7	-	-	-	3,000	2,993	7
204. Parliamentary Service Commission	Total	22,375	22,371	4	100	100	-	22,475	22,471	4
	Legislation and Representation	13,977	13,973	4	-	-	-	13,977	13,973	4
	Legislative Oversight	2,095	2,095	-	100	100	-	2,195	2,195	-
	General Administration, Planning and Support Services	6,302	6,302	-	-	-	-	6,302	6,302	-
205. Judicial Service Commission	Total	438	438	-	-	-	-	438	438	-
	General Administration, Planning and Support Services	438	438	-	-	-	-	438	438	-
206. Commission on Revenue Allocation	Total	265	264	1	20	20	-	285	284	1
	Inter-governmental Revenue and Fiscal Matters	265	264	1	20	20	-	285	284	1
207. Public Service Commission	Total	882	874	8	-	-	-	882	874	8
	General Administration, Planning and Support Services	594	594	1	-	-	-	594	594	1
	Human Resource Management and Development	191	184	8	-	-	-	191	184	8
	Governance and National Values	97	97	-	-	-	-	97	97	-
208. Salaries and Remuneration Commission	Total	341	341	0	100	100	-	441	441	0
	Salaries and Remuneration Management	341	341	0	100	100	-	441	441	0
209. Teachers Service Commission	Total	165,479	165,359	120	-	-	-	165,479	165,359	120
	Teachers Resource Management	161,133	161,133	-	-	-	-	161,133	161,133	-
	Governance and Standards	53	53	-	-	-	-	53	53	-
	General Administration, Planning and Support Services	4,293	4,173	120	-	-	-	4,293	4,173	120

Vote	Programme	Draft Estimates			Changes			Proposed Estimates		
		Gross	Net	AiA	Gross	Net	AiA	Gross	Net	AiA
210. National Police Service Commission	Total	278	278	-	-	-	-	278	278	-
	National Police Service Human Resource Management	278	278	-	-	-	-	278	278	-
211. Auditor General	Total	2,311	2,201	110	300	300	-	2,611	2,501	110
	Audit Services	2,311	2,201	110	300	300	-	2,611	2,501	110
212. Controller of Budget	Total	416	416	-	14	14	-	430	430	-
	Control and Management of Public Finances	416	416	-	14	14	-	430	430	-
213. Commission on Administration of Justice	Total	272	272	-	102	102	-	374	374	-
	Promotion of Administrative Justice	272	272	-	102	102	-	374	374	-
214. National Gender and Equality Commission	Total	189	189	-	61	61	-	250	250	-
	Promotion of Gender Equality and Freedom from Discrimination	189	189	-	61	61	-	250	250	-
215. Independent Police Oversight Authority	Total	205	205	-	-	-	-	205	205	-
	Policing Oversight Services	205	205	-	-	-	-	205	205	-
Total MDAs	Total MDAs	689,060	627,351	61,709	2,660	2,660	-	691,720	630,011	61,709

SCHEDULE II (b): ESTIMATES OF EXPENDITURE – DEVELOPMENT (Ksh Millions)

Vote	Programme	Darft Estimates				Changes		Proposed Estimates			
		Gross	GoK	AIA	External Funding	Gross	GoK	Gross	GoK	AIA	External Funding
101. The Presidency	Total	787	787	-	-	-	-	787	787	-	-
	Cabinet Affairs	115	115	-	-	-	-	115	115	-	-
	State House Affairs	566	566	-	-	-	-	566	566	-	-
	Leadership and Coordination of MDAs	106	106	-	-	-	-	106	106	-	-
133. State Department for Interior	Total	4,698	4,573	-	125	(305)	(305)	4,393	4,268	-	125
	Policing Services (reduce from construction of buildings Ksh 147 million)	3,369	3,369	-	-	(147)	(147)	3,222	3,222	-	-
	National Government Administration and Field Services (reduce from construction of buildings Ksh 158 million)	550	425	-	125	(158)	(158)	392	267	-	125
	Government Printing Services	80	80	-	-	-	-	80	80	-	-
	Population Management Services	699	699	-	-	-	-	699	699	-	-
134. State Department for Coordination of National Government	Total	657	657	-	-	-	-	657	657	-	-
	Correctional Services	657	657	-	-	-	-	657	657	-	-
135. State Department for Planning	Total	51,084	47,251	56	3,777	2,443	2,443	53,527	49,694	56	3,777
	Economic Policy and Planning (Increase for CDF by Ksh 5.234 billion, reduce from Civil Service Reform Secretariat by Ksh 1.8 billion)	33,565	30,755	-	2,810	3,443	3,443	37,008	34,198	-	2,810
	National Statistics Information Services	98	98	-	-	-	-	98	98	-	-
	Monitoring and Evaluation Services	103	93	-	10	-	-	103	93	-	10
	General Administration, Planning and Support Services	144	144	-	-	-	-	144	144	-	-
	Public Service Transformation (Reduce from Huduma Centers)	3,276	3,220	56	-	(1,000)	(1,000)	2,276	2,220	56	-
	Gender and Youth Empowerment	13,898	12,941	-	957	-	-	13,898	12,941	-	957

Vote	Programme	Darft Estimates				Changes		Proposed Estimates			
		Gross	GoK	AIA	External Funding	Gross	GoK	Gross	GoK	AIA	External Funding
136. State Department for Devolution	Total	5,097	1,019	-	4,078	-	-	5,097	1,019	-	4,078
	Devolution Services	10	10	-	-	-	-	10	10	-	-
	Special Initiatives	5,087	1,010	-	4,078	-	-	5,087	1,010	-	4,078
105. Ministry of Foreign Affairs	Total	1,560	1,560	-	-	-	-	1,560	1,560	-	-
	General Administration, Planning and Support Services	400	400	-	-	-	-	400	400	-	-
	Foreign Relations and Diplomacy	1,160	1,160	-	-	-	-	1,160	1,160	-	-
139. State Department for Education	Total	22,381	20,262	-	2,119	(243)	(243)	22,138	20,019	-	2,119
	Primary Education (reduce from rehabilitation of buildings Ksh 135 million)	19,261	17,844	-	1,417	(135)	(135)	19,126	17,709	-	1,417
	Secondary Education (reduce from rehabilitation of buildings Ksh 108 million)	1,082	807	-	275	(108)	(108)	974	699	-	275
	Quality Assurance and Standards	724	544	-	180	-	-	724	544	-	180
	General Administration, Planning and Support Services	1,314	1,067	-	247	-	-	1,314	1,067	-	247
140. State Department for Science and Technology	Total	12,698	9,680	-	3,018	-	-	12,698	9,680	-	3,018
	University Education (increase for Kenyatta University Children's Hospital Ksh 500 million)	5,513	3,781	-	1,732	500	500	6,013	4,281	-	1,732
	Technical Vocational Education and Training	4,568	3,571	-	997	-	-	4,568	3,571	-	997
	Research, Science, Technology and Innovation	180	180	-	-	-	-	180	180	-	-
	Youth Training and Development (reduce from youth polytechnic Ksh 600 million)	1,120	831	-	289	(500)	(500)	620	331	-	289
	General Administration, Planning and Support Services	1,317	1,317	-	-	-	-	1,317	1,317	-	-
107. The National Treasury	Total	33,754	18,128	-	15,627	2,813	2,813	36,567	20,941	-	15,627
	General Administration, Planning and Support Services	2,593	2,593	-	-	-	-	2,593	2,593	-	-
	Public Financial Management	30,053	14,973	-	15,080	(2,187)	(2,187)	27,866	12,786	-	15,080

Vote	Programme	Darft Estimates				Changes		Proposed Estimates			
		Gross	GoK	AIA	External Funding	Gross	GoK	Gross	GoK	AIA	External Funding
	Strategic Response to Public Initiatives	-	-	-	-	5,000	5,000	5,000	5,000	-	-
	Economic and Financial Policy Formulation and Management	1,109	562	-	547	-	-	1,109	562	-	547
108. Ministry of Health	Total	21,051	8,887	-	12,165	250	250	21,301	9,137	-	12,165
	Prevention and Promotive Health Services	6,719	257	-	6,463	-	-	6,719	257	-	6,463
	Curative Health Services (Transfer from Recurrent for KMTI - Ksh 250 million)	4,395	516	-	3,879	250	250	4,645	766	-	3,879
	Health Research and Development	160	160	-	-	-	-	160	160	-	-
	General Administration, Planning and Support Services	5,476	3,974	-	1,503	-	-	5,476	3,974	-	1,503
	Maternal and Child Health	4,300	3,980	-	320	-	-	4,300	3,980	-	320
143. State Department for Infrastructure	Total	97,729	54,003	2,486	41,240	1,300	1,300	99,029	55,303	2,486	41,240
	Road Transport (Mai Mahiu - Sekani Road, etc)	97,729	54,003	2,486	41,240	1,300	1,300	99,029	55,303	2,486	41,240
144. State Department for Transport	Total	39,797	5,817	22,922	11,059	-	-	39,797	5,817	22,922	11,059
	General Administration, Planning and Support Services	139	10	-	130	-	-	139	10	-	130
	Road Transport	127	2	-	125	-	-	127	2	-	125
	Rail Transport	26,222	1,400	22,922	1,900	-	-	26,222	1,400	22,922	1,900
	Marine Transport	5,600	600	-	5,000	-	-	5,600	600	-	5,000
	Air Transport	7,689	3,785	-	3,904	-	-	7,689	3,785	-	3,904
	Government Clearing Services	20	20	-	-	-	-	20	20	-	-
145. State Department for Environment and Natural Resources	Total	7,935	5,075	-	2,860	-	-	7,935	5,075	-	2,860
	General Administration, Planning and Support Services	57	57	-	-	-	-	57	57	-	-
	Environment Management and Protection	3,144	1,292	-	1,852	-	-	3,144	1,292	-	1,852

Vote	Programme	Darft Estimates				Changes		Proposed Estimates			
		Gross	GoK	AIA	External Funding	Gross	GoK	Gross	GoK	AIA	External Funding
	Natural Resource Conservation and Management	3,605	2,597	-	1,008	-	-	3,605	2,597	-	1,008
	Metrological Services	1,129	1,129	-	-	-	-	1,129	1,129	-	-
146. State Department for Water and Regional Authorities	Total	26,038	9,170	255	16,613	1,000	1,000	27,038	10,170	255	16,613
	General Administration, Planning and Support Services	175	175	-	-	-	-	175	175	-	-
	Water Resources Management (Increase for Umaa, Kiserian & Chemasusu Dams - Ksh 1 billion, reduction from pre-feasibility studies - Kah 30 million)	22,298	6,185	-	16,113	1,170	1,170	23,468	7,355	-	16,113
	Integrated Regional Development	3,565	2,811	255	500	(170)	(170)	3,395	2,641	255	500
111. Ministry of Lands, Housing and Urban Development	Total	17,576	10,957	500	6,119	(768)	(768)	16,808	10,189	500	6,119
	Land Policy and Planning (Reduction from National Bulk Titling Center - Ksh 743 million, Land policy formulation - Ksh 25 million)	3,779	3,227	500	52	(768)	(768)	3,011	2,459	500	52
	Housing Development and Human Settlement	3,931	2,931	-	1,000	-	-	3,931	2,931	-	1,000
	Government Buildings	1,443	1,443	-	-	-	-	1,443	1,443	-	-
	Coastline Infrastructure and Pedestrian Access	291	291	-	-	-	-	291	291	-	-
	Urban and Metropolitan Development	7,979	2,912	-	5,067	-	-	7,979	2,912	-	5,067
	General Administration, Planning and Support Services	153	153	-	-	-	-	153	153	-	-
112. Ministry of Information and Communication	Total	7,791	2,122	-	5,669	400	400	8,191	2,522	-	5,669
	General Administration, Planning and Support Services	129	129	-	-	-	-	129	129	-	-
	Information and Communication Services	662	662	-	-	-	-	662	662	-	-
	Mass Media Skills Development	143	143	-	-	-	-	143	143	-	-
	ICT Infrastructure Development (Increment										

Vote	Programme	Darft Estimates				Changes		Proposed Estimates			
		Gross	GoK	AIA	External Funding	Gross	GoK	Gross	GoK	AIA	External Funding
	for KONZA Ksh 400 million)	6,856	1,187	-	5,669	400	400	7,256	1,587	-	5,669
113. Ministry of Sports, Culture and Arts	Total	1,368	1,310	-	58	-	-	1,368	1,310	-	58
	Sports	700	700	-	-	-	-	700	700	-	-
	Culture	78	20	-	58	-	-	78	20	-	58
	The Arts	80	80	-	-	-	-	80	80	-	-
	Library Services	500	500	-	-	-	-	500	500	-	-
	General Administration, Planning and Support Services	10	10	-	-	-	-	10	10	-	-
114. Ministry of Labor, Social Security and Services	Total	11,362	8,915	-	2,447	139	139	11,501	9,054	-	2,447
	Promotion of the Best Labour Services	221	221	-	-	-	-	221	221	-	-
	Manpower Development, Employment and Productivity Management (increment for employment centers Ksh 150 million)	283	183	-	100	150	150	433	333	-	100
	Social Development and Children Services	871	830	-	41	-	-	871	830	-	41
	National Social Safety Nets	9,985	7,678	-	2,306	(11)	(11)	9,974	7,667	-	2,306
	General Administration, Planning and Support Services	2	2	-	-	-	-	2	2	-	-
115. Ministry of Energy and Petroleum	Total	74,917	20,358	5,990	48,569	(633)	(633)	74,284	19,725	5,990	48,569
	General Administration, Planning and Support Services	18	18	-	-	-	-	18	18	-	-
	Power Generation (reduction from KAM Ksh 33 million)	21,962	736	1,947	19,279	(33)	(33)	21,929	703	1,947	19,279
	Power Transmission and Distribution (reduction from KPLC Ksh 600 million)	48,492	16,586	2,867	29,039	(600)	(600)	47,892	15,986	2,867	29,039
	Alternative Energy Sources	2,801	2,521	280	-	-	-	2,801	2,521	280	-
	Exploration and Distribution of Oil and Gas	1,644	496	897	251	-	-	1,644	496	897	251
116. State Department for Agriculture	Total	21,408	14,126	-	7,283	-	-	21,408	14,126	-	7,283
	General Administration, Planning and										

Vote	Programme	Darft Estimates				Changes		Proposed Estimates			
		Gross	GoK	AIA	External Funding	Gross	GoK	Gross	GoK	AIA	External Funding
	Support Services	587	380	-	207	-	-	587	380	-	207
	Crop Development and Management	6,573	1,629	-	4,944	-	-	6,573	1,629	-	4,944
	Agribusiness and Information Management	3,195	3,095	-	100	-	-	3,195	3,095	-	100
	Irrigation and Drainage Infrastructure	11,053	9,021	-	2,031	-	-	11,053	9,021	-	2,031
153. State Department for Livestock	Total	3,696	2,800	-	896	-	-	3,696	2,800	-	896
	Livestock Resources Management and Development	3,696	2,800	-	896	-	-	3,696	2,800	-	896
154. State Department for Fisheries	Total	1,163	1,033	-	130	-	-	1,163	1,033	-	130
	Fisheries Development and Management	1,163	1,033	-	130	-	-	1,163	1,033	-	130
117. Ministry of Industrialisation and Enterprise Development	Total	6,945	6,403	-	542	500	500	7,445	6,903	-	542
	General Administration, Planning and Support Services	26	26	-	-	-	-	26	26	-	-
	Industrial Development and Investment (Increment for Special Economic Zones - Ksh 500 million)	4,731	4,374	-	358	500	500	5,231	4,874	-	358
	Standard Business Incubation	2,157	1,973	-	184	-	-	2,157	1,973	-	184
	Cooperative Development and Management	30	30	-	-	-	-	30	30	-	-
156. State Department for East African Affairs	Total	65	-	-	65	-	-	65	-	-	65
	Coordination of East African Community Affairs in Kenya	65	-	-	65	-	-	65	-	-	65
157. State Department for Commerce and Tourism	Total	1,584	1,584	-	-	1,200	1,200	2,784	2,784	-	-
	Tourism Development and Promotion (Increment for Ronald Ngala Utalii College Ksh 1.2 billion)	870	870	-	-	1,200	1,200	2,070	2,070	-	-
	Trade Development and Promotion	309	309	-	-	-	-	309	309	-	-
	General Administration, Planning and Support Services	406	406	-	-	-	-	406	406	-	-

Vote	Programme	Darft Estimates				Changes		Proposed Estimates			
		Gross	GoK	AIA	External Funding	Gross	GoK	Gross	GoK	AIA	External Funding
119. Ministry of Mining	Total	1,343	1,300	-	43	(100)	(100)	1,243	1,200	-	43
	General Administration, Planning and Support Services	5	5	-	-	-	-	5	5	-	-
	Mineral Resources Management (reduction from geological data bank and accredited mineral certification Ksh 100 million)	387	345	-	43	(100)	(100)	287	245	-	43
	Resources Survey and Remote Sensing	951	951	-	-	-	-	951	951	-	-
120. Office of the Attorney General and Department of Justice	Total	534	229	-	305	-	-	534	229	-	305
	Legal Services to Government and Public	40	40	-	-	-	-	40	40	-	-
	Legal Education and Policy	5	5	-	-	-	-	5	5	-	-
	Constitutional Reforms	110	105	-	5	-	-	110	105	-	5
	General Administration, Planning and Support Services	379	79	-	300	-	-	379	79	-	300
121. Judiciary	Total	6,551	6,551	-	-	(926)	(926)	5,625	5,625	-	-
	Dispensation of Justice (reduction from construction of buildings Ksh 926 million)	6,551	6,551	-	-	(926)	(926)	5,625	5,625	-	-
122. Ethics and Anti-Corruption Commission	Total	278	78	200	-	-	-	278	78	200	-
	Ethics and Anti-Corruption	278	78	200	-	-	-	278	78	200	-
124. Directorate of Public Prosecutions	Total	119	119	-	-	-	-	119	119	-	-
	Public Prosecution Services	119	119	-	-	-	-	119	119	-	-
202. National Land Commission	Total	118	118	-	-	424	424	542	542	-	-
	Land Administration and Development (Increment for NLIMS Ksh 424 million)	118	118	-	-	424	424	542	542	-	-
203. Independent Electoral and boundaries Commission	Total	91	91	-	-	-	-	91	91	-	-
	Management of Electoral Processes	91	91	-	-	-	-	91	91	-	-

Vote	Programme	Darft Estimates				Changes		Proposed Estimates			
		Gross	GoK	AIA	External Funding	Gross	GoK	Gross	GoK	AIA	External Funding
204. Parliamentary Service Commission	Total	4,075	4,075	-	-	-	-	4,075	4,075	-	-
	General Administration, Planning and Support Services	4,075	4,075	-	-	-	-	4,075	4,075	-	-
207. Public Service Commission	Total	225	225	-	-	(57)	(57)	168	168	-	-
	General Administration, Planning and Support Services (Reduction from construction of buildings Ksh 57 million)	225	225	-	-	(57)	(57)	168	168	-	-
209. Teachers Service Commission	Total	135	135	-	-	-	-	135	135	-	-
	General Administration, Planning and Support Services	135	135	-	-	-	-	135	135	-	-
211. Auditor General	Total	405	405	-	-	-	-	405	405	-	-
	Audit Services	405	405	-	-	-	-	405	405	-	-
214. National Gender and Equality Commission	Total	-	-	-	-	40	40	40	40	-	-
	Promotion of Gender Equality and Freedom from Discrimination	-	-	-	-	40	40	40	40	-	-
Total MDAs	Total MDAs	487,015	269,802	32,409	184,803	7,477	7,477	494,492	277,279	32,409	184,803

**MINUTES OF THE 32ND SITTING OF THE BUDGET AND
APPROPRIATIONS COMMITTEE (BAC) HELD ON TUESDAY,
3RD JUNE, 2014 AT 4:00 PM AT SMALL DINING**

PRESENT

1. **Hon. Mutava Musyimi M.P. -Chair**
2. **Hon. Mary Emaase M.P.- Vice Chair**
3. Hon. Abdikadir Omar Aden, M.P.
4. Hon. Alfred Sambu, M.P.
5. Hon. Ali, Fatuma Ibrahim, M.P.
6. Hon. Bitok S. Kirwa, M.P.
7. Hon. Dorcas Kedogo, M.P.
8. Hon. Dr. J.W. Nyikal, M.P.
9. Hon. Isaac Mwaura, M.P.
10. Hon. Jackson Kiptanui, M.P.
11. Hon. James Gakuya, M.P.
12. Hon. Jamleck Kamau, M.P.
13. Hon. Jared O. Opiyo, M.P.
14. Hon. John Mbadi, M.P.
15. Hon. Joseph Limo, M.P.

16. Hon. KK Stephen Kinyanjui, M.P.
17. Hon. Moses Ole Sakuda, M.P.
18. Hon. Moses Lessonet, M.P.
19. Hon. Mwashetani Khatib Abdallah, M.P.
20. Hon. Omondi George W. Mallan, M.P.
21. Hon. Patrick Ole Ntutu, M.P.
22. Hon. Priscilla Nyokabi, M.P.
23. Hon. Samuel Gichigi, M.P.
24. Hon. Silverse Lisamula Anami, M.P.
25. Hon. Suleiman Murunga Kasuti, M.P.
26. Hon. Tiyah Galgalo, M.P.
27. Hon. Jonathan Lati Lelelit, M.P.
28. Hon. Makali Mulu Benson, M.P.
29. Hon. Mohamed Shidiye, M.P.
30. Hon. Alfred Agoi, M.P.
31. Hon. Charles Nyamai, M.P.
32. Hon. George Muchai, M.P.
33. Hon. Abdulaziz Farah, M.P.

- 34.Hon. Peter Weru Kinyua, M.P.
- 35.Hon. Nelson Gaichuhie, M.P.
- 36.Hon. Omar Mwinyi, M.P.
- 37.Hon. Francis Njenga, M.P
- 38.Hon. Alice Ng'ang'a , M.P.
- 39.Hon. Benjamin Langat, M.P
- 40.Hon. Muriuki Njagagua , M.P.
- 41.Hon. Irshad Sumra, M.P

ABSENT

1. Hon. Benjamin Andola Andayi, M.P.
2. Hon. Clement Wambugu, M.P.
3. Hon. Daniel Nanok, M.P.
4. Hon. James Lusweti, M.P.
5. Hon. Banticha Jaldesa, M.P
6. Hon. Dennis Kariuki, M.P
7. Hon. Dr. Reginalda Wanyonyi, M.P
8. Hon.(Eng) Stephen Ngare, M.P.
9. Hon. Shukra Hussein Gure, M.P

IN ATTENDANCE

1. Mrs. Phyllis Makau
2. Mr. Martin Masinde
3. Mr. Robert Nyaga
4. Mr. Fredrick Muthengi
5. Mr. Gichohi Mwaniki
6. Mrs. Millicent Makina
7. Mr. Benjamin Ng'imor
8. Mr. Joseph Ndirangu
9. Mr. Danson Kachumbo

BUDGET COMMITTEE

SECRETARIAT

- Director, P.B.O
- Senior Deputy Director, PBO
- Chief Fiscal Analyst
- Principal Fiscal Analyst/ Clerk
- Senior Fiscal Analyst
- Fiscal Analyst II
- Fiscal Analyst II
- Fiscal Analyst III
- Fiscal Analyst III

AGENDA

1. Preliminaries / Confirmation of Agenda
2. Confirmation of the Minutes of the Previous Meeting.
3. Matters arising
4. Adoption of the final report on 2014/15 estimates
5. Any Other Business

MIN 144 /2014: Preliminaries and Confirmation of Agenda

The Chairman called the meeting to order at 4.10 p.m and led the members with a word of prayer. He thanked the members for availing themselves on time, despite the short notice. He informed members that the meeting had been called so as to confirm the minutes of the 8 sittings so far held in respect to the scrutiny of the 2014/15 budget estimates.

MIN 145/2014: Confirmation of the minutes of the previous meeting

The members confirmed the minutes of the previous 8 sittings as a true copy of the deliberations as indicated below:

	Sitting	Date	Time	Proposed by	Seconded by
1.	24 th Sitting	15 th May, 2014	10:00 a.m.	Hon. Abdikadir Omar	Hon. Francis Njenga
2.	25 th Sitting	23 rd May, 2014	10:00 a.m.	Hon. Dorcas Kedogo	Hon. Khatib Mwashetani
3.	26 th Sitting	26 th May, 2014	10:00 a.m.	Hon. Jackson Kiptanui	Hon. Ali Fatuma
4.	27 th Sitting	27 th May, 2014	10:00 a.m.	Hon. Jamleck Kamau	Hon. Suleiman Kasuti
5.	28 th Sitting	28 th May, 2014	10:00 a.m.	Hon. Mary Emaase	Hon. Abdikadir Omar

	Sitting	Date	Time	Proposed by	Seconded by
6.	29 th Sitting	28 th May, 2014	2:00 p.m.	Hon. George Omondi	Hon. Moses Lessonet
7.	30 th Sitting	2 nd June, 2014	9:30 a.m.	Hon. Stephen Bitok	Hon. Alfred Agoi
8.	31 st Sitting	2 nd June, 2014	3:30 p.m.	Hon. Moses Ole Sakuda	Hon. K.K Stephen Kinyanjui

MIN146/2014: Adoption of the report on the 2014/15 budget estimates

The Director, Parliamentary Budget Office took members through the report and members made several adjustments which were captured by the Secretariat. Members highlighted the need to fund projects to completion. More specifically, they agreed on the need to allocate funds to the various dams that were started by the previous government. As a result, members decided to allocate resources as follows:

- i. Kshs. 400 million for Chemususu Dam,
- ii. Kshs. 300 million for Kiserian Dam, and
- iii. Kshs 300 million for Umma Dam.

Members also deliberated on whether to revert to the committee's decision that had reduced the allocation of funds to the National Intelligence Service (NIS). Finally after long deliberations, the committee resolved to restore the NIS allocation to Kshs. 17.44 Billion as per the printed draft estimates. However, the following members expressed their dissent on decision; Hon. John Mbadi, Hon. Omondi Mallan, Hon. Moses Lessonet and Hon. James Nyikal.

Finally the Committee agreed to adopt the report and the Chairman signed it.

MIN 147/2014: Adjournment

There being no other business the Chairman, Budget and Appropriations Committee adjourned the meeting at 5.55 p.m. Next meeting will be communicated later.

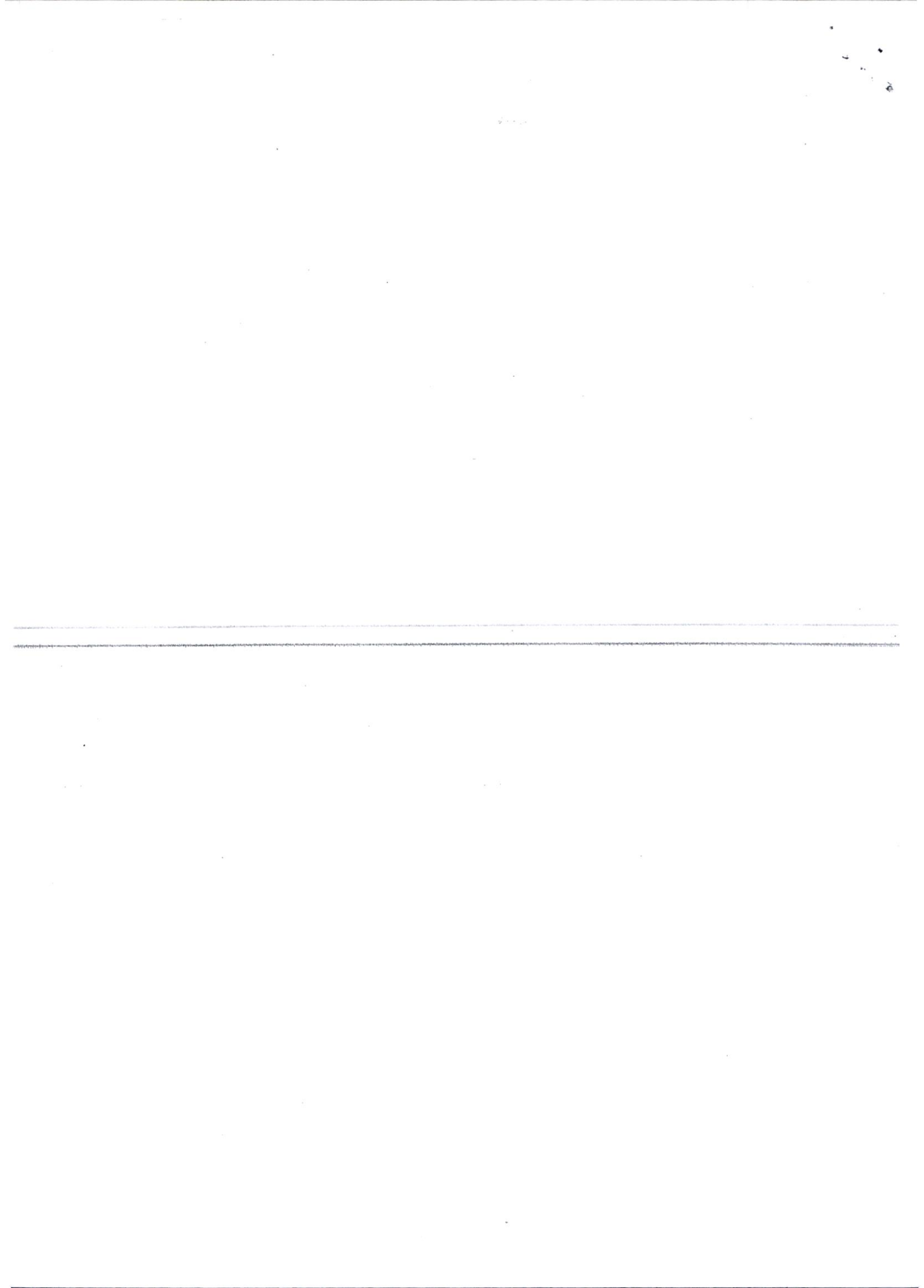
SIGNED



.....
CHAIRPERSON

4.6.14

.....
DATE



**MINUTES OF THE 31ST SITTING OF THE BUDGET AND
APPROPRIATIONS COMMITTEE (BAC) HELD ON MONDAY, 2ND
JUNE, 2014 AT 4:00 PM AT THE BOMA HOTEL, NAIROBI**

PRESENT

1. **Hon. Mutava Musyimi M.P. -Chair**
2. **Hon. Mary Emaase M.P.- Vice Chair**
3. Hon. Abdikadir Omar Aden, M.P.
4. Hon. Alfred Sambu, M.P.
5. Hon. Ali, Fatuma Ibrahim, M.P.
6. Hon. Banticha Jaldesa, M.P.
7. Hon. Bitok S. Kirwa, M.P.
8. Hon. Dennis Kariuki, M.P.
9. Hon. Dorcas Kedogo, M.P.
10. Hon. Dr. J.W. Nyikal, M.P.
11. Hon. Dr. Reginalda Wanyonyi, M.P.
12. Hon. Irshad Sumra, M.P.
13. Hon. Isaac Mwaura, M.P.
14. Hon. Jackson Kiptanui, M.P.
15. Hon. James Gakuya, M.P.
16. Hon. Jamleck Kamau, M.P.
17. Hon. Jared O. Opiyo, M.P.
18. Hon. John Mbadi, M.P.
19. Hon. Joseph Limo, M.P.
20. Hon. KK Stephen Kinyanjui, M.P.
21. Hon. Moses Ole Sakuda, M.P.
22. Hon. Moses Lessonet, M.P.
23. Hon. Mwashetani Khatib Abdallah, M.P.
24. Hon. Omondi George W. Mallan, M.P.
25. Hon. Patrick Ole Ntutu, M.P.
26. Hon. Priscilla Nyokabi, M.P.
27. Hon. Samuel Gichigi, M.P.
28. Hon. Silverse Lisamula Anami, M.P.
29. Hon. Suleiman Murunga Kasuti, M.P.
30. Hon. Tiyah Galgalo, M.P.
31. Hon. (Eng) Stephen Ngare, M.P.
32. Hon. Jonathan Lati Lelelit, M.P.

- 33.Hon. Makali Mulu Benson, M.P.
- 34.Hon. Mohamed Shidiye, M.P.
- 35.Hon. Alfred Agoi, M.P.
- 36.Hon. Charles Nyamai, M.P.
- 37.Hon. George Muchai, M.P.

ABSENT

1. Hon. Abdulaziz Farah, M.P.
2. Hon. Benjamin Andola Andayi, M.P.
3. Hon. Clement Wambugu, M.P.
4. Hon. Peter Weru Kinyua, M.P.
5. Hon. Muriuki Njagagua , M.P.
6. Hon. Nelson Gaichuhie, M.P.
7. Hon. Omar Mwinyi, M.P.
8. Hon. Francis Njenga, M.P
9. Hon. Peter Weru Kinyua, M.P
- 10.Hon. Alice Ng'ang'a , M.P.
- 11.Hon. Benjamin Langat, M.P.
- 12.Hon. Daniel Nanok, M.P.
- 13.Hon. George Wanjohi , M.P.
- 14.Hon. James Lusweti, M.P.

IN ATTENDANCE

1. Mrs. Phyllis Makau
2. Mr. Martin Masinde
3. Mr. Robert Nyaga
4. Mrs. Lucy Makara
5. Mr. Fredrick Muthengi
6. Mr. Joash Kosiba
7. Mrs. Millicent Makina
8. Mr. Benjamin Ng'imor
9. Mr. Joseph Ndirangu
- 10.Mr. Abel Otwor
- 11.Mr. James Chacha

BUDGET COMMITTEE

SECRETARIAT

- Director, P.B.O
- Senior Deputy Director, PBO
- Chief Fiscal Analyst
- Principal Fiscal Analyst
- Principal Fiscal Analyst/ Clerk
- Fiscal Analyst I
- Fiscal Analyst II
- Fiscal Analyst II
- Fiscal Analyst III
- Fiscal Analyst III
- Fiscal Analyst III

12.Mr. Eric Kanyi

Fiscal Analyst III

13.Mr. Danson Kachumbo

Fiscal Analyst-III

AGENDA

1. Preliminaries / Confirmation of Agenda
2. Confirmation of the Minutes of the Previous Meeting.
3. Matters arising
4. Consideration and adoption of the 2014/15 budget estimates report
5. Any Other Business

MIN 138/2014: PRELIMINARIES

The Chair called the meeting to order at twenty minutes to four o'clock. He asked the Parliamentary Budget Office to take members through the presentation that highlighted the variation of figures between House resolutions ceilings on the Budget Policy Statement report and the printed estimates for 2014/15 that were submitted to the National Assembly

MIN 139/2014: PRESENTATION BY THE PARLIAMENTARY BUDGET OFFICE

The Director Parliamentary Budget Office took Members through the presentation which was a matrix showing variations between the ceilings set by the House Resolution and what is contained in the 2014/15 printed estimates. The Committee agreed to scrutinize each vote head at a time and make recommendations while taking into account recommendations from the various Departmental Committees.

1. For the Ministry of Defence (Vote 104)

Members were informed that the Ministry had a deviation amounting to Kshs. 9.142 Billion from the House resolutions. The Committee was further informed that the justification for the increment was due to modernization of military equipment. After long deliberations, the Committee approved the printed estimates for this Ministry.

2. For the National Intelligence Service (NIS)-Vote 123

The Committee was informed that the NIS budget as presented in the printed estimates surpassed the House resolutions by Kshs 2.118 Billion. After deliberations, the Committee resolved that the National Intelligence Service budget remains at the ceiling set at by the House resolutions at the Budget Policy Statement level, that is, Kshs 15.322 billion.

3. For the Ministry of Foreign Affairs- Vote 105

The committee was informed that the ministry's printed estimates had exceeded the House resolutions by Kshs. 1.731 billion. The explanation given was that the increment was due to costs associated with construction of foreign missions. After deliberations the committees agreed to reduce its budget as presented in the printed estimates by Kshs. 560 million.

4. For State Department of Education- Vote 139

The committee was informed that the Vote allocation had exceeded the House resolutions by 8.16 billion. After deliberations the Committee agreed to reduce the allocation of the State Department of Education budget by Kshs. 100 Million. The issue of rehabilitation of schools by the Ministry was discussed and it was agreed that such projects are catered for under the CDF kitty.

Out of the Kshs 1.1 Billion allocated for polytechnics, Kshs 600 million was reallocated as follows;

- i. Kshs 500 million was allocated to Kenyatta University Children's hospital.
- ii. Kshs 100 million to be allocated to projects identified by the public during the public hearings.

5. For the National Treasury- Vote 107

The Committee was informed that the National Treasury's budget had exceeded the House resolutions by Kshs 19.5 billion. The committee noted and stated that the Departmental Committee on Finance, Trade and Planning had done a lot of work in scrutinizing the National Treasury Estimates. The Committee agreed to

take on board the Departmental Committee's recommendation on the National Treasury.

4. Ministry of Health-Vote 108

The committee noted that the Budget estimates for the Ministry of Health exceeded the House BPS resolution with Kshs. 2.4 Billion. Members were informed that the increment in the allocation was as a result of the proposed leasing of equipments for level 4, 5 and 6 hospitals.

It was brought to the Committee's attention that it would be comparatively economical to lease the equipments compared to buying. It was pointed out that the cost for leasing would amount to Kshs 3.4 Billion as compared to Kshs 34 billion for purchase of the said equipments. The committee noted it would not be feasible to raise Kshs 34 billion in 2014/15 budget to purchase these equipments.

However the Committee expressed reservations on the capacity of the Ministry to successfully handle the program both at National and County levels especially on management. The Committee insisted to be given more information on the program and emphasized on the need for the Departmental Committee on Health to ensure they provide oversight on this programme.

A Majority of Committees agreed with the recommendations by the Departmental Committee of Health regarding the 2014/15 Budget Estimates for the Ministry while the following Members dissented on the proposal to lease medical equipments.

(1) Hon. Dr. James Nyikal, M.P

(2) Hon. Makali Mulu, M.P

6. For State Department of Infrastructure –Vote 143

The committee was informed that the State department of infrastructure budget had surpassed the house resolutions contained in the Budget Policy Statement by Kshs 10.314 billion. The Committee recommended that the government focuses on completing roads in progress before allocating money for new roads.

The Committee agreed with the recommendations made by the Departmental Committee on Transport.

7. For State Department of Transport- Vote 144

The Committee was informed that the State department of Transport printed estimates had exceeded the House resolutions by Kshs 5.06 billion. The committee agreed with the recommendations made by the relevant departmental Committee.

8. For Ministry of Lands, Housing and Urban Development- Vote111

The Committee was informed that the Ministry's budget had exceeded the House resolutions by 6.147 billion. After long deliberations the Committee agreed that a total of Kshs 1.046 Billion be allocated to the National Lands Commission from Land Policy and Planning and General Administration Planning programmes. Further a total of Kshs 200 Million to be allocated for Geospatial, in order to track geospatial related projects.

9. For the Ministry of Sports, Culture and Arts- Vote 113

The committee was informed that the Ministry's deviation from the House resolutions was Kshs 453 million on account of costs associated with construction of Buildings for Kenya Academy of Sports and Kenya National Library Services. After long deliberations, the Committee agreed with the Departmental Committee on Labour and Social Services report and allocated Kshs 84 Million for the establishment of the Pan African Federation of Film Makers (FEPACI) secretariat.

10. For the Office of the Attorney General and Department of Justice-Vote 120

The committee was informed that the Office of the Attorney General and the Department of Justice proposed budget had exceeded the House resolutions by Kshs 342 Million. After deliberations, the Committee accepted the recommendations made by the Justice and Legal affairs committee on this vote.

Similarly, the Committee observed that the proposed printed estimates for **Judiciary (VOTE 121), Ethics and Anti Corruption Commission (Vote 122),**

Parliamentary Service Commission (VOTE 204) and Teacher Service Commission (VOTE 209) had exceeded the resolutions made by the House on the Ceilings. Deliberations were made on this votes and the Committee agreed to accept the recommendations made by the respective Departmental Committees.

MIN 140/2014: WRITTEN MEMORANDA AND SUBMISSIONS THROUGH THE OFFICE OF THE CLERK

The Committee was informed that a number of Memoranda had been received through the Office of the Clerk and subsequently forwarded to the Committee for consideration. The Committee agreed on the following:

- i. That Kshs 100 million be allocated to Council of Governors Secretariat;
- ii. That Kshs 500 million be allocated to the proposed Kenyatta University Children's hospital;
- iii. That Kshs 100 million be allocated to Albinism Foundation of East Africa;
- iv. That Kshs 3.8 Billion be allocated for clearance of balance for teacher's commuter allowances requested by Kenya Union of Post Primary Education Teachers (KUPPET);
- v. That Kshs 300 million be allocated to the Judges and Magistrates Vetting Board from the Judiciary vote.

The Committee also agreed that the Agricultural Finance Corporation which is seeking a balance of Kshs 2 billion grant from Parliament has raised fundamental issues. The Committee unanimously agreed to refer the matter to the Departmental Committee on Agriculture for consideration and necessary action.

MIN 141/2014: THE PUBLIC HEARINGS SUBMISSIONS

The Committee agreed to set aside Kshs 5 Billion for purposes of addressing some of the issues raised through the public hearings.

It was further resolved that this money be domiciled at Treasury and that the Committee will at a later stage after the Appropriation Bill has been passed, agree on key projects which were proposed during the public hearings to be considered for funding. This, it was pointed out, will also give adequate time for the Committee to consult further.

MIN 142/2014: CONSIDERATION AND ADOPTION OF THE 2014/15 BUDGET ESTIMATES COMMITTEES DRAFT REPORT

The Committee considered and adopted the draft Committee's report on the consideration of the budget estimates for 2014/15. The Parliamentary Budget Office was tasked to prepare the final version of the report for adoption of the Committee.

The Chairperson appreciated the Committee for their dedication and sacrifice in ensuring that the consideration of the estimates was concluded successfully. The appreciation was also extended to the Departmental Committees and the Parliamentary Budget Office for their immense contribution to the whole process.

MIN 143/2014: ADJOURNMENT

There being no other business the Chairman, Budget and Appropriations Committee adjourned the meeting at 7.00 pm. Next meeting will be communicated.

SIGNED



.....
CHAIRPERSON

3.6.14

.....
DATE

MINUTES OF THE 30TH SITTING OF THE BUDGET AND
APPROPRIATIONS COMMITTEE (BAC) HELD ON MONDAY, 2ND
JUNE, 2014 AT 9.00 AM AT BOMA HOTEL

PRESENT

1. Hon. Mutava Musyimi M.P. -Chair
2. Hon. Mary Emaase M.P.- Vice Chair
3. Hon. Abdikadir Omar Aden, M.P.
4. Hon. Alfred Sambu, M.P.
5. Hon. Ali, Fatuma Ibrahim, M.P.
6. Hon. Banticha Jaldesa, M.P.
7. Hon. Bitok S. Kirwa, M.P.
8. Hon. Dennis Kariuki, M.P.
9. Hon. Dorcas Kedogo, M.P.
10. Hon. Dr. J.W. Nyikal, M.P.
11. Hon. Dr. Reginalda Wanyonyi, M.P.
12. Hon. Irshad Sumra, M.P.
13. Hon. Isaac Mwaura, M.P.
14. Hon. Jackson Kiptanui, M.P.
15. Hon. James Gakuya, M.P.
16. Hon. Jamleck Kamau, M.P.
17. Hon. Jared O. Opiyo, M.P.
18. Hon. John Mbadi, M.P.
19. Hon. Joseph Limo, M.P.
20. Hon. KK Stephen Kinyanjui, M.P.
21. Hon. Moses Ole Sakuda, M.P.
22. Hon. Moses Lessonet, M.P.
23. Hon. Mwashetani Khatib Abdallah, M.P.
24. Hon. Omondi George W. Mallan, M.P.
25. Hon. Patrick Ole Ntutu, M.P.
26. Hon. Priscilla Nyokabi, M.P.
27. Hon. Samuel Gichigi, M.P.
28. Hon. Silverse Lisamula Anami, M.P.
29. Hon. Suleiman Murunga Kasuti, M.P.
30. Hon. Tiyah Galgalo, M.P.
31. Hon. (Eng) Stephen Ngare, M.P.
32. Hon. Jonathan Lati Lelelit, M.P.
33. Hon. Makali Mulu Benson, M.P.

34.Hon. Mohamed Shidiye, M.P.

35.Hon. Alfred Agoi, M.P.

36.Hon. Charles Nyamai, M.P.

37.Hon. George Muchai, M.P.

ABSENT

1. Hon. Abdulaziz Farah, M.P.
2. Hon. Benjamin Andola Andayi, M.P.
3. Hon. Clement Wambugu, M.P.
4. Hon. Peter Weru Kinyua, M.P.
5. Hon. Muriuki Njagagua , M.P.
6. Hon. Nelson Gaichuhie, M.P.
7. Hon. Omar Mwinyi, M.P.
8. Hon. Francis Njenga, M.P
9. Hon. Peter Weru Kinyua, M.P
- 10.Hon. Alice Ng'ang'a , M.P.
- 11.Hon. Benjamin Langat, M.P.
- 12.Hon. Daniel Nanok, M.P.
- 13.Hon. George Wanjohi , M.P.
- 14.Hon. James Lusweti, M.P.

IN ATTENDANCE

1. Mr. Henry Rotich
2. Dr. Kamau Thugge
3. Mr. Onderi Ontweka
4. Mr. Francis Anyona
5. Mr. Musa Kathanje
5. Ms Felister Kivisi
6. Mr. Livingstone Bumbe
8. Mr. John Njera

NATIONAL TREASURY

Cabinet Secretary
Principal Secretary
Senior Deputy Director, Budget
Chief Economist
Deputy Director
Senior Assistant Director
Assistant Director
Senior Economist

IN ATTENDANCE

1. Mjr.Gen.(Rtd) Michael Gichangi
2. Mr. Juma Mafubo
3. Mr. Benard Lutomia

NATIONAL INTELLIGENCE SERVICE

Director General, NIS
Chief Intelligence, NIS
Finance Officer, NIS

IN ATTENDANCE

1. Mrs. Phyllis Makau
2. Mr. Martin Masinde
3. Mr. Robert Nyaga
4. Mrs. Lucy Makara
5. Mr. Fredrick Muthengi
6. Mr. Joash Kosiba
7. Mrs. Millicent Makina
8. Mr. Benjamin Ng'imor
9. Mr. Joseph Ndirangu
10. Mr. Abel Otwori
11. Mr. James Chacha
12. Mr. Eric Kanyi
13. Mr. Danson Kachumbo

BUDGET COMMITTEE

SECRETARIAT

- Director, P.B.O
- Senior Deputy Director, PBO
- Chief Fiscal Analyst
- Principal Fiscal Analyst
- Principal Fiscal Analyst/ Clerk
- Fiscal Analyst I
- Fiscal Analyst II
- Fiscal Analyst II
- Fiscal Analyst III
- Fiscal Analyst III
- Fiscal Analyst III
- Fiscal Analyst III
- Fiscal Analyst III

AGENDA

1. Preliminaries / Confirmation of Agenda
2. Confirmation of the Minutes of the Previous Meeting.
3. Matters arising;
4. Meeting with Cabinet Secretary, National Treasury
5. Meeting with Director General National Intelligence Service
6. Any Other Business

MIN 132/2014: Preliminaries

The Chairman called the meeting to order at 9:47 a.m. and led the members with a word of prayer. He thanked the members for going out of their way to work on a public holiday.

MIN 133/ 2014: CONFIRMATION OF THE MINUTES OF THE PREVIOUS MEETING AND MATTERS ARISING

It was agreed that the minutes of the previous meeting and matters arising shall be discussed and confirmed in the next meeting. The Chair informed members that they were expected to meet the Cabinet Secretary of the National Treasury

(CS-NT), and thus members needed to discuss and agree on the issues to raise with him. Members agreed to raise the following issues with the CS-NT;

- i. The disregard of House Resolutions on the BPS during the preparation of the 2014/15 budget estimates.
- ii. How the proposed budget will be financed and clarification on the proposed floating of a sovereign bond.
- iii. Concern over the unsustainable debt levels.
- iv. Unclear targets in the 2014/15 Programme Based Budget (PBB) which may make monitoring and evaluation difficult.
- v. Availability of resources promised by His Excellency the President, to finance the priorities identified during the public hearings on the proposed budget 2014/15 estimates.
- vi. Delay in submission to Parliament of the PFM Act regulations.
- vii. Low absorption capacity especially for infrastructure programmes.
- viii. The need to complete the stalled Economic Stimulus Package projects especially the Schools (centres of excellence), model Health centres, Markets. The projects were started by the National Government in 2009/10 financial year.
- ix. Establishment of a strong monitoring and evaluation (M&E) framework to ensure that performance of the previous budget is critically analyzed and allocation of resources for programmes is based on previous year's absorption capacity.

MIN 134/2014: MEETING WITH THE CABINET SECRETARY, NATIONAL TREASURY

The Chair welcomed the CS-NT at 10:20 a.m. and requested him to address the above issues raised by members.

Members were informed that the CS-NT had issued a memorandum as required by the PFM Act explaining how he took into consideration the House Resolutions on the BPS and the reasons for deviations. The CS informed members that broadly they had complied with the House Resolutions but some of the significant deviations were as a result of refining of priorities indicated in the BPS during the National Executive retreat at Nanyuki.

The CS-NT explained that some of the large deviations in recurrent expenditure were as a result of the following;

- i. The allocation for Ministry of Defence exceeded the House Resolutions by Kshs. 9 billion. The additional funds were as a result of the higher than expected refunds from AMISON for Kenyan troops in Somalia, the actual amounts of refunds from AMISION was not known during the preparation of the BPS.
- ii. The allocation for State Department of Education exceeded the House Resolutions by over Kshs. 7 billion because during the Nanyuki retreat Cabinet decided that it needed to make free primary and secondary education totally free, therefore the amount was to take care of increase in capitation per student by about 20 percent to factor in inflation and other expenses.
- iii. The increase in the budget of the Treasury by over Kshs. 19 billion when compared to the House Resolution was caused by factoring in leasing of police vehicles and aircrafts in the Treasury budget.
- iv. The Ministry of Health budget exceeded the set ceiling by Kshs. 9 billion to cater for leasing of health equipment for all the hospitals agreed with County Governments.
- v. The TSC budget exceeded the set ceiling so as to avail additional resources for promotion and recruitment of teachers was agreed on after the preparation of the BPS.

Members were informed that the floating of the sovereign bond will be done by the end of the Month. Further the CS-NT indicated that the externally guaranteed debt stood at Kshs. 846 billion while the total debt stood at Kshs. 1.9 trillion as of June last year.

Members were informed that in relation to debt analysis sustainability the international practice is to look at the Net Present Value (NPV) of external Debt to GDP ratio, in the Kenya case the ratio is about 40 percent. This is sustainable amount given that Kenya has been classified as a strong performer with the threshold set at 74 percent. Further, the threshold for EAC convergence criteria under the monetary union is 50 percent. Members were also informed that the country is planning to rebase GDP in September, 2014 which will further reduce the NPV of the debt to GDP ratio.

Members were also informed that the National Treasury is carrying out capacity building activities for the Ministries, Agencies and the County Governments on how well to come up with the Programme Based Budgets.

The Cabinet Secretary concurred with the concern of members on the low absorption capacity of budgeted funds particularly development expenditure; he informed members that the major area of concern was the absorption of donor funds. He stated that in the 2014/15 Budget, the National Treasury had tried to include realistic figures for externally funded projects further, Treasury had directed that all Ministries should prepare work plans and procurement plans for the next financial year early.

Members were informed that Treasury had completed the preparation of the PFM regulations which they had forwarded to the Attorney General's Office three weeks ago.

Members were informed that the ESP projects that were under the National Government had been allocated resources in the line Ministries, for the projects that are under County Government CS informed members that the National Government will have an intergovernmental agreement with County Governments to ensure that they are completed.

The CS/NT raised concerns over the request to provide resources for the public hearings and increase of CDF kitty given that the country had limited resources, he stated that all the non priority expenditures had been cut and there was concern over the rising debt levels.

Members of the BAC suggested that the next time the executive arm retreat to come up with priority programmes they should do it before before the BPS is submitted in the House. Further members proposed that the executive should have an M & E retreat to track implementation of the budget.

Members suggested that the Committee should hold discussions with the Chair of the Health Committee in the Senate to ensure that the stalled health centres under the ESP were completed.

Members also proposed that funds in the National budget for projects that were under the County Government functions such as construction of dams and water pans and equipping of health centres should be given to the County governments as conditional grants.

To solve the problem of low absorption capacity members proposed that before the Budget Committee look into budget estimated for the next financial year

there is need to sough for an explanation on what has been achieved from the previously allocated resources.

Members raised concern over the slow release of funds especially CDF by the National Treasury. They also noted that late exchequer releases were leading to pending bills and low absorption capacities in the subsequent financial years.

Members proposed that the additional allocation for ESP projects in the education sector should not be equally distributed to all constituencies, but should instead it should focus on those schools that were started but are incomplete. Further, Members asked the CS/NT to audit all the individual ESP projects and provide a report to the Committee.

Members proposed that public hearings by the National Assembly on the budget should be held before the BPS is prepared to ensure the proposals of members of the public are included in the budget estimates.

Members queried whether it was more economical to lease equipment rather than purchase them. They asked the CS/NT to provide a report on the benefits of leasing when he presents the next supplementary budget.

Members requested clarification on who will monitor the lease of equipment for health centres and what was the policy on levies charged to parents by primary and secondary schools. Members also asked the CS to explain why the government was hiring only 5000 teachers yet there was a shortage of 80,000 teachers.

The CS/NT agreed that we needed a better M&E framework; he proposed that the country should have a medium term rolling M&E framework to be able to monitor programme outcomes.

The CS informed members that the National Government favoured leasing of vehicles and equipments to do away with the challenge of purchasing assets which become obsolete after a few years. To this end, it is better to lease equipment to ensure that the assets are up to date in terms of technological advancement. He stated that leasing also saves government resources that may be used for maintenance of the equipments.

Members were informed that the Water Pans and Dams that were included in the National Government budget were mostly externally funded and thus removing them from the budget meant that the Country would lose out the resources.

The CS informed members that in addition to hiring the additional teachers the government had also proposed to reform the education sector by among other measures requiring teachers to teach more subjects as was the case in other countries.

After long deliberations members agreed that the CS/NT should provide Kshs. 5 billion for funding of projects proposed during the public hearings and Kshs. 5 billion to increase the CDF allocation to Kshs. 33 billion.

MIN 135/2014: MEETING WITH THE DIRECTOR NATIONAL INTELLIGENCE SERVICE

The Chair called the meeting to order at 1:20 p.m. He then took the meeting through the highlights of the Departmental Committee on Defence and Foreign Relations on estimates for 2014/2015 financial year and noted that the Committee had recommended that the NIS overall budget expenditure estimate for 2014/2015 should be reduced by Kshs. 2 billion from Kshs. 17.44 billion to Kshs. 15.44 billion.

The Chairman noted that this proposed reduction by the Departmental Committee on Defence and Foreign Relations may be attributed to lack of provision of adequate information by National Intelligence Services to the Committee. To this end, Budget and Appropriation Committee felt the need to meet with NIS to provide it with information to make decision. He then invited the Director- General, National Intelligence Services to make his submission.

Submission by the Director-General, NIS

The Director-General, NIS thanked the Committee for the opportunity to make presentation on NIS budget for 2014/2015 financial year. He also thanked the Committee for appreciating the general insecurity in the Country.

He provided a brief overview over the mandate of NIS and its role in providing intelligence and counter intelligence in the Country as provided for in the NIS Act, 2012.

On the budget estimates for 2014/2015, he informed the Committee that NIS had made a request totaling Kshs 25.292 billion in the sector report. However, the National Treasury agreed to allocate it Kshs. 17.44 billion for 2014/2015 financial year as per the budget submitted on 30th April 2014. This, he noted

has been proposed for reduction to Kshs. 15.44 billion as per the report of Departmental Committee on Defence and Foreign Relations.

He informed the Committee that for the agency to operate efficiently and effectively, the committee needs at least Kshs. 17.44 billion for 2014/2015 financial year which was negotiated by the National Treasury. This is necessitated by various insecurity challenges that the Country is facing including:

- (i) **Terrorism and radicalization of the youths which he noted has been exacerbated by the returning youth who crossed the border into Somalia for training and are now coming back into the country and forming cells**
- (ii) **Modernization of surveillance systems to enable the agency to decipher and intercept information by the terror cells; and,**
- (iii) **Threats on e-governance including hacking into government communication systems.**

The NIS, Director urged the Committee to support the allocation to the agency as provided in 2014/2015 budget estimates.

Concerns Raised by Members

Members of the Committee raised several pertinent issues on the operations and budget of NIS. The following were some of the issues raised by Members;

- i) There is a missing link between the intelligence provided by the agency and the action by relevant security agencies.
- ii) What the agency is doing to rescue Kenyans who have been held hostage in Somalia.
- iii) The need to get value for money in allocation to NIS.
- iv) Appealed to the agency to scale up its game in all areas of security to ensure all Kenyans are safe.
- v) That the Country lacks proper legislation on cyber crime and this makes it difficult for the agency to deal with cyber crimes.
- vi) The impact of change of the agency pension system from defined benefit to defined contributory scheme

Response to the Concerns

The Director-General began his response to the reactions by informing the committee that:-

- i) NIS was reconstituted in the year 1999 and its role changed from execution to advisory.
- ii) The agency therefore has no measures to ensure that the responsible agency acts on intelligence provides.
- iii) The absorption capacity for the last financial year was nearly 100 percent.
- iv) The agency is taking great measures in investing in human resources
- v) The agency is working to ensure that hostages held in Somalia are released and return back to Kenya.

Members thanked the Director-General for his response and informed him that Committee will look at the concerns raised and make their recommendation on the estimates.

MIN 137/2014: ANY OTHER BUSINESS

There being no other business the Chair adjourned the meeting at 2:30p.m. The next meeting will be held at 3:30p.m at the same venue to discuss, consider review and adopt the draft report on the budget estimates for 2014/2015 financial year.

SIGNED



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CHAIRPERSON

3.6.14

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DATE

MINUTES OF THE 29TH SITTING OF THE BUDGET AND
APPROPRIATIONS COMMITTEE (BAC) HELD ON WEDNESDAY,
28TH MAY, 2014 AT 2.00 PM AT SMALL DINING, PARLIAMENT
BUILDINGS

PRESENT

1. **Hon. Mutava Musyimi M.P. -Chair**
2. **Hon. Mary Emaase M.P.- Vice Chair**
3. Hon. Abdikadir Omar Aden, M.P.
4. Hon. Alfred Sambu, M.P.
5. Hon. Ali, Fatuma Ibrahim, M.P.
6. Hon. Benjamin Andola Andayi, M.P.
7. Hon. Bitok S. Kirwa, M.P.
8. Hon. Charles Nyamai, M.P.
9. Hon. Clement Wambugu, M.P.
10. Hon. Dennis Kariuki, M.P.
11. Hon. Dorcas Kedogo, M.P.
12. Hon. Dr. James W. Nyikal, M.P.
13. Hon. Dr. Reginalda Wanyonyi, M.P.
14. Hon. Francis Njenga, M.P.
15. Hon. Jackson Kiptanui, M.P.
16. Hon. James Gakuya, M.P.
17. Hon. Jamleck Kamau, M.P.
18. Hon. Jared O. Opiyo, M.P.
19. Hon. John Mbadi, M.P.
20. Hon. Joseph Limo, M.P.
21. Hon. KK Stephen Kinyanjui, M.P.
22. Hon. Moses Lessonet, M.P.
23. Hon. Moses Ole Sakuda, M.P.
24. Hon. Muriuki Njagagua, M.P.
25. Hon. Mwashetani Khatib Abdallah, M.P.
26. Hon. Nelson Gaichuhie, M.P.
27. Hon. Omar Mwinyi, M.P.
28. Hon. Omondi George W. Mallan, M.P.
29. Hon. Peter Weru Kinyua, M.P.
30. Hon. Priscilla Nyokabi, M.P.
31. Hon. Samuel Gichigi, M.P.
32. Hon. Shukran Hussein Gure, M.P.
33. Hon. Silverse Lisamula Anami, M.P.
34. Hon. Suleiman Murunga Kasuti, M.P.
35. Hon. Tiyah Galgalo, M.P.
36. Hon. (Eng) Stephen Ngare, M.P.

ABSENT

1. Hon. Abdulaziz Farah, M.P.
2. Hon. Alfred Agoi, M.P.
3. Hon. Alice Ng'ang'a, M.P.
4. Hon. Banticha Jaldesa, M.P.
5. Hon. Benjamin Langat, M.P.
6. Hon. Daniel Nanok, M.P.
7. Hon. George Muchai, M.P.
8. Hon. George Wanjohi, M.P.
9. Hon. Irshad Sumra, M.P.
10. Hon. Isaac Mwaura, M.P.
11. Hon. James Lusweti, M.P.
12. Hon. Jonathan Lati Lelelit, M.P.
13. Hon. Makali Mulu Benson, M.P.
14. Hon. Mohamed Shidiye, M.P.
15. Hon. Patrick Ole Ntutu, M.P.

IN ATTENDANCE

REPRESENTATIVE OF DEPARTMENTAL COMMITTEE

- | | |
|--------------------------------|---|
| 1. Hon. Julius K. Melly , M.P. | Vice-Chairperson (Education, Research and Technology) |
| 2. Hon. Amina Abdalla, M.P. | Chairperson (Environment and Natural Resources) |
| 3. Hon. Adan Nooru, M.P. | Chairperson(Agriculture, Livestock and Cooperatives) |
| 4. Hon. Mary Wambui, M.P | Member(Agriculture, Livestock and Cooperatives) |
| 5. Hon. Millie Odhiambo, M.P. | Member (Agriculture Livestock and Cooperatives) |

IN ATTENDANCE

BUDGET COMMITTEE

SECRETARIAT

1. Mr. Robert Nyaga
2. Mr. Fredrick Muthengi
3. Mr. Benjamin Ng'imor
4. Mr. Joseph Ndirangu
5. Mr. Adan M. Sheikh
6. Mr. James Chacha
7. Mr. Danson Kachumbo

- | |
|---------------------------------|
| Chief Fiscal Analyst |
| Principal Fiscal Analyst/ Clerk |
| Fiscal Analyst II |
| Fiscal Analyst III |
| Fiscal Analyst III |
| Fiscal Analyst III |
| Fiscal Analyst III |

AGENDA

1. Preliminaries / Confirmation of Agenda

2. Confirmation of the Minutes of the Previous Meeting.
3. Matters arising
4. Meeting with Departmental Committees
5. Any Other Business

MIN 125/2014: Preliminaries

The Chairman called the meeting to order at 2.00p.m and led the members in a word of prayer. He then called the meeting to order

MIN 126/ 2014: Confirmation of the Minutes of the Previous Meeting

It was agreed that the minutes of the previous meeting and matters arising shall be discussed in the next meeting.

The chairman thereafter called upon the Vice Chairperson of the Departmental Committee on Education, Research and Technology to address the Committee.

MIN 127/2014: MEETING WITH THE DEPARTMENTAL COMMITTEE ON EDUCATION

The Vice-Chairperson of the Departmental Committee on Education, Research and Innovation informed members of the Budget and Appropriations Committee that the committee considered 3 key priority projects for funding under the Ministry of Education, Science and Technology. The projects are:

- (i) Kshs. 2.1 billion to cater for commuter allowance for teachers as per negotiations and agreements under the Collective Bargaining Agreement (CBA).
- (ii) Kshs 2.25 billion for the recruitment of additional 5000 teachers and Kshs. 4.6 Billion for the promotion of 7500 teachers.
- (iii) Kshs 600million to be allocated to the Kenya Institute of Curriculum Development for curriculum review to align it to Vision 2030.

Members of the Budget Committee raised a concern on the allocation of funds towards infrastructure improvement in primary and secondary schools. The Committee noted that infrastructure improvement funds can be well handled through channelling the funds through Constituency Development Fund (CDF) and youth polytechnics which it was noted was a fully devolved function.

The Chairman of the Budget and Appropriations Committee informed members that the reason National Assembly approved Kshs. 226 billion as transfers to Counties was to make ensure that devolved functions are fully funded. He further clarified that in Embu County in particular; the County Government fully took control of all operations of all youth polytechnics in the area and wondered why the National Government is channelling funds to the polytechnics in other areas.

After long deliberations, the Budget and Appropriations Committee made the following recommendations;

- (i) The funds allocated for the rehabilitation of primary school infrastructure (Kshs. 135 million) and secondary schools infrastructure (Kshs. 108 million) should be reallocated to Constituency Development Fund (CDF).
- (ii) The Committee should be provided with a comprehensive breakdown of the funds for infrastructure development for all public universities.
- (iii) From the savings realised from the funds meant for youth polytechnics Kshs. 500 million should be allocated for the building of a teaching hospital at Kenyatta University
- (iv) Kshs. 135 million should be allocated for the construction of new Public Technical Training Institutions (TIVETs)
- (v) Kshs. 1.1 billion allocated for youth polytechnic be reduced to Kshs. 500 Million to enable for smooth transition to the County Governments.

MIN 128/2014: MEETING WITH THE DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND COOPERATIVES

Members were taken through the Departmental Committee on Agriculture, Livestock and Cooperatives report on budget estimates 2014/2015 and the medium term by the committee Chairperson.

(a) State Department of Agriculture

The Committee was informed that the State Department of Agriculture had been allocated Kshs. 29.3 billion for 2014/2015 financial which included Kshs. 7.9 billion for recurrent and Kshs 21.4 billion for development. The Committee Chairperson further informed members that the overall budget for the departments has a dropped from its allocation in 2013/14 in both recurrent and development. Similarly, it was lower than the ceilings contained in the House resolutions on Budget Policy Statement for 2014.

(b) Statement Department of Livestock

The State Department for Livestock has been allocated Ksh. 5.5 billion for 2014/2015 financial year of which Kshs. 1.8 billion will be recurrent and Kshs. 3.7 billion for development. The budget was an increment of what the departmental had been allocated in 2013/14 for both recurrent and development. It was quite similar to the ceilings contained in the House resolutions on Budget Policy Statement for 2014.

(c) State Department of Fisheries

The State Department for Fisheries had been allocated Kshs. 2.1 billion for 2014/2015 financial year of which Kshs. 1 billion will be for recurrent and Kshs

1.2 billion for development. This budget for the department was lower than what was approved in 2013/14. However, it closely resembled the ceilings contained in the House resolutions on Budget Policy Statement for 2014.

The chairperson of the committee informed members that his committee agreed to approve the budget as presented but requested the Budget and Appropriation Committee to consider the following projects for additional funding over and above the allocations provided in the proposed estimates:

- i. The State Department of Fisheries to be allocated additional funds of 100 million towards offshore patrol vessel.
- ii. National Treasury should allocate Kshs. 1 billion towards irrigation.
- iii. The State Department of Livestock should be allocated Kshs. 70 million for water pans for livestock in arid and semi-arid areas.

After the presentation, the Chairperson of Budget Appropriation Committee thanked the Chairperson of the Committee and opened the floor for members to raise issues.

Members of Budget and Appropriation Committee queried whether the budget for Department of Dairy was factored in the report. Members resolved that the government include milk in strategic food reserves to take care of milk glut during high milk production seasons.

MIN 129/2014: MEETING WITH THE DEPARTMENTAL COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES

The Chairperson of the Departmental Committee on Environment and Natural Resources took members through the report of the Departmental Committee on estimates for 2014/2015 financial years. She highlighted that there is need to allocate more funds to the Kenya Wildlife Service so that the agency can recruit more rangers to help in eliminating the increasing poaching menace which is becoming a challenge to the country and is adversely affecting the tourism industry.

Members were informed that there is mix up on some functions like exploration of coal which is a function of the Ministry of Mining but resources have been allocated to the Ministry of Energy and Petroleum. The Departmental Committee sought the support of the Budget and Appropriations Committee so that the funds be reverted to the Ministry of Mining. The Budget and Appropriations Committee stated that the problem was administrative and advised that the Departmental Committee to consider a joint committee meeting with the Departmental Committee on Energy and discuss the issue relating to the coal mining.

Members highlighted that there has been a problem relating to the provision of water resources in the country for a long time. It was noted that even after water management was taken up by the Water Development Agencies/ Authorities the

problem still persists. The Environment and Natural Resources Committee informed members that her Committee is aware of the problem but was trying to sort the problem through coming up with a Water Bill. Members asked the departmental committee to avail copies of the Water Bill to them.

Members were informed that the Departmental Committee had recommended the following;

- (i) Rangwe and Kimira-Oluoch water projects should be allocated a total of Kshs. 0.86 billion while the Mau Joint Enforcement Unit project should be allocated Kshs. 100 million. The funds could be availed by reducing the allocation from the Green Zone Development Project.

The Budget and Appropriations Committee agreed to support the following recommendation from the Departmental committee

- (i) KWS Rangers to be allocated Kshs. 250 million more. This means that a total of 750 million will be allocated and thus enabling the recruitment of 1,500 more rangers in the next financial year.
- (ii) Kshs. 0.4 Billion to be allocated to Chemususu Dam in Eldama-Ravine and Kshs. 0.3 Billion to Kiserian Dam.-Hon. Moses Lessonet was tasked with following up on the matter and report back to the Committee

MIN 130/2014: MEETING WITH THE DEPARTMENTAL COMMITTEE ON LABOUR AND SOCIAL WELFARE

The Vice Chairperson of the Departmental Committee on Labour and Social Welfare Committee took members through the Departmental Committee report on estimates for 2014/2015 financial year and highlighted the mandate of the committee.

She informed the committee that the Departmental Committee had recommended as follows;

- (i) Kshs. 120 million more to be allocated towards the Cash Transfer towards Orphans and Vulnerable children, the funds should be reallocated from the older persons cash transfer programme
- (ii) Kshs.150 million to be allocated towards establishing an employment centre in the Ministry of Labour and Social Services the funds should be allocated from the state department of planning under the National Youth Service vote head.
- (iii) Kshs 156 million should be allocated towards Special Assistance Committees (SACs) at the constituency level in the Ministry of Labour towards administration of cash transfers older persons cash transfer programme.

- (iv) The Departmental committee requested additional funding to go to the following areas (if there are savings by the budget committee);
- (a) Kshs. 100 million to be allocated towards African World Heritage project.
 - (b) Kshs. 84 million to be allocated to the ministry of Sports to provide for the establishment of Pan-African Federation of Filmmakers (FEPACI) secretariat.
 - (c) Kshs. 30 million should be allocated towards consolidated Salary/Emoluments for the National Soccer Team Harambee Stars.

Members questioned why the national government wanted to spend Ksh 520 million on County Stadia yet the stadia's are under the County Government purview. Further they asked why there was need to create an employment centre at the Ministry of Labour but were informed that the employment centres will be used by Kenyans who were seeking employment abroad.

After deliberations Members of Budget and Appropriation Committee resolved that:

- (i) The National Youth Council should be allocated Kshs. 200 million.
- (ii) The National Gender and Equality Commission should be allocated Kshs. 61 million more than its current allocation. This will be provided from the reduction of Kshs. 51 million that the Ministry of Labour and Social Services had allocated for setting up the Mediation and Conciliation Commission and Kshs. 11 million from the allocation in the urban food subsidy cash transfer.

MIN 131/2014: Any Other Business

The Secretariat was directed to make sure that when the next estimates are tabled in the House, the guidelines should be sent to the various Departmental Committees on what is expected from their reports which must be approved by the Committee. This will help in harmonizing all the departmental reports that they would receive and would also help the committee interrogate the reports easily. Further the committee would like to get all the detailed summary reports that the departmental committees had not submitted before the retreat on report writing.

Members were informed they had booked them at Boma Hotel in Nairobi as from night of Monday 1st to Tuesday 3rd June 2014. On Monday the 2nd June, 2014, the Committee will be meeting with the Cabinet Secretary, National Treasury at 9.00 am where the Committee will raise the following concerns with the Cabinet Secretary for National Treasury;

- (i) Why Ministries/Departments did not treat the pending bills issue with the seriousness it deserved. It was noted that the treasury had issued a treasury circular that required pending bills to be the first charge.
- (ii) Whether there is a tax waiver for National Early Warning (safety and security) system project equipments.

Members were informed that the National Intelligence Services Director will also be appearing before the Committee on Monday, 2nd June, 2014 at 11a.m and thereafter the committee shall continue with the report writing.

There being no any other business the Chairman adjourned the meeting at 6.00pm. Next sitting will be on Monday, 2nd June, 2014 at the Boma Hotel, Nairobi at 8:30 a.m.

SIGNED



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CHAIRPERSON

3.6.14

.....
DATE

MINUTES OF THE 28TH SITTING OF THE BUDGET AND
APPROPRIATIONS COMMITTEE (BAC) HELD ON WEDNESDAY,
28TH MAY, 2014 AT 10:00 AM AT SMALL DINING

PRESENT

1. **Hon. Mutava Musyimi M.P. -Chair**
2. **Hon. Mary Emaase M.P.- Vice Chair**
3. Hon. Abdikadir Omar Aden, M.P.
4. Hon. Alfred Sambu, M.P.
5. Hon. Ali, Fatuma Ibrahim, M.P.
6. Hon. Benjamin Andola Andayi, M.P.
7. Hon. Bitok S. Kirwa, M.P.
8. Hon. Charles Nyamai, M.P.
9. Hon. Clement Wambugu, M.P.
10. Hon. Dennis Kariuki, M.P.
11. Hon. Dorcas Kedogo, M.P.
12. Hon. Dr. J.W. Nyikal, M.P.
13. Hon. Dr. Reginalda Wanyonyi, M.P.
14. Hon. Francis Njenga, M.P.
15. Hon. Jackson Kiptanui, M.P.
16. Hon. James Gakuya , M.P.
17. Hon. Jamleck Kamau, M.P.
18. Hon. Jared O. Opiyo, M.P.
19. Hon. John Mbadi, M.P.
20. Hon. Joseph Limo, M.P.
21. Hon. KK Stephen Kinyanjui, M.P.
22. Hon. Moses Lessonet, M.P.
23. Hon. Moses Ole Sakuda, M.P.
24. Hon. Muriuki Njagagua , M.P.
25. Hon. Mwashetani Khatib Abdallah, M.P.
26. Hon. Nelson Gaichuhie, M.P.
27. Hon. Omar Mwinyi, M.P.
28. Hon. Omondi George W. Mallan, M.P.
29. Hon. Peter Weru Kinyua, M.P.
30. Hon. Priscilla Nyokabi, M.P.
31. Hon. Samuel Gichigi, M.P.
32. Hon. Shukran Hussein Gure, M.P.
33. Hon. Silverse Lisamula Anami, M.P.

- 34.Hon. Suleiman Murunga Kasuti, M.P.
- 35.Hon. Tiyah Galgalo, M.P.
- 36.Hon. (Eng) Stephen Ngare, M.P.

ABSENT

1. Hon. Abdulaziz Farah , M.P.
2. Hon. Alfred Agoi, M.P.
3. Hon. Alice Ng'ang'a , M.P.
4. Hon. Banticha Jaldesa , M.P.
5. Hon. Benjamin Langat, M.P.
6. Hon. Daniel Nanok, M.P.
7. Hon. George Muchai, M.P.
8. Hon. George Wanjohi , M.P.
9. Hon. Irshad Sumra, M.P.
- 10.Hon. Isaac Mwaura, M.P.
- 11.Hon. James Lusweti, M.P.
- 12.Hon. Jonathan Lati Lelelit, M.P.
- 13.Hon. Makali Mulu Benson, M.P.
- 14.Hon. Mohamed Shidiye, M.P.
- 15.Hon. Patrick Ole Ntutu, M.P.

IN ATTENDANCE

1. Hon. Kamama Asman M.P.
National Security)
2. Hon. Elias Bare Shill, M.P.
Foreign Affairs)
3. Hon. Dr. Rachel Nyamai, M.P.
4. Hon. Samuel Chepkong'a, M.P.

CHAIR OF DEPARTMENTAL COMMITTEE

- Vice-Chair (Administration and
National Security)
- Vice-Chair (Defence and
Foreign Affairs)
- Chair (Health)
- Chair(Justice and Legal
Affairs)

IN ATTENDANCE

1. Mr. Robert Nyaga
2. Mr. Fredrick Muthengi
3. Mr. Benjamin Ng'imor
4. Mr. Joseph Ndirangu
5. Mr. Adan M. Sheikh
6. Mr. James Chacha
7. Mr. Danson Kachumbo

BUDGET COMMITTEE

SECRETARIAT

- Chief Fiscal Analyst
- Principal Fiscal Analyst/ Clerk
- Fiscal Analyst II
- Fiscal Analyst III
- Fiscal Analyst III
- Fiscal Analyst III
- Fiscal Analyst III

AGENDA

1. Preliminaries / Confirmation of Agenda
2. Confirmation of the Minutes of the Previous Meeting.
3. Matters arising
4. Meeting with Departmental Committees
5. Any Other Business

MIN 118/2014: Preliminaries

The Chairman called the meeting to order at 10.30 a.m. and led the members with a word of prayer. The Chair informed members that the committee was expected to meet Justice & Legal Affairs, Defence and Foreign Relations, Health and Administration & National Security. The Chair further stated that the committee was expected to meet all the Departmental committees that had not appeared before it before end of the day. The committee agreed that the other committees: Agriculture, Education, Labour and Social Welfare and Environment should be lined up for the afternoon.

MIN 119/ 2014: Confirmation of the Minutes of the Previous Meeting

It was agreed that the minutes of the previous meeting and matters arising shall be discussed in the forth coming meeting. The Chair thereafter called upon the Departmental Committee Vice -Chairman of Defence and Foreign Affairs to make his presentation.

MIN 120/2014: MEETING WITH THE DEFENCE AND FOREIGN RELATIONS DEPARTMENTAL COMMITTEE

Members were taken through the report of the Defence and Foreign Relations Departmental Committee. They were informed that the committee recommended as follows;

- i. Kshs. 450 million to be allocated to Kenya's mission towards the construction of chancery and ambassador's residence in Uganda.
- ii. Kshs. 350 million be allocated towards purchase of protocol and representational vehicles.
- iii. Kshs. 100 million be allocated to Kenya's Embassy in Abu Dhabi and the consulate in Dubai in UAE.
- iv. Kshs. 100 million to be allocated to Kenya's Embassy in Doha, Qatar towards International Trade and Investment Promotion.

The committee had further recommended that Kshs. 2 billion to be reduced from the National Intelligence Service and be reallocated to;

- (i) The Ministries of Defence (Kshs. 1 Billion) and Foreign Affairs and Trade (Kshs. 1 Billion).

Members asked why the committee wanted to reduce the budget of National Intelligence Service when security threats in the country were high. Several members of BAC stated that the budget for National Intelligence Service should remain unchanged.

Members asked whether the Departmental Committee on Defence and Foreign Relations considered purchasing the embassies and consulates through hire purchase.

After deliberations it was agreed that the committee shall make its final decision on the matter of National Intelligence Service budget once the Director General had appeared before the committee.

MIN 121/2014: MEETING WITH THE HEALTH DEPARTMENTAL COMMITTEE

Members were informed that the Ministry of Health was allocated Kshs. 47.3 billion in the 2014/15 budget. The resources allocated to the Ministry in 2014/15 were more by Kshs. 9.438 billion compared to the ceilings provided in the BPS2014. It was further noted that the Health budget exceeded the House

Resolution on BPS 2014 by Kshs. 9.044B. The committee further recommended that:

1. Kshs. 1 billion be rationalized from the Human Resource Management.
2. Kshs. 300 million be rationalized from the Operation and Maintenance of the Ministry and an additional Ksh. 50 million from the HIV tribunal.

This would be reallocated to fund the most underfunded needs of of the Semi Autonomous Government Agencies (SAGAs) and other Ministry agencies in 2014/15. The committee therefore agreed that at total of Ksh. 1,350,000,000 be rationalized within the ministry.

The Committee recommended that KNH be allocated:

- i. Kshs. 50 million to boost emergency capacity of the Hospital,
- ii. Ksh. 25 million allocated towards emergency relief,
- iii. Kshs. 52 million towards recruitment of nurses,
- iv. Kshs. 26 million for the recruitment of specialists doctors,
- v. Kshs. 10 million to be allocated for research purposes.

Other Recommendations made by the committee were:

- i. The National Blood Transfusion be allocated additional funding of Kshs. 70 million under development
- ii. The Tobacco Control Board is to be allocated an additional Kshs. 50 million for operations
- iii. On Kenya Medical Training College the committee recommends that Ksh 250 million be allocated to development for the expansion of MTCs in various counties.
- iv. KEMSA to be allocated Kshs. 50 million to fund Monitoring and Evaluation so as to streamline its services.
- v. Khat research project be funded to a tune of Kshs. 50 million,
- vi. Ksh. 95 million be allocated to pyrethrum research project.
- vii. Kshs. 79 million be allocated towards development and specifically the proposed research and training project in Kirinyaga.
- viii. Kshs. 22 million to be allocated towards family planning services under the Maternity and Child Health programme.

The Departmental Committee Chair urged that the allocation for the Ministry of Health as provided in the 2014/15 budget estimates be retained. Members of BAC queried about the absorption capacity of the ministry. They also agreed that there was need for Tobacco Control board to be allocated some funds so that it operationalises.

MIN 122/2014: MEETING WITH THE JUSTICE AND LEGAL AFFAIRS DEPARTMENTAL COMMITTEE

Members were taken through the report of the Justice and Legal Affairs Departmental Committee. They were informed that the committee had recommended as follows;

- i. The allocation for Judiciary be reduced by Kshs. 826 billion (by scaling down allocation earmarked for construction of law courts at Lodwar and Bomet).
- ii. The funds be reallocated to the office of Attorney General for computerization of registries (150 million) and additional staff (Kshs. 394 million). The Commission on Administrative Justice should be allocated Kshs. 102 million.
- iii. Finally Kenya National Commission for Human Rights and Witness protection Agency be allocated additional Kshs. 100 and 80 million respectively.

Members of the BAC resolved that there was need for the committee also to support Kenya Law Reform Commission since the mandate of Constitutional Implementation Commission (CIC) was coming to an end in the next one and half years. However the BAC committee resolved that an additional Kshs. 50 million be allocated to Constitutional Implementation Commission (CIC). The funds shall be used for the upscaling of the operations of the CIC as they approach the end of the term to finish all pending matters. It was noted that the estimates of the Judges Magistrates Vetting Board was discussed with the committee and therefore the committee shall go by the BAC resolutions on the Judges Magistrates Vetting Board budget estimates. It was further suggested by BAC members that there is need to create a fund to cater for Civic education on Constitution and particularly sensitization on the devolved system of governance. This activity should be led by the various religious and secular leaders.

MIN 123/2014: MEETING WITH THE ADMINISTRATION AND NATIONAL SECURITY DEPARTMENTAL COMMITTEE

Members were taken through the report of the Administration and National Security Departmental Committee. They were informed that the committee had recommended as follows;

- i. Kshs. 13 million under State Department of Interior for Construction of building at Mt. Kenya School of leadership be allocated to Anti-Terrorism Police unit.
- ii. Kshs. 115 million under state department of interior for construction of building at Office of the President headquarters be reallocated to Anti-terrorism unit.
- iii. Kshs. 30 million under State Department of Interior for construction for building under county administration be reallocated to anti-terrorism unit.
- iv. Kshs. 45 million under State Department of Interior for construction of Kenya Police College Kiganjo be reallocated to anti-terrorism unit.
- v. Kshs. 102 million for construction of building of divisional police headquarters at Kiganjo be reallocated to Independent Police Oversight Authority.
- vi. Kshs. 18 million for construction of public service commission be reallocated to Independent Police Oversight Authority.
- vii. Kshs. 30 million for construction for the public service commission be reallocated to office of the Spouse of deputy president.
- viii. Kshs. 27 million for construction of building for Public Service Commission be reallocated to Legislative and Intergovernmental Liason Office.
- ix. Kshs. 1.2 billion be allocated to fund the Lamu Port Southern Sudan and Ethiopia project

Members were informed that the budget for the spouse of deputy president was for her secretariat.

MIN 124/2014: Any Other Business

Members were informed that the secretariat had booked them at Boma Hotel in Nairobi from 1st to 3rd June 2014 for the report writing retreat on the 2014/15 budget estimates. During this time, the Committee shall be meeting with the Cabinet Secretary for National Treasury at 9.00 am and at 11:00 a.m with National Intelligence Service Director.

There being no other business the Chairman adjourned the meeting at 1.25 pm. The next meeting will start at 2.25 pm same day and place.

SIGNED

A handwritten signature in black ink, appearing to be "John D.", written over a dotted line.

CHAIRPERSON

3-6-14

DATE

MINUTES OF THE 27TH SITTING OF THE BUDGET AND
APPROPRIATIONS COMMITTEE (BAC) HELD ON TUESDAY, 27TH
MAY, 2014 AT 10:00 AM AT SMALL DINING

PRESENT

1. Hon. Mutava Musyimi, M.P -Chair
2. Hon. Mary Emaase, M.P - Vice Chair
3. Hon. Alfred Sambu, M.P
4. Hon. Abdikadir Omar Aden, M.P
5. Hon. Ali Fatuma Ibrahim, M.P
6. Hon. Bitok S. Kirwa, M.P
7. Hon. Dorcas Kedogo, M.P
8. Hon. Dr. Reginalda Wanyonyi, M.P
9. Hon. Isaac Mwaura, M.P
10. Hon. Jackson Kiptanui, M.P
11. Hon. James Gakuya, M.P
12. Hon. Jamleck Kamau, M.P
13. Hon. Jared O. Opiyo, M.P
14. Hon. John Mbadi, M.P
15. Hon. Jonathan Lati Lelelit, M.P
16. Hon. Joseph Limo, M.P
17. Hon. Moses Lessonet, M.P
18. Hon. Muriuki Njagagua, M.P
19. Hon. Nelson Gaichuhie, M.P
20. Hon. Omondi George W. Mallan, M.P
21. Hon. Patrick Ole Ntutu, M.P
22. Hon. Peter Weru Kinyua, M.P
23. Hon. Priscilla Nyokabi, M.P
24. Hon. Samuel Gichigi, M.P
25. Hon. Silverse Lisamula Anami, M.P
26. Hon. Suleiman Murunga Kasuti, M.P
27. Hon. (Eng) Stephen Ngare, M.P
28. Hon. Banticha Jaldesa, M.P
29. Hon. Benjamin Langat, M.P
30. Hon. Charles Nyamai, M.P
31. Hon. Clement Wambugu, M.P
32. Hon. Dr. J.W. Nyikal, M.P
33. Hon. KK Stephen Kinyanjui, M.P

- 34.Hon. Mwashetani Khatib Abdallah,M.P
- 35.Hon. Shukran Hussein Gure,M.P
- 36.Hon. Tiyah Galgalo,M.P

ABSENT

1. Hon. Abdulaziz Farah ,M.P
2. Hon. Benjamin Andola Andayi,M.P
3. Hon. Daniel Nanok,M.P
4. Hon. Dennis Kariuki ,M.P
5. Hon. Francis Njenga ,M.P
6. Hon. George Muchai,M.P
7. Hon. Irshad Sumra,M.P
8. Hon. George Wanjohi ,M.P
9. Hon. Makali Mulu Benson ,M.P
- 10.Hon. Moses Ole Sakuda,M.P
- 11.Hon. Alfred Agoi,M.P
- 12.Hon. Alice Ng'ang'a ,M.P
- 13.Hon. James Lusweti,M.P
- 14.Hon. Mohamed Shidiye,M.P
- 15.Hon. Omar Mwinyi,M.P

IN ATTENDANCE

PARLIAMENTARY SERVICE COMMISSION

- | | |
|-------------------------------|--------------------------------------|
| 1. Hon. Adan Keynan, MP | Commissioner |
| 2. Hon. Gladys Wanga, MP | Commissioner |
| 3. Hon. Jimmy Angwenyi, MP | Commissioner |
| 4. Hon. Regina Changorok, MP | Commissioner |
| 5. Hon. Dr. Mumelo Lonah, HSC | Commissioner |
| 6. Hon. Dr. Abdullahi Ibrahim | Commissioner |
| 7. Hon. Senator Sammy Leshore | Commissioner |
| 8. Jeremiah Nyengenye | Clerk Senate/Secretary- PSC |
| 9. Justin Bundi | Clerk, KNA |
| 10.Clement Nyandiere | Director General, Joint Services |
| 11.S. O. Obudo | Ag. Director Finance & Admin. |
| 12.S. Okola | Director Finance |
| 13.Anthony Njoroge | Director, Litigation &
Compliance |
| 14.Douglas Ng'ang'a | Deputy Director Admin. |
| 15.Pius Kioko | Chief Maintenance Engineer |

16. Zakayo Mogere	Principal Clerk I, Senate
17. Noor A. Ghalgan	PCA I, PSC Secretariat
18. John Mutega	Principal Clerk II, PSC
19. Veronicah Kibati	Principal Clerk II, PSC
20. Peter Mwangangi	Clerk Assistant II, PSC
21. Joash Ngeno	Clerk Assistant II, PSC

IN ATTENDANCE

1. Hon. Alex Mwiru, M.P

COMMITTEE CHAIRPERSONS

Chair, Departmental Committee on Lands

IN ATTENDANCE

1. Jacqueline Mogeni
2. Hon. Martin Ogindo
3. Sharon Makena

COUNCIL OF GOVERNORS

SECRETARIAT

Ag. Chief Executive Officer
Advisor
Programme Officer

IN ATTENDANCE

1. Mrs. Phyllis Makau
2. Mr. Fredrick Muthengi
3. Mr. Benjamin Ng'imor
4. Mr. Joseph Ndirangu
5. Danson Kachumbo
6. Mr. James Chacha
7. Mr. Abel O. Nyagwachi
8. Mr. Adan Sheik

BUDGET COMMITTEE

SECRETARIAT

Director Parliamentary Budget Office
Principal Fiscal Analyst/ Clerk
Fiscal Analyst II
Fiscal Analyst III
Fiscal Analyst III
Fiscal Analyst III
Fiscal Analyst III
Fiscal Analyst III

AGENDA

1. Preliminaries / Confirmation of Agenda
2. Confirmation of the Minutes of the Previous Meeting
3. Matters arising

4. Agenda:

- a) Meeting and discussion with Council of Governors
- b) Meeting and discussion on recommendations on the 2014/15 estimates from the Energy, Communication and Information Departmental Committee
- c) Meeting and discussion on recommendations on the 2014/15 estimates from the Lands Departmental Committee
- d) Meeting and discussion with the Parliamentary Service Commission on their 2014/15 estimates
- e) Meeting and discussion on recommendations on the 2014/15 estimates from the Finance, Planning and Trade Departmental Committee

5. Any Other Business

MIN 111/2014: Preliminaries

The Chairman called the meeting to order at 10.20 a.m. and opened with a word of prayer. The Chair indicated that the Committee was meeting with several Committees lined up to present their Budget Reports. The Chair then asked the Committee to introduce themselves and requested Hon. Abdikadir Aden to Chair the session.

MIN 112/2014: MEETING WITH THE DEPARTMENTAL COMMITTEE ON ENERGY, COMMUNICATION AND INFORMATION

The chairman of the Departmental Committee on Energy, Communication and Information Hon. Jamleck Kamau was invited to present his Committee's report on the 2014/15 budget estimates.

He gave a brief overview of the 2014/15 budget estimates for the Ministries and Semi Autonomous Government Agencies (SAGAs) under the Energy, Communications and Information Committee. The Committee made the following key recommendations following meetings on 19th and 20th May, 2014 with all the relevant Ministries and SAGAs;

- i. Out of the Kshs. 35 million allocated as a grant transfer to the Kenya Association of Manufacturers (KAM) for energy efficiency and audit in

the energy sector, Kshs. 32 million should be reallocated to Kenya Broadcasting Corporation (KBC).

- ii. Kenya Nuclear Electricity Board should get additional Kshs. 300 million to finalise ongoing study works.
- iii. Geothermal Development Company should get additional Kshs. 1.3 billion, to accelerate geothermal power generation projects.
- iv. Additional Kshs. 460 million should be allocated to Konza Techno polis Development Authority.
- v. Kshs. 517.782 million allocated for News and Information Services sub-programme in the Ministry of ICT should be reallocated to other Key Priority areas within government.

The Committee on Energy also noted with concern the low absorption rates for the Ministry of Energy and Ministry of ICT, whose absorption of capital expenditure for period 2013/14 stood at 6.3 percent and 14.3 percent respectively as of February, 2014.

The members agreed with the Committee's suggestion that KBC should be restructured and allocated more money. However, they proposed that KBC should consider selling of some of its idle assets to raise additional funds to finance its restructuring and operations.

The Committee also informed the BAC that money allocated to the Rural Electrification Authority (REA) would remain with the National Government, as opposed to the funds being devolved to the County Governments. Further the money will be used for some high priority initiatives such as electrification of selected primary schools in all constituencies.

The Chair of the Committee on Energy also requested the BAC to allocate additional Kshs.1.3 billion for the Geothermal Development Company, if there were any additional savings from the budgets of other Ministries.

The presentation by the Committee on Energy, Communication and Information ended at 10:45 a.m. and the Chair thanked the Committee for their presentation.

MIN 113/2014: MEETING WITH THE DEPARTMENTAL
COMMITTEE ON LANDS

The Chair called the session to order at 10:47 a.m. and requested the Chair of the Departmental Committee on Lands Hon. Alex Mwiru to make his presentation.

The Lands Committee noted with concern that the allocations in the 2014/15 budget estimates for the Ministry of Lands, Housing and Urban Development and the National Land Commission did not adhere to the BPS and the House Resolutions on the BPS. Indeed the allocation for the Ministry of Lands, Housing and Urban Development was Kshs. 6 billion higher than the House resolutions, whereas the allocation for the National Land Commission was Kshs.1,342 billion less than the House Resolutions.

As a result of the significantly lower allocation for the National Land Commission (NLC), the Committee noted that the Commission should be adequately funded to execute its constitutional mandate.

The Committee informed the Committee that the NLC had inherited approximately 7000 on-going judicial cases which have now increased to over 9000 cases. This formed the basis for the committee's recommendation that more resources should be allocated for setting up alternative dispute resolution mechanism.

The committee recommended that Kshs. 1.246 billion should be reallocated from the Ministry of Lands, Housing and Urban Development to the NLC as follows;

- i. Kshs. 743 million from the National Bulk Titling Centre in the Ministry should be reallocated (transferred) to the following areas under NLC: Kshs. 260 million for County Land Management Boards, Kshs. 365 million for setting up alternative dispute resolution mechanism and Kshs. 118 million for adjudication of land.
- ii. Kshs. 27 million for land policy formulation under the Ministry of Lands should be reallocated (transferred) to NLC to perform the same function.
- iii. Kshs. 424 million for National Land Information System NLIMS should be reallocated (transferred) to the NLC for NLIMS because it is a shared function.

The Chair of the Lands Committee assured members that his committee only focused on Lands and not Housing or urban development which was not part of their mandate. The Committee were also informed that the titling function was under the Ministry of Lands and not the NLC.

The Committee raised concern over the proposal by the committee to have the NLIMS as a shared function of the Ministry and NLC, as this may create a conflict by having two procurement entities procuring one system.

In response to concerns by the BAC on how the Kshs. 1 billion allocated for national spatial infrastructure system had been utilised, the chair informed the Committee that Treasury had only disbursed Kshs. 500 million.

The Committee were assured that NLC and the Ministry had separate votes. The Chair also informed the BAC that Treasury did not give an explanation as to why they shifted resources from the NLC to the Ministry of Lands, Housing and Urban Development.

In conclusion, the Chair informed the Committee that the Committee on Lands had organized a retreat in Mombasa and invited CIC and other key stakeholders to come up with a clear separation of the functions of the NLC and the Ministry of Lands.

The session ended at 11:15 a.m. and the Chair thanked the Departmental Committee on Lands for their presentation.

MIN 114/2014: MEETING WITH THE COUNCIL OF GOVERNORS

The Chair called the session to order at 11:20 a.m. and welcomed the Council of Governors Secretariat led by the Ag. CEO Ms. Jacqueline Mogeni and Hon. Martin Ogindo, the Council's Advisor on Public Finance Management and Budget.

The Secretariat informed the Committee that they were not allocated funds in the 2013/14 National Government budget, and they were appearing before the committee to request that they be included in the 2014/15 budget.

According Section 37 of the Intergovernmental Relations Act, 2012, operational expenses in respect of the structures and institutions established by the Act, shall be provided for in the annual estimates of the revenue and expenditure of the National Government.

The Secretariat requested the Committee for an allocation of Kshs. 406 million for the 2014/15 financial year. They further stated that they were tenants at Delta House and part of the money will be used to pay for rent, which amounted to Kshs. 15 million for the year.

The Secretariat informed the Committee that the National Treasury had not responded to their request for creation of a line item for the Council in the National budget. As a result the Council has been operating on donations from development partners and goodwill from its members.

The BAC was informed that the Committee of staff at the council are seconded from the National and County Governments which raised issues of discipline, commitment to duty and interruptions due to regular transfers. In the proposed budget of Kshs. 406 million the Council had catered for recruiting its own staff.

The Committee noted that the budget of Kshs. 406 million was too high given that other commissions of similar size have been allocated significantly less resources. Some of the expenditures for items such as hospitality, domestic travel and laundry were either too high or unnecessary.

The Committee also pointed out that the rent expenditure of Kshs. 1.25 million a month incurred by the Council was very high.

The Secretariat clarified to the Committee that the CEO was the accounting officer for the council. They also assured the Committee that they were working together with the National Gender and Equality Commission, to get ways of integrating women and persons with disability in their organization. Further the Council had set up a political caucus committee to ensure that Governors and Council workers were working cordially with other elected leaders.

The Council informed the Committee that they had raised the issue of their exclusion from the budget at the Intergovernmental Budget and Economic Council (IBEC) and with the Ministry of Devolution and Planning.

In conclusion the Committee advised the Council to draft a more realistic budget devoid of unnecessary expenditure items. The session was concluded at 12:20 p.m. and the Chair thanked the Council Secretariat for their presentation.

MIN 115/2014: MEETING WITH THE PARLIAMENTARY SERVICE COMMISSION

The Chair of the session, Hon. Mary Emaase called the meeting to order and asked the the Committee of the Committee and the Parliamentary Service Commission the Committee and their staff to introduce themselves.

Officers from the Parliamentary Service Commission (PARLSCOM) took the BAC through their performance in regard to the 2013/14 budget. PARLSCOM informed the Committee that the Commission had absorbed 76 percent and 56 percent of its recurrent and development expenditure respectively as at 15th May, 2014.

The Commission informed the Committee that with completion of the first phase of staff recruitment the vacancies as of 27th May, 2014 were 588, with some of the vacancies expected to be filled in the second phase of the recruitment process.

On the capital projects the Commission informed the committee that the Senate Chamber and associated refurbishments and building was 78 percent complete, and it was expected that the refurbishment would be complete by March of 2014.

The Committee were informed that the renovation of Harambee Plaza was 26 percent complete and the refurbishment of Red Cross, Ukulima House, Juvenile Court House and Protection House was at the tender stage. The tender for the refurbishments was expected to be awarded soon. Further the contract for the construction of a 27 storey office complex for MPs Offices has been awarded and the expected contract period is three years.

The Committee were informed that the County Hall mini Chamber would be free as soon as possible given that Senate was set to shift to Old chambers after handover of the refurbishment in approximately two weeks' time. The BAC was also informed that the Commission had set up a Parliamentary fund and in future, any money not spent will remain in the fund to defray future expenditure.

The Committee were informed that the low absorption by the CPST was caused by operational challenges; this is because the CPST is being housed in Karen, but in future the Commission will acquire space for them in the CBD.

The Committee commended the Commission for the improved services from the Parliamentary staff. However they still had concerns with poor quality of services they were getting at the CDF liaison office.

Members were concerned why it would take 32 months for refurbishment of Red Cross, Ukulima House, Juvenile Court House and Protection House, the matter was clarified that it was a typing error and it should take 32 weeks to refurbishment.

The Committee were assured that Mr. Obudo who was still serving in an acting capacity will be confirmed soon.

The Committee proposed that money for salaries and rent for constituency offices should be delinked from other administrative money and be disbursed in good time.

The Committee proposed a policy should be worked out to ensure that their security staff and drivers are catered for or given per diem during official trips.

The Committee proposed that there should be more intensity on covering of Committees in the media to show Kenyans the good work Parliament was doing. This is because current coverage focuses mainly on the House Proceedings.

The Committee proposed that the Commission should have exclusive facilities and amenities for MPs.

The Commission assured the Committee that the parking space at KICC was reserved for them and the Commission will further contact Harambee Plaza to secure parking spaces at the basement of the Plaza for MPs using the building.

The commission assured the Committee that they had raised the issue of their pension and gratuity with the SRC. The Committee were also assured that the recruitment of staff took into consideration regional balance.

The Committee were informed that security for MPs was a priority for the Commission in the coming financial year. However, the Committee was informed that some aspects of security required vigilance by the individual members.

The Committee were informed that at the advent of the new financial year the separation of votes for the National Assembly and the Senate will be implemented.

The Committee proposed that in future funds should be allocated in the budget for caucuses and the different Offices of Parliament.

The chair closed the session at 2:00 p.m. and thanked the Commission for their presentation and for following the Committee's guidelines on how the information was to be presented.

MIN 116/2014: MEETING WITH THE DEPARTMENTAL COMMITTEE ON FINANCE PLANNING AND TRADE

The Chair called the session to order at 3:30 p.m. and invited the Chair of the Committee on Finance Planning and Trade Hon. Benjamin Langat to make his presentation.

The Chair of the Finance Planning and Trade Committee took the Committee through the budgets of the Ministries and SAGAs under his Committee.

The Chair informed BAC that after meeting all the relevant Ministries and SAGAs his Committee had recommended the following budget cuts;

a) Ministry of Devolution and Planning

- i. Although the Committee noted that the Huduma Centre was a brilliant idea, they felt that the money allocated for some of the items was inflated; as a result they proposed that out of Kshs. 4 billion allocated for the centres Kshs. 1 billion should be reallocated to other priority areas.

Under the allocation for the Civil Service Reforms Secretariat

- ii. The allocation of Ksh. 158 million for office and general supplies should be reduced by Kshs. 100 million.
- iii. The allocation of Kshs. 58 million for routine maintenance should be reduced by Kshs. 50 million.
- iv. The allocation of Ksh. 247 million for purchase of furniture should be reduced by Kshs. 200 million.

Under development estimates (GoK)

- v. The allocation of Kshs. 1.698 billion for routine maintenance should be reduced by Kshs. 1.2 billion.
- vi. The allocation of Kshs. 1.151 billion for purchase of specialised plant and equipment should be reduced by Kshs. 600 million.
- vii. The allocation of Kshs. 164 million for Efficiency Monitoring Unit should be reduced by Kshs. 64 million.

viii. The allocation of Kshs. 218 million for the Inspectorate of State Corporations should be reduced by Kshs. 50 million.

b) The National Treasury

- i. Reallocation of Kshs. 1 billion earmarked for human resource transformation to other more urgent programmes.
- ii. The allocation of Kshs. 6,670 million for leasing of police vehicles should be reduced by Kshs. 270 million.
- iii. The reallocation of Kshs. 200 million from IFMIS, Kshs. 50 million from financial reporting centre, Kshs. 500 million from defined pension scheme, Kshs. 5 million from expert service scheme, Kshs. 250 million from public private partnership and Kshs. 182 million from construction and equipping Naivasha data recovery centre.

The committee proposed the reallocation of the realised savings of Kshs. 5,718 billion to the following areas;

- i. Kshs. 600 million to Ministry of Industrialization to implement the special economic zones and address issues of ease of doing business.
- ii. Under State Department of Tourism Kshs. 1 billion for Narok – Maasai Mara Road and Kshs. 1.2 billion for Ronald Ngala Utalii College.
- iii. Kshs.387 million to the Transitional Authority
- iv. Kshs. 14 million to the controller of budget.
- v. Kshs. 20 million to the Commission on Revenue Allocation.
- vi. Kshs. 100 million to the Salaries and Remuneration Commission.
- vii. Kshs. 2.397 billion to CDF.

The Committee proposed that vote 170 should be reopened for the Transitional Authority and that the Ministry of Devolution and Planning should consider relocating the functions of the Efficiency Monitoring Unit and the Inspectorate of State Corporations to the Office of the Auditor General. Members were informed that the Committee had allocated money for the Narok - Maasai Mara road because it was a priority identified by the Committee of the public during the Narok public hearings on the proposed 2014/15 budget estimates. The Chair recommended that the Transport Committee should be informed to ensure the Ministry of Transport and Infrastructure also allocates additional funds for this important road.

The Finance Planning and Trade Committee asked the BAC to liaise with them if they wanted to make any changes to their proposed reallocation of resources.

Members congratulated the Finance Planning and Trade Committee for coming up with savings and allocating them to other priority areas.

MIN 117/2014: Any Other Business

The Committee proposed that in next financial year the money to fund priorities raised during public hearings should be allocated in advance. It was also proposed that the public hearings be held before BPS is prepared.

The Committee noted that other Committees were not coming up with savings and as a result, the bulk of the savings were coming from the Finance, Planning and Trade Committee. It was proposed that in future the BAC should provide better guidelines to the other Committees to ensure they emulate the Finance, Planning and Trade Committee's effort to find savings and allocate them to priority areas.

The Committee proposed that in future the Committees should be aligned to the existing Ministries; this is because some functions under the Ministry of Devolution and Planning are under the Committee for Labour and Social Welfare while others are under the Finance, Planning and Trade Committee.

The Committee proposed that BAC should consider cutting a fixed percentage from every Ministry because the proposed estimates are usually inflated in anticipation of cuts.

The Committee proposed that the venue for public hearings should be rotated each financial year to ensure all Kenyans are included in the budget making process.

There being no other business for day, the Chair adjourned the meeting at 5.10 p.m. Next meeting will be held on Wednesday, 28th, May, 2014 at 10:00 a.m at the Small Dining.

SIGNED



CHAIRPERSON

3.6.14

DATE

MINUTES OF THE 26TH SITTING OF THE BUDGET AND
APPROPRIATIONS COMMITTEE (BAC) HELD ON MONDAY, 26TH
MAY, 2014 AT 10:00 AM AT SMALL DINING

PRESENT

1. **Hon. Mutava Musyimi, MP-Chair**
2. **Hon. Mary Emaase, MP -Vice Chair**
3. Hon. Alfred Sambu, MP
4. Hon. Charles Nyamai, MP
5. Hon. Clement Wambugu, MP
6. Hon. Jackson Kiptanui, MP
7. Hon. Mohamed Shidiye, MP
8. Hon. Nelson Gaichuhie, MP
9. Hon. Abdikadir Omar Aden, MP
10. Hon. Banticha Jaldesa, MP
11. Hon. Bitok S. Kirwa, MP
12. Hon. Dr. Reginalda Wanyonyi, MP
13. Hon. Dorcas Kedogo, MP
14. Hon. (Eng) Stephen Ngare, MP
15. Hon. Ali, Fatuma Ibrahim, MP
16. Hon. George Wanjohi, MP
17. Hon. James Gakuya, MP
18. Hon. Jared O. Opiyo, MP
19. Hon. Jonathan Lati Lelelit, MP
20. Hon. KK Stephen Kinyanjui, MP
21. Hon. Omondi George W. Mallan, MP
22. Hon. Peter Weru Kinyua, MP
23. Hon. Priscilla Nyokabi, MP
24. Hon. Samuel Gichigi, MP
25. Hon. Shukran Hussein Gure, MP
26. Hon. Silverse Lisamula Anami, MP
27. Hon. Suleiman Murunga Kasuti, MP
28. Hon. Tiyah Galgalo, MP

ABSENT

1. Hon. Alfred Agoi, MP
2. Hon. Alice Ng'ang'a, MP
3. Hon. Benjamin Andola Andayi, MP
4. Hon. Benjamin Langat, MP
5. Hon. Daniel Nanok, MP
6. Hon. Dennis Kariuki, MP
7. Hon. Dr. J.W. Nyikal, MP
8. Hon. Abdulaziz Farah, MP
9. Hon. Irshad Sumra, MP
10. Hon. Moses Lessonet, MP
11. Hon. Francis Njenga, MP

- 12.Hon. George Muchai, MP
- 13.Hon. Isaac Mwaura, MP
- 14.Hon. James Lusweti, MP
- 15.Hon. Jamleck Kamau, MP
- 16.Hon. John Mbadi, MP
- 17.Hon. Joseph Limo, MP
- 18.Hon. Makali Mulu Benson, MP
- 19.Hon. Moses Ole Sakuda, MP
- 20.Hon. Muriuki Njagagua, MP
- 21.Hon. Mwashetani Khatib Abdallah, MP
- 22.Hon. Omar Mwinyi, MP
- 23.Hon. Patrick Ole Ntutu, MP

In Attendance from the Departmental Committee on Transport, Public Works and Housing Committee

1. Hon. Mohamed M. Mahamud, MP- Vice Chairman
2. Hon. Simeon Ogari, MP- Member

In Attendance from the Budget Committee Secretariat

- | | |
|--------------------------|---------------------------------|
| 1. Mr. Robert Nyaga | Chief Fiscal Analyst |
| 2. Mr. Fredrick Muthengi | Principal Fiscal Analyst/ Clerk |
| 3. Mr. Joseph Ndirangu | Fiscal Analyst III |
| 4. Ms. Julie M. Mwithiga | Fiscal Analyst III |
| 5. Mr. Danson Kachumbo | Fiscal Analyst III |
| 6. Mr. Jonathan Lemurt | Fiscal Analyst III |

AGENDA

1. Preliminaries / Confirmation of Agenda
2. Confirmation of the Minutes of the Previous Meeting.
3. Matters arising;
4. Meeting with the Departmental Committee on Transport, Public Works and Housing
5. Any Other Business

MIN 107/2014: Preliminaries

The Chairman called the meeting to order at 10.30 a.m. and led the members with a word of prayer. The Chair thanked members for showing up on a Monday morning and reiterated that it was going to be a full week exercise should the need arise as the Committee was meeting with Chairs of Departmental committees as they present their Budget Estimates to the Committee. He also indicated that it has been brought to his attention by the secretariat that they circulated a schedule of the planned committees meetings to all Committees. However, some committees had not responded while others indicated that they were still in the process of finalising their reports after meeting with the respective Cabinet Secretaries.

Planned activities of the Week

The Chair informed the committee that due to the *Annual National Prayer Breakfast Meeting* an activity of Parliament on 29th May 2014 and the planned burial of the late Hon. Member for Gatundu South on Friday 30th May, the scheduled Report Writing Retreat for the Committee would not be possible to take place as earlier planned from 28th – 31st May 2014. As result, the Committee agreed to reschedule the Report Writing Retreat to Sunday 1st through Tuesday 2014 at the Boma Hotel, South C, Nairobi.

MIN 108/ 2014: Confirmation of the Minutes of the Previous Meeting

It was agreed that the minutes of the previous meeting and matters arising shall be discussed in the forthcoming meeting. The Chair thereafter called upon the Transport Committee chairman to address the Committee.

MIN 109/2014: Meeting with the Departmental Committee on Transport, Public Works and Housing

The Vice Chairman of the Transport, Public Works and Housing Committee informed the Committee that the substantial Chairperson was out on official duty and therefore the Vice Chair was the acting Chair. He took the members through the report. He mentioned the mandate of the Departmental Committee on Transport, Public Works and Housing which is derived from provisions of Standing Order No. 216(5). The committee held a total of five (5) sittings and examined the budget estimates of the following MDAs, State Department of Infrastructure, State Department of Transport and the State Department of Housing in the ministry of Lands, Housing and Urban Development. The Committee's Specific observations and recommendations on each of the departments are as follows:

A. Under State Department of Infrastructure,

Development expenditure's allocation in the 2014/15 estimates exceeds the House resolution on BPS ceiling Kshs 154.558 billion. In the FY 2014/15 the State Department of Infrastructure has been allocated a total of Kshs. 123.5 billion comprising of Kshs. 25.8 billion for recurrent and Kshs. 97.7 billion for development.

The State Department of Infrastructure priorities for 2014/15 include designing, construction and reconstruction /upgrading/ rehabilitation of roads, maintenance of roads and training of roads overseers. The State Department of infrastructure priorities in the BPS include modern standard gauge railway line from Mombasa to Nairobi, expansion of the container terminals and cargo handling and storage, and the LAPSSSET project among others.

The Department allocated Kshs. 5 billion under its development budget for Land Compensation due to major ongoing projects like the Standard Gauge Railway among others, where land is compulsorily acquired.

The Committee was informed that an amount totalling Kshs. 33.2 million (Kshs. 9.8 million (ICT) and Kshs. 23.3 million (Road Transport) divisions under the Department of Transport had erroneously been captured under this Department of Infrastructure. The anomaly/ misallocation are set to be corrected during the revised estimates.

The Committee was informed that had been tussles experienced between the National Government and the County Governments on the construction and maintenance of roads in counties. The Committee heard that this matter was still under discussion with the relevant authorities, and the Ministry of Transport and Infrastructure was preparing and would bring a policy on this matter to the National Assembly for consideration.

The Ministry was considering rolling out alternative financing models in the coming financial year 2014/2015 in form of Public Private Partnerships (PPP) and annuity financing to ease financial pressure on the Exchequer.

The Ministry will use annuity financing to construct approximately 8000 km of low cost seal rural roads over a period of four years at a cost of Kshs. 160 billion. Additionally, another 2000 km of highway and urban roads would be financed in a similar arrangement at a cost of Kshs. 160 billion. Payment of road toll levy under PPP will commence during the FY 2014/15 for maintenance of the Southern Bypass and Thika Super Highway Road.

The Transport Committee recommended that the department's budget be approved as proposed in the 2014/15 budget estimates.

B. Under State Department of Transport,

Members were informed that the LAPSSSET project has no allocation in the 2014/15 budget due to constraints of the budget ceilings but the government is exploring alternative financing e.g Public Private Partnerships (PPP).

The Committee was informed that one of the main targets of the Department was to reduce road accidents by 20%.

- a.) The specific targets for financial year 2014/15 estimates include:-
- b.) Draft and submit 2 Bills to the National Assembly.
- c.) Prepare 1 consultant report on 50 Years Transport Master Plan for the Northern Corridor.
- d.) Achieve 10% improvement in service delivery.
- e.) Achieve 20% completion of Transport Data Centre.
- f.) Reduce road fatalities and crashes by 20%.

- g.) Construct 10km of standard gauge rail and 10km of JKIA railway line.
- h.) Relocate 2,000 people from the railway reserve.
- i.) Complete 20% of 2nd container terminal.
- j.) Purchase 2 ferries.
- k.) Rehabilitate and maintain 10 airstrips/ airports.
- l.) Install 2 air traffic control simulators.
- m.) Increase the passenger and cargo handling capacity.
- n.) Review 30 bilateral air services agreements.
- o.) Reduce government costs in imports and exports by 10%.

Members were informed that according to Schedule 4 of the Constitution, the ferries and harbours are under county governments. However, ports handling international trade are under National government function. The Kenya Ferry Services (KFS) was not devolved and there may be need to clarify the roles of counties in this regard.

The National Transport and Safety Authority (NTSA) has not been able to access fees it generates, these fees are currently being remitted to the National Treasury as Exchequer Revenue.

The Transport Committee recommended that National Treasury should submit the additional Ksh.3 billion collected as AIA on behalf of the NTSA as the amounts are required by the NTSA to run its operations.

The Transport Committee recommended that the Transport Budget should be approved as proposed in the 2014/15 budget estimates.

C. Under the State Department of Housing

The Department has prioritized its projects as follows: -

- a) Development of 300,000 housing units in the next three (3) years, to cater for the housing deficit that stands at 200,000 housing annually, and will be conducted in all counties.
- b) Upgrading the existing slums/informal settlements while preventing further formation.
- c) Real Estate Management, to cut down on costs, currently Ksh.3.2 billion annually, spent by the Government on rent for office accommodation from the private sector, and also to secure ownership and ensure better maintenance of Government houses or buildings.

The Department of Housing has been allocated Ksh.5 billion against a resource requirement of Kshs. 12.2 Billion, leaving a deficit of Kshs. 7.2 Billion. The Department of Housing had identified and selected 14 counties (Nairobi, Mombasa, Nakuru, Kisumu, Eldoret, Nyeri, Kakamega, Embu, Garissa, Machakos, Kitui, Kericho, Kilifi and Kiambu) which would receive assistance

from World Bank to improve the overall functioning of the cities and upgrade living conditions in informal settlements.

It was noted that this KISIP project is continuous, and will continue to be rolled-out in other counties as well.

The committee recommended that National Treasury allocate a separate vote to NHC; to increase its allocation by Kshs.3.2 Billion and increase the budget ceiling to enable development of more low cost housing units in future.

Finally members were informed that the issue of pending bills in the State Department of Infrastructure, State Department of Transport, State Department of Housing and Directorate of Public Works needs to be dealt with.

Overall Committee's recommendations were as follows;

- i. The Committee noted that the issue of pending bills in Ministries needs to be dealt with in a holistic manner to ensure that the Government projects and service delivery are not hampered. In this regard, the Committee recommends a review of all contract agreements and the use of alternative forms of financing to reduce incidences of pending bills.
- ii. The Committee observed that a lot of information on important projects in the Ministry of Transport and Infrastructure was not known by Members of Parliament, and recommends that a workshop be held between itself, the Ministry and other stakeholders to disseminate information on the LAPSSET project, Mass Rapid Transit (MRT) system, Standard Gauge Railway (SGR) project, the Greenfields Terminal project, as well as the policy on management of county roads and a Master plan for all roads in the country.
- iii. The Committee also noted the transfer of the following funds to the counties:
 - a) Vote-Head 673 with an allocation of Kshs. 400 million for maintenance and refurbishment of government pool houses across the country and operations of county offices.
 - b) Vote-Head 423, Sub-Head 0247 with an allocation of Kshs. 40 million under regional rent tribunals for resolution of landlord-tenant disputes.

These functions are still national and this transfer has affected their implementation. These votes therefore need to be returned to the Department of Housing. The Committee therefore recommends a meeting with the Cabinet Secretaries for the National Treasury, Devolution & Planning, and Lands, Housing & Urban Development, to resolve this issue.

Concerns of the Budget and Appropriation Committee Members

After the presentation, Members raised the following concerns and observations;

- i. The variances between the House Resolutions on BPS ceilings and the 2014/15 estimates from the Ministries under Transport Committee, are huge? What is the view of the departmental committee in this regard?
- ii. Why are resources allocated to construction of roads, bridges and emergencies not utilized for their purpose? Case in point Gotu Bridge in Isiolo County was allocated Kshs. 300 Million in the 2013/14 budget but was not constructed.
- iii. Are the proposals given in the report from the departmental committee or from the ministries?
- iv. In the proposed development of 300,000 housing units in the next 3 years, what is the proposed allocation in the 2014/15 estimates?

The responses to the concerns raised were as follows:-

Members were informed that the departmental committee on Transport, Public Works and Housing supported the positive variance (increase) due to the fact that the ministries required more funds to achieve their huge mandate.

Members resolved that the departmental committee on Transport, Public Works and Housing should submit a list of the projects to be funded in the 2014/15 budget estimates detailing how much is the allocation per project and which projects will be completed during the Financial Year 2014/15.

MIN 110/2014: Any Other Business

The secretariat was directed to get in touch with other departmental committees and make sure that when they submit their reports on the estimates to the Budget and Appropriations Committee, the information on the projects i.e. a list of projects, amount allocated in 2014/15 and expected time of completion should be include.

Budget and Appropriations Committee has the mandate only to meet the Cabinet Secretary (presumably for National Treasury) and not from other ministries, on issues to deal with the overall budget, according to the Standing Order 235(5) and PFM Act 39(2).

The BAC members established a ground rule that it will work with the reports they have received from the departmental committees and will deal with budget issues raised by members (from their various constituencies) during report making retreat.

Members were informed of the week's meetings schedule which would be as follows:-

- a.) On Tuesday 27th May 2014 the Budget and Appropriation Committee will be meeting with:
1. Council of Governors at 10:00 am
 2. Lands Departmental Committee at 11:00 am
 3. Parliamentary Service Commission at 12:00 pm
 4. Finance, Planning and Trade Departmental Committee at 2:00 pm
 5. Energy, Communication and Information at 3:00 pm
- b.) On Wednesday 28th May 2014 the Committee will be meeting with Departmental Committees on:
1. Agriculture, Livestock and Cooperatives,
 2. Administration and National Security,
 3. Health,
 4. Defence and Foreign Relations,
 5. Environment and Natural Resources,
 6. Education, Research and Technology,
 7. Labour and Social Welfare and
 8. Justice and Legal Affairs.

Members were also informed that the Committee will retreat for report writing on the estimates OF Expenditure and revenue from 1st to 3rd June 2014 at the Boma Hotel. Members are expected to check in at the Hotel on the evening of 1st June, 2014. During this period the Committee will meet with Cabinet Secretary, National Treasury, so as to get his views on the major concerns that the Committee is raising.

There being no other business the Chairman adjourned the meeting at 12.45 pm. Next sitting will be held on Tuesday, 27th May, 2014 at 10:00 am at the Small Dining.

SIGNED



.....
CHAIRPERSON

.....
3. 6. 14
DATE

MINUTES OF THE 25TH SITTING OF THE BUDGET AND
APPROPRIATIONS COMMITTEE (BAC) HELD ON FRIDAY, 23RD
May, 2014 AT 10:00 AM AT SMALL DINNING

PRESENT

1. Hon. Mutava Musyimi, M.P -Chair
2. Hon. Mary Emaase ,M.P - Vice Chair
3. Hon. Abdikadir Omar Aden,M.P
4. Hon. Abdulaziz Farah,M.P
5. Hon. Ali, Fatuma Ibrahim,M.P
6. Hon. Bitok S. Kirwa,M.P
7. Hon. Charles Nyamai,M.P
8. Hon. Dorcas Kedogo,M.P
9. Hon. Irshad Sumra,M.P
- 10.Hon. Jared O. Opiyo,M.P
- 11.Hon. Jonathan Lati Lelelit,M.P
- 12.Hon. Mohamed Shidiye,M.P
- 13.Hon. Moses Lessonet,M.P
- 14.Hon. Omondi George W. Mallan,M.P
- 15.Hon. Samuel Gichigi,M.P
- 16.Hon. Shukra Hussein Gure,M.P
- 17.Hon. Suleiman Murunga Kasuti,M.P
- 18.Hon. Tiyah Galgalo,M.P

ABSENT

1. Hon. Alfred Agoi,M.P
2. Hon. Alfred Sambu,M.P
3. Hon. Alice Ng'ang'a,M.P
4. Hon. Banticha Jaldesa ,M.P
5. Hon. Benjamin Andola Andayi,M.P
6. Hon. Benjamin Langat,M.P
7. Hon. Clement Wambugu,M.P
8. Hon. Daniel Nanok,M.P
9. Hon. Dennis Kariuki,M.P
- 10.Hon. Dr. J.W. Nyikal,M.P
- 11.Hon. Dr. Reginalda Wanyonyi,M.P
- 12.Hon. Francis Njenga,M.P
- 13.Hon. George Muchai,M.P

- 14.Hon. George Wanjohi,M.P
- 15.Hon. Isaac Mwaura,M.P
- 16.Hon. Jackson Kiptanui,M.P
- 17.Hon. James Gakuya,M.P
- 18.Hon. James Lusweti,M.P
- 19.Hon. Jamleck Kamau,M.P
- 20.Hon. John Mbadi,M.P
- 21.Hon. Joseph Limo,M.P
- 22.Hon. KK Stephen Kinyanjui,M.P
- 23.Hon. Makali Mulu Benson,M.P
- 24.Hon. Moses Ole Sakuda,M.P
- 25.Hon. Muriuki Njagagua,M.P
- 26.Hon. Mwashetani Khatib Abdallah,M.P
- 27.Hon. Nelson Gaichuhie,M.P
- 28.Hon. Omar Mwinyi,M.P
- 29.Hon. Patrick Ole Ntutu,M.P
30. Hon. Peter Weru Kinyua,M.P
- 31.Hon. Priscilla Nyokabi,M.P
- 32.Hon. Silverse Lisamula Anami,M.P
- 33.Hon.(Eng) Stephen Ngare,M.P

IN ATTENDANCE

1. Mr. Edward Ouko
2. Ms. Agnes Mita
3. Ms. Martha Mbau
4. Mr. Samuel Muchiri

OFFICE OF AUDITOR GENERAL

- Auditor General
 Member
 Member
 Member

IN ATTENDANCE VETTING BOARD

1. Ms. Roseline Odedo
2. Prof. Ngotho Karuki
3. Mr. Abdirashid Abdullahi
4. Mr. Reuben Chirchir
5. Mr. Peter Ajuai
6. Mr. John Kibunda

JUSTICE AND MAGISTRATES

- Vice-Chair
 Member
 Member
 Secretary and CEO
 Member
 Member

IN ATTENDANCE
SECRETARIAT

1. Mr. Robert Nyaga
2. Mr. Fredrick Muthengi
3. Mr. Joseph Ndirangu
4. Ms. Julie M. Mwithiga
5. Mr. Danson Kachumbo

BUDGET

- Chief Fiscal Analyst
Principal Fiscal Analyst/ Clerk
Fiscal Analyst III
Fiscal Analyst III
Fiscal Analyst III

COMMITTEE

AGENDA

1. Preliminaries / Confirmation of Agenda
2. Confirmation of the Minutes of the Previous Meeting.
3. Matters arising;
4. Meeting with the Auditor General
5. Meeting with the Judges and Magistrates Vetting Board
6. Any Other Business

MIN 102/2014: Preliminaries

The Chairman called the meeting to order at 10.30 a.m. and led the members with a word of prayer. The Chair informed the Committee that as the Members may recall, the Committee was to meet with the Auditor General the Previous week but it was not possible then. Secondly, the Judges and Magistrates Vetting Board had written seeking audience with the Committee. The Board falls under the purview of Justice and Legal Affairs Committee. Despite the fact that the committee had already heard them, they felt that they should also seek audience with the Budget Committee.

MIN 103/ 2014: Confirmation of the Minutes of the Previous Meeting

It was agreed that the minutes of the previous meeting and matters arising shall be discussed in the forth coming meeting. The Chair thereafter called upon the Auditor General to address the committee.

MIN 104/2014: Presentation and Meeting with Auditor General

The presentation began by the Auditor General informing the members its mandate. He informed members that the Mandate of the Office had increased tremendously under the new Constitution; however, the staffing had remained the same.

The current staff stood at 985. He informed Committee that the priority areas they require budget upscale was the following; (i) The travel budget to enable the office to visit all the counties and increase the coverage of entities including Water Service Board s, University Collages, (ii) the allocation for training of employees to be in tandem with the increasing contemporary demands such as cyber frauds, (iii) increasing the budget for personnel in order to be employ more staff, and (iv) Upscalling the funding towards fuel, purchase of cars and purchase of ICT software for auditing.

With regard to Office space, the Auditor general pointed given the nature of work, it was not good practice to share office with all sort of other tenants and hence the need to be housed in its own compound. Additionally, the office was paying colossal sum of money in form of rent. To this effect, he informed the Committee that they managed to buy the land between the NSSF Building and Israel Embassy and now the office needed funds for construction of a building.

The following are the key concerns raised by members;

- i. Why they needed funds to build the foundation instead of requesting funds for the completion of the whole project (building)?
- ii. Why there was a huge discrepancy in the resource requirement for other operating expenses and National Treasury.
- iii. Why they request an allocation for temporary staff (consultants) and yet the request money for recruitment of permanent staff?
- iv. Why they did not ask for staff to be seconded to their office from ministries / parastatals?
- v. Why there is delay in their audit reports to parliament?
- vi. Why they were planning to hire more staff instead of using computer assisted techniques?
- vii. What is his opinion on the spiralling Wage Bill?

Response on Members Concern

The Auditor General informed members that in the operating expenses were for hiring consultants and purchasing of motor vehicles for the staff. This was critical for carrying the mandate more effectively. The consultants would be able to fill the gap that could not be filled internally and the motor vehicles would be used by the staff at county level.

Members informed that Auditor General that there was need them to find out more information on government's policy on buying motor vehicles. This is because there could be a conflict in policy if they were planning to hire them instead of buying.

Members were informed that if they used the existing staff from other ministries/ parastatals there would be conflict of interest and the quality work might be compromised.

The Auditor General pointed out that Delay in OAG reports were due to lack of resources, IFMIS not working properly sometimes and delays in other ministries. Auditor General informed members informed members that 21st Century Auditing goes beyond the financial reporting. The computer programs give minimal assistance.

On the issue of inflated wage bill, the Auditor General suggested that there was need to have a national policy that identifies the minimum requirement of staff and stick to it; reporting at both levels of the government.

Finally the Auditor General informed members that the office's main priorities was Kshs.500 million for audit of assets and liabilities in counties and Kshs. 200 million for employing new staff and other operating expense.

Members resolved that:

1. It was better for the BAC Committee in the near future to consider allocating the enough funds for the completion of the projects.
2. The Committee will seek an explanation from the National Treasury on why the House resolutions on BPS ceilings for 2014/15 estimates was not upheld, especially with regard to the budget for the Auditor General.

MIN 105/2014: MEETING WITH THE JUDGES AND MAGISTRATES VETTING BOARD (JVMB)

The Secretary to the Board informed members that the Board had nine members. He also informed members of the mandate and goals of the Board which they hoped to accomplish by 31st December 2015. Members were notified that the Board 's tenure was extended by two years during which it is supposed to vet the remaining 233 Magistrates and Kadhis to vet for the remaining period (233 Magistrates and Kadhis are yet to be vetted and arising reviews).

Members were informed that the Board was planning to undertake vetting process using an outside \ station approach. i.e they would like to visit other counties since they have been working in Nairobi.

The Board requires funds for capacity building which if allocated would be used for hiring consultancy services e.g. Forensic audit among others. It also needed funds to purchase Hansard recording equipment, which is necessary in their work.

Issues raised by members

1. Whether the Board members were working on full time basis?
2. When will the reviews of magistrates be done?
3. How the Board was handling issues concerning justice to the poor, women, and human rights issues.
4. Members queried why the Board did not seek information from MP's and NGO's about the vetting of judges and magistrates?
5. Members queried whether the Board saw a scenario where some of the planned activities would overlap with each other. For example public sensitization and inquiries?
6. Why there was a budget to hire more staff for technical support to the Board to undertake its mandate

Response to Members Concerns

Members were notified that the Board worked on full-time basis and are salaried. Members were informed that the sensitization activities (fair verdicts) in Kenyan prisons and that 60 out of the 100 prisons have been sensitized.

On staffing, the Board has security officers and investigators seconded to it by the government.

The magistrates and Kadhi's reviews will be done during the remaining vetting period (before August 2015) to ensure there was no spill over of the extension of the period. The final report shall be written between August- December 2015. Members were informed that some of their activities may overlap with each other but the implementation process was effective.

Members were informed that the Board needs to hire consultants on some technical issues that the Board did not have the required skills such as Anti-corruption issues.

Finally members were informed that they should consider allocating the Board an additional Kshs.384 million. This was the difference that is needed to cover the deficit for the activities of 2014/15 financial year so that the Board can fully achieve its mandate

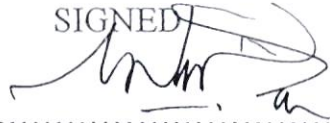
MIN 106/2014: Any other business

Members were informed that in the coming week the Committee shall have sittings from Mon. 26/5/14 to Wed. 28/5 /14. They were further informed that:

- i. On Tuesday 25/5/14, the committee shall be meeting with Parliamentary Service Commission (PSC) and the Cabinet Secretary of National Treasury.
- ii. Moreover, the committee shall be going for a retreat to write the BAC Report on the Budget Estimates 2014/15 on Thursday 29th May through 31st Saturday 2014. The venue for the retreat shall be communicated on a later date.

There being no other business the Chairman adjourned the meeting at 2.00 pm. Next sitting to be held on Monday 26th May, 2014 at 10 a.m. at the Small Dining.

SIGNED



CHAIRPERSON

3.6.14

DATE

MINUTES OF THE 24TH SITTING OF THE BUDGET AND
APPROPRIATIONS COMMITTEE (BAC) HELD ON THURSDAY, 15TH MAY,
2014 AT 10:00 AM AT SMALL DINNING

PRESENT

1. **Hon. Mutava Musyimi, M.P -Chair**
2. **Hon. Mary Emaase, M.P - Vice Chair**
3. Hon. Abdikadir Omar Aden, M.P
4. Hon. Abdulaziz Farah, M.P
5. Hon. Ali, Fatuma Ibrahim, M.P
6. Hon. Benjamin Andola Andayi M.P
7. Hon. Bitok S. Kirwa M.P
8. Hon. Daniel Nanok M.P
9. Hon. Dennis Kariuki M.P
10. Hon. Dorcas Kedogo M.P
11. Hon. Dr. Reginalda Wanyonyi M.P
12. Hon. Francis Njenga M.P
13. Hon. George Muchai M.P
14. Hon. George Wanjohi M.P
15. Hon. Irshad Sumra M.P
16. Hon. Isaac Mwaura M.P
17. Hon. Jackson Kiptanui M.P
18. Hon. James Gakuya M.P
19. Hon. Jamleck Kamau M.P
20. Hon. Jared O. Opiyo M.P
21. Hon. John Mbadi M.P
22. Hon. Jonathan Lati Lelelit M.P
23. Hon. Joseph Limo M.P
24. Hon. Makali Mulu Benson M.P
25. Hon. Moses Lessonet M.P
26. Hon. Moses Ole Sakuda M.P
27. Hon. Muriuki Njagagua M.P
28. Hon. Nelson Gaichuhie M.P
29. Hon. Omondi George W. Mallan M.P
30. Hon. Patrick Ole Ntutu M.P
31. Hon. Peter Weru Kinyua M.P
32. Hon. Priscilla Nyokabi M.P
33. Hon. Samuel Gichigi M.P
34. Hon. Silverse Lisamula Anami M.P
35. Hon. Suleiman Murunga Kasuti M.P
36. Hon. (Eng) Stephen Ngare M.P

ABSENT

1. Hon. Alfred Agoi M.P
2. Hon. Alfred Sambu M.P
3. Hon. Alice Ng'ang'a M.P
4. Hon. Banticha Jaldesa M.P
5. Hon. Benjamin Langat M.P
6. Hon. Charles Nyamai M.P
7. Hon. Clement Wambugu M.P
8. Hon. Dr. J.W. Nyikal M.P
9. Hon. James Lusweti M.P
10. Hon. KK Stephen Kinyanjui M.P
11. Hon. Mohamed Shidiye M.P
12. Hon. Mwashetani Khatib Abdallah M.P
13. Hon. Omar Mwinyi M.P
14. Hon. Shukra Hussein Gure M.P
15. Hon. Tiyah Galgalo M.P

IN ATTENDANCE

1. Hon. John Mututho
2. Mr. Enoch N.Onchwari
3. Mr. Fazul Mahamed

NACADA

- Chairman
Ag. CEO
Director

In Attendance

1. Mr. Martin Masinde
2. Mr. Fredrick Muthengi
3. Mr. Benjamin Ng'imor
4. Mr. Joseph Ndirangu
5. Ms. Julie M. Mwithiga
6. Mr. Abel O. Nyagwachi
7. Mr. Danson Kachumbo

Budget Committee Secretariat

- Senior Deputy Director
Principal Fiscal Analyst/ Clerk
Fiscal Analyst II
Fiscal Analyst III
Fiscal Analyst III
Fiscal Analyst III
Fiscal Analyst III

AGENDA

1. Preliminaries / Confirmation of Agenda
2. Confirmation of the Minutes of the Previous Meeting.
3. Matters arising
4. *Meeting with NACADA*
5. *Presentation by the P.B.O -Unpacking of the budget 2014/15budget estimate*
6. *Meeting with Office of the Auditor General*
7. Any Other Business

MIN 97/2014: Preliminaries

The Chairman called the meeting to order at 10.30 a.m. and led the members with a word of prayer. The chair thanked and welcomed members by sacrificing their busy schedules during the recess and coming together to execute this national duty on Budget making decisions. He indicated that after what has befallen the country about the deaths associated with taking harmful alcohol he had invited the Chair of the National Campaign Against Drugs And Alcohol (NACADA) to see how as leader can assist in dealing with the issue. The chair reiterated that it was a societal issue and affects the whole county.

The meeting was meant to get synopses of the 2014/15 budget estimates from the parliamentary Budget office. The meeting will also to lay grounds and preparations on the forth coming public budget hearings schedule to be held concurrently on 20th may 2014 across the country.

The chair also indicated that he wanted to report to the Committee that he had special news for the Committee. The Committee has been struggling with matters that affect the country and issues to do with poor state of public primary schools among others. He recalled that the committee had sent him to the president and indeed he secured an appointment with the President and the Committee in State House later that day. Therefore after the meeting, the committee will be meeting H.E. Excellency the President.

The Committee was also to meet with the Office of the Auditor General over their 214/15 budget estimates. Given the crowded programme of the day, the chair sought indulgence of the committee they they defer the meeting with the auditor general to another later date. The Committee concurred.

MIN 98/ 2014: Confirmation of the Minutes of the Previous Meeting

It was agreed that the minutes of the previous meeting and matters arising shall be discussed in the forth coming meeting. The Chairman thereafter called upon the chair of NACADA to address the committee.

MIN 99/2014: Meeting with NACADA

The chairman of NACADA informed members that the illicit alcohol that killed approximately ninety Kenyans in the month of May, 2014 contained 11 percent of methanol. This was a very high concentration of a poisonous substance given that a teaspoon full of methanol could kill an adult. The Chair NACADA stated that there was an urgent need to address the root causes of alcoholism given the fact that young Kenyans in their prime age were waking up as early as 5 a.m. to go and drink alcohol.

He attributed this to several reasons some of which include; easy access to illicit cheap alcohol, unemployment and social habits

Kenya had about 2.2 million alcohol and drug addicts, although the alcoholism problem can be treated. He informed members that past budgets had not made provisions for treatment of alcoholics and drug addicts. Members were asked to provide resources for affordable rehabilitation centres to save over 2 million people who are addicts, so as they can contribute positively Kenya's economic progress and development.

Members were informed that the rehabilitation programme proposed had three major phases:

- i. In the first three months patients undergo compulsory conventional rehabilitation
- ii. After the 3 months rehabilitation, the recovering addicts to be taken to NYS for further rehabilitation and inculcation of discipline for a period of three months,
- iii. The Final phase is for the rehabilitated addicts to receive special training on different vocational skills from banks and technical institutes for 3 months and for those who are already professionals they need to be taken for refresher courses. Finally the rehabilitated addicts could then be granted loans or grants to start businesses and be integrated back in the society.

In order to implement the above programme NACADA requested for Kshs. 44 million so as to set up a rehabilitation centre in each County. He assured the Committee that the institution was capable of implementing the proposed programme and all the challenges it had faced earlier had been resolved.

In order address the challenges arising due to the collusion of illicit brewers with the police and chiefs, NACADA has proposed the use of Section 50 of Alcoholic Drinks Control Act (Mututho laws) that allows government to gazette alcoholic drinks control officers.

Members suggested that all the people involved in manufacturing and distribution of the illicit alcohol laced with methanol should be charged with manslaughter. It was further suggested that instead of putting up rehabilitation centres in each County, NACADA should set up rehabilitation centres in regions (the former provinces) and only target areas with high prevalence of alcohol and drug abuse. By doing so the resources required will be significantly less.

Members also urged NACADA:

1. To use the revenue it collected as levies to finance part of the proposed activities.
2. To prepare an itemized budget for the proposed programme and make a presentation before the Security Committee

MIN 100/2014: THE UNPACKING OF THE 2014/15 BUDGET ESTIMATES

Members were taken through a presentation on the contents of the 2014/15 estimates as submitted to parliament by the Senior Deputy Director, PBO. The following were the key salient highlights of the unpacking 2014/15;

- (i) The overall compliance to legal provisions is 70.56; this is an improvement from a compliance of 50% for the 2013/14 budget. However, it worth noting that some of the documents required were either not submitted or the information was incomplete.
- (ii) The House resolutions on the Budget Policy Statement BPS were completely ignored by the National Treasury.
- (iii) It is noted that some expenditure included in the development estimates such as salary, allowances and other management expenses for development partner funded projects do not lead to real development. If the expenditures are correctly placed, the development expenditure proportion may not meet the 30% threshold as provided for under section 15 (2) (a) of the PFM Act 2012.
- (iv) The revised budget allocation per programme for 2013/14 was not included as required under Programme Based Budgeting.
- (v) There is clear evidence of poor planning as there exist disconnect between programs s as presented in the BPS and those in provided for in the Estimates. Lack of linkage between programmes in the 2014/15 budget and government policy documents like Vision 2030, Medium Term Plan II (MTP II), and Sector Working Groups (SWG) reports.
- (vi) Sources of funding per program have not been provided thus contravening section 38 of the PFM Act, 2012.
- (vii) Projections for the Medium Term do not seem to be well thought out (evidence informed) and several inconsistencies have been noted with KPI and targets having failed to meet the SMART threshold as expected in any PBB framework; a case of cut and paste from past years Over the last decade, the growth strategy has not yielded significant gains in terms of poverty reduction. We estimate that between 2005/06 to 2012/13 the overall poverty increased from 40.9% to approximately 52%.
- (viii) The economy is projected to grow at 4.9 percent in 2014 and further rise to 5.2 percent in 2015. This is in contrast with the Treasury's forecast of 5.8 percent and 6.1 percent in 2014 and 2015, respectively.
- (ix) Although the 2014/15 appears to be fully funded, this is almost in theoretical terms as there is a possibility of a financing gap in view of the uncertainty surrounding floating of the sovereign bond. A look at foreign financing for the 2014/15 budget indicates that Kshs.36.1 billion will be raised through commercial financing via a sovereign bond. The gap may have to be bridged through additional expenditure cuts or additional borrowing.
- (x) The total external Grants and Loans presented in the 2014/2015 estimates are 14.42% and 26.12% lower than the 2013/2014 printed estimates respectively.

However, if absorption rate of 50.65% in 2012/2013 and 29.59% as at April 2014 is anything to go by then the estimates presented are still significantly high.

- (xi) 80.8% of grants and 75.03% of loans will be disbursed through AIA. Some of these funds are disbursed by the development partner directly to the contractors, goods and service providers and as such, not part of the consolidated fund or any other public fund. This is in contravention of Article 206 (1) of the Constitution.
- (xii) Some of the development partner funded projects have very huge management costs with salaries and other allowances accounting for up to 40% of the project's budget. Going forward management costs should be limited to 15% to ensure Kenyans get value for money.
- (xiii) It is worth having a debate on whether the significant amounts of grants from donors to some strategic high impact Ministries such as Health (comprising of Kshs.10.46 billion as grants in the budget 2014/2015 estimates) compliment or replace government development expenditure in those Ministries.
- (xiv) With regard to revenue performance, the revenue growth over the period 2013/14 and 2014/15, indicates that tax revenue will grow by 17 percent in nominal terms. However, GDP is expected to grow by 14.1 percent. Given the relationship between revenue growth and the general economic activity, it highly unlikely that the revenue target will be met. With regard to non tax revenue, compared to the 2013/14 level, the target for 2014/15 has been lowered by Kshs.10 billion. Moreover, the target for 2014/15 is lower than the actual collection for 2012/13.
- (xv) It worth noting that there is already a significant difference between the revised revenue target provided in the BPS and the Estimates of Revenue, Grants and Loans. Indeed, compared to the target provided in the BPS, the revenue target provided in the Estimates of Revenue, Grants and Loans are lower by Kshs.34.5 billion.
- (xvi) Issues surrounding collection of AIA has remained unresolved for a long time. In the report of the B&AC on the on the Budget Policy Statement, the recommendation to convert AIA into revenue has not been complied with.
- (xvii) The wage bill debate requires a holistic approach. Out of the Kshs.436.2 billion allocated for transfers to other levels of Government, nearly 60 percent (translating to Kshs.261.7 billion) goes towards compensating employees.
- (xviii) There is inconsistency between government policies and expenditure priorities since new programmes have been introduced and some programmes have been removed. Some programmes are poorly conceived with occasioned duplication across government departments. For example Livestock Policy Development and Capacity Building Programme appears both in the state department of Agriculture and the state department of Livestock in addition some programs do not have targets.

- (xix) The detailed budget for SAGAs was not submitted. The implication for these is that these budgets will be approved as one line in form grants to other levels of Government.
- (xx) It is difficult to express whether the allocation for development expenditure is fully funded by GOK or has foreign financing component. In addition, there is need to provide more information on the geographical distribution of this projects. In fact, the lack of this information is against the tenets of the Constitution. Article 201 of the constitution requires public finance matters to be conducted in an open and accountable manner. Moreover, article 201(e) contemplates that the burdens and benefits of the use of resources and public borrowing shall be shared equitably between present and future generations.
- (xxi) No disbursements have been made so far from the Equalization Fund. Currently, the Constitutional cumulative allocation to the fund stands at Kshs.12.3 billion, thus, given the proposed allocation of Kshs.3.4 billion, it means that there is an outstanding balance of Kshs.8.9 billion, which has not yet been disbursed.
- (xxii) The Railway Development Fund Levy needs a proper administrative structure so that the funds are properly budgeted and accounted for.

Concerns and Observations of Committee Members

After the presentation members made the following observations and remarks. Others were comments commenting the excellent synthesis by the Budget Office.

- (i) That there is need to improve revenue collection because many people especially those in the informal were not paying taxes, this places a heavy burden on the few people in formal employment.
- (ii) That the Committee should focus on the following sectors: Infrastructure and Energy, Security, Agriculture and Education and thus the 2014/15 budget estimates should also reflect this.
- (iii) Given that of the the locally raised revenue only Kshs.43 billion was going to development expenditure it was suggested that there is greater emphasis to reduce recurrent expenditure.
- (iv) Members were concerned that there were stalled projects particularly under the Economic Stimulus Programme that were funded by the National Government prior to the advent of devolution. They highlighted that the projects need to be completed. However, some of these projects which fall within the mandates of the County Government functions should be taken up by the respective County Governments.

The Parliamentary Budget Office was asked to look into the following areas:

1. Come up with various options that can help to solve the problems noted in the estimates or policy issues.
2. Make sure that SAGAs bring their budgets detailing both revenue and expenditure to Parliament for scrutiny.
3. Isolate grants and loans that are meant for the Health Sector.

4. Review the current administrative measures for tax collection in order to find new ways broaden the tax base
5. The PBO should verify about Ksh. 55 billion for university education, given the ongoing discussions on capitation.
6. They should check whether any other agencies which previous Reports on Budget Estimates had recommended for their scrapping had been allocated any funding in the 2014/15 budget estimates such as the Poverty Eradication Commission.
7. That in future soft copy of presentations should be circulated to all members in advance before the meeting.

MIN 101/2014: Any Other Business

Members were informed that they should liaise with the clerk of the Committee to confirm on the areas that they will be visiting for the or the public hearings in the following week.

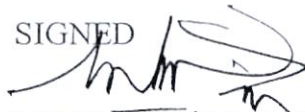
They were also informed that Parliament would be providing transport for those who will be travelling to Kitui, Samburu, Narok and Nyandurua for public hearings. They were also notified that the committee will be meeting the Auditor General in the next sitting.

Members were informed that Committee had been invited for a meeting with H.E. the President at Statehouse from 2.00 pm and thus need to have a common approach on the issues that they would like to raise and discuss with H.E. They agreed on the following;

- 1) Low absorption of Development Funds.
- 2) Ballooning Public Debt.
- 3) Floating of the Sovereign bond and Financing of the 2014/15 Budget.
- 4) Regional balance in the allocation of resources.
- 5) Low revenue collection and broadening of the tax base.
- 6) Public sector reforms to improve productivity.
- 7) Decreasing development expenditure despite increase in revenue collection.
- 8) The core programmes that the government want to undertake in 2014/15
- 9) The Disconnect between Vision 2030, MTP II, BPS and Budget estimates

There being no other business the Chairman adjourned the meeting at 1.00 pm. Next sitting will be communicated at a later date.

SIGNED



CHAIRPERSON

3.6.14

DATE

Key Issues from the Public hearings

The following are the Key Issues arising from the Public hearings

1.0 Roads and Bridges

The public felt that development of roads network is key to economic growth as it would open up new areas, facilitate movement of people and goods to the markets and promote trade. The public therefore requested for the construction, rehabilitation or maintenance of roads and bridges as follows.

- i) Completion of the flyover to connect Mbita Point with Rusinga Island Homa Bay- Mbita Road (C19)
 - Construction of Mbita-Sindo-Magunga road (D210)
- ii) Construction of the following roads;
 - Narok-Nakuru
 - Narok-Maasai Mara
 - Eoro-Ekule-Kongoni
 - Narok-Kilgoris and Suzwa-Konza
 - Kibwezi-Mutomo-Kitui-Mwingi-Taraka
 - Maralal-Baragoi
 - Garissa-Wajir-Mandera road to bitumen standard.
- iii) Improvement of the following roads to bitumen standard;
 - Lungalunga – Matuga – Kinango road C106
 - Kombani – Kinango-lungalunga-Mariakani
 - Marere – Tiribe
 - Kinango – Mariakani
 - Lungalunga – Vanga
 - Mabungo – Marima
 - Galani – Shimoni
 - Kinango – Samburu
 - Kinango – Mazeraz.
 - Kanana – Shimoni
- iv) Upgrade to Bitumen standard the following roads;
 - Engineer-Kirima D393 13 km,
 - Kirima-Ndinda D392 17km,
 - Murungaru-Gilgil D391 30 km,
 - Kapteni-Geta-NdunyuNjeru D389 47 km,
 - Gatura-Njambini-Karati C67 km,
 - Kariam-Olbollosat-Mailikumi D388 29km,

- Gwakiongo-Tumaini-Gilgil D385 43 km,
 - Gilgil-Machinery D390 25Km
- v) Tarmacking of the following roads;
- Chwele –Sirisia – Lwakhakha (29km),
 - Busia – Malaba,
 - Misikhu – Naitiri – Tongaren – Matunda,
 - Kapsokwony – Kopsiro – Namwela(38km)
- vi) Built access roads in Samburu north to enhance security and ensure easier movement of patrol teams
- Construction of a direct road between Samburu and Turkana
 - Hasten tarmacking of Rumuruti- Longaloyani road.
- vii) Construction of SeyiaBridge to link Samburu South and North at an estimated cost ofKsh 300 million.

2.0 Ferries and Jetties

To promote transport along the Kenyan coast and in Lake Victoria the public recommended procurement of ferries for use at Kenyan coast and in Lake Victoria as well as construction of jetties as follows;

- i) Procurement of public ferry at a cost of Ksh. 100 million for lake Victoria
- ii) Construction of a new jetty for ship docking in Kwale County
- iii) UpgradingShimoni jetty to a port.
- iv) Ferry services to be extended to more areas along the Kenyan coast

3.0 Airports and airstrips

The public recommended rehabilitation or upgrading of airstrips and airports as follows;

- i) Rehabilitation of Kitui airstrip.
- ii) Upgrade Bungoma, Webuye and Kakamega Airstrips.
- iii) Rehabilitation and upgrading Kisima airstrip in Maralal

- iv) Renovation of Ukunda airstrip.
- v) Commercialize Wajir Airport including considering its location.

4.0 Health

The public felt that despite the health services having been devolved to the counties the national governments have a role to play especially in support of Level 5 hospitals which are referral hospitals that attend patients from several counties. The public also felt the National government should assist counties in the provision of medical care as most hospitals have been underprovided.

The public recommended as follows;

- i) Conditional grants to be given for level 5 hospitals as was the case for 2013/14 financial year. More funding to be allocated for all level 5 hospitals.
- ii) Establishment of level 5 hospital in Kitui
- iii) Establishment of level 5 hospital in Nyandarua by upgrading J.M. Kariuki hospital, upgrading Ndaragwa and Wanjohi health centers to level 4 hospitals.
- iv) Establishment of a medical training college in Kipipiri, Narok, Samburu and Wajir.
- v) Upgrade Narok district hospital to level 5.
- vi) Rehabilitate and upgrade the Samburu level 4 hospital to level 5 (to be county referral hospital as well as recruit and train more mid-wives on safe delivery methods.
- vii) Increase allocation for people with albinism from Ksh 100 million to Ksh. 153.6 million.
- viii) Further, 4 radiotherapy machines in regions with large number of people with albinism including Western, Coast and Eastern regions at approximately Ksh. 680,000,000 and Ksh. 1.6 million to provide reading boxes for pupils with albinism.
- ix) Construction of referral hospital in every county.

5.0 Agriculture

The public felt that even if agriculture is fully devolved the national government should support the counties especially through irrigation to promote food security. Further, the public recommended as follows

- i) The construction of 8 Mega dams in Nyeri to be allocated Ksh. 11 billion through the National irrigation Board as well as irrigation projects along Tana in Garissa, Bute and Gurar in Wajir and Banisa in Mandera
- ii) Equitable sharing of resources from National Government allocated for the development of Pyrethrum.
- iii) Strategic grain reserves to be upgraded in order to store other Agricultural products such as milk, horticultural products among other commodities that go to waste when there is bumper harvest.
- iv) Establishment of fish processing plant for Lake Victoria at a cost of Ksh. 100 million.
- v) More resources to be allocated for livestock value chain management and research on livestock production.
- vi) Construction of Kanyonyo wholesale market.
- vii) Farmers to be allowed to purchase the quantity of fertilizer they wish and have tractors availed to help farmers produce food crop. A fertilizer factory to be constructed in Nyandarua.,
- viii) Subsidizing prices of fertilizer including considering reduced tax and providing adequate supply and correct timings to boost food production.
- ix) Import duty to be raised to curtail wheat imports which make wheat prices un-competitive
- x) Prevention of human animal conflict by protection of wildlife invasion to farm.
- xi) Maize milling plant and a juice processing plant to be constructed in Kwale County to ensure farmers earn more from their crops and to create employment for the youth.
- xii) The amount allocated for fisheries development in the budget to be increased.

- xiii) Fish ponds to be promoted in the coastal areas.
- xiv) Government to investment in large scale farming in Matuga and Msambweni.
- xv) Construction of a soil analysis laboratory to assist in aiding agriculture improvement as well as provide funds to support small-scale farmers to purchase farm inputs.
- xvi) Establishment of a tanning and meat factory in Maralal as well as construction of an abattoir in Narok.
- xvii) More funds to be allocated for livestock vaccines.
- xviii) Construction of Mega dam for Bute town in Wajir North
- xix) Construction of NCPB stores in each Sub-County
- xx) Agriculture Finance Corporation to be revived.
- xxi) Provide better breed of animals for diary and chicken farmers.
- xxii) Revival of Webuye Pan-Paper factory, Malakisi Ginnery, Kitinda Milk factory
- xxiii) Construction of a fertilizer plant as well as subsidizing prices of fertilizer, adequate supply and correct timings of fertilizer,
- xxiv) Establishing a potato biscuit factory.
- xxv) Establishing a chicken slaughterhouse in Chwele, a tea factory in Mt. Elgon and sunflower processing plant to create employment.
- xxvi) 15% of the budget (approximately Ksh. 6.8 billion) to be directly targeted towards enhancing food security through water harvesting, storage for small scale farmers, value addition, training and capacity building.
- xxvii) Reduce tax on imported chicken feeds.
- xxviii) Ksh. 3 billion to be allocated for establishment of strategic food and water reserves in each county. Each county to be allocated Ksh. 63.83 million for county strategic food reserves.

- xxix) Funds allocation to orphans, elderly and the disabled to be channeled through county food security committees, the committees will be established to oversee proper targeting of beneficiaries monitor and evaluate the implementation process and provide exit strategies for the beneficiaries as well as monitor food security and nutrition situation.

6.0 Education

The following were the recommendation for the sector;

- i. Establishment of an equalization fund to improve the infrastructure of Maasai Mara University and other newly established universities.
- ii. Increase allocation on sanitary towels to ensure every school gets a monthly supply
- iii. Increase funding for FPE, FSDE and allocate funds to construct schools for disabled.
- iv. Allocate Ksh 1.8 billion for a library research centre.
- v. Construction of two secondary schools of excellence in each constituency in Kwale County, one for each gender.
- vi. Funding of 4 special schools in Ndaragwa,
- vii. Re-construction of Muriru and CCM primary schools in Nyeri. (The schools have been declared health hazard by the Ministry of Health.)
- viii. Construction of primary school in each sub location in Nyandarua. Rehabilitation and provision of dilapidated infrastructure in Primary and Secondary schools.
- ix. Upgrading of Nyandarua Institute of Science and Technology into a fully-fledged University.
- x. Funding of the earmarked Aberdare Teachers College, Construction of teachers training college in Ol-kalou and in Mbita as well as construction of a polytechnic in Samburu.
- xi. The overall allocation for Education in the 2014/15 budget to be increased and resources to be provided for adult education in Kwale.

- xii. Allocation for promoting teachers in the 2014/15 budget to be used to recruit more teachers to reduce pupil teacher ratio and recruit 20,000 instead of 5,000 teachers.
- xiii. Posting 700 more teachers in the Wajir region.
- xiv. Increase allocation for recruitment of new teachers
- xv. Increase the allocation for the school feeding programme to over Kshs3 billion and allocation for bursaries for secondary education to be increased.
- xvi. Ban of pubs in residential areas to be enforced to reduce truancy in schools and introduce evening classes for pastoral communities to ensure access to education.
- xvii. Purchase of vehicles for all County Directors' of Education
- xviii. Increase hardship allowance for teachers in the hardship region.
- xix. Increase funding for ICT facilities to develop a basement for the implementation of the Laptop project as well as for security of primary schools in anticipation of the Laptop programme.

7.0 Water and Sanitation

The public felt that there should be more allocation for water provision and made the following recommendation;

- i. Construction of three major dams along Malewa, Wanjohi and Kinja Rivers as well as Funding of Leshau Karago-ini water project.
- ii. Construction of Umaa water dam.
- iii. Completion of the Masinga - Kitui water project and provision of funds for Kiambere- Mwingi Water project.
- iv. Reduce the number of development authority's working in Nyandarua County to one development authority and one water service board as well the County to be represented in the Board.
- v. The allocation to the counties through the development authorities to be made public.

- vi. Funds to be allocated for the construction of mega dams to harness rain water for domestic use in north eastern area
- vii. Completion of Umaa water dam in Kitui
- viii. Construction of a mega dam in Samburu County for livestock and irrigation.
- ix. Rehabilitation of water pans in Ndaragwa
- x. Construct sewerage system in Maralal and Ol-Kalou.

8.0 Security

To provide the necessary security the public requested for the following;

- i) Purchase of patrol speed boat for the police to provide security as well as establishing a permanent naval military base in one of the islands in Lake Victoria to protect the territorial waters and people.
- ii) Construction of a police station/police post near the Kenya-Tanzania border to curb insecurity arising from the porous border and to have a trained and armed security guard in every estate.
- iii) Allocation of funds for the recruitment of police reservist, enhance police housing programmes, purchase vehicles as well as purchase motorbikes for chiefs and motorboats for sea patrols.
- iv) Allocation of funds to purchase a helicopter for emergency response and surveillance in the Coast region
- v) Allocate funds for allowances for village elders/ Village Chairmen who can act as informers and provide intelligence to deter crime. Provide for retired security officers to ensure they do not turn into crime and home guards to be included in government payroll to boost their morale. Anti-poaching efforts to incorporate the locals to ensure sustainability.
- vi) Funds to be allocated for refurbished and digitization of police posts.
- vii) Kenya police reservists be included in government payroll to boost their morale
- viii) Allocation for National Youth Service to have an institution in every county to provide discipline and opportunity for the youth.

- ix) Funds to be allocated for an army or GSU base to be built in in Samburu
- x) The AIE for each sub-county to be enhanced from the current Ksh 320,000 to Ksh 1,000,000 per year
- xi) County Commissioners and Sub-County Commissioners to be given vehicles, allowances for stationery, airtime and monthly stipend
- xii) Land to be purchased to construct houses for security officers, develop one police post in every ward with gazzeted cells
- xiii) A prison to be constructed in Kimilili. An additional 50 officers to be provided in each sub-county and risk allowance to be allocated to the officers.
- xiv) Additional funding for National Police Oversight Authority to fund core areas such as investigations, complaints management, inspections and monitoring as well as staff salaries.
- xv) 15% of the total budget allocated to security in the country to be allocated to initiatives that will combat insecurity and maintain peace at the community level.
- xvi) Allocation for the state department of interior to be increased by Ksh. 63.6 billion and budget allocation for fuel to the Kenya National Police Service increased from Ksh. 586 million to Ksh. 2.2 billion to improve their response to crime country wide.
- xvii) Ksh. 503 million for provision of safe houses/ shelters for sexual and gender based violence.

9.0 Energy

On energy the public recommended the following;

- i. Construction of power stations along River Nzoia at Nabuyole falls, river Malakisi, river Kibisi and river Kuywa,
- ii. Sugar factories to be encouraged to produce power from the baggase
- iii. Investment in wind energy in Mt. Elgon. Harnessing wind energy from strong winds atNdemi/Malewa/Lereshwa and Turasha regions.
- iv. Completion of the remaining dams of the Seven Folks Dam Projects to provide additional hydropower, provide water for domestic, industrial use and irrigation.

10. Environmental Conservation

The public proposed for environmental conservation measures to be undertaken by encouraging people to plant trees as well as more funds to be allocated for disaster management fund and in particular;

- i. More funds to be allocated for compensation of pastoralists who lose their animals during drought. The public further requested for a policy to implement the same.
- ii. Establishment of a Warehouse fully equipped with disaster management equipment.
- iii. More funds to be allocated for conservation of Mau forest.

11. Judicial and administrative services.

The public recommended the following;

- i. Provision of conditional grant for the construction of Nyandarua County Headquarter.
- ii. To enhance judicial service delivery and reduce distance travelled to courts the participants requested for construction of a magistrates court in Ndaragwa and a high court in Ol-kalou.
- iii. Additional allocation of Ksh. 110.2 million for Kenya Law Reform Commission as follows;
 - Ksh. 19.2 million for recruitment of seven additional senior legal officers and one communication expert;
 - Ksh.5 million for resource centre/library;
 - Ksh. 36 million for lease and re-modeling of office accommodation;
 - Ksh.20 million for training staff, county legal officers and other technical officers;
 - Ksh.15 million for medical insurance
 - Ksh.15 million for lease or purchase of motor vehicles to be used for county based stakeholder consultation.
- iii) Additional allocation for National Gender and Equality Commission amounting to Ksh. 114.5 million as follows;
 - Ksh. 3.4 million for rent shortfall

- Ksh. 1.1 million for salary deficit for current staff
- Ksh. 80 million for programmatic interventions such as creating enabling legal frameworks, complaints handling and redress, mainstreaming issues of vulnerable populations, public education, monitoring of substantive financing of equality and inclusion, internal organizational development and growth.
- Ksh. 30 million for recruitment of additional staff

12 Other recommendations

- i. 15% of the national budget which is Ksh3.36 billion of the budget from the ministries of Labour, Social Security and Social Services, Ministry of Industrialization and Enterprise Development, State Department for Commerce and Tourism, Agricultural Productivity and Agribusiness Project(KAPAP), National Agriculture and Livestock Extension Programme(NALEP), Public Service Commission, National Youth Service and creation of youth and women enterprise fund which amount to Ksh. 22.4 billion be allocated towards creation of employment ensuring markets are accessible and promotion of the small scale businesses.
- ii. Construction of a land registry in Samburu as well as issuance of title deeds was requested in Samburu, Mbita and Rangwe.
- iii. Mapping of the minerals deposit areas as well as providing funds to assist in exploitation of minerals.
- iv. Academies to be established to enable the nurturing of talents from the Youth and a cultural centre to preserve the local culture from becoming extinct.
- v. A fund to be created for compensation of the families or residents who get killed in human wildlife conflict.
- vi. More funds are allocated for orphans, vulnerable and elderly persons as well as protection of boy child who are not going to school but engaging manual labour
- vii. Modalities' for reducing the public wage bill to be developed as well as salary harmonization in the public sector.
- viii. Increased allocation to NACADA to better deal with drug and alcohol abuse. Construction of rehabilitation centres for drug addicts in Nyeri and Miharati

- ix. A separate vote for the National Youth Council to be created for the council to establish offices and recruit staffs in the 47 counties. Develop policies advisory and research for the youth, trainings, logistics, transport and communication.
- x. Completion of economic stimulus projects.
- xi. Allocation of funds for promotion of sports at grassroots level and improvement of sports infrastructure.
- xii. Establishment of the girl watch project.