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 REPUBLIC OF KENYA THE NATIONAL ASSEMBLY PAPERS LAID BEFORE THE NATIONAL ASSEMBLY	
DATE: 23 MAR 2021	DAY: Tuesday
TABLED BY:	Chair, Budget Hon. Kamini Kega
CLERK-AT THE-TABLE:	M. Lomura

TWELFTH PARLIAMENT – FIFTH SESSION

**REPORT OF THE BUDGET AND APPROPRIATIONS COMMITTEE ON THE
SUPPLEMENTARY APPROPRIATION BILL, 2021 (NATIONAL ASSEMBLY BILL
NO. 9 OF 2021)**

MARCH, 2021

CHAIRPERSON'S FOREWORD

The Supplementary Appropriation Bill, 2021 (National Assembly Bill No. 9 of 2021) was read for the first time in the National Assembly on Tuesday, 23rd March, 2021. Pursuant to Standing Order 127(2), the Bill was committed to the Budget and Appropriations Committee for consideration and review with a view to make recommendations to the House. The Bill seeks to authorise the issuance of monies from the Consolidated Fund and their application towards the service of the year ending on 30th June, 2021, and to appropriate those sums for certain public services and purposes.

The enactment of the Supplementary Appropriation Bill, 2021 is thus critical in giving authority for the withdrawal from the consolidated fund and thus facilitating the flow of resources to the various government Ministries, Departments and Agencies (MDA's).

Mandate of the Committee

Article 221 (4) of the Constitution and Section 7 of the Public Finance Management Act, 2012 provide for the establishment of a Committee of the National Assembly whose main role is to take the lead in budgetary oversight by the National Assembly. Pursuant to this constitutional provision, Standing Order 207 establishes the Budget and Appropriations Committee with specific mandates as follows:

- i. Investigate, inquire into and report on all matters relating to coordination, control and monitoring of the national budget;
- ii. Discuss and review the Estimates and make recommendations to the House;
- iii. Examine the Budget Policy Statement, the Medium Term Debt Strategy Paper and the Division of Revenue Bill (DoRB) presented to the House;
- iv. Examine Bills related to the national budget, including the Appropriations Bill; and
- v. Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays.

Membership of the Committee

The Budget and Appropriations Committee as currently constituted comprises of the following Honourable Members:

Member	Constituency	Party
1. Hon. Kanini Kega, CBS, M.P. – Chairperson	Kieni	Jubilee
2. Hon. Benard Shinali, M.P. – Vice Chairperson	Ikolomani	Jubilee
3. Hon. CPA John Mbadi, EGH, CBS, M.P.	Suba South	ODM
4. Hon. Emmanuel Wangwe, CBS, M.P	Navakholo	Jubilee
5. Hon. Fatuma Gedi Ali, CBS, M.P.	Wajir County	PDR
6. Hon. Wangari Mwaniki, OGW, M.P	Kigumo	Jubilee
7. Hon. CPA Moses K. Lessonet, CBS, M.P	Eldama Ravine	Jubilee
8. Hon. Samwel Moroto, M.P.	Kapenguria	Jubilee
9. Hon. Millie Odhiambo, M.P.	Suba North	ODM
10. Hon. Richard Onyonka, M.P	Kitutu Chache South	Ford Kenya
11. Hon. (Dr.) Makali Mulu Benson, M.P.	Kitui Central	Wiper
12. Hon. Twalib Bady, M.P.	Jomvu	ODM
13. Hon. Jude Njomo, M.P.	Kiambu Town	Jubilee
14. Hon. Sarah Paulata Korere, M.P.	Laikipia North	Jubilee
15. Hon. Josephine Naisula Lesuuda, OGW, M.P.	Samburu West	KANU
16. Hon. Alfred Kiptoo Keter, M.P	Nandi Hills	Jubilee
17. Hon. Sakwa Bunyasi, M.P.	Nambale	ANC
18. Hon. Florence Chepng'etich Bore, M.P.	Kericho County	Jubilee
19. Hon. James Gichuki Mugambi, M.P.	Othaya	Jubilee
20. Hon. Danson Mwashako, M.P.	Wundanyi	Wiper
21. Hon. (Eng.) Mark Nyamita, M.P.	Uriri	ODM
22. Hon. Paul Abuor, M.P	Rongo	ODM
23. Hon. Mercy Wanjiku Gakuya, M.P.	Kasarani	Jubilee
24. Hon. CPA Francis Kuria Kimani, M.P	Molo	Jubilee
25. Hon. Samuel Atandi, M.P	Alego Usonga	ODM
26. Hon. Joseph Manje, M.P	Kajiado North	Jubilee
27. Hon. Marselino Arbelle, M.P	Laisamis	Jubilee

Parliamentary Budget Office and Committee Secretariat

The Committee is facilitated by the following officers from the Parliamentary Budget Office:

1. Ms. Phyllis Makau, OGW Director, Parliamentary Budget Office
2. Mr. Martin Masinde Senior Deputy Director, Parliamentary Budget Office
5. Ms. Millicent Makina Fiscal Analyst I
7. Dr. Abel Nyagwachi Fiscal Analyst I
6. Ms. Julie Mwithiga Fiscal Analyst I
7. Mr. Chacha Machage Fiscal Analyst I

The Committee Secretariat comprises of the following officers:

1. Mr. Joseph Ndirangu Fiscal Analyst I/ Clerk of the Budget and Appropriations Committee
2. Mr. Danson Kachumbo Fiscal Analyst I / Clerk of the Budget and Appropriations Committee
3. Ms. Winfred Kizia Media Relations
4. Mr. Benard Omondi Serjeant-at-arms
5. Mr. Stephen Nyakuti Audio Officer
6. Mr. Joram Baraza Office Assistant

Examination of the Supplementary Appropriation Bill, 2021 (National Assembly Bill No. 9 of 2021)

The Supplementary Appropriation Bill (National Assembly Bill No. 9 of 2021) was prepared and introduced in the house pursuant to Standing Order 127(2) and in line with the PFM Act ,2012 and the Article 223 of the 2010 Constitution , the Bill was committed to the Budget and Appropriations Committee and was reviewed in one (1) sitting.

At this juncture, I wish to highlight that the content in the Supplementary Appropriation Bill, 2021 are in line with the House resolutions on the approved report of the Committee. This is in accordance with the provisions of Standing Order 244B.

On behalf of the Committee and pursuant to the Standing Orders 199(6) of the National Assembly, it is therefore my pleasant duty and privilege, to table this report on the Supplementary Appropriation Bill, 2021 (National Assembly Bill No. 9 of 2021) and to recommend that the Bill be read a second time.

Acknowledgements

The Committee wishes to thank the Office of the Speaker, the office of the Clerk of the National Assembly, and the Parliamentary Budget office for the support extended in fulfilling this mandate of reviewing the Supplementary Appropriation Bill (National Assembly Bill No. 9 of 2021).

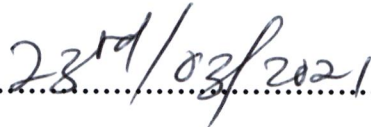
It is therefore my pleasant undertaking, on behalf of the Budget and Appropriations Committee, to table this report and recommend that the Bill be read a second time.

SIGNED

A handwritten signature in black ink, appearing to be 'Kanini Kega', written over a horizontal dotted line.

HON. KANINI KEGA, CBS, M.P.

CHAIRPERSON, THE BUDGET AND APPROPRIATIONS COMMITTEE

A handwritten date '28th/03/2021' written in black ink over a horizontal dotted line.

DATE

INTRODUCTION

1. The Supplementary Appropriation Bill, 2021 seeks to give authority for issuance of Kshs. 125.16 Billion out of the Consolidated Fund and apply it towards the supply granted for the service of the year ending on 30th June, 2021.
2. This Bill thus seeks to actualize the resolutions of the House on the adopted report on considerations of the supplementary estimates No. 1. The House may recall that it made the following resolution;
 - i) **That**, within the next six months, the National Treasury should provide funds and a clear road map for the completion of all stalled projects and present this information to Parliament.
 - ii) **That**, during the finalization of the budget estimates for 2021/2022, the National Treasury should set aside funds for the settlement of all pending bills and court awards.
 - iii) **That**, to avert incomplete projects, the National Treasury should request the Office of the Auditor General to carry out an audit of ongoing projects that have been affected with budget cuts by April 2021, with a view of funding these projects in FY 2021/22 budget.
 - iv) **That**, upon approval of the Supplementary budget 1 FY 2020-21, the MDAs and National Treasury should revise the outputs and performance targets to realign with the increase or decrease in budgetary allocations for various programmes.
 - v) **That**, the new projects in the Supplementary budget 1 FY 2020-21 should be deferred to FY 2022/23.
 - vi) **That**, for the next supplementary budget, the National Treasury should ensure adequate consultations with the MDAs before supplementary changes are effected on the budget.

OVERVIEW OF SUPPLEMENTARY APPROPRIATION BILL, 2021

3. The projected revenue collection for the financial year 2020/21 has been revised downwards to Kshs 1,850 Billion from the estimated Kshs. 1,890 Billion at the beginning of the financial year. However, the expenditure in this supplementary is increasing by Kshs. 125.16 Billion.
4. This increase is mostly under the development budget which has increased by Kshs. 59.81 Billion this is on account of adjustments of donor funding and as well as several adjustments across board.

5. On the other hand, recurrent spending has increased by Kshs.20.22 billion. In addition, the Consolidated Fund Services (CFS) expenditure has increased by Kshs. 45.65 billion.
6. It is indicated that the supplementary budget has been necessitated by the need to take care of post covid-19 related interventions, payment of pending bills, salary adjustments, changes in development partners funded projects, rationalization of budget the budget among other challenges.

COMMITTEE OBSERVATIONS

7. The Committee notes that the impact to the macro-economic framework upon approval of the supplementary budget retains the fiscal deficit at 8.7% of Gross Domestic Product (GDP) taking into account the amendments that were approved by the House. It is however important to mention that if the arrears to counties for FY 2019/20 are actualized in the current financial year it will increase the fiscal deficit as a percentage of GDP.
8. The committee further notes that the allocation for equalization fund for the current financial year has been reduced from Kshs.6 Billion to Zero (0).

COMMITTEE RECOMMENDATIONS

9. The Committee therefore recommends to the House that the Supplementary Appropriation Bill, 2021, be read a second time. Further, the Committee would like to propose an amendment during the consideration of the Bill at the Committee of the Whole House to cater for salary short –falls for the Kenya Industrial Estate.

MINUTES OF THE 16th SITTING OF THE BUDGET AND APPROPRIATIONS COMMITTEE HELD AT MINI CHAMBER, FIRST FLOOR, COUNTY HALL, PARLIAMENT BUILDINGS ON TUESDAY, 23rd MARCH 2021, AT 1.00 P.M.

PRESENT:

- 1. Hon. Kanini Kega, CBS, M.P.- Chairperson**
- 2. Hon. Benard Masaka Shinali, M.P.- Vice Chairperson**
3. Hon. Emmanuel Wangwe, CBS, M.P.
4. Hon. Samwel Moroto, M.P.
5. Hon. Sarah Paulata Korere, M.P.
6. Hon. Fatuma Gedi Ali, CBS, M.P.
7. Hon. Danson Mwashako, M.P.
8. Hon. James Gichuki Mugambi, MBS, M.P.
9. Hon. (Eng.) Mark Nyamita, M.P.
10. Hon. (Dr.) Makali Mulu, M.P.
11. Hon. Paul Abuor, M.P.
12. Hon. Samuel Atandi, M.P.
13. Hon. Mercy Wanjiku Gakuya, M.P.
14. Hon. (CPA) Francis Kuria Kimani, M.P.

ABSENT WITH APOLOGY:

1. Hon. (CPA) John Mbadi, EGH, CBS, M.P.
2. Hon. (CPA) Moses K. Lessonet, CBS, M.P.
3. Hon. Millie Odhiambo, M.P.
4. Hon. Richard Onyonka, M.P.
5. Hon. Alfred Kiptoo Keter, M.P.
6. Hon. Badi Twalib, M.P.
7. Hon. Jude Njomo, M.P.
8. Hon. Josephine Naisula Lesuuda, OGW, M.P.
9. Hon. Wangari Mwaniki, OGW, M.P.
10. Hon. Joseph Manje, M.P.
11. Hon. Masalino Arbelle, M.P.
12. Hon. Sakwa Bunyasi, M.P.
13. Hon. Florence C. K. Bore, M.P.

PARLIAMENTARY BUDGET OFFICE

- | | |
|----------------------------|-----------------------------|
| 1) Mrs. Phyllis Makau, OGW | Director, PBO |
| 2) Mr. Martin Masinde | Senior Deputy Director, PBO |

COMMITTEE SECRETARIAT

- | | |
|------------------------|--------------------------|
| 1) Mr. Joseph Ndirangu | Fiscal Analyst I & Clerk |
| 2) Mr. Danson Kachumbo | Fiscal Analyst I |
| 3) Mr. Ian Otieno | Audio Officer |
| 4) Mr. George Mbaluka | Office Assistant |

AGENDA

1. Preliminaries & Confirmation of Agenda
2. *Adoption of the BAC draft report on the Supplementary Estimates Bill, 2021 (National Assembly Bill No. 9 of 2021)*
3. Any Other Business (A.O.B)

MIN. NO. NA/BAC/2021/295: PRELIMINARY

The Chairperson welcomed the committee members to the meeting and called the meeting to order at 1.30 p.m. Thereafter, a prayer was said.

MIN. NO. NA/BAC/2021/296: ADOPTION OF COMMITTEE DRAFT REPORT ON THE SUPPLEMENTARY ESTIMATES BILL (NATIONAL ASSEMBLY BILL NO. 9)

Members were taken through the draft report by Parliamentary Budget Office. The committee went clause by clause of the report. After deliberations, the committee **adopted** the report as follows:

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MIN.NO.NA/BAC/2021/297: ANY OTHER BUSINESS & ADJOURNMENT

There being no other matters to consider, the meeting was adjourned at 2.00 p.m.
The next sitting will be communicated at a later date.

SIGNED



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HON. KANINI KEGA, CBS, M.P.

CHAIRPERSON, BUDGET AND APPROPRIATIONS COMMITTEE

23rd/03/2021

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DATE

