



KENYA NATIONAL ASSEMBLY

TENTH PARLIAMENT – FOURTH SESSION

REPORT ON THE BUDGET POLICY STATEMENT

By

Departmental Committee on Labour and Social Welfare

(Submitted pursuant to Standing Order 143 (4))

Clerks Chambers
Parliament Buildings
NAIROBI

April 2011

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PREFACE

The Departmental Committee on Labour and Social Welfare was constituted on 17th June 2009 during the third Session of the Tenth (10th) Parliament pursuant to provisions of Standing Orders 198 (1). The Committee executes its mandate in accordance with the provisions of Standing Order 198 (3), from which it draws its mandate to; –

- a) Investigate, inquire into, and report on all matters relating to the mandate, management activities, administration, operations and estimates of the assigned Ministries.
- b) To study the programme and policy objectives of Ministries and departments and the effectiveness of the implementation.
- c) To study and review all legislation referred to it.
- d) To study, assess and analyze the relative success of the Ministries and departments as measured by the results obtained as compared with their stated objectives.
- e) To investigate and inquire into all matters relating to the assigned Ministries and departments as they may deem necessary, and as may be referred to them by the House or a Minister.
- f) To make reports and recommendations to the House as often as possible, including recommendation of the proposed legislation

The Committee is mandated to consider the following issues; Labour, Trade Union Relations, Manpower or Human Resources Planning, Gender, Culture and Social Welfare, Youth, and Children's welfare.

In executing its mandate, the Committee oversees the following Ministries:

- I. Ministry of Labour and Human Resource
- II. Ministry of State for Youth Affairs and Sports
- III. Ministry of Gender and Children Development
- IV. Ministry of State for National Heritage and Culture
- V. Ministry of State for Special Programmes

The Departmental Committee on Labour and Social Welfare comprises the following Members

- I. The Hon. Sophia Abdi Noor, M.P. - Chairperson
- II. The Hon. Lenny Kivuti, M.P. – Vice Chairperson
- III. The Hon. Joseph Oyugi Magwanga, M.P.
- IV. The Hon. Aden Keynan, M.P.
- V. The Hon. Gideon Konchella, M.P.
- VI. The Hon. Elijah Lagat, M.P.
- VII. The Hon. Alfred B. Odhiambo, M.P.
- VIII. The Hon. Clement Waibara, M.P.

- IX. The Hon. Charles Keter, M.P.
- X. The Hon. Polyn's Ochieng, M.P.
- XI. The Hon. Jackson Kiptanui, M.P.

Pursuant to Standing Order 143 (4) in considering the Budget Policy Statement, the Budget Committee shall consult each Departmental Committee and shall, not later than April 15, lay its report before the House.

The reason for having the Budget Policy Statement is to allow the Committee to give input which will be presented to the Minister for Finance by the Budget Committee. It allows the Committee to check whether planning is pegged with available resources.

The Departmental Committee on Labour and Social Welfare perused through the Budget Policy Statement and has the following observations on the Budget Policy Statement in the key areas touching the Ministries under its mandate and is happy to present its findings to the Budget Committee.



The Hon. Sophia Abdi Noor, MP

Chairperson

Departmental Committee on Labour and Social Welfare

Dated: April 12, 2011

1.1 THE BUDGET POLICY STATEMENT 2011

The Ministries under the jurisdiction of the Labour and Social Welfare are; Ministry of Special Programmes, Ministry of Gender, Children and Social development, Ministry of Labour, Ministry of State for National Heritage and Culture and the Ministry of Sports and Youth Affairs.

Treasury, through the BPS 2011 identifies the overall goals for the above sectors as:

- Management of disasters
- Manpower development
- Employment creation and enterprise competitiveness
- Facilitation and empowerment of vulnerable groups including women and youth
- To preserve our national heritage and culture

The BPS acknowledges that despite the progress made, the sectors continue to face major challenges which are:-

- outdated labour market information,
- dilapidated infrastructure and equipments,
- Resettlement of IDPs,
- the increase of Orphans due to HIV and AIDS,
- High unemployment rate and population pressure among youths,
- Child labour and trafficking, and
- Drug substance and Abuse.

The BPS indicates that in the Medium term, the Government seeks to address these challenges through:

- Children's services;
- gender and social and development;
- youth development and empowerment services;
- management and development of sports and sport facilities;
- building capacity in industrial training,
- optimal utilization of human resources;
- National heritage and culture.

1.2 SECTORS FUNDING ISSUES

Resource envelope to Ministries under the Labour and Social Welfare Committee

Ministries	Revised Budget 2010/11			Budget Ceiling 2011/12			
	Recurrent	Devt	Total	Recurrent	Devt	Total	% chan

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Labour	1,315	1,128	2,443	1,569	1,326	2,895	18.5
National Heritage and Culture	1,731	439	2,170	1,884	637	2,521	16.2
Special programmes	5,621	6,982	12,603	4,102	6,388	10,490	-16.7
Gender and Social Development	2,853	3,282	6,135	2,775	3,432	6,207	1.2
Youth Affairs and Sports	5,756	4,672	10,428	5,543	4,922	10,465	0.35

1.3 INTERVENTIONS ISSUES

No specific interventions strategies in the Labour and Special programmes sectors are mentioned. Moreover, the sectors programmes are attached to the BPS at gross levels without indicating strategies to achieving them.

The Committee noted that the following issues remain some of the challenges in the Labour and Special Programmes sectors.

- Disaster management and policy framework
- Evaluation mechanism on what qualifies for emergency intervention / response.
- Resettlement of IDPs and refugees issues.
- Effectiveness of Special funds Youth Enterprise Development Fund, Women Enterprise Development Fund the awareness levels, uptake and recovery of loans challenges and solutions
- Eminent resource leakages in the Special Programmes sector due to emergency type of expenditure within a weak financial framework.

MINISTRY OF YOUTH AFFAIRS AND SPORTS

1.1 APPROVED ALLOCATION FOR 2010/2011 FINANCIAL YEAR

Recurrent Budget:

- Personnel Emoluments Kshs. 1,625M
- Grants & Transfers Kshs. 622M (SSMB, YEDF & Sports)
- O & M Expenses Kshs. 3,509M

Development Budget:

- GoK Kshs. 3,118M
- Loans Kshs. 200M
- Grants Kshs. 1,354M

Total Budget **Kshs. 10,428M**

1.2 SUMMARY OF EXPENDITURE BY PROGRAMMES AND SUB PROGRAMMES FOR 2010/2011 FINANCIAL YEAR

Programmes/Sub Programmes	Approved 2010/11 (Kshs. in Millions)	Estimate 2011/12 (Kshs. in Millions)
Programme 1: Youth Development Services		
National Youth Service Training	3,545	3,558
Youth Polytechnic (YP) Training	2,112	2,119
Youth development services	1,717	1,724
Youth Employment Services	882	885
Total Expenditure for Programme 1	8,257	8,286
Programme 2: Management and development of Sports and Sports facilities		
Community Sports Programme	463	465
Sports administration and Development	1,546	1,551
Development of sports facilities	162	163
Total Expenditure for Programme 2	2,171	2,179
Total Expenditure of vote	10,428	10,465

1.3 PROGRAMMES OUTPUTS AND PERFORMANCE INDICATORS IN 2010/2011 F/Y

YOUTH DEVELOPMENT SERVICES		
Outcome: Development and Empowerment of Youth		
	Key Performance Indicators	Key Outputs
SP 1.1	National Youth Service Training	
	Create Skilled Manpower in Building/Artisan (Skilled disadvantaged and orphaned youth)	5448 Graduates trained (2754)
	Trained youth in paramilitary skills	13692 Recruits trained
	Barracks for service men/women	25 Barracks constructed
	Create skilled manpower in driving (Skilled disadvantaged and orphaned youth)	600 Graduates trained (525)
	Create skilled manpower in engineering (Skilled disadvantages and orphaned youth)	1366 Graduates trained (400)
	Create Skilled Manpower in Business Management (Skilled disadvantaged and orphaned youth)	1350 Graduates trained (300)
	Create Skilled Manpower in Catering (Skilled disadvantaged and orphaned youth)	732 Graduates trained (221)
	Km of road Constructed	28 Kilometres of Hola-Garsen Road constructed by June 2010
SP 1.2	Youth Polytechnic (YP) Training	
	YPs Rehabilitated and revitalized	64 YPs rehabilitated and revitalized
	YP Instructors inducted	1388 instructors inducted
	YPs Equipped	168 YPs Equipped with a set of workshop tools for one trade.
	YPs inspected on Quality Assurance	550 YPs inspected on Quality Assurance
	Curriculum Implementation	49 YPs Piloting new Curriculum
SP 1.3	Youth Development Services	
	Youth trained on entrepreneurship	150,000 youth trained on entrepreneurship
	Youth Empowerment centers constructed.	30 Empowerment centers completed and equipped.
	Sensitized youth on crime, drugs and substance abuse	55,800 youth sensitized
	Youth trained in leadership, life skills and vision 2030	525,000 Youth trained

1.4 ALLOCATION AND REQUIREMENTS FOR 2011/2012 FINANCIAL YEAR

RECURRENT	ALLOCATION (In Kshs. Billion)	REQUIREMENTS (In Kshs. Billion)
Personal Emoluments	1,674	1,871
Grants & Transfers	622	622
O & M	3,247	6,271
Total Recurrent	5,523	8,764
DEVELOPMENT		
GoK	3,368	8,354
Loans	200	200
Grants	1,354	1,354
Total Development	4,922	9,908
TOTAL FOR VOTE 42	10,465	18,672

1.5 PROGRAMMES FINANCIAL SHORTFALL 2011/2012 FINANCIAL YEAR

1.0 RECURRENT

1.1 PERSONAL EMOLUMENTS

- *Instructors Allowances – NYS Gilgil*
 - *Recruitment of Technical Officers*
 - *Gratuity – Civil Servants*
 - *NYS Uniformed Officers enhanced allowances*
- TOTAL**

Kshs.197,429,865

1.2 OPERATIONAL AND MAINTENANCE EXPENSES

1.2.1 National Youth Service

- *Food and rations*
- *Uniform and Clothing for Trainees*
- *Bedding and Linen for Trainees*
- *Trainee Allowances*
- *Training Materials for Training Institutions*
- *Utilities*
- *Travel Costs*
- *Veterinary Supplies*
- *Fungicides, Insecticides and Sprays*
- *Agricultural Material Supplies*
- *NYS Disaster Preparedness (protective gear)*
- *Small Equipment and Supplies*
- *Purchase of Animal and Breeding Stock*

- *Refined Fuel and Lubricants*
- *UHF Radio Communication System*
- *Fuel Expenses*
- TOTAL** *Kshs. 1,123,267,000*

1.2.2. Department of Sports

- *All Africa Games*
- *International Qualifiers*
- *World Championships*
- *Harambee Stars 2012 Qualifier matches*
- *London Olympics*
- *Local training for other international events*
- *Establishment of the sports development authority*
- TOTAL** *Kshs 1,440,000.00*

1.2.3. Department of Youth Training

- *Examination/piloting of New Curriculum (NCVET)* *Kshs 60,000,000*

1.2.4. National Youth Council Elections

- *Rent for Uchumi House*
- *Operationalizing National Youth Council*
- **TOTAL** *Kshs 355,000.00*

1.2.5. Sports Stadia Management Board

- *Pending Bills for utilities* *Kshs 46,000.00*

RECURENT SUB-TOTAL *Kshs 3,221,696,865*

2.0 DEVELOPMENT

2.1 National Youth Service

- *Construction of Buildings*
- *Refurbishment of Residential/Non-residential Buildings*
- *Completion of Hola-Garsen road*
- TOTAL** *Kshs 1,461,000.00*

2.2. Department of Sports

- *Rehabilitation of Moi Stadium Mombasa, Kirigiti and*
- *General Kago Stadia*
- *National Sports Institute*
- *Public Golf Course at Kasarani*
- TOTAL** *Kshs. 1,080,000.00*

2.3. Sports Stadia Management Board	
▪ International Sports Academy	
▪ Renovation of Stadia (Moi Stadium Kisumu,	
▪ Bukhungu, Ruringu and Kipchoge Keino Stadium	
TOTAL	Kshs 995,000,000
2.4. Department of Youth Training	
▪ Contractual Employees (YPs Instructors)	
▪ Construction/Rehabilitation of Field Offices	
TOTAL	Kshs 110,000,000
2.5. Department of Youth Development	
▪ Youth Empowerment Centres – Construction (104 No.)	
▪ Youth Empowerment Centers – Equipping (106 No.)	
▪ Construction of Field Offices	
▪ Construction of National Development Infrastructure	
TOTAL	Kshs 1,240,000.00
2.6 General Administration and Planning	
▪ Purchase of vehicles 30 No. at Kshs. 3M for the Newly created Districts	
TOTAL	Kshs. 90,000,000.00
 DEVELOPMENT SUB-TOTAL	 Kshs 4,986,000.00
 GRAND TOTAL	 Kshs 8,207,696,865

3.0 OBSERVATION

The Committee observed that the Ministry has many projects and programmes that are geared towards fulfilling vision 2030 and which are of great help to the youths as they gain training and acquire employment through these projects and programmes. Some of the programmes and projects such as the construction and equipping of the youth centres need to be fast tracked for the purposes of equity in all the constituencies. Other programmes such as the youth training and development need to be given priority as that equips the youth with the proper skills for the economic growth. There is also need to come give adequate funding for the formation of the ongoing youth council for proper implementation of the youth policy. It is therefore paramount for the Ministry to get all the required funding so as to continue the noble work that they are doing for the youth of the country.

4.0 RECOMMENDATIONS

The Committee therefore finds the request for more funds by the Ministry justifiable and recommends that the Ministry gets additional funds in the following areas:-

- Personal emoluments which include; instructors allowances – NYS Gilgil, recruitment of technical officers, gratuity for civil servants and NYS uniformed officers enhanced allowances totalling up to **Kshs197, 429,865**.
- Operational Expenses, for the National Youth Service totalling up to **Kshs1,123,267,000**.
- Department of Sports, which has the following activities; All Africa Games, International qualifiers, World championships, Harambee Stars 2012 qualifier matches, London Olympics, Local training for other international events and establishment of the Sports Development Authority totalling up to **Kshs1,440,000,000**
- The Department of Youth Training, **Kshs60,000,000** for examination/piloting of the new curriculum
- The Department of Youth Development, **Kshs355,000,000** for the National Youth Council elections, rent for Uchumi House and operationalization of the Youth Council.
- The Sports Stadium Management Board **Kshs46,000,000** to pay pending bills.

Development Budget

- The National Youth Service, **Kshs1,461,000,000** for construction of buildings, refurbishment of residential/non residential buildings and completion of the Hoal – Garsen road.
- The Department of Sports **Kshs1,080,000,000** for rehabilitation of the Moi Stadium Mombasa, General Kago and Kirigiti, National Sports Institute and Public Golf Course at Kasarani.
- The Sports Stadium Management Board, **Kshs1,005,000,000** for International Sports Academy, and renovation of Stadium (Moi Stadium Kisumu, Bukhungu, Ruringu and Kipchoke Keino Stadium).
- The Department of youth training, **Kshs110,000,000** for contractual employees (YP instructors) and construction/rehabilitation of field offices.
- Department of youth development, **Kshs1,240,000,000** for construction of 104 Youth Empowerment Centres, equipping of 106 Youth Empowerment Centres, construction of field offices and construction of National Development Infrastructure.

- A total of Kshs 25,974,223 has been spent being funds for purchase of building materials for construction of houses for IDPs on Government purchased land.
- A total of Kshs. 57,206,800 will be spent on logistics, purchase of food and non-food items for IDP Resettlement on newly purchased land.

1.6. UNDP funded livelihoods recovery project

- 4 District Business Solutions Centres (DBSC) Have been established and equipped, one in Nakuru, Eldoret, Kitale and Kisumu at a cost of Kshs 11 million.
- 1,459 women and youth were trained on entrepreneurship and business development skills at a cost of Kshs 2.52 Million.
- 1600 households were supported with farm inputs including seeds and fertilizers at a cost of Kshs 4.265 million.
- 444 acres of IDP land in Giwa farm was ploughed at a cost of Kshs 1.5 million.
- 15 fish ponds were constructed in Nakuru district benefiting 300 households. In addition 54 households in Kisumu have been supported with 1,080 fishing nets, at a total cost of Kshs. 3.6 million.
- 48 dairy cows have been procured at cost of Kshs. 3.5m and distributed to IDP households in Kisumu, Eldoret, Kitale and Nakuru.
- 20,000 trees have been planted at a cost of Kshs. 2.9m in Kitale and Eldoret.
- Psycho-socio support and counseling mainly in the Rift Valley Province was provided to 1,639 people at a cost of Kshs. 670,000.

Restoration of farm infrastructure and rural livelihood project (ADB)

- This was an African Development Bank/GoK funded project costing Kshs. 1.4 billion spread over 3 years.
- 5,816 houses were constructed for IDPs in the greater Molo and Uasin Gishu Districts.
- In addition 8,500 householders were provided with farm inputs.
- An additional 6,609 beneficiaries are expected to receive farm-inputs and houses in the next financial year.

Disaster Risk Reduction and Preparedness

- Translation of information, education and communication materials has been done and buying of non-foods items

1.7 PROGRAMMES FINANCIAL SHORTFALL 2011/12 FY.

National Food Security

National Food Security, Strategic Grain Reserve (SGR) stocks currently stands at 3 million bags. The target for SGR next financial year is to increase the stocks to 6 million bags totaling Kshs 5.4 billion hence requires an additional Kshs 3.9 Billion. The objective is to ultimately raise the stocks to 8 million bags.

The ministry has over time borrowed 2.5 million bags of SGR maize for relief program. The Ministry requires Kshs 4.5 billion to clear the above debt.

Department of Mitigation and Resettlement

The Ministry has been directed to fast track resettlement of forest evictees among other IDPs. Therefore it requires additional fund totaling to Kshs. 960 million to cater for the construction of houses, purchases of food and non-food items, sanitation and engagement of Psycho Socio Counselors.

National aids Control Council

The NACC was allocated Kshs 323 million and not Kshs 302 million as indicated in the Recurrent ceilings for the period 2010/12/2013/2014. This was to take care of the implementation of the new KNASP III 2009/10-20-2012/13 and strengthen the operations of the decentralized structures. Treasury is yet to allocate the Kshs 21 million.

At least 60% of HIV/Aids funding may be given by GoK and not continue to rely on Donors.

Relief and Rehabilitation

The Ministry spent Kshs. 350 million on logistics (transport cost and other charges) for distribution of relief food and non food items to various parts of the country.

The Ministry will require an additional Kshs. 100 million to cater for the escalating costs of fuel and maintenance.

The pending bill owed to NCPB as agency fees for storage and maintenance of relief food and reconciliation of the bill is ongoing.

Western Kenya Community driven and Flood Mitigation

It is expected that in the next Financial year the donor funding will resume to the tune of Kshs. 722 Million and the counterpart GOK funding will be Kshs. 104 million.

1.8 OBSERVATIONS

The Committee was concerned with the constant state of unpreparedness by the Government to deal with disasters and hence the need to allocate the Ministry all the required funds to ensure adequate preparations.

Further, the issue of IDPs has been an ongoing concern and the Committee would like to have them settled.

There is also the constant issue of food security which the Government needs to give priority in ensuring that there is enough stock in the Strategic Grain Reserves.

Further, that:-

- The prevailing drought in the country has led to increase in relief requirements.
- Rising inflation rate has resulted in rise of food and fuel costs which is affecting relief programme.
- There is a long process of procurement of land to resettle IDPs.
- HIV transmission is spreading faster within marriage/heterosexual union, rural areas leading to higher HIV prevalence rates compared to urban areas.
- The most at risk populations have expanded, this calls for a change in strategy in the national response.
- The Western Kenya Community Flood Mitigation Project will resume in April 2011
- Over 500,000 bags of maize was purchased raising stock to 3.1 million bags from 2.6 million bags.
- The ministry has over time borrowed 2.5 million bags of SGR maize for relief program and requires Kshs 4.5 billion to clear the debt.
- The Disaster Management policy has been formulated and ready for cabinet approval.
- Ksh 436 million Japans grant in form of equipment will be received for disaster management.
- The Ministry needs to create 47 Disaster preparedness offices within the counties.
- Training is ongoing at Moi University on disaster preparedness.
- Water tracking is being done in major 15 areas.

1.9 RECOMMENDATIONS

The Committee therefore was of the view that the request for additional funds by the Ministry is justifiable so as to deal with the issues above and therefore recommends the following:

- **National Food Security**
Kshs4.5 billion added for the Strategic Grain Reserve so as to raise the number of bags from 3 million to 8 million.
- **Department of Mitigation and Resettlement**
Kshs950 million be added to cater for the construction of houses, purchase of food and non food items, sanitation and engagement of psycho socio counsellors for the IDPs.
- **National Aids Control Council**
Treasury allocates Kshs21 million to take care of the implementation of the new KNASP 111 2009/10 -20-2012/13 and strengthen the operations of the decentralized structures.
- **Relief and Rehabilitation**
An additional Kshs100 million be given to cater for the escalating costs of fuel and maintenance.
- **Western Kenya Community Driven and Flood Mitigation**

The GOK gives Kshs104 million, as it is expected that in the next financial year, the donor funding will resume to the tune of Kshs722 million.

MINISTRY OF LABOUR

1.0 To address the challenges and emerging issues the ministry has prioritized the implementation of various projects and programmes aimed at creating a vibrant and competitive human resource within a conducive work environment.

1.1 PROGRAMMES OUTPUTS AND PERFORMANCE INDICATORS 2010/11 FY.

- The Ministry has prepared a National Occupational Safety and Health Policy and the National Policy on Child Labour and submitted the two policies to Cabinet. In addition a Draft National Productivity Policy and the National Employment Policy have been prepared awaiting submission to cabinet.
- The Ministry has resolved 4,411 reported industrial disputes.
- Time taken to resolve reported industrial disputes has been reduced from 12 months at the beginning of the 2010/11 Financial Year to an average of 4 months.
- A total of 3,378 workmen's compensation cases have been processed out of which 126 claims were settled thus exhausting the budgetary allocation in 2010/11 financial year of Kshs. 89,093,347 for the item.
- The Ministry has trained 96 Productivity Technical service Providers (TSPs) productivity Improvement programmes have been implemented in 7 private sector enterprises in Mombasa and Kisumu.
- The Ministry has carried out 5,909 workplace inspections aimed at increasing compliance with labour laws.
- The Industrial Court has arbitrated and awarded 376 trade disputes.
- The Ministry has secured premises for the establishment of a Regional Industrial Court in Mombasa. Refurbishment works are on-going.
- The pilot of the National Manpower Survey was carried out and a report prepared. Survey instruments have been reviewed and the sample design and methodology for the main survey developed.
- A total of 3,439 jobseekers were placed in employment through the public employment services.
- All the 45,078 candidates who registered for trade testing were examined and certified.
- The Ministry trained 2,849 students in the relevant industrial skills and attached 5,192 students in industry to expose them to the world of work.
- A total of 4,711 members of health and safety committees and other workers were trained on Occupational Safety and Health matters.
- 3,023 hazardous industrial equipments were examined to enhance safety at workplaces.

- The Ministry has acted upon 664 cases out of the 692 reported cases within the timeline of 1 month. This translates to 95.9% of all reported cases being acted upon within the set 1 month period.
- Construction of the Occupational Safety and Health institute is at 41% completion level.
- 23,844 workers in hazardous occupations were examined and action taken on the affected cases.
- The Micro and Small Enterprise (MSE) Bill was finalized and submitted to the Cabinet.
- 376 Micro and Small Enterprise (MSE) operators were facilitated to attend local, regional and international exhibitions and trade fairs.
- 171 Micro and Small Enterprise (MSE) operators were trained on entrepreneurship.
- Expansion and refurbishment works were carried out in the five industrial training centres in Nairobi, Athi River, Mombasa and Kisumu. The Ministry has secured funding to the tune of Kshs. 859.36 million from Government of Korea for major expansion and upgrading of the Technology Development Centre, Athi River.

1.2 BUDGETARY ESTIMATES TO THE MINISTRY FOR THE 2011/12 FY

Programme	Approved Estimates for 2010/11 (Million Kshs.)	Estimate for 2011/12 (Million Kshs.)
Promotion of harmonious industrial relations	353	434
Arbitration of trade disputes	99	140
Promotion of occupational safety and health services	236	278
Human resource planning, development utilization	198	191
Employment promotion	63	66
Micro and small enterprise development	167	250
Productivity improvement, awareness, measurement and promotion	29	33
Provision of industrial skills in the country	1045	389
Policy, planning and administration	254	332
	2,444	2,114

1.3 PROGRAMMES FINANCIAL SHORTFALLS 2011/12 FY.

The ministry has continuously been grossly under-funded both in the recurrent and development budgets, a situation that has hampered its capacity to offer quality services. The following are the most affected areas which require immediate attention before finalization of the 2011/12 Financial Year budget:-

Recruitment of Employees – Kshs 182 million

As per the 2011/12 financial year ceilings the Ministry was allocated Kshs. 577 million for personnel emolument. Out of this allocation the Ministry can only be able to cater for the basic salary, personal allowances paid as part of the salary and reimbursable allowances for the existing staff. The Ministry has no funds for additional recruitment in 2011/12 financial year. Consequently, the Ministry requires additional funds for the recruitments of Technical officers whose resultant expenditure is estimated at Kshs 182 Million.

Rent Arrears – Kshs 130 Million

The ministry has rent arrears of Kshs. 130 million owed mainly to the National Social Security Fund (NSSF). Due to inadequate budgetary provision, the Ministry has only managed to allocate the rent for 2011/12 occasions promised to consider providing funds for clearance of the arrears but this has not been forthcoming.

Furniture and office equipment – Kshs 16 million

The situation is more severe in the field offices where some officers do not even have chairs and basic office tools. Within the ceilings provided in 2011/12 financial year, the Ministry has allocated Kshs 14 million for furniture, Kshs 14 for purchase of computers and printers and Kshs 3 million for photocopiers. The ministry requires an additional Kshs 6 million to cater for office furniture and equipment in the 2011/12 financial year.

Pending Bills – Kshs 40 Million

The Ministry has not been able to adequately meet its obligations to contractors for services delivered. There is therefore need for an additional allocation of Kshs 40 million to clear pending bills and enhancement of future allocations for these items to avoid further pending bills.

Workmen Compensation – Kshs 191 million

The Ministry has pending Workmen compensation cases for Civil Servants injured in the course of duty. As for 30th March, 2011, the Ministry had processed 1,587 cases but could manage to pay 126 claims with the Kshs 89 million allocated in the 2010/11 financial year. The remaining 1,461 cases amounting to Kshs 573 cannot be paid due to lack of funds.

Upgrading and Refurbishment of Industrial Trainign Centres – Kshs 120 Million

The Directorate of Industrial Training (DIT) coordinates (5) Industrial Training Centres in Nairobi, Mombasa, Kisumu and Athi River. The Kenya Vision 2030 has identified these centres as crucial vehicles for achieving the human resource base capable of meeting the challenges of a rapidly industrializing economy. Four of these centres were constructed over 30 years ago and their infrastructure is currently dilapidated.

Digitalization and Automation of Ministry Activities – Kshs 42 Million

As per the Presidential directive all the ministries/departments are expected to computerize their registries in order to improve service delivery. This was reiterated by Ministry of State for Public Service vide Circular Ref. No. MSPS.

1/3/5A VOL. VIII (98) dated 23rd July, 2010 on Establishment of Record Management Units in Ministries/Departments. All Ministries are expected to computerize their operations and spearhead the adoption of Integrated Records Management Systems (IRMS). The Ministry requires an estimated Kshs 50 million to initiate these activities. The Ministry has allocated Kshs 8 million for digitalization and automation of Ministry activities in the 2011/12 Financial year. An additional Kshs 42 million is therefore required towards this exercise which is expected to greatly improve service delivery standards.

Foreign Travel Expenses – Kshs 11 million

Kenya is a signatory to the International Labour Organization (ILO). The Ministry is expected to participate in all ILO scheduled meetings.

1.4 OBSERVATIONS

The Committee was of the view that, the Ministry has been grossly underfunded year after year and thus the Ministry has not been in a position to conclude/ and or start some of its projects and programmes. Among these programmes is the employment of more staff, refurbishment of the Industrial Training Centres which are in a very bad state to an extent of being referred to as unfit for dwelling by NEMA, lack of furniture and equipment for both the new and old offices, payment of the workmen's Compensation bill which has accumulated over the years and digitalization and automation of the Ministry's activities which is a requirement by the Government.

1.5 RECOMMENDATIONS

The Committee therefore recommends that the Ministry gets additional funding in the following areas:-

- **Recruitment of Employees**
Kshs182 million for recruitment of technical officers.

- **Rent Arrears**
Kshs130 million to pay rent arrears owed to the National Social Security.
- **Furniture and Office Equipment**
Kshs16 million to cater for furniture and office equipments which are lacking especially in the field offices.
- **Pending Bills**
Kshs40 million to clear the bills for contractual obligations relating to cleaning, telephone, security and water and sewerage services .
- **Workmen Compensation**
Kshs191 million to clear pending workmen compensation.
- **Upgrading and refurbishment of Industrial Training Centres**
Kshs120 million to refurbish the centres which were constructed over 30 years ago and are in dire need of expansion, and refurbishments works including re-roofing, plumbing, sanitation and drainage, electrical re-wiring, re-painting, flooring and other civil works and re-equipping.
- **Digitalization and automation of Ministry activities**
Kshs42 million for digitization and automation of the Ministry's activities
- **Foreign Travel expenses**
Kenya is a signatory of the International Labour Organization and the Ministry is expected to participate in all the scheduled meetings hence the need for an additional Kshs11 million.

MINISTRY OF GENDER, CHILDREN & SOCIAL DEVELOPMENT

1.1 PROGRAMMES OUTPUT INDICATORS 2010/11 FY

ALLOCATION FOR 2010/2011 FINANCIAL YEAR, KSHS MILLIONS.

Programme	Recurrent	Development	Total	Percentage
Policy and General Administrative Services	601.87	16.51	618.38	10.36
Gender and Social Development	980.36	830.00	1,810.36	30.35
Children Services	1,270.89	2,265.91	3,536.80	59.29
<u>TOTAL</u>	<u>2,853.12</u>	<u>3,112.42</u>	<u>5,965.54</u>	<u>100.00</u>

1.2 PROGRAMMES FINANCIAL SHIORTFALL 2011/12 FY

ALLOCATION FOR 2011/2012 FINANCIAL YEAR IN KSHS. MILLIONS

Programme	Recurrent	Development	Total	Percentage
Policy and General Administrative Services	494.36	12.50	506.86	7.50
Gender and Social Development	999.73	1,390.11	2,389.84	35.35
Children Services	1,281.21	2,582.21	3,863.42	75.15
<u>TOTAL</u>	<u>2,775.30</u>	<u>3,984.82</u>	<u>6,760.12</u>	<u>100.00</u>

1.3 BUDGETARY REQUEST VERSUS ALLOCATION FOR FY 2011/2012

Programme	2010/11 Approved Estimates	Request 2011/12	Total 2011/12 Allocation	Variance
Policy and General Administrative Services	618.38	580.5	506.86	73.64
Gender and Social Development	1,810.36	7,313.5	2,389.84	4,923.66
Children Services	3,536.80	4,951.9	3,863.42	1,088.48
TOTAL	5,965.54	12,860.8	6,760.12	6,085.78

1.4 PROJECTED OUTPUTS OF PROGRAMMES AND PROJECTS FOR 2011/2012 FY.

Sub-Programme	2011/12 Allocation (Kshs. Billions)	Projected Output	Disaggregated Allocations for Specific Activities (Kshs. Billions)

Policy and General Administrative Services (<i>Heads 558, and parts of 900 and 122</i>)	506.86	<ul style="list-style-type: none"> • Policy direction and overall coordination • Monitoring, evaluation and reporting • Human resources management and development • Provision of support services for smooth programme and projects implementation 	<ul style="list-style-type: none"> • Kshs.308.5 – Ministry Headquarters • Kshs.69.4 – Gender And Social Development Headquarters • Kshs.116.4 – Children Services Headquarters • Kshs.12.5 – Refurbishment Under Open Office Policy
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Community Mobilization and Development	449.25	<ul style="list-style-type: none"> • 250 group leaders trained on management and leadership • 25,000 SHG registered • Documentary video on Self Help Groups (SHGs) best practices • Impact assessment on grants to SHGs • 1,200 community groups assisted with grants • Finalize community development training manual • Finalize and disseminate Community Development Policy 	<ul style="list-style-type: none"> • Kshs.267 – field operations • Kshs.83.6 – construction of district offices and refurbishment of Community Capacity Support Programme (CCSP) institutions • Kshs.80 – grants to community SHGs • Kshs.18.65 – other operations
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Social Welfare	1,292.41	<ul style="list-style-type: none"> • Review of Social Protection Policy • 25,000 HIV/AIDS vulnerable persons assisted through WFP food rations • 33,000 older persons supported with monthly cash transfers • 30 needy individuals and institutions supported • 4,200 persons with severe disabilities supported with monthly cash transfers • Disbursements of the National Development Fund for PWDs • National coordination of issues and activities on disabilities 	<ul style="list-style-type: none"> • Kshs.250 – fund for PWDs • Kshs.32 – operations of the National Council for PWDs • Kshs.530 – older persons cash transfers • Kshs.467.13 – WFP and GoK food rations allocation • Kshs.13.28 – other operations
Vocational Rehabilitation	98.43	<ul style="list-style-type: none"> • 9 new modern courses introduced in the Vocational Rehabilitation Centres (VRCs) • 495 students trained in various skills (60% PWDs and 40% able-bodied) • Refurbishment of at least 6 VRCs 	

Gender Mainstreaming and Development	549.75	<ul style="list-style-type: none"> • Hold 3 workshops to disseminate Gender and Development Policy • Train 200 Gender Officers on gender mainstreaming • Prepare 2 Kenya Country reports on Convention on Status of Women (CSW) • Disseminate CEDAW report to 200 stakeholders • Train 100 Gender Officers on monitoring and evaluation skills • Train 200 DGSDOs as TOT on Gender Based Violence (GBV) • Affirmative Action Policy developed and disseminated alongside disseminating policies on Gender and Development as well as GBV Work • Develop specific gender indicators for key sectors in the public service • Produce and disseminate reports on implementation of the 30% Presidential directive on affirmative action • Plans of Action for the abandonment of FGM disseminated and implemented • 240 stakeholders sensitized on GBV and FGM • 10,000 more women entrepreneurs benefit from WEF through MFIs • 120,000 more women entrepreneurs benefit from WEF through CWEFS • 23,500 more women benefit from WEF training of women entrepreneurship
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Children Services (Kshs. 3,863.42 Millions)
To safeguard the rights and welfare of all children in Kenya in order to promote Child development; Rights and welfare of all Children in Kenya safeguarded.

<i>Sub-Programme</i>	2011/2012 Allocation (Million)	Projected Outputs	Disaggregated Allocations for Specific Activities (Millions)
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Child Community Support services	3,507.03	<ul style="list-style-type: none"> • Construct 18 District Offices. • 1,000 children to be placed on rehabilitation and care programmes. • 132,000 households on OVC-CT. • Inspect 350 CCIs • Register 66 CCIs. • Establish 45 AACs. • Operationalize 16 District Children's Offices. 	<ul style="list-style-type: none"> • Kshs. 50M -Construction of district offices. • Kshs.50M -National Council for Children Services. • Kshs.3,091.8- Cash transfer to orphans and vulnerable children:-GoK Component-766.9M UNICEF-258.7M, WB-TF-666.2M, WB-1,400M • Kshs.58.9- Operational budget for OVC-CT . • Kshs.20M -Children's Parliament • Kshs.257M -Operations budget for district offices and provinces. • Kshs.20.67-Other Operation
Child Rehabilitation and custody	356.39	<ul style="list-style-type: none"> • Construct 2 new Rescue Centers (Meru, Kisumu West) • Construct a Remand Home in Machakos to be done in collaboration with UNICEF. • Complete a Perimeter Wall and 1 Child Protection Centre (CPC) (Malindi). • 2100 children to be placed on rehabilitation programmes in Remand Homes • 75% of the reforms document implemented. • 4 old institutions refurbished – (Kisumu, Nakuru, Kakamega and Malindi). 	<ul style="list-style-type: none"> • Kshs.12M -Refurbishment of children institutions. • Kshs.74.7M-Construction projects (children's institutions). • Kshs.269M-Operations budget for Children institutions. • Kshs.0.69M- Other operations

1.5 PROGRAMMES FINANCIAL SHORTFALL IN 2011/12 FY.

<i>Programmes</i>	<i>Sub-Programmes</i>	<i>Vote Type</i>	<i>Amount (Kshs. Million)</i>	<i>Justification</i>
<i>Policy and General Administrative Services</i>	<i>Policy and General Administrative Services</i>	<i>Recurrent</i>	50	<i>Kshs. 50 million is required to establish the Social Protection Secretariat</i>
			70	<i>Additional amount of Kshs. 70 million is required to facilitate the establishment of structures to accommodate the requirements of the new Constitution with particular emphasis on reviewing policies and legal framework</i>
	<i>Capacity Building for Human Resources (recruitment and replacement)</i>	<i>Recurrent</i>	41	<i>The deficit of Kshs. 41 million is to be utilized in paying emoluments to additional staff to be recruited this Financial Year as authorized by Treasury; in particular Gender and Social Development Officers, Children Officers and Technical Instructors in Institutions</i>
<i>Gender and Social Development</i>	<i>Gender Mainstreaming and Development</i>	<i>Recurrent</i>	50	<i>Additional amount of Kshs. 50 million required to establish the Secretariat of African Women Decade-2010 to 2020</i>
			50	<i>Kshs. 50 million is required to establish and operationalize the Gender Research Institute (GRI) following the successful hosting of the Great Lakes</i>

				<i>Region forum for Ministers in-charge of women affairs in Mombasa in 2009</i>
	<i>Social Welfare</i>	<i>Recurrent</i>	30	<i>Kshs. 30 million is required to establish the National Advisory Council for Older Persons and Ageing which is in the process of being gazetted</i>
			32	<i>Additional amount of Kshs. 32 million required to expand the activities of the National Council for Persons with Disabilities, arising from high demand of services</i>
			790	<i>Additional amount of Kshs. 790 million required to meet the target of covering 66,000 households; that is doubling the CT-OP and providing for a short in the allocation</i>
		<i>Development</i>	150	<i>The deficit of Kshs. 150 million required to support activities of National Development Fund for Persons with Disabilities and other functions stipulated in the Persons with Disabilities Act, with emphasis on cash transfers to persons with severe disabilities and enterprise development</i>

1.6 OBSERVATIONS

The Committee reiterated the importance of ensuring up scaling of the social protection cash transfers especially for the elderly and the orphaned and vulnerable children as they were greatly benefitting from the cash transfers and noted that with the high inflation rates are affecting the

usage of the cash transfer hence the need to increase the money to cushion against the high inflation rate.

The Committee said that it was important for the Disability cash transfer to be fast tracked so as to help the disabled people.

The Committee noted that it was important for the Ministry to look into having children centres in all the counties so as to avoid misuse of children by the children homes purporting to be taking care of the children.

Further, the Committee noted that the Women Enterprise Fund was helping many women in the country and recommended that the Ministry undertakes a research in the country so as to grow the cottage industry in various regions.

1.7 RECOMMENDATIONS

The Committee therefore recommends for additional of funds in the following areas:-

- Kshs50 million is required to establish the Social Protection Secretariat.
- Kshs70 million is required to facilitate the establishment of structures to accommodate the requirements of the new Constitution with particular emphasis on reviewing policies and legal framework.
- Kshs41 million is to be utilized in paying emoluments to additional staff to be recruited this Financial Year as authorized by Treasury; in particular Gender and Social Development Officers, Children Officers and Technical Instructors in Institutions.
- Kshs50 million required to establish the Secretariat of African Women Decade-2010 to 2020.
- Kshs50 million is required to establish and operationalize the Gender Research Institute (GRI) following the successful hosting of the Great Lakes Region forum for Ministers in-charge of women affairs in Mombasa in 2009.
- Kshs30 million is required to establish the National Advisory Council for Older Persons and Ageing which is in the process of being gazette.
- Kshs32 million required to expand the activities of the National Council for Persons with Disabilities, arising from high demand of services.
- Kshs790 million required to meet the target of covering 66,000 households; that is doubling the CT-OP and providing for a short in the allocation.
- Kshs150 million required to support activities of National Development Fund for Persons with Disabilities and other functions stipulated in the Persons with Disabilities Act, with emphasis on cash transfers to persons with severe disabilities and enterprise development.

MINISTRY OF STATE FOR NATIONAL HERITAGE AND CULTURE

1.1 The Ministry carries out programmes to promote intercultural dialogue between Kenya's communities, leading to a greater sense of national pride, developing heritage sites, honouring our heroes etc.

The Ministry's poor financial operating in the current financial year 2010/11 was occasioned by the budgetary cuts effected by Treasury without prior consultations. As a consequence the Ministry lost budgetary resources totaling to **Kshs 160 million**. The biggest challenge is the current Financial Year 2010/11 due to inadequate financial resources.

The Ministry was unable to undertake a number of programmes in the current financial year 2010/11, some which are still in progress.

1.2 PROGRAMMES OUTPUT INDICATORS 2010/11 FY

The Research, preservation and promotion of National Heritage concluded the development of a policy and legal framework, the Kenya Heroes Bill and Sessional Paper on Criteria and Modalities for Honouring Heroes and Heroines in Kenya, which await cabinet approval.

The National Museums of Kenya (NMK) was able to undertake various development programmes aimed at promoting and preserving Kenya's heritage including;

1. Exhibition development for Nairobi National Museum (Exhibition collections, and development) including Mzee Jomo Kenyatta Exhibition development at Nairobi National Museum.
2. Construction of Garissa Museum.
3. Rehabilitation of old buildings in Lamu and Lamu Museum. You will recall that Lamu was declared a world heritage site.
4. Construction of the Heritage Collection Centre at the NMK Headquarters
5. Development of Uhuru Garden (The Heroes Square)
6. Completion of the refurbishment of buildings at Research Institute for Swahili Studies in Eastern Africa (RISSEA) by Providing additional office and training facilities.
7. Completion of the restoration works in the old Malindi's D.C. building and landscaping, to be used for display of exhibitions
8. Rehabilitation of Old DC's building in Machakos.
9. Rehabilitation of the Njuri Ncheke shrine as a heritage site.
10. Rehabilitation and renovation of Jaramogi Oginga Odinga Mausoleum.
11. Rehabilitation of Animal cages at Institute of Primate Research.

The Public library services carried out by the Kenya National Library services operational activities which are supported annually at Kshs. 500 Million include Publishing the Annual

Kenya National Bibliography (KNB) and Kenya Periodical Directory (KPD) every two years, Maintaining a database of all publishers and authors for reference, Provision for the acquisition of book stocks, this year they will acquire 120,000 additional books as part of their development programme. This year the Buruburu Library, a modern facility and Nakuru library is almost complete and will opened by the end of the year.

The National Cultural Services promotes the various forms of culture including, Music, Visual arts, languages and oral traditions and Performing arts. In November 2010 the Ministry hosted a successful UNESCO meeting on the Intangible Cultural Heritage (ICH) where various ICH elements were presented for recognition and safeguarding. Among the Kenya's element identified for safeguarding is the Maasai rite of passage.

The Ministry has continued with the development of various Cultural Centres across the Country. The policy is to have a centre in each of the 210 constituency. However due to the limit adequate resources available 16 cultural centres are being developed that are at different levels of completion. The funding for the centres has been on an upward trend. Some cultural activities are carried out at the centres even though they are not complete. The cultural involvement include empowering cultural practitioners in various areas with skills, organizing cultural festivals and having cultural exchange with other countries to promote culture globally.

The Public records and archives management have build the capacity of the National Archives including creating the capacity to store documents in various forms including digitization and microfilming for safety and ease of reference. In 2011/12 plans to have digitized about 7.5 million copies, microfilmed 100 documents and restored 3000 old documents and also continue to collect information from public offices across the country for archiving.

1.3 PROJECTED PROGRAMMES OUTPUT INDICATORS 2011/12 FY.

The Ministry will be initiating the implementation of Kenya's Digital National Library (the National Repository Centre) under the legal requirements of Books and Newspaper Act Cap 111 of the Laws of Kenya. Under the Act Publishers are required to deposit 2 copies of all their publications with the National Library of Kenya for Preservation, national reference and research services. These collections have grown immeasurably to the tune of 400,000 copies and require adequate space for storage, preservation, circulation and access by readers within a conducive working and reading environment.

The proposed project has incorporated a component on modern technologies to enhance preservation, real time access to library information collections by end users. **Kshs 250 Million provision** has been provided for this project that is expected to cost **Kshs 1.3 billion** on completion.

Kshs. 50 million provision has been provided for a National Heroes' Monument to be erected at the Heroes Corner at Uhuru Gardens Nairobi, by the end of this year 2011. The project is estimated to cost **Kshs 300 million** within a two year period.

Kshs 85 Million provision from the current years allocation of **Kshs 62 Million** funding of the construction of the ongoing 16 community cultural centres spread across the country.

The preservation, care and promotion of access to all public records and archives and to ensure that archival materials are adequately protected, the National Archives building from all forms of hazards such as fire, water, biological and chemical agents to mitigate against these risks the National Archives is implementing on a continuous basis various means of securing the information it holds including digitization, microfilming and repair of old documents.

There is need to secure the building and the information therein. To secure provisions for an automatic fire suppression system that is gas operated a provision of **Kshs 50 Million** for installation of the system which is estimated to cost **Kshs 120 Million** upon completion. Also **kshs 45 million** to help in installation of mobile shelves across the 6 record centres to help hold more documents that are received continuously from all public offices and capacity building.

1.4 PROGRAMMES FINANCIAL SHORTFALL 2011/12 FY.

The National Heroes Monument the Ministry has made an effort to fund the project within the ceiling even though the project was not provided for. The kshs 50 million provided is below the desired initial funding. To complete the project within two years, the initial requirement of kshs 150 Million is not enough an additional Kshs 100 Million is therefore required.

The National Archives Building Automatic Fire Suppression System the project is estimated to cost Kshs 120 million against the Kshs 50 million. The continued existence of the national archives building without adequate capacity to deal with fire hazard lives the wealth of information therein at the mercy of the unknown, a huge security risk. Its an outstanding matter over a long period of time. An additional Kshs 70 Million is needed to fully install the system in the forth coming year.

The National Museums of Kenya through its agent Institute of Primate Research (IPR) requires funds to conclude the research on a novel product (Unipron) for dual function as a Microbial Contraceptive to prevent HIV infection and pregnancy.

Studies already concluded on baboons show that (Unipron) lowers vaginal pH for 3 hrs within which HIV infection and pregnancy may occur. The findings have been published in the Journal of Reproduction and Contraception volume 19 number 2(2008) pages 107 – 118.

An additional Kshs 162 million is needed to conclude this research and others at the IPR.

1.5 OBSERVATIONS

The Committee observed that culture in other countries is the uniting factor and therefore the Ministry needs to work towards getting the country a uniting culture that will create harmonious living among all the communities in Kenya.

Further, the Committee stated the importance of the mobile libraries, the regional culture centres and the need to preserve the cultural artifacts, materials and traditions of the communities.

The Ministry's current financial year 2010/11 was occasioned by the budgetary cuts effected by Treasury totaling to Kshs 160 million which Treasury needs to explain the rationale.

1.6 RECOMMENDATIONS

The Committee therefore recommends additional funding in the following areas

- **Development of the National Heroes Monument**
Kshs 100 Million for completion of the monument.
- **Automatic Fire Suppression System for the National Archives Building**
Kshs 70 Million to fully install the system.
- **Novel product (Unipron)**
Kshs 162 million to conclude the research of the Unipron product which has a dual function as a microbial contraceptive to prevent HIV infection and pregnancy.