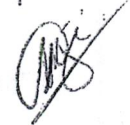


*Paper laid
by Chair - Budget
Committee on
Thurs 26/4/18 -
Morning*




REPUBLIC OF KENYA

THE NATIONAL ASSEMBLY



12TH PARLIAMENT

SECOND SESSION

THE REPORT OF THE BUDGET AND APPROPRIATIONS COMMITTEE ON THE SECOND
SUPPLEMENTARY ESTIMATES FOR 2017/2018

*Approved
26/4
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AK*

APRIL 2018

PREFACE

Mr. Speaker Sir, on behalf of the Members of the Budget and Appropriations Committee and pursuant to Article 223 of the Constitution, section 44 of the Public Finance Management Act, 2012, section 40 of the Public Finance Management Regulations, 2015 and Standing Orders 243; it is my pleasure to present to this House, the Committee's Report on the second Supplementary Estimates for financial year 2017/2018.

Mandate of the Committee

Mr. Speaker, 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 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 among which is to:

- i. Investigate, inquire into and report on all matters relating to coordination, control and monitoring of the national budget, and
- ii. Discuss and review the estimates and make recommendations to the House.
- iii. Examine the Budget Policy Statement presented to the House
- iv. Examine bills related to the national budget including appropriation bills
- v. Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays, and
- vi. Examine the Division of Revenue Bill

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

1. **Hon. Kimani Ichung'wah, M.P-** Chairperson
2. **Hon. Moses Lessonet, M.P-** Vice Chairperson
3. Hon. CPA John Mbadi, M.P.

4. Hon. Richard Onyonka, M.P.
5. Hon. Samwel Moroto, M.P.
6. Hon. Millie Odhiambo, M.P.
7. Hon. Twalib Bady, M.P.
8. Hon. (Dr.) Gideon Ochanda, M.P.
9. Hon. James Mwangi Gakuya, M.P.
10. Hon. (Dr.) Makali Mulu Benson, M.P.
11. Hon. Moses Kiarie Kuria, M.P.
12. Hon. Benard Masaka Shinali, M.P.
13. Hon. John Muchiri Nyaga, M.P.
14. Hon. Jude Njomo, M.P.
15. Hon. (Dr.) Korei Ole Lemein, M.P.
16. Hon. Sarah Paulata Korere, M.P.
17. Hon. Naisula Lesuuda, M.P.
18. Hon. Christopher Wangaya Aseka, M.P.
19. Hon. Danson Mwashako, M.P.
20. Hon. Fatuma Gedi Ali, M.P.
21. Hon. Florence Chepng'etich Koskey, M.P.
22. Hon. James Gichuki Mugambi, M.P.
23. Hon. (Dr.) John K. Mutunga, M.P.
24. Hon. (Eng.) Mark Nyamita, M.P.
25. Hon. Paul Abuor, M.P.
26. Hon. Qalicha Gufu Wario, M.P.
27. Hon. Ruth W. Mwaniki, M.P.

Examination of the Second Supplementary Estimates for Financial Year 2017/2018

Mr. Speaker, the Supplementary Estimates II for the financial year 2017/2018 was submitted to the National Assembly on 11th April 2018, just two months before the end of the financial year. In accordance with Standing Order 243(3), once the Supplementary II Estimates was tabled, it was committed to the Budget and Appropriations Committee as well as the various Departmental Committees to deliberate on in line with their respective mandates and make recommendations to the Budget and Appropriations Committee. The Committee has examined and discussed the estimates and has made recommendations, which are contained in this report. If approved by the House, these recommendations will form the basis for the passage of the second supplementary appropriation act for financial year 2017/2018.

Mr. Speaker, in reviewing the Second Supplementary Estimates for 2017/18, the Committee held 5 Sittings including one (1) Sitting with the National Treasury. The committee also received submissions and recommendations from the various departmental committees which have been taken into account in the finalization of this report.

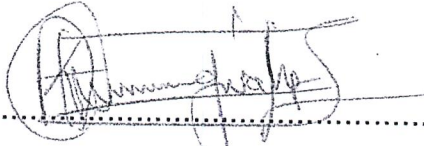
Acknowledgements

Mr. Speaker, the Committee is grateful to the departmental committees for having worked tirelessly to ensure that the National Assembly lives up to its budgetary oversight role. The committee would also like to extend its gratitude to the various Ministries, Departments and Agencies of the National Government who appeared before the departmental committees, and particularly to the National Treasury for always being at hand for deliberations on the supplementary estimates.

Lastly **Mr. Speaker**, the Committee is also grateful to the Office of the Speaker of the National Assembly, the Office of the Clerk of the National Assembly and the Parliamentary Budget Office for the steadfast support received as it discharged its mandate of reviewing the Second Supplementary Estimates for the financial year 2017/2018.

Mr. Speaker, it is therefore my humble duty and privilege, on behalf of the Budget and Appropriations Committee, to table the Report on the Supplementary II Estimates for FY 2017/2018 and recommend it to the House for adoption.

Signed:



Hon. Kimani Ichung'wah, M.P.

Chairperson, the Budget and Appropriations Committee

Date:

25/4/18

I. OVERVIEW OF THE SUPPLEMENTARY ESTIMATES II FOR 2017/2018

Introduction

Mr. Speaker, this House approved the first supplementary budget for financial year 2017/2018 in October 2017. The purpose of the first supplementary was to provide additional expenditure for a repeat of the presidential election in addition to drought mitigation, enhancement of the Free Day Secondary Education as well as implementing agreed CBAs to quell labour unrest in the education sector. Furthermore, **Mr. Speaker**, at the time of the first supplementary, it was noted that revenue had seriously underperformed due to the uncertainty in the business environment and this necessitated significant austerity measures for almost all the Ministries, Departments and Agencies particularly with regard to the recurrent budget.

Mr. Speaker, we are happy to observe a significant improvement in the country's macro-economic environment since then. Inflation rate is low at 4.2 percent for the month of March 2018 and the Exchange rate has strengthened and is stable due to increased diaspora remittances. These factors, including emerging political stability, are likely to improve the investment and general business climate. The food outlook also seems promising as a result of improved rainfall performance over most of the country's food basket.

Mr. Speaker, the second supplementary is mainly a reduction across all ministries which seems to have been necessitated by low absorptive capacity and the need to contain the budget deficit especially at this time of low performance of revenues. In terms of overall changes, the second supplementary budget proposes a net decrease in the total budget estimates by Kshs.17.6 billion (1.1% of approved estimates). Bulk of expenditure reductions is under the development budget which is proposed to reduce by Kshs.40.8 billion (6.61 % decrease). On the other hand, the recurrent budget is expected to rise by Kshs. 23.2 billion (2.20 % increase) if the supplementary budget is approved. Other changes include a reduction of Kshs. 2.1 billion from the Parliament budget and a reduction of Kshs. 0.86 billion from the Judiciary budget. Significant changes are also observed under the Consolidated Fund Services particularly with regard to debt payments. Interest

payments have increased significantly by Ksh. 24.34 billion comprising Ksh. 19.25 billion external interest payments and Ksh. 5.095 billion domestic interest payments. On the other hand, debt redemptions have increased by Ksh. 3.29 billion (internal debt redemption ksh. 2.05 billion and external debt redemption ksh.1.23 billion).

Adherence to the Legal Framework

Mr. Speaker, the process of supplementary budget preparation, approval and implementation, is provided for in Article 223 of the Constitution; Sections 43(2) and 44 of the PFM Act 2012, Section 40 of the PFM Regulations as well as the National Assembly Standing Orders. A good supplementary budget is one that complies with these set down laws and procedures in order to not only ensure that the supplementary expenditure is unavoidable, but that to the greatest extent possible, it is still in line with the overall development agenda as was envisioned in the original approved budget.

Mr. Speaker, it is noted that to a large extent, the supplementary budget has complied with the legal provisions. However, the committee observed a few matters which contravene the laid down laws and procedures. Notably, some expenditure adjustments in the supplementary budget exceed the 10 percent threshold contrary to section 43 (2) (c) of the PFM Act, 2012. In addition, there are new projects introduced in the supplementary budget such as the purchase of Ct scans, Naivasha Industrial Park, and the equipping of six youth polytechnics with modern equipment among others. This is contrary to PFM regulation 40(8). It is also noted that despite extensive changes in the budget, analysis of the fiscal impact of the addition/ reduction in expenditure for the planned outcomes of the affected programmes has not been provided for many of the affected programmes. For instance, Ksh. 1 billion has been deducted from the Ministry of water due to budget rationalization on account of reduced AiA collection with no further clarity on how this will impact service delivery. Crucial information such as outstanding liabilities and commitments as well as the impact of budget changes on contingent liabilities and pending bills has also not been provided. The committee also notes with concern that some expenditures in the supplementary

may not really be a subject matter of the supplementary as they are neither unforeseen nor unavoidable.

Mr. Speaker, these concerns are not new. They have routinely been raised during the review of past supplementary budgets but it appears that these matters are not taken into account. As was indicated during the first supplementary, submission of comprehensive information enables this House to make informed decisions and also promotes openness and transparency in the budget making process. As such, any expenditure adjustments which contravene any legal provision have been subjected to further scrutiny.

II. KEY PROPOSED ADJUSTMENTS UNDER SUPPLEMENTARY ESTIMATES II FOR 2017/2018

a) Recurrent expenditure

Mr. Speaker, under the recurrent budget, expenditure adjustments amount to a net increase of Ksh. 23.2 billion; bulk of which is on account of salary adjustments mainly in health sector and education and the other amounts in on account of security related expenditures. Major increments in recurrent expenditure are observed in the following MDAs:

- **Ksh. 18.1 billion** to the Ministry of Health to cater for the remunerations of health personnel in line with the implementation of CBAs as well as revenue adjustment with respect to increased AiA collection (to reflect actual collection position)
- **Ksh.16.3 billion** for the Teachers Services Commission (TSC) to cater for shortfalls in salaries as a result of the implementation of job evaluation as well as provisions for the recruitment of additional teachers.
- **Ksh. 5.7 billion** for the State Department for University Education to cater for the implementation of CBA for university staff.
- **Ksh. 4.0 billion** for the State Department for Interior to cater for salaries increments in the policing services.

- **Ksh.2.2 billion** for the National Intelligence Service for security related expenditure.
- **Ksh.2.0 billion** for the State Department for Transport under the Kenya Civil Aviation Authority as an adjustment of increased local Appropriation in Aid collection
- **Ksh. 1.9 billion** for the State Department for Agriculture to cater for the acquisition of strategic maize stock and purchase of fertilizers.
- **Ksh.1.9 billion** for the State Department of Basic Education of which Ksh. 1.5 billion is to cater for legal compensation in respect of compulsory acquisition of private lands by the government.
- **Ksh. 1.8 billion** for the Ministry of Foreign Affairs to cater for operations of foreign mission abroad (mostly renovations and refurbishments) and to facilitate state visits in abroad.
- **Ksh.1.4 billion** for the State Department for Broadcasting and Telecommunication to cater for pending bills, short fall in salaries and allowances for employees and adjustments in increased local AiA collection by the government advertising agency.
- **Ksh. 1.6 billion** for the Ministry of Defence for personnel emoluments.
- **Ksh. 1.3 billion** for the state department for correctional services for salaries of employees due to increased recruitment.
- **Ksh. 1 billion** under the presidency to cater for coordination of state functions

Mr. Speaker, it should be noted that the increments related to Salaries has been financed through a reduction of the funds provided for salary adjustments in the vote of National Treasury.

Mr. Speaker, the committee observes that in the second supplementary, some MDAs have collected more AiA than was originally budgeted for and this has been subsumed in their budgets. Though increased AiA is a positive factor, there is need for critical focus on the management and use of appropriations in aid given the challenges with regard to estimation and reporting as well as use of the proceeds in a transparent manner. To this extent, the committee recommends that additional AIA collected in the course of the year should not be utilized to finance new expenditures and should instead be surrendered to exchequer as miscellaneous revenues.

Mr. Speaker, as indicated earlier, some expenditure adjustments point to poor budget practice as they are neither emergency in nature nor unforeseen and could have been budgeted for sufficiently in the beginning of the year. A case in point is the Ministry of Foreign Affairs with an increment of Ksh. 1.8 billion to cater for operations of foreign missions abroad and to facilitate state visits in abroad. Such expenditures are not emergency and can be deferred to the new financial year.

Mr. Speaker, some significant reductions have also been observed in the supplementary budget particularly under the National Treasury whose recurrent budget has been reduced by Ksh. 37.9 billion. It is noted that part of this deduction is due to deferment of the civil service pension scheme which was to be rolled out in 2012. The committee is concerned that for over five years this item is provided for and deleted during supplementary making it look like a slash fund to be distributed during the supplementary. The Committee urges the National Treasury to implement this scheme as soon as possible for the benefit of the civil servants.

Mr. Speaker, given that one of the reasons cited by the National Treasury for a reduction of the 2017/18 budget is to lower the budget deficit, the committee is concerned with the emerging trend of increasing recurrent spending in the supplementary budget, even beyond the initial budgeted levels whereas development expenditure is routinely adjusted downwards. Fiscal consolidation cannot be achieved if unproductive expenditure is increased at the expense of the more productive capital expenditure. Indeed **Mr. Speaker**, the impact of spending cuts is different depending on what is being cut. A general rule of thumb should be that if revenue is declining, recurrent expenditure should not go up.

b) Development expenditure

Mr. Speaker, the committee notes with concern that the development budget has been reduced so significantly that it may alter the policy direction of the budget. It is indicated that the expenditure

cuts are mostly due to poor absorption as well as budget rationalization on account of revenue shortfalls.

Mr. Speaker, the major reductions under the development budget are mainly in the following areas:

- **Ksh. 42 billion** from the State department of Transport budget in respect of reduction of external funding for the Nairobi to Naivasha Standard Gauge Railway
- **Kshs.34.3 billion** from the budget of the State Department for Infrastructure road transport programme due to reduction in donor commitments (ksh. 11.8 billion) and GoK budget rationalization.
- **Ksh. 22.1 billion** from the budget of the National Treasury with respect to reduction in contingency fund (Ksh. 5 billion), reduction in Equalization fund (Ksh. 7.7 billion), low cost housing (Ksh. 2 billion), 1.6 billion (international subscriptions. Reductions also include decreased donor funding for the HIV/Aids global fund (Ksh. 3.1 billion), the Tuberculosis Global Fund (Ksh. 1.4 billion) and the Malaria global fund (Ksh. 400 million)
- **Kshs.7.6 billion** for the State Department for Energy due to reduced donor commitments and budget rationalization for various projects including Bogoria Silali Geothermal development, Last mile electricity connectivity, olkaria V geothermal, Kenya electricity expansion project among others
- **Kshs. 4.1 billion** from the budget of the State Department for Agriculture due to budget rationalization of donor funds under the Kenya climate smart agriculture project and the National Agriculture and rural inclusivity project as a result of poor absorption.
- **Kshs. 3.2 billion** from the budget of the State Department for Vocational and Technical Training as a result of budget rationalization due to non -absorption of donor funded projects (ADB and China funds) – funds meant for infrastructure development and expansion of various Technical Training Institutes.

- **Kshs. 2.75 billion** from the State department of Interior resources meant for construction of police housing units; construction and equipping of administration houses and construction of leadership academy
- **Ksh. 1.6 billion** from the budget of the State department for social protection under the cash transfers for orphans and vulnerable children due to reduced donor support
- **Ksh. 1.5 billion** from the State department for information communications and technology and innovation with respect to the digital literacy (laptop) programme, supply and installation of internet based 4000 network and East African trade and Transport facilitation project
- **Ksh. 1.4 billion** from the Ministry of Mining mostly due to reduced donor support with respect to National Airborne Geophysical Survey
- **Ksh. 1.3 billion** from the State department for University Education due to expenditure rationalization for development projects across a number of universities.
- **Ksh.1.3 billion** from the Judiciary due to budget rationalization with respect to the Judiciary Performance Improvement programme.
- **Ksh. 1.1 billion** from the state department of special programmes in respect of reduction of funds for Kenya Hunger Safety net programme due to reduced donor funding.
- **Ksh. 1.1 billion** from the Parliamentary Service Commission budget in respect of reductions from the construction of multi storey office block, refurbishment of buildings including the senate chambers as well as purchase and development of CPST land.

Mr. Speaker, it is worth noting that despite these reductions, there are significant expenditure increases in the development budget estimates for the following areas:

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- **Kshs. 59.98 billion** for State Department of Transport external funding for Mombasa to Nairobi SGR
 - **Kshs.7.4 billion** for Ministry of Defence for enhanced security operations and new donor commitment for military modernization programme.

- **Ksh. 5.0 billion** for the State department of devolution for conditional grants to counties under the devolution support programme for results
- **Kshs. 4.7 billion** for the State Department for Planning and Statistics external funding for the construction of Aror/Kimwarer multipurpose dam.
- **Kshs. 3.4 billion** for the State Department for Investment and Industry to cater for the acquisition of land for Naivasha Industrial Park , additional allocations to Kenya Leather Industrial Park Kenanie and modernization of RIVATEX
- **Kshs. 2.9 billion** for the State Department for Water Services to cater for the implementation of priority water projects e.g Nairobi Metro Area bulk water sources Ruiru II dam, Karimenu II dam, Siyoi–muruny water project, Kosachei water project and Kenya pooled water fund.
- **Kshs. 2.9 billion** for the State Department for Housing and Urban Development to cater for the implementation of Nairobi Metropolitan services improvement project as well as the Kenya informal settlements improvement project, completion of 463 housing units in Mavoko and additional AiA to be collected from rent for maintenance of government pool houses
- **Ksh. 3 billion** for the LAPSSET project under the State Department of Transport
- **Kshs. 2.7 billion** for the State Department for Basic Education to cater for the procurement of motor vehicles for field officers (**Kshs.342 million**), the completion of Mitihani house (**Kshs. 300 million**) and increased donor commitment (**Kshs.2.0 billion**) for school feeding programme. Other increments are for Kenya primary education project (GPE) and Kenya secondary education quality improvement programme.
- **Ksh. 2 billion** for the state department of livestock mainly for the regional pastoral livelihood resilience project, livestock value chain project, Kari nutribusiness

Mr. Speaker, the committee notes with concern that for one reason or another, development spending is always compromised in every financial year and only a portion of the original budgeted

sum actually ends up being utilized for development purposes. Though it is indicated that the development budget cuts are due to low absorption, it is a fact that drastic and broad based cuts on development expenditure is a recurring phenomenon in almost every budget year. This problem confirms emerging budget credibility weaknesses.

Mr. Speaker, budget making is a painstaking process that takes place over a whole year and entails consultations at various levels to achieve an optimal balance between expenditure needs and resources available that will best achieve economic development for a particular year. To routinely and drastically alter development spending is a threat to effective delivery of capital projects and may render the budget ineffective as a tool for economic growth.

Mr. Speaker, it is also important to note that given the country is only just recovering from a challenging economic period which led to a significant dip in GDP growth to 4.8 percent in 2017; a reduction in capital spending at this point in time is ill timed as it may actually slow down the economic recovery process. Generally, development spending tends to yield more in terms of higher economic growth and productivity returns compared to recurrent expenditure. Lower development spending increases likelihood of lower economic growth which means lower revenues and likelihood of even higher borrowing to meet future expenditure needs. This is more so, given the fact that credit to the private sector, though improving, is not performing very well. Increased credit to the private sector may offset the negative impact of a decline in capital spending but as it is, reducing development spending in the context of slowed expansion of the private sector could be detrimental to economic growth.

Mr. Speaker, as indicated earlier, despite the extensive cuts, no analysis has been provided on the impact of reducing such huge sums of money on the implementation of various capital projects as well as the general effect on the economy. Indeed this house will be approving the second supplementary budget without a confirmation from the executive on the stock of pending bills and commitments including other details on various projects. **Mr. Speaker**, the committee recommends that in future, the impact of such extensive adjustments be included in the supplementary budget

Report on the Supplementary Estimates II for FY 2017-18

as this will enable this House to make an informed decision. In addition **Mr. Speaker**, there seems to be some inherent implementation challenges which lead to low absorption of development funds every financial year. These challenges should be clearly articulated including what measures are in place to ensure the projects are back on track. This committee has said this before but by end of March, the absorption of donor funded projects was estimated to be less than 40% of the printed estimates. There are estimates that this absorption of donor fund may not be more than 60% by end of financial year. Mr. Speaker something must be done, either we temporary suspend any further negotiations with development partners until we fully absorb what is already committed or we take action on the responsible accounting officers where they are underperforming.

Mr. Speaker, it is noted that some funds have been deducted from the Equalization fund. Though there have been implementation challenges with regard to operations of the equalization fund, this House is aware that the constitution clearly provides that any unexpended money in the equalization fund should remain in that fund for use in subsequent years. Deducting money from the equalization fund for any other purpose other than what the fund was created for is not only unconstitutional but it also sets a bad precedence on compliance to public finance management laws. History has shown that money deducted under such circumstances is rarely reinstated.

Mr. Speaker, it is also observed that despite the extensive expenditure adjustments whether additions or reductions, the targets remain unchanged for some programmes such as the special economic zones, the school feeding programme and the reduction of funds for the national safety nets programme. It is not clear therefore whether the provisions were initially insufficient or if the cost of the projects has gone up in the case of an addition; or in the case of a reduction, whether there will be increased efficiency in use of resources such that the same targets will be met.

Mr. Speaker, it is worth noting that some of the expenditure adjustments in Supplementary II Estimates are a further reduction from Supplementary I. For example, the digital literacy (laptop) programme was reduced by Ksh. 6.7 billion in the first supplementary. The roads budget was reduced by Ksh. 5 billion in the first supplementary and the construction of the multi storey office

block for Parliament was reduced by Ksh. 1.5 billion in the first supplementary. In addition **Mr. Speaker**, some reductions in supplementary II were additional allocations in supplementary I. These include Ksh. 3.7 billion in form of donor funds to cater for implementation of the National Agricultural and Rural Inclusive Growth Project, Ksh. 2.5 billion to the Kenya Climate Smart Agriculture Project and Ksh. 2 billion to cater for low cost housing. **Mr. Speaker**, this indicates a lack of order in the budget process as these projects should really not have been accommodated in the first supplementary if there were no mechanisms in place to ensure implementation.

Mr. Speaker, you will recall that during the approval of the first supplementary for 2017/18 and even the second supplementary for financial year 2016/17, this House expressed concern over the inadequate inclusion of all donor commitments in the budget. I wish to reiterate that the framework for donor commitments is not comprehensive enough and as a result there is always in-year revisions of development estimates related to new external resources. This is one of the key contributors of low absorption of external resources in the recent years.

Mr. Speaker, this committee also wishes to reiterate as was observed in the first supplementary, that most of the changes in the development budget are with respect to ongoing projects, some of which have contractual obligations that, if breached, could lead to payment of penalties as well as slowing down or even complete stalling of these projects. Furthermore, disruption of expenditure allocations midway means that there may be deferred payments leading to pending bills at the end of the financial year. Pending bills, being priority payments in government spending, further reduce available development oriented resources while necessitating special audits within the year to ascertain their nature.

Mr. Speaker, the reports from Departmental committees also raised concern that there was inadequate consultations between the national Treasury and the line Ministries hence in some cases Ministries were unable to give justifications of either reductions or increases of expenditure. The committee recommends that the National Treasury should fully involve all ministries when finalizing supplementary estimates.

III. FINANCING OF THE SUPPLEMENTARY ESTIMATES II FOR 2017/2018

Mr. Speaker, as was earlier indicated, weak business activity contributed to revenue underperformance in the second quarter of FY 2017/18. Against a revenue target of KSh. 803.1 billion, revenue collected amounted to KSh. 717.2 billion resulting in a KSh. 85.9 billion shortfall. In the second supplementary, the National Treasury has outlined a raft of agreed revenue enhancing initiatives with the KRA which include enhancing scanning to detect concealment of goods at the customs, rolling out of intergrated customs management system (ICMS) and regional electronic cargo tracking system to enhance ability to tackle transit diversion of imported goods, harnessing data to improve compliance through iTax, recruiting additional landlords to boost revenue from rental income, and enhanced debt collection, dispute resolution, investigations and enforcement. The target is to raise additional Ksh. 73.7 billion from January to June 2018.

However, **Mr. Speaker**, It should be noted that the revenue enhancement measures are not new, as these were already in the pipeline. Thus it is hard to tell if these measures alone will actually contribute towards achieving the planned additional Ksh. 73.7 billion revenue. Given the lack of clarity with regard to the measures to enhance revenue collection for the second half of the financial year and the fact that the businesses are yet to fully recover from the destabilizing effects of 2017, it is likely that the revenue targets for the remaining months may still not be fully met.

Mr. Speaker, available data indicates that by the end of February 2018, the actual national revenue collected had grown to KSh. 1.015 trillion accounting for only 44% of the estimated total revenue for the FY 2017/18. In addition, **Mr. Speaker**, as at February 2018 only 31% of development expenditure had been financed raising concerns on whether development targets for FY 2017/18 will be met on time and if the actual money spent on development will constitute 30 percent of the actual budget.

At this juncture **Mr. Speaker**, I wish to point out that as at February 2018, only 35% of funds had been released to County governments, which also raises concerns on whether counties will receive their full amounts. Article 219 of the constitution provides that a county share of revenue raised by the national government shall be transferred to the county without undue delay and without deduction except if the stoppage is due to serious material breach of public finance management laws.

IV. CONSOLIDATED FUNDS SERVICES

Mr. Speaker, in the second supplementary budget, CFS related charges have increased by Kshs.27.6 billion on account of higher interest payments and debt redemptions. Interest payment related expenses have increased by Kshs.19.2 billion due to the effects of new debt terms affecting the Debut International Sovereign Bond, the Standard Chartered Syndicated Loan and the Eastern & Southern African Trade and development bank loans which will increase by Kshs.7.53 billion, Kshs.4.75 billion and Kshs.6.97 billion, respectively. On the other hand, the increase in external debt redemptions by Kshs.1.24 billion is attributed to payments to creditors who declined to adjust credit terms on their loans necessitating repayment.

On the other hand **Mr. Speaker**, internal debt movements are related to increases in domestic debt interest payments by Kshs.5.1 billion (2%). These are as result of interest rate charges to specific bonds that ranged between 6% and 13%. It is important to note that the increase in interest payments have been occasioned by new bond tap sales issued during the year as there were no increases in their respective principal amounts and interest rate charges were within the range of market interest rates of the period.

Mr. Speaker, the CFS constrains fiscal space and when it increases midyear, it is an extra burden that necessitates expenditure adjustments in order to cater for the new mandatory expenditures. Given the apparent underperformance of revenue, an increase in CFS means that resources

available for other budgetary activities are even more limited. This negates any attempts to enhance the budget position from the revenue perspective and the effect of any increase in revenue is likely to be muted as additional resources will likely be directed towards the mandatory expenditures.

V. COMMITTEE RECOMMENDATIONS

Having considered the above matters, the committee recommends as follows:

a. Policy Recommendations

- (i) That, in future, to avoid extensive budget adjustments in the course of the year which renders the budget unpredictable and reduces its effectiveness, the committee will require extensive explanations on why/ how the expenditure adjustments fit the criteria of a supplementary budget in line with the legal provisions and those found not to fit the criteria will be denied approval;
- (ii) That, if there are shortfalls in revenue, the recurrent budget should not go up. Indeed, the recurrent budget should not be allowed to exceed the initial budgeted level in order to maintain fiscal discipline;
- (iii) That, the challenges leading to low absorption of development expenditure under the various MDAs be clearly outlined including measures being undertaken to ensure that these projects are back on track;
- (iv) That, the impact of the expenditure adjustments on budget implementation as well as the general effect on the economy be provided
- (v) That no new projects should be introduced during supplementary except those that are emergency in nature.
- (vi) That, any expenditure adjustments should be matched by revised performance targets to ensure this House is able to effectively monitor budget performance of MDAs.

- (vii) That, a review should be done to identify agencies whose proportion of approved expenditure changes the most. Such analysis will ensure that such agencies prepare well costed and credible budgets for the financial year.

b. Proposed Increments/ Reversals of Reduction

Mr. Speaker, the Committee recommends the following increments; some of which are reversals of reduction:

- (i) Ksh. 14.5 million for payment of annual subscriptions to international partner organisations such as ILO, IOM and WAPES for effective participation in the ratification of various conventions
- (ii) Ksh. 160 million to vote 2041 – Parliamentary Service Commission and Ksh. 840 million to vote 2042 - the National Assembly for payment of salaries
- (iii) Ksh. 650 million to the Parliamentary Service Commission development budget for payment of pending certificates with respect to construction of the multi storey office block
- (iv) Ksh. 50 million to the Office of Director of Public Prosecution for critical operational expenditure
- (v) Ksh. 11 million to the state department of Fisheries for subscription to international organizations
- (vi) Ksh. 25 million to the state department for Environment for renewal of ISO certification for KMET
- (vii) Ksh. 15.8 million to the state department for Natural Resources for the taskforce
- (viii) Ksh. 100 million to the state department for mining for payment of pending legal fees
- (ix) Ksh. 205 million to the State department for university education for Egerton University for the construction of Library Phase I
- (x) Ksh. 60 million to the Office of the Auditor General for construction of OAG regional office in Kakamega (Ksh. 30 million) and OAG Regional Office in Eldoret (Ksh. 30 million)

c. Proposed Reallocations

- (i) Ksh. 146.36 million be reallocated within the State Department of Interior from the Policing Services Programme to Population Management Services
- (ii) Ksh. 69.8 million be reallocated from the National Treasury to the State Department for East African Intergration to cater for salaries, operations and maintenance
- (iii) Ksh. 20 million be reallocated from the National Treasury to the State Department for ICT and Innovation
- (iv) Ksh. 30 million be reallocated within the state Department for ICT and Innovation from NOFBI II to Konza Technopolis Development Authority
- (v) Ksh. 50 million be reallocated within the State Department for Investment and Industry from the Cotton Development (RIVATEX) Subsidy and Extension support to the Standards Business Incubation Programme for provision of finances for SMEs in KIE
- (vi) Ksh. 80 million from the National Treasury to the State Department for Tourism for Ushanga
- (vii) Ksh. 120 million be reallocated within the State Department for Water Services from the Kenya Pooled Water Fund to Athi Water Service Board (Ksh. 70 million) and personnel emoluments (Ksh. 50 million)
- (viii) Ksh. 112 million be reallocated within the State Department for Natural Resources from green school programme to farm and dry land forest development for model nurseries
- (ix) Ksh. 65 million from the National Treasury to the State Department for Environment for operations and maintenance
- (x) Ksh. 300 million from the National Treasury to the State Department for Special Programmes to address floods emergencies
- (xi) Ksh. 50 million from the National Treasury for construction of the DPs office in Mombasa
- (xii) Kshs 300 million from the National Treasury to State Department of Interior to support coordination of National Government Administrative services in the counties.

In addition **Mr. Speaker**, I wish to bring to the attention of this House that this committee is deeply concerned with the application of Article 223 of the constitution on areas that are really not emergency or unforeseen, and which require more time for scrutiny. This is particularly with regard to the land compensation for Ruaraka High School and Drive-Inn Primary School, as well as the allocation for purchase of CT scans. To this extent **Mr. Speaker, the committee recommends**

that, the National Treasury and the relevant ministries provides further information before the enactment of the supplementary appropriation bill for 2017/ 18.

Mr. Speaker, The Committee further recommends that this House resolves to approve:-

- (i) an increment of the total recurrent expenditure for Financial Year 2017/2018 by **Kshs. 24,063,618,617** in respect of the Votes as contained in the attached Schedule;
- (ii) a reduction of the total capital expenditure for Financial Year 2017/2018 by **Kshs. 40,203,242,172** in respect of the Votes as contained in the attached Schedule;
- (iii) an overall reduction in the total budget for Financial Year 2017/2018 by **Kshs.16,139,623,555** in respect of the Votes as contained in the First Schedule;
- (iv) That the attached Schedule forms the basis of the enactment of the Supplementary Appropriations Bill.

SCHEDULE I

VOTE, PROGRAMME CODES & TITLE	Revised 2017/18 Estimates			Proposed Increased/Reduction 2017/18			BAC Adjustments			Final Supplementary No. 2 Estimates		
	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	CHANGE IN GROSS CURRENT ESTIMATES	CHANGE IN GROSS CAPITAL ESTIMATES	CHANGE IN GROSS TOTAL ESTIMATES	Recurrent	Capital	Gross	Recurrent	Capital	Gross
1011 The Presidency	7,868,966,719	833,500,000	8,702,466,719	1,036,997,575	132,433,530	1,169,431,105	0	0	0	8,903,958,294	1,022,932,530	9,926,890,824
0702000 Cabinet Affairs	1,730,039,614	645,250,000	2,375,289,614	683,009	243,460,382	244,152,371	0	0	0	1,730,722,623	888,719,362	2,619,441,985
0703000 Government Advisory Services	975,772,905	-	975,772,905	18,000,000	0	18,000,000	0	0	0	993,772,905	0	993,772,905
0704000 State House Affairs	3,246,554,755	230,250,000	3,476,804,755	805,509,266	(95,960,832)	708,548,434	0	0	0	4,052,054,021	133,289,168	4,185,343,189
0734000 Deputy President Services	1,914,959,445	18,000,000	1,932,959,445	212,799,200	(14,076,000)	198,723,300	0	0	0	2,127,398,745	3,924,000	2,131,322,745
1021 State Department for Interior	111,919,293,000	18,082,456,889	130,001,749,889	4,038,927,730	(2,751,409,779)	1,287,517,951	300,000,000	0	300,000,000	116,238,055,730	15,331,067,110	131,569,122,840
0601000 Policing Services	81,026,788,581	9,925,000,000	90,951,788,581	3,497,282,923	(1,814,655,282)	1,682,627,641	0	0	(146,355,151)	84,377,716,553	8,310,344,738	92,688,061,091
0602000 Planning, Policy Coordination and Support Services	23,747,126,501	6,082,200,000	29,829,326,501	757,509,807	(1,168,258,483)	(410,748,676)	300,000,000	0	300,000,000	24,804,636,308	4,913,941,517	29,718,577,825
0603000 Government Printing Services	770,983,833	150,000,000	920,983,833	0	(38,140,883)	(38,140,883)	0	0	0	770,983,833	111,659,117	882,642,950
0606000 Population Management Services	6,249,244,085	1,925,296,889	8,174,540,974	(216,000,000)	69,644,849	(146,355,151)	146,355,151	0	146,355,151	6,179,589,236	1,994,941,738	8,174,540,974
0736000 NGO Regulatory Services	125,150,000	0	125,150,000	0	0	0	0	0	0	125,150,000	0	125,150,000
1023 State Department for Correctional Services	21,535,359,313	990,000,000	22,435,359,313	1,262,200,000	(346,676,070)	915,523,930	0	0	0	22,797,569,313	533,323,936	23,330,893,243
0624000 Betting Control, Licensing and Regulation Services	119,933,224	0	119,933,224	0	0	0	0	0	0	119,933,224	0	119,933,224
0604000 Correctional Services	21,014,616,887	854,336,504	21,868,953,391	1,212,200,000	(346,876,066)	865,323,934	0	0	0	22,226,816,887	505,460,438	22,732,277,325
0623000 General Administration, Planning and Support Services	400,819,202	45,663,496	446,482,698	50,000,000	2,199,996	52,199,996	0	0	0	450,819,202	47,863,492	498,682,694
1032 State Department for Devolution	1,007,391,530	3,539,300,000	4,546,691,530	261,902,200	4,053,700,000	4,315,602,200	0	0	0	1,268,293,830	7,593,000,000	8,861,293,830
0722000 Devolution Services	792,482,545	2,319,300,000	3,311,782,545	132,300,000	4,543,700,000	4,676,000,000	0	0	0	924,762,845	7,663,000,000	7,987,762,845
0732000 General Administration, Planning and Support Services	214,928,985	1,920,000,000	1,234,928,985	129,602,200	(490,000,000)	(360,397,800)	0	0	0	344,531,185	530,000,000	874,531,185
1033 State Department for Special Programmes	4,338,445,872	4,552,275,000	8,890,720,872	896,500,000	(1,137,350,000)	(240,850,000)	0	0	0	5,234,945,872	3,414,925,000	8,649,870,872
0733000 Special Initiatives	3,379,407,801	0	3,379,407,801	906,800,000	1,000,000,000	1,006,800,000	0	0	0	4,286,207,801	1,000,000,000	4,386,207,801
0733000 Accelerated ASAL Development	734,723,595	4,547,750,000	5,282,473,595	(1,500,000)	(1,237,350,000)	(1,238,850,000)	0	0	0	732,223,595	3,310,400,000	4,042,623,595
0743000 General Administration, Planning and Support Services	224,314,476	4,555,000	228,839,476	(8,800,000)	0	(8,800,000)	0	0	0	215,514,476	4,525,000	220,039,476
1034 State Department for Planning and Statistics	5,383,995,235	29,977,673,156	35,361,668,391	445,471,448	4,558,692,600	5,104,164,048	0	0	0	5,829,466,633	34,696,365,756	40,465,832,439
0706000 Economic Policy and National Planning	1,110,781,028	27,078,817,356	28,189,598,385	100,012,000	(89,158,500)	10,853,500	0	0	0	1,210,793,029	26,999,658,856	28,209,451,885
0707000 National Statistical Information Services	2,333,333,297	1,454,800,000	3,788,133,297	0	(5,800,000)	(5,800,000)	0	0	0	2,333,333,297	1,449,000,000	3,782,333,297
0708000 Monitoring and Evaluation Services	128,163,530	128,180,800	256,344,330	0	(60,000,000)	(60,000,000)	0	0	0	128,163,530	68,180,800	196,344,330
0709000 General Administration Planning and Support Services	349,705,548	0	349,705,548	30,759,448	0	30,759,448	0	0	0	380,464,996	0	380,464,996
1013000 Integrated Regional Development	1,462,011,831	1,315,873,000	2,777,884,831	314,700,000	4,813,661,100	5,128,361,100	0	0	0	1,776,711,831	6,129,526,100	7,906,237,931
1041 Ministry of Defence	105,281,384,819	45,000,000	105,306,384,819	1,574,000,000	7,429,995,045	9,003,995,045	0	0	0	106,835,384,819	7,474,995,045	114,310,379,864
0801000 Defence	103,941,000,000	45,000,000	103,986,000,000	1,500,000,000	7,429,995,045	8,929,995,045	0	0	0	105,441,000,000	7,474,995,045	112,915,995,045
0802000 Civil Aid	200,000,000	-	200,000,000	0	-	0	0	0	0	200,000,000	0	200,000,000
0603000 General Administration, Planning and Support Services	1,120,384,819	247,499,999	1,367,884,819	74,000,000	-	74,000,000	0	0	0	1,194,384,819	0	1,194,384,819
1052 Ministry of Foreign Affairs	14,570,071,499	247,499,999	14,817,571,499	1,884,490,000	208,197,735	2,072,687,735	0	0	0	16,434,561,499	455,697,738	16,890,259,237

0714000 General Administration Planning and Support Services	2,703,598,372	75,000,000	2,778,598,372	341,054,875	17,552,500	358,607,175	0	3,044,653,047	92,552,500	3,137,205,547
0715000 Foreign Relation and Diplomacy	11,693,435,950	172,499,999	11,865,935,949	1,451,133,335	190,949,299	1,641,208,575	0	13,144,589,286	353,145,238	13,507,734,524
0714000 Economic and Commercial Diplomacy	43,635,750	-	43,635,750	54,886,999	-	54,886,999	0	98,522,739	0	98,522,739
0742000 Foreign Policy Research, Capacity Dev and Technical Cooperation	129,401,427	-	129,401,427	17,395,000	-	17,395,000	0	146,796,427	0	146,796,427
1053 State Department for Basic Education	83,269,399,585	7,256,718,600	90,526,118,185	1,905,000,000	2,656,940,366	4,561,940,366	100,000,000	85,274,399,585	9,913,658,996	95,188,058,581
0501000 Primary Education	16,966,564,925	4,471,955,600	21,438,520,525	(10,425,202)	2,015,000,000	2,004,574,798	100,000,000	17,056,239,723	6,486,565,600	23,543,195,323
0502000 Secondary Education	57,799,711,118	2,651,375,500	60,451,086,618	(27,404,066)	341,940,366	314,456,330	0	57,772,227,052	2,993,315,896	60,765,542,948
0503000 Quality Assurance and Standards	4,142,484,757	83,000,000	4,225,484,757	12,732,671	300,000,000	312,732,671	0	4,155,217,428	383,000,000	4,538,217,428
0508000 General Administration, Planning and Support Services	4,580,538,785	50,387,500	4,630,926,285	1,930,765,597	0	1,930,765,597	0	6,290,715,382	50,387,500	6,341,102,882
1064 State Department for Vocational and Technical Training	2,535,356,993	14,002,901,000	16,538,257,993	32,800,000	(3,177,990,092)	(3,145,190,092)	0	2,568,156,993	10,824,910,998	13,393,067,991
0605000 Technical Vocational Education and Training	2,333,479,487	11,873,901,000	14,207,380,487	14,500,000	(3,185,349,543)	(3,170,849,543)	0	2,347,979,487	8,688,551,457	11,036,530,944
0507000 Youth Training and Development	50,563,448	2,129,000,000	2,179,563,448	600,000	7,359,451	7,959,451	0	51,163,448	2,136,359,451	2,187,522,899
0508000 General Administration, Planning and Support Services	151,314,058	-	151,314,058	17,700,000	-	17,700,000	0	169,014,058	0	169,014,058
1055 State Department for University Education	90,795,304,284	5,435,649,998	96,191,154,282	5,746,000,000	(1,317,034,706)	4,428,965,294	0	96,501,304,284	4,118,815,282	100,620,119,576
0504000 University Education	87,148,005,550	5,284,349,998	92,432,355,548	5,786,000,000	(1,243,418,203)	4,542,581,797	0	92,934,005,550	4,040,931,795	96,974,937,345
0506000 Research, Science, Technology and Innovation	3,064,418,082	151,500,000	3,215,918,082	0	(73,616,503)	(73,616,503)	0	3,064,418,082	77,883,497	3,142,301,579
0508000 General Administration, Planning and Support Services	542,880,652	-	542,880,652	(40,000,000)	-	(40,000,000)	0	502,880,652	0	502,880,652
1071 The National Treasury	81,434,454,275	46,759,013,082	128,193,467,357	(37,951,805,652)	(22,134,716,461)	(60,086,522,113)	(963,000,000)	42,599,648,623	24,614,296,621	67,153,945,244
0717000 General Administration Planning and Support Services	76,202,471,639	6,775,595,102	82,978,066,731	(41,916,111,226)	(3,722,350,321)	(45,648,461,547)	(300,000,000)	33,986,360,403	3,043,244,781	37,029,605,184
0718000 Public Financial Management	3,878,662,007	38,580,314,180	42,458,976,187	3,943,375,027	(18,088,058,830)	(14,144,683,803)	(663,000,000)	7,159,037,034	20,492,255,350	27,651,292,384
0719000 Economic and Financial Policy Formulation and Management	952,775,318	1,338,103,800	2,290,879,118	46,071,079	(300,557,310)	(254,486,231)	0	998,846,397	1,037,546,490	2,036,392,887
0720000 Market Competition	340,000,000	55,000,000	395,000,000	0	(13,750,000)	(13,750,000)	0	340,000,000	41,250,000	381,250,000
0740000 Government Cleaning Services	60,345,321	-	60,345,321	(5,140,532)	-	(5,140,532)	0	55,404,789	0	55,404,789
1081 Ministry of Health	30,877,376,247	30,022,431,054	60,899,807,301	18,132,970,003	(641,153,040)	17,491,816,963	0	49,010,346,250	29,381,278,014	78,391,624,264
0401000 Preventive, Promotive & RHNCAH	1,588,381,257	7,262,824,415	8,851,205,672	461,373,510	(1,645,306,640)	(1,183,932,130)	0	2,049,754,767	5,617,518,775	7,667,273,542
0402000 National Referral Specialized Services	15,954,152,328	9,847,363,400	25,801,515,728	9,824,727,558	308,340,510	10,133,068,068	0	25,778,879,896	10,155,703,910	35,934,583,796
0403000 Health Research and Development	5,497,163,179	473,000,000	5,970,163,179	3,263,082,105	0	3,263,082,105	0	8,760,246,284	473,000,000	9,233,246,284
0404000 General Administration, Planning & Support Services	6,101,965,750	2,014,905,665	8,116,871,015	394,514,093	(496,637,647)	(102,123,554)	0	6,496,479,643	1,516,267,618	8,012,747,261
0405000 Health Policy, Standards and Regulations	1,735,713,733	10,424,337,974	12,160,051,707	4,189,272,737	1,192,449,737	5,381,722,474	0	5,924,986,470	11,616,787,711	17,541,774,181
1091 State Department of Infrastructure	53,820,632,071	129,987,581,571	183,808,223,642	0	(34,364,140,326)	(34,364,140,326)	0	53,820,632,071	95,623,451,245	149,444,083,316
0202000 Road Transport	53,820,632,071	129,987,581,571	183,808,223,642	0	(34,364,140,326)	(34,364,140,326)	0	53,820,632,071	95,623,451,245	149,444,083,316
1092 State Department of Transport	6,327,131,343	68,669,432,006	75,000,000,000	2,060,000,000	15,992,368,000	17,152,368,000	0	8,387,131,343	104,051,800,000	112,438,931,343
0201000 General Administration, Planning and Support Services	699,346,875	783,000,000	1,472,346,875	0	(345,000,000)	(345,000,000)	0	699,346,875	438,000,000	1,127,346,875

0203000 Rail Transport	248,310,000	75,284,000,000	75,532,310,000	0	18,177,000,000	18,177,000,000	0	248,310,000	93,451,000,000	93,709,310,000
0204000 Marine Transport	364,600,324	6,800,000,000	7,164,600,324	0	(152,200,000)	(152,200,000)	0	364,600,324	6,647,800,000	7,012,400,324
0205000 Air Transport	4,580,076,187	5,802,432,000	10,382,508,187	0	(2,587,432,000)	(527,432,000)	0	6,540,076,187	3,215,000,000	9,555,076,187
0216000 Road Safety	444,979,957	300,000,000	744,979,957	0	0	0	0	444,979,957	300,000,000	744,979,957
1093 State Department for Maritime Affairs	218,589,618	0	218,589,618	41,700,133	0	41,700,133	0	260,289,771	0	260,289,771
0220000 Shipping and Maritime Affairs	218,589,618	0	218,589,618	41,700,133	0	41,700,133	0	260,289,771	0	260,289,771
1094 State Department for Housing & Urban Development	1,608,768,601	13,237,065,000	14,845,833,601	652,560,000	2,948,999,394	3,601,139,394	0	2,281,328,601	16,165,664,394	18,446,992,995
0102000 Housing Development and Human Settlement	432,434,189	5,725,000,000	6,157,434,189	490,507,363	376,724,895	867,232,248	0	922,941,542	6,101,724,895	7,024,666,437
0105000 Urban and Metropolitan Development	224,977,551	7,479,565,000	7,704,542,551	(28,571,589)	2,576,640,474	2,548,068,885	0	196,405,962	10,056,206,474	10,252,611,436
0106000 General Administration Planning and Support Services	238,120,895	0	238,120,895	47,124,236	0	47,124,236	0	285,245,131	0	285,245,131
0218000 Regulation and Development of the Construction Industry	713,235,956	32,500,000	745,735,956	143,500,000	(4,765,975)	138,734,025	0	856,735,966	27,734,025	884,469,991
1095 State Department for Public Works	789,575,117	544,022,500	1,333,597,617	25,700,000	170,467,753	196,167,753	0	815,275,117	714,490,253	1,529,765,370
0103000 Government Buildings	339,230,886	509,890,000	849,120,886	10,000,000	146,467,753	156,467,753	0	349,230,886	656,357,753	1,005,588,639
0104000 Coastline Infrastructure and Pedestrian Access	79,889,145	34,132,500	114,021,645	3,000,000	24,000,000	27,000,000	0	82,889,145	58,132,500	141,021,645
0106000 General Administration Planning and Support Services	370,455,286	0	370,455,286	12,700,000	0	12,700,000	0	383,155,286	0	383,155,286
1103 State Department for Water Services	4,404,068,971	32,252,516,668	36,656,585,669	(1,075,353,887)	2,889,990,355	1,790,536,368	(80,000,000)	3,574,714,984	35,042,407,033	38,617,122,037
1001000 General Administration, Planning and Support Services	593,451,456	151,000,000	744,451,456	6,748,482	(25,645,178)	(6,896,696)	50,000,000	652,199,938	125,354,822	777,554,760
1004000 Water Resources Management	1,564,558,928	6,187,600,000	7,752,158,928	0	3,003,496,521	3,003,496,521	0	1,564,558,928	9,191,096,521	10,755,655,449
1017000 Water and Sewerage Infrastructure Development	2,246,058,587	25,913,916,668	28,159,975,255	(1,088,102,469)	(107,960,988)	(1,196,063,457)	(80,000,000)	1,157,996,118	25,725,955,710	26,883,971,828
1104 State Department for Irrigation	901,423,540	12,458,300,000	13,359,723,540	44,900,413	1,152,322,640	1,197,223,053	0	946,323,953	13,610,622,640	14,556,946,593
1014000 Irrigation and Land Reclamation	896,163,609	6,628,300,000	7,524,463,609	44,900,413	708,056,783	752,957,196	0	941,064,022	7,336,356,783	8,277,420,805
1015000 Water Storage and Flood Control	0	5,830,000,000	5,830,000,000	0	444,266,857	444,266,857	0	0	6,274,266,857	6,274,266,857
1016000 General Administration, Planning and Support Services	5,259,931	0	5,259,931	0	0	0	0	5,259,931	0	5,259,931
1105 State Department for Environment	2,743,441,011	2,165,625,000	4,909,066,011	489,300,000	(559,281,125)	(79,991,125)	25,000,000	3,257,741,011	1,596,333,875	4,854,074,886
1002000 Environment Management and Protection	1,334,707,897	1,990,500,000	3,325,207,897	449,300,000	(899,291,125)	(419,991,125)	0	1,784,007,897	1,021,258,875	2,805,266,772
1010000 General Administration, Planning and Support Services	330,536,643	0	330,536,643	0	0	0	0	330,536,643	0	330,536,643
1012000 Meteorological Services	1,078,196,671	275,075,000	1,353,271,671	40,000,000	300,000,000	340,000,000	25,000,000	1,143,196,671	575,075,000	1,718,271,671
1106 State Department for Natural Resources	12,892,449,917	3,214,070,990	16,106,520,907	543,512,398	(463,192,878)	80,319,720	15,800,000	13,451,762,315	2,750,878,312	16,202,640,627
1003000 Natural Resources Management and Protection	12,892,449,917	3,214,070,990	16,106,520,907	543,512,398	(463,192,878)	80,319,720	15,800,000	13,451,762,315	2,750,878,312	16,202,640,627
1112 Ministry of Lands and Physical Planning	2,312,568,801	3,563,375,000	5,875,943,801	16,800,000	(765,719,266)	(748,979,266)	0	2,328,368,801	2,797,595,734	5,126,964,535
0101000 Land Policy and Planning	2,312,568,801	3,563,375,000	5,875,943,801	16,800,000	(765,719,266)	(748,979,266)	0	2,328,368,801	2,797,595,734	5,126,964,535
1122 State Department for Information Communications and Technology & Innovation	965,316,078	13,447,478,834	14,412,794,912	133,247,881	(1,482,459,766)	(1,349,211,789)	0	1,118,566,059	11,965,019,066	13,083,585,127
0207000 General Administration Planning and Support Services	214,359,507	0	214,359,507	28,789,850	0	28,789,850	0	243,149,357	0	243,149,357

0210000 ICT Infrastructure Development	217,079,529	12,590,750,000	12,807,829,529	70,000,000	(1,242,576,196)	(1,172,576,196)	0	287,079,529	11,348,173,804	11,635,253,333
0217000 E-Government Services	553,879,042	856,728,834	1,410,607,976	34,458,131	(239,883,570)	(205,425,439)	0	588,337,173	616,845,264	1,205,182,437
1123 State Department for Broadcasting & Telecommunications	1,957,173,235	191,000,000	2,148,173,235	1,406,217,602	189,483,438	1,595,701,040	0	3,983,996,997	380,483,438	3,743,874,275
0207000 General Administration Planning and Support Services	233,770,111	-	233,770,111	94,664,401	-	94,664,401	0	328,434,512	0	328,434,512
0208000 Information And Communication Services	1,515,953,124	135,750,000	1,651,703,124	1,311,553,201	191,417,188	1,502,970,389	0	2,827,506,325	327,167,188	3,154,673,513
0209000 Mass Media Skills Development	207,450,000	55,250,000	262,700,000	0	(1,933,750)	(1,933,750)	0	207,450,000	53,316,250	260,766,250
1133 State Department for Sports	3,748,333,817	2,950,000,000	6,698,333,817	(1,163,564,646)	(703,100,019)	(1,866,664,665)	0	2,594,769,171	2,246,869,981	4,831,659,152
Development	3,748,333,817	2,950,000,000	6,698,333,817	(1,163,564,646)	(703,100,019)	(1,866,664,665)	0	2,594,769,171	2,246,869,981	4,831,659,152
0901000 Sports	2,865,775,286	641,290,000	3,507,025,286	164,900,000	(91,314,173)	73,585,827	0	3,030,675,286	549,935,827	3,580,611,113
1133 State Department for Arts and Culture	1,336,613,161	95,000,000	1,431,613,161	124,783,164	(15,009,750)	119,773,414	0	1,471,386,325	79,990,250	1,551,386,575
0902000 Culture	692,010,980	23,750,000	715,760,980	8,500,000	(1,610,189)	6,889,811	0	700,510,890	22,139,611	722,650,501
0903000 The Arts	698,764,569	522,500,000	1,221,264,569	0	(74,694,234)	(74,694,234)	0	698,764,569	447,805,766	1,146,570,335
0904000 Library Services	138,886,676	-	138,886,676	21,616,836	-	21,616,836	0	160,003,512	0	160,003,512
0905000 General Administration, Planning and Support Services	2,052,500,000	82,548,497,961	84,600,997,961	101,500,000	(7,598,572,709)	(7,497,072,709)	0	2,154,000,000	74,949,925,282	77,103,925,282
1152 State Department for Energy	354,889,337	327,000,000	681,889,337	69,300,000	(5,838,285)	63,461,715	0	424,189,337	321,160,715	745,350,052
0211000 General Administration Planning and Support Services	785,987,274	14,560,499,652	15,347,486,926	23,500,000	(4,810,499,653)	(4,786,996,653)	0	810,487,274	9,749,999,999	10,560,487,273
0212000 Power Generation	790,303,286	60,837,306,309	61,627,611,605	2,400,000	(3,979,600,596)	(3,977,200,596)	0	792,703,286	56,657,707,713	57,650,411,009
0213000 Power Transmission and Distribution	120,320,093	6,823,690,000	6,944,010,093	6,300,000	1,197,366,825	1,203,666,825	0	126,620,093	8,021,056,825	8,147,676,916
0214000 Alternative Energy Technologies	195,232,407	4,276,875,000	4,472,107,407	14,673,333	(341,177,000)	(327,099,667)	0	209,309,740	3,935,698,000	4,145,007,740
0215000 Exploration and Distribution of Oil and Gas	195,232,407	4,276,875,000	4,472,107,407	14,077,333	(341,177,000)	(327,099,667)	0	209,309,740	3,935,698,000	4,145,007,740
1161 State Department for Agriculture	14,116,298,340	16,419,094,148	30,535,392,488	1,928,100,000	(4,142,453,000)	(2,214,353,000)	0	16,044,936,340	12,276,641,148	28,321,577,488
0107000 General Administration Planning and Support Services	4,462,885,676	810,260,000	5,273,135,676	4,925,000	(317,059,849)	(312,134,849)	0	4,467,810,676	493,190,151	4,961,000,827
0108000 Crop Development and Management	9,489,665,191	14,521,597,422	24,011,262,613	1,933,500,000	(3,240,307,123)	(1,306,807,123)	0	11,423,165,191	11,281,270,289	22,704,435,480
0109000 Agribusiness and Information Management	163,747,473	1,087,266,728	1,251,014,199	(10,325,000)	(585,086,028)	(595,411,028)	0	153,422,473	502,180,698	655,603,171
1162 State Department for Livestock	7,114,150,771	3,693,332,750	10,807,483,521	(84,800,000)	2,084,235,095	1,999,435,095	0	7,029,350,771	5,777,567,845	12,806,918,616
0112000 Livestock Resources Management and Development	7,114,150,771	3,693,332,750	10,807,483,521	(84,800,000)	2,084,235,095	1,999,435,095	0	7,029,350,771	5,777,567,845	12,806,918,616
1164 State Department for Fisheries and the Blue Economy	1,844,465,848	420,920,000	2,265,385,848	66,720,261	(106,943,196)	(40,214,935)	0	1,922,194,109	313,976,804	2,236,171,913
0111000 Fisheries Development and Management	1,549,912,465	407,670,000	1,957,582,465	1,382,555	(101,797,020)	(100,414,465)	0	1,551,295,020	305,872,980	1,857,168,000
0117000 General Administration, Planning and Support Services	132,687,033	-	132,687,033	55,102,405	-	55,102,405	0	198,789,438	0	198,789,438
0118000 Development and Coordination of the Blue Economy	161,886,350	13,250,000	175,116,350	10,243,301	(5,146,176)	5,097,125	0	172,109,651	8,103,824	180,213,475
1172 State Department for Investment and Industry	2,189,243,808	3,218,930,120	5,408,173,928	82,149,968	3,416,158,369	3,498,308,337	0	2,271,393,776	6,535,088,489	8,906,482,265
0301000 General Administration Planning and Support Services	386,652,659	180,000,000	566,652,659	37,237,366	(100,000,000)	(62,762,632)	0	423,890,027	80,000,000	503,890,027
0302000 Industrial Development and Investments	849,763,149	1,997,493,120	2,847,276,269	34,912,600	3,840,271,997	3,875,184,597	0	884,695,749	5,637,765,117	6,722,460,866

0303000 Standards and Business Incubation	952,808,000	1,041,437,000	1,994,245,000	10,000,000	(324,113,628)	(314,113,628)	0	962,808,000	717,323,372	1,680,131,372
1173 State Department for Cooperatives	737,987,448	385,000,000	1,122,987,448	51,510,981	170,000,000	221,510,981	0	789,498,429	555,000,000	1,344,498,429
0304000 Cooperative Development and Management	737,987,448	385,000,000	1,122,987,448	51,510,981	170,000,000	221,510,981	0	789,498,429	555,000,000	1,344,498,429
1174 State Department for Trade	2,164,310,293	71,250,000	2,235,560,293	54,600,000	(23,653,043)	30,916,957	0	2,218,910,293	47,568,957	2,266,477,250
0307000 Trade Development and Promotion	2,164,310,293	71,250,000	2,235,560,293	54,600,000	(23,653,043)	30,916,957	0	2,218,910,293	47,568,957	2,266,477,250
1183 State Department for East African Integration	1,358,495,896	65,000,000	1,421,495,896	222,458,663	0	222,458,663	69,800,000	1,648,754,559	65,000,000	1,713,754,559
0305000 East African Affairs and Regional Integration	1,358,495,896	65,000,000	1,421,495,896	222,458,663	0	222,458,663	69,800,000	1,648,754,559	65,000,000	1,713,754,559
1184 State Department for Labour	1,792,943,512	636,024,999	2,428,968,511	24,000,000	(182,338,129)	(158,338,129)	0	1,648,754,559	453,636,871	2,288,000,383
0910000 General Administration Planning and Support Services	478,154,933	-	478,154,933	33,006	-	33,006	14,500,000	492,687,939	0	492,687,939
0906000 Promotion of the Best Labour Practice	466,033,781	50,250,000	516,283,781	8,920,918	(6,488,488)	2,432,430	0	474,954,699	43,781,512	518,736,211
0907000 Manpower Development, Employment and Productivity Management	848,754,798	585,774,999	1,434,529,797	15,046,076	(175,919,640)	(160,873,564)	0	883,800,874	409,855,359	1,273,656,233
1185 State Department for Social Protection	15,218,012,572	14,653,955,283	29,871,967,855	(44,736,488)	(1,546,000,000)	(1,690,736,488)	0	15,173,276,086	13,017,955,283	28,191,231,369
0908000 Social Development and Children Services	3,010,258,449	894,975,000	3,905,233,449	(104,736,774)	0	(104,736,774)	0	2,905,521,675	894,975,000	3,800,496,675
0909000 National Social Safety Net	12,056,421,924	13,767,230,283	25,823,652,207	7,000,000	(1,546,000,000)	(1,539,000,000)	0	12,053,421,924	12,121,230,283	24,184,652,207
0914000 General Administration, Planning and Support Services	151,332,199	1,750,000	1,538,082,199	53,000,288	0	53,000,288	0	204,332,487	1,750,000	206,082,487
1191 Ministry of Mining	1,287,594,267	1,650,821,429	2,938,415,695	164,715,359	(1,442,753,205)	(1,278,037,846)	0	1,652,309,626	208,058,224	1,760,377,850
1007000 General Administration Planning and Support Services	790,690,898	15,000,000	805,690,898	240,269,659	(1,689,954)	238,579,705	100,000,000	1,130,960,567	13,310,036	1,144,270,603
1008000 Resources Surveys and Remote Sensing	170,572,219	90,250,000	260,822,219	(29,170,046)	(45,222,012)	(74,392,058)	0	141,402,173	45,027,988	186,430,161
1009000 Mineral Resources Management	326,331,150	1,545,571,429	1,871,902,579	(46,394,264)	(1,395,941,229)	(1,442,225,493)	0	279,946,886	149,730,200	429,677,086
1201 Ministry of Tourism	2,777,458,614	980,250,000	3,757,708,614	(148,700,000)	0	(148,700,000)	80,000,000	2,708,758,614	980,250,000	3,689,008,614
0306000 Tourism Development and Promotion	2,777,458,614	980,250,000	3,757,708,614	(148,700,000)	0	(148,700,000)	80,000,000	2,708,758,614	980,250,000	3,689,008,614
1211 State Department for Public Service and Youth Affairs	14,455,917,402	11,891,899,277	26,347,817,129	61,000,000	(37,807,349)	23,192,652	0	14,516,917,402	11,854,099,379	26,371,009,781
0710000 Public Service Transformation	1,586,847,286	1,781,211,594	3,368,058,970	13,000,000	(182,015,256)	(159,015,256)	0	1,599,847,286	1,599,196,428	3,199,043,714
0709000 General Administration, Planning and Support Services	5,551,585,773	-	5,551,585,773	24,000,000	-	24,000,000	0	5,575,585,773	0	5,575,585,773
0711000 Youth Employment	7,317,484,343	10,110,688,043	17,428,172,386	24,000,000	144,207,908	188,207,908	0	7,341,484,343	10,254,895,951	17,596,380,294
1212 State Department for Gender	4,424,218,371	3,187,750,000	4,611,968,371	(94,232,530)	0	(94,232,530)	0	1,329,965,841	3,187,750,000	4,517,715,841
0911000 Community Development	470,000,000	2,130,000,000	2,600,000,000	0	0	0	0	470,000,000	2,130,000,000	2,600,000,000
0912000 Gender Employment	753,026,131	1,057,750,000	1,810,776,131	(94,875,396)	0	(94,875,396)	0	658,150,735	1,057,750,000	1,715,900,735
0913000 General Administration, Planning and Support Services	201,192,240	-	201,192,240	642,866	-	642,866	0	201,835,106	0	201,835,106
1232 State Law Office and Department of Justice	4,383,634,769	388,178,571	4,771,813,340	152,000,000	(256,075,375)	(104,075,375)	0	4,536,634,769	152,103,196	4,687,737,965
0606000 Legal Services	1,953,652,838	3,500,000	1,957,152,838	(65,245,128)	(1,000,000)	(66,245,128)	0	1,888,417,710	2,500,000	1,890,917,710
0607000 Governance, Legal Training and Constitutional Affairs	1,747,977,029	360,000,000	2,107,977,029	1,800,000	(250,000,000)	(248,200,000)	0	1,749,777,029	110,000,000	1,859,777,029
0609000 General Administration, Planning and Support Services	681,994,902	24,678,571	706,673,473	215,445,128	(5,075,375)	210,369,753	0	687,440,030	19,603,196	697,043,226
1261 The Judiciary	12,381,768,912	3,248,975,000	15,610,743,912	350,000,000	(1,308,850,184)	(938,850,184)	0	12,711,768,912	1,940,124,816	14,651,893,728

0610000 Dispensation of Justice	12,361,768,912	3,246,975,000	15,610,743,912		350,000,000	(1,308,850,184)	(958,850,184)			0	12,711,768,912	1,940,124,816	14,551,893,728
1271 Ethics and Anti-Corruption Commission	3,068,540,000	1,268,000,000	4,336,540,000	0	0	0	0	0	0	0	3,068,540,000	1,268,000,000	4,336,540,000
0611000 Ethics and Anti-Corruption	3,068,540,000	1,268,000,000	4,336,540,000	0	0	0	0	0	0	0	3,068,540,000	1,268,000,000	4,336,540,000
1281 National Intelligence Service	29,754,000,000	0	29,754,000,000	2,203,500,000	0	0	2,203,500,000	0	0	0	31,957,500,000	0	31,957,500,000
0804000 National Security Intelligence	29,754,000,000	0	29,754,000,000	2,203,500,000	0	0	2,203,500,000	0	0	0	31,957,500,000	0	31,957,500,000
1291 Office of the Director of Public Prosecutions	1,944,442,462	2,550,000	1,946,992,462	0	2,010,500	2,010,500	2,010,500	0	0	0	1,944,442,462	4,960,500	1,949,402,962
0612000 Public Prosecution Services	1,944,442,462	2,550,000	1,946,992,462	0	2,010,500	2,010,500	2,010,500	0	0	0	1,944,442,462	4,960,500	1,949,402,962
1311 Office of the Registrar of Political Parties	798,527,310	0	798,527,310	0	10,000,000	10,000,000	10,000,000	50,000,000	0	50,000,000	858,527,310	0	858,527,310
0614000 Registration, Regulation and Funding of Political Parties	798,527,310	0	798,527,310	0	10,000,000	10,000,000	10,000,000	50,000,000	0	50,000,000	858,527,310	0	858,527,310
1321 Witness Protection Agency	442,380,483	0	442,380,483	0	0	0	0	0	0	0	442,380,483	0	442,380,483
0615000 Witness Protection	442,380,483	0	442,380,483	0	0	0	0	0	0	0	442,380,483	0	442,380,483
2011 Keya's National Commission on Human Rights	399,766,300	0	399,766,300	9,000,000	0	0	9,000,000	0	0	0	399,766,300	0	399,766,300
0616000 Protection and Promotion of Human Rights	399,766,300	0	399,766,300	9,000,000	0	0	9,000,000	0	0	0	399,766,300	0	399,766,300
2021 National Land Commission	1,093,767,550	0	1,093,767,550	48,400,000	173,000,000	213,400,000	213,400,000	0	0	0	1,134,167,550	173,000,000	1,307,167,550
0113000 Land Administration and Management	202,117,228	0	202,117,228	10,400,000	0	10,400,000	10,400,000	0	0	0	212,517,228	0	212,517,228
0114000 General Administration, Planning and Support Services	820,095,345	0	820,095,345	24,000,000	0	24,000,000	24,000,000	0	0	0	844,095,345	0	844,095,345
0115000 Land Disputes and Conflict Resolutions	52,097,456	0	52,097,456	0	0	0	0	0	0	0	52,097,456	0	52,097,456
0116000 National Land Information Management System	19,457,521	0	19,457,521	6,000,000	173,000,000	179,000,000	179,000,000	0	0	0	25,457,521	173,000,000	198,457,521
2031 Independent Electoral and Boundaries Commission	32,660,477,459	712,210,000	33,372,687,459	(200,000,000)	0	(200,000,000)	(200,000,000)	0	0	0	32,660,477,459	712,210,000	33,372,687,459
0617000 Management of Electoral Processes	32,660,477,459	712,210,000	33,372,687,459	(200,000,000)	0	(200,000,000)	(200,000,000)	0	0	0	32,660,477,459	712,210,000	33,372,687,459
2041 Parliamentary Service Commission	10,287,068,157	2,637,500,000	12,924,568,157	(160,000,000)	(1,100,000,000)	(1,260,000,000)	(1,260,000,000)	160,000,000	650,000,000	810,000,000	10,287,068,157	2,187,500,000	12,474,568,157
0722000 Senate Affairs	5,290,539,449	0	5,290,539,449	(160,000,000)	0	(160,000,000)	(160,000,000)	160,000,000	160,000,000	160,000,000	5,290,539,449	0	5,290,539,449
0723000 General Administration, Planning and Support Services	4,996,528,708	2,637,500,000	7,634,028,708	0	(1,100,000,000)	(1,100,000,000)	(1,100,000,000)	650,000,000	650,000,000	650,000,000	4,996,528,708	2,187,500,000	7,184,028,708
2042 National Assembly	19,591,048,577	0	19,591,048,577	(840,000,000)	0	(840,000,000)	(840,000,000)	840,000,000	840,000,000	840,000,000	19,591,048,577	0	19,591,048,577
0721000 National Legislation, Representation and Oversight	19,591,048,577	0	19,591,048,577	(840,000,000)	0	(840,000,000)	(840,000,000)	840,000,000	840,000,000	840,000,000	19,591,048,577	0	19,591,048,577
2051 Judicial Service Commission	183,537,700	0	183,537,700	100,000,000	0	100,000,000	100,000,000	0	0	0	283,537,700	0	283,537,700
0619000 General Administration, Planning and Support Services	183,537,700	0	183,537,700	100,000,000	0	100,000,000	100,000,000	0	0	0	283,537,700	0	283,537,700
2061 The Commission on Revenue Allocation	391,711,063	0	391,711,063	0	0	0	0	0	0	0	391,711,063	0	391,711,063
0724000 Inter-Governmental Revenue and Financial Matters	391,711,063	0	391,711,063	0	0	0	0	0	0	0	391,711,063	0	391,711,063
2071 Public Service Commission	1,351,425,000	15,000,000	1,366,425,000	7,575,000	(6,013,221)	1,561,779	1,561,779	0	0	0	1,359,000,000	8,586,779	1,367,586,779
0725000 General Administration, Planning and Support Services	1,024,566,639	15,000,000	1,039,566,639	(7,425,000)	(6,013,221)	(13,438,221)	(13,438,221)	0	0	0	1,017,143,639	6,986,779	1,024,130,418
0726000 Human Resource Management and Development	202,189,957	0	202,189,957	0	0	0	0	0	0	0	202,189,957	0	202,189,957
0727000 Governance and National Values	124,666,404	0	124,666,404	15,000,000	0	15,000,000	15,000,000	0	0	0	139,666,404	0	139,666,404
2081 Salaries and Remuneration Commission	609,634,499	0	609,634,499	18,898,501	0	18,898,501	18,898,501	0	0	0	628,533,000	0	628,533,000

0728000 Salaries and Remuneration Management	609,634,499	-	609,634,499	18,898,501	-	18,898,501	0	628,533,000	0	628,533,000
2091 Teachers Service Commission	201,893,457,400	118,000,000	202,011,457,400	16,342,000,000	25,000,000	16,367,000,000	0	218,235,457,400	143,000,000	218,378,457,400
0509000 Teacher Resource Management	195,473,566,350	-	195,473,566,350	16,257,000,000	143,000,000	16,400,000,000	0	211,730,566,350	143,000,000	211,873,566,350
0510000 Governance and Standards	53,988,812	-	53,988,812	0	-	0	0	53,988,812	0	53,988,812
0511000 General Administration, Planning and Support Services	5,365,902,238	118,000,000	6,483,902,238	85,000,000	(118,000,000)	(33,000,000)	0	6,450,902,238	0	6,450,902,238
2101 National Police Service Commission	467,393,780	0	467,393,780	80,194,457	0	80,194,457	0	547,588,237	0	547,588,237
0620000 National Police Service Human Resource Management	467,393,780	-	467,393,780	80,194,457	-	80,194,457	0	547,588,237	0	547,588,237
2111 Auditor General	5,110,767,700	171,250,000	5,282,017,700	82,498,542	(128,412,116)	(45,913,574)	0	5,193,266,242	102,837,884	5,296,104,126
0729000 Audit Services	5,110,767,700	171,250,000	5,282,017,700	82,498,542	(128,412,116)	(45,913,574)	0	5,193,266,242	102,837,884	5,296,104,126
2121 Controller of Budget	494,931,000	0	494,931,000	26,148,350	0	26,148,350	0	521,079,350	0	521,079,350
0730000 Control and Management of Public Finances	494,931,000	-	494,931,000	26,148,350	-	26,148,350	0	521,079,350	0	521,079,350
2131 The Commission on Administrative Justice	416,789,402	0	416,789,402	(4,000,000)	0	(4,000,000)	0	412,789,402	0	412,789,402
0731000 Promotion of Administrative Justice	416,789,402	-	416,789,402	(4,000,000)	-	(4,000,000)	0	412,789,402	0	412,789,402
2141 National Gender and Equality Commission	352,824,207	0	352,824,207	(7,300,000)	0	(7,300,000)	0	345,524,207	0	345,524,207
0621000 Promotion of Gender Equality and Freedom from Discrimination	352,824,207	-	352,824,207	(7,300,000)	-	(7,300,000)	0	345,524,207	0	345,524,207
2151 Independent Policing Oversight Authority	695,860,000	0	695,860,000	0	0	0	0	695,860,000	0	695,860,000
0622000 Policing Oversight Services	695,860,000	-	695,860,000	0	-	0	0	695,860,000	0	695,860,000
Total	1,054,000,641,986	617,997,651,359	1,671,998,293,325	23,210,518,617	-40,833,242,172	-17,622,723,555	853,100,000	630,000,000	1,483,100,000	1,078,064,260,583

VOTE, PROGRAMME CODES & TITLE	Revised 2017/18 Estimates				Proposed Increase/Reduction 2017/18				BAC Adjustments			Final Supplementary No. 2 Estimates		
	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	CHANGE IN GROSS CURRENT ESTIMATES	CHANGE IN GROSS CAPITAL ESTIMATES	CHANGE IN GROSS TOTAL ESTIMATES	Recurrent	Capital	Gross	Recurrent	Capital	Gross		
1011 The Presidency	7,866,966,719	893,500,000	8,760,466,719	1,036,991,675	132,432,530	1,169,424,105	0	0	0	8,939,568,294	1,025,932,530	9,929,890,824		
0702000 Cabinet Affairs	1,730,039,614	645,250,000	2,375,289,614	663,009	243,469,362	244,162,371	0	0	0	1,720,222,623	889,719,362	2,610,441,985		
0703000 Government Advisory Services	975,772,905	-	975,772,905	18,000,000	-	18,000,000	0	0	0	993,772,905	0	993,772,905		
0704000 State House Affairs	3,246,554,755	230,250,000	3,476,804,755	805,509,266	(96,960,832)	708,548,434	0	0	0	4,052,064,021	1,332,899,168	4,185,353,189		
0734000 Deputy President Services	1,914,569,445	18,000,000	1,932,569,445	212,789,300	(14,076,000)	198,713,300	0	0	0	2,127,398,745	3,924,000	2,131,322,745		
1021 State Department for Interior	111,919,293,000	18,032,496,889	130,001,789,889	4,038,792,730	(2,751,409,779)	1,287,382,951	300,000,000	0	0	116,258,055,730	15,331,687,110	131,589,172,840		
0601000 Policing Services	81,026,768,581	9,925,000,000	90,951,768,581	3,497,282,923	(1,614,655,262)	1,882,627,661	0	0	0	84,377,716,353	8,310,344,738	92,688,061,091		
0602000 Planning, Policy Coordination and Support Services	23,747,126,501	6,082,200,000	29,829,326,501	757,509,807	(1,168,258,483)	(410,748,676)	300,000,000	0	0	24,804,636,308	4,913,941,517	29,718,577,825		
0603000 Government Printing Services	770,983,833	150,000,000	920,983,833	0	(38,140,883)	(38,140,883)	0	0	0	770,983,833	111,859,117	882,842,950		
0605000 Population Management Services	6,249,244,085	1,925,296,889	8,174,540,974	(216,000,000)	69,644,849	(146,355,151)	0	0	0	6,179,599,236	1,994,941,738	8,174,540,974		
0736000 NGO Regulation Services	125,150,000	0	125,150,000	0	0	0	0	0	0	125,150,000	0	125,150,000		
1023 State Department for Correctional Services	21,535,369,313	900,000,000	22,435,369,313	1,462,200,000	(346,676,070)	915,523,930	0	0	0	22,797,569,313	553,323,930	23,350,893,243		
0624000 Betting Control, Licensing and Regulation Services	119,933,224	0	119,933,224	0	0	0	0	0	0	119,933,224	0	119,933,224		
0604000 Correctional Services	21,014,616,887	654,336,504	21,668,953,391	1,212,200,000	(348,876,066)	863,323,934	0	0	0	22,226,816,887	505,460,438	22,732,277,325		
0623000 General Administration, Planning and Support Services	400,819,202	45,663,496	446,482,698	50,000,000	2,199,996	52,199,996	0	0	0	450,819,202	47,863,492	498,682,694		
1032 State Department for Devolution	1,007,391,630	3,559,300,000	4,566,691,630	267,902,200	4,051,700,000	4,315,602,200	0	0	0	1,269,293,830	7,593,000,000	8,862,293,830		
0712000 Devolution Services	792,462,645	2,519,300,000	3,311,762,645	132,300,000	4,543,700,000	4,676,000,000	0	0	0	924,762,645	7,063,000,000	7,987,762,645		
0732000 General Administration, Planning and Support Services	214,928,985	1,020,000,000	1,234,928,985	129,602,200	(490,000,000)	(360,397,800)	0	0	0	344,531,185	530,000,000	874,531,185		
1033 State Department for Social Programmes	4,338,445,672	4,532,275,000	8,899,720,872	896,500,000	(1,137,350,000)	(240,850,000)	0	0	0	5,234,945,872	3,414,925,000	8,649,870,872		
0713000 Special Initiatives	3,379,407,801	0	3,379,407,801	906,800,000	100,000,000	1,006,800,000	0	0	0	4,286,207,801	100,000,000	4,386,207,801		
0733000 Accelerated ASAL Development	734,723,595	4,547,750,000	5,282,473,595	(1,500,000)	(1,237,350,000)	(1,238,850,000)	0	0	0	733,223,595	3,310,400,000	4,043,623,595		
0743000 General Administration, Planning and Support Services	224,314,476	4,525,000	228,839,476	(8,800,000)	0	(8,800,000)	0	0	0	215,514,476	4,525,000	220,039,476		
1034 State Department for Planning and Statistics	5,383,995,235	29,977,873,156	35,361,868,391	445,471,448	4,658,992,600	5,104,164,048	0	0	0	5,829,466,883	34,636,365,756	40,465,832,639		
0706000 Economic Policy and National Planning	1,110,791,029	27,078,817,356	28,189,598,385	100,012,000	(99,158,500)	10,853,500	0	0	0	1,210,793,029	26,989,659,656	28,200,451,685		
0707000 National Statistical Information Services	2,333,333,297	1,454,800,000	3,788,133,297	0	(5,800,000)	(5,800,000)	0	0	0	2,333,333,297	1,449,000,000	3,782,333,297		
0708000 Monitoring and Evaluation Services	128,163,630	128,180,800	256,344,430	0	(60,000,000)	(60,000,000)	0	0	0	128,163,630	68,180,800	196,344,430		
0709000 General Administration Planning and Support Services	349,705,548	0	349,705,548	30,759,448	0	30,759,448	0	0	0	380,464,996	0	380,464,996		
1013000 Integrated Regional Development	1,462,011,831	1,316,875,000	2,778,886,831	314,700,000	4,813,951,100	5,128,351,100	0	0	0	1,776,711,831	6,129,526,100	7,906,237,931		
1041 Ministry of Defence	105,261,384,819	45,000,000	105,306,384,819	1,574,000,000	7,429,995,045	9,003,995,045	0	0	0	106,835,384,819	7,474,995,045	114,310,379,864		
0801000 Defence	103,941,000,000	45,000,000	103,986,000,000	1,500,000,000	7,429,995,045	8,929,995,045	0	0	0	105,441,000,000	7,474,995,045	112,915,995,045		
0802000 Civil Aid	200,000,000	-	200,000,000	0	-	0	0	0	0	200,000,000	0	200,000,000		
0803000 General Administration, Planning and Support Services	1,120,384,819	-	1,120,384,819	74,000,000	-	74,000,000	0	0	0	1,194,384,819	0	1,194,384,819		
1052 Ministry of Foreign Affairs	14,570,071,489	247,499,999	14,817,571,488	1,664,480,000	208,197,739	2,072,677,739	0	0	0	16,434,561,489	455,697,738	16,890,259,227		

0714000 General Administration Planning and Support Services	2,703,598,372	75,000,000	2,778,598,372	341,054,675	17,552,500	368,607,175	0	3,044,653,047	92,552,500	3,137,205,547
0715000 Foreign Relation and Diplomacy	11,693,435,950	172,499,999	11,865,935,949	1,451,153,336	190,645,239	1,641,798,575	0	13,144,589,266	363,145,238	13,507,734,524
Diplomacy	43,635,750	-	43,635,750	54,886,099	-	54,886,099	0	98,522,739	0	98,522,739
0742000 Foreign Policy Research, Capacity Dev and Technical Cooperation	129,401,427	-	129,401,427	17,395,000	-	17,395,000	0	146,796,427	0	146,796,427
1063 State Department for Basic Education	83,269,399,585	7,256,716,600	90,526,116,185	1,905,000,000	2,656,940,396	4,561,940,396	100,000,000	83,274,399,585	9,913,558,996	93,188,058,581
0501000 Primary Education	16,966,664,925	4,471,955,600	21,438,620,525	(10,425,202)	2,015,000,000	2,004,574,798	100,000,000	17,056,239,723	6,666,955,600	23,543,195,323
0502000 Secondary Education	57,799,711,118	2,661,373,500	60,461,084,618	(27,484,066)	341,940,396	314,456,330	0	57,772,227,052	2,593,315,896	60,765,542,948
0603000 Quality Assurance and Standards	4,142,464,757	83,000,000	4,225,464,757	12,32,671	300,000,000	312,732,671	0	4,155,217,428	383,000,000	4,538,217,428
0508000 General Administration, Planning and Support Services	4,360,538,785	50,387,500	4,410,926,285	1,930,176,597	0	1,930,176,597	0	6,290,715,382	50,387,500	6,341,102,882
1064 State Department for Vocational and Technical Training	2,535,356,993	14,002,901,000	16,538,257,993	32,800,000	(3,177,990,092)	(3,145,190,092)	0	2,568,156,993	10,824,910,908	13,393,067,901
0505000 Technical Vocational Education and Training	2,333,479,487	11,873,301,000	14,207,380,487	14,500,000	(3,185,349,543)	(3,170,849,543)	0	2,347,979,487	6,688,551,457	11,036,530,944
0507000 Youth Training and Development	50,563,448	2,129,000,000	2,179,563,448	600,000	7,359,451	7,959,451	0	51,163,448	2,136,359,451	2,187,522,899
0508000 General Administration, Planning and Support Services	151,314,058	-	151,314,058	17,700,000	-	17,700,000	0	169,014,058	0	169,014,058
1065 State Department for University Education	90,755,304,284	5,435,849,998	96,191,154,282	5,746,000,000	(1,317,034,706)	4,428,965,294	0	96,501,304,284	4,118,815,292	100,620,119,576
0504000 University Education	87,148,005,550	5,286,349,998	92,433,355,548	5,786,000,000	(1,243,418,203)	4,542,581,797	0	92,934,005,550	4,040,931,795	96,974,937,345
0506000 Research, Science, Technology and Innovation	3,064,418,082	151,500,000	3,215,918,082	0	(73,616,503)	(73,616,503)	0	3,064,418,082	77,883,497	3,142,301,579
0508000 General Administration, Planning and Support Services	542,880,652	-	542,880,652	(40,000,000)	-	(40,000,000)	0	502,880,652	0	502,880,652
1071 The National Treasury	81,434,454,275	46,749,013,082	128,183,467,357	(37,931,805,652)	(22,134,716,461)	(60,066,522,113)	0	42,539,648,623	24,614,256,621	67,153,905,244
0717000 General Administration Planning and Support Services	76,402,471,629	6,775,595,102	82,978,066,731	(41,916,111,226)	(3,732,350,321)	(45,648,461,547)	(300,000,000)	33,966,350,403	3,043,244,781	37,029,605,184
0718000 Public Financial Management	3,878,662,007	38,980,314,180	42,858,976,187	3,943,375,027	(18,086,058,830)	(14,144,683,803)	(663,000,000)	7,159,037,034	20,492,255,350	27,651,292,384
0719000 Economic and Financial Policy Formulation and Management	952,775,318	1,338,103,800	2,290,879,118	48,071,079	(300,557,310)	(254,486,231)	0	998,846,397	1,037,546,490	2,036,392,887
0720000 Market Competition	340,000,000	55,000,000	395,000,000	0	(13,750,000)	(13,750,000)	0	340,000,000	4,250,000	381,250,000
0740000 Government Cleaning Services	60,545,321	-	60,545,321	(5,140,532)	0	(5,140,532)	0	55,404,789	0	55,404,789
1081 Ministry of Health	30,877,376,247	30,022,431,054	60,899,807,301	18,132,970,003	(641,153,040)	17,491,816,963	0	49,070,346,250	29,381,278,014	78,391,624,264
0401000 Preventive, Promotive & RMANCAH	1,588,381,257	7,282,824,415	8,851,205,672	461,373,510	(1,645,305,640)	(1,183,932,130)	0	2,049,754,767	5,617,518,775	7,667,273,542
0402000 National Referral Specialized Services	15,954,152,328	9,847,363,400	25,801,515,728	9,824,727,598	308,340,510	10,133,068,068	0	25,778,879,886	10,155,703,910	35,934,583,796
0403000 Health Research and Development	5,497,163,179	473,000,000	5,970,163,179	3,263,082,105	0	3,263,082,105	0	8,750,245,284	473,000,000	9,223,245,284
0404000 General Administration, Planning & Support Services	6,101,966,750	2,014,905,265	8,116,871,015	394,514,093	0	(192,123,554)	0	6,496,479,843	1,518,267,618	8,014,747,461
0405000 Health Policy, Standards and Regulations	1,735,713,733	10,424,337,974	12,160,051,707	4,189,272,737	1,192,449,737	5,381,722,474	0	5,924,966,470	11,616,787,711	17,541,774,181
1091 State Department of Infrastructure	53,820,632,071	128,987,591,571	183,808,223,642	0	(34,354,140,326)	(34,354,140,326)	0	53,820,632,071	95,623,451,245	149,444,083,316
0202000 Road Transport	53,820,632,071	128,987,591,571	183,808,223,642	0	(34,354,140,326)	(34,354,140,326)	0	53,820,632,071	95,623,451,245	149,444,083,316
1092 State Department of Transport	6,337,131,343	88,969,432,000	95,296,563,343	2,050,000,000	15,092,388,000	17,152,388,000	0	8,387,131,343	104,061,800,000	112,448,931,343
0201000 General Administration, Planning and Support Services	689,346,875	783,000,000	1,472,346,875	0	(345,000,000)	(345,000,000)	0	689,346,875	438,000,000	1,127,346,875

0203000 Rail Transport	248,310,000	75,282,000,000	75,532,310,000	0	18,177,000,000	18,177,000,000	0	248,310,000	93,461,000,000	93,709,310,000
0204000 Marine Transport	364,600,324	6,600,000,000	7,164,600,324	0	(152,200,000)	(152,200,000)	0	364,600,324	6,647,800,000	7,012,400,324
0205000 Air Transport	4,580,076,187	5,802,482,000	10,382,508,187	2,050,000,000	(2,587,432,000)	(327,432,000)	0	6,840,076,187	3,215,000,000	9,855,076,187
0216000 Road Safety	444,797,957	300,000,000	744,797,957	0	0	0	0	444,797,957	300,000,000	744,797,957
1093 State Department for Maritime Affairs	218,589,618	0	218,589,618	41,700,153	0	41,700,153	0	260,289,771	0	260,289,771
0220000 Shipping and Maritime Affairs	218,589,618	0	218,589,618	41,700,153	0	41,700,153	0	260,289,771	0	260,289,771
1094 State Department for Housing & Urban Development	1,608,788,601	13,237,065,000	14,845,833,601	652,580,000	2,948,599,394	3,601,159,394	0	2,261,328,601	16,105,664,394	18,446,992,995
0102000 Housing Development and Human Settlement	432,434,189	5,725,000,000	6,157,434,189	490,507,353	376,724,895	867,232,248	0	922,941,542	6,101,724,895	7,024,666,437
0105000 Urban and Metropolitan Development	224,977,551	7,479,565,000	7,704,542,551	(28,571,589)	2,576,640,474	2,548,068,885	0	1,964,065,962	10,056,205,474	10,252,011,435
0106000 General Administration Planning and Support Services	238,120,895	0	238,120,895	47,124,236	47,124,236	47,124,236	0	285,245,131	0	285,245,131
0218000 Regulation and Development of the Construction Industry	713,235,966	32,500,000	745,735,966	143,500,000	(4,765,975)	138,734,025	0	856,735,966	27,734,025	884,469,991
1095 State Department for Public Works	789,575,117	544,022,500	1,333,597,617	25,700,000	170,457,753	196,167,753	0	815,275,117	714,490,253	1,529,765,370
0103000 Government Buildings	339,230,686	508,890,000	849,120,686	10,000,000	146,467,753	156,467,753	0	349,230,686	656,357,753	1,005,588,439
0104000 Coastline Infrastructure and Pedestrian Access	79,889,145	34,132,500	114,021,645	3,000,000	24,000,000	27,000,000	0	82,889,145	58,132,500	141,021,645
0106000 General Administration Planning and Support Services	370,455,266	0	370,455,266	12,700,000	0	12,700,000	0	383,155,266	0	383,155,266
1103 State Department for Water Services	4,404,068,971	32,252,516,698	36,656,585,669	(1,079,353,987)	2,889,890,355	1,790,536,368	50,000,000	3,371,714,984	35,042,407,053	38,417,122,037
1001000 General Administration, Planning and Support Services	593,451,456	151,000,000	744,451,456	0,748,482	(25,645,176)	(16,866,996)	50,000,000	652,199,038	125,554,822	777,554,760
1004000 Water Resources Management	1,564,558,928	6,187,600,000	7,752,158,928	0	3,003,496,521	3,003,496,521	0	1,564,558,928	9,191,096,521	10,755,655,449
1017000 Water and Sewerage Infrastructure Development	2,246,058,597	25,913,916,698	28,159,975,295	(1,088,102,469)	(107,960,998)	(1,196,063,457)	(80,000,000)	1,157,956,118	25,725,955,710	26,883,911,828
1104 State Department for Irrigation	901,423,540	12,455,300,000	13,356,723,540	44,900,413	1,152,222,640	1,197,223,053	0	946,329,953	13,610,622,640	14,556,946,593
1014000 Irrigation and Land Reclamation	896,163,609	6,628,300,000	7,524,463,609	44,900,413	708,056,733	752,957,196	0	941,064,022	7,336,356,733	8,277,420,805
1015000 Water Storage and Flood Control	0	5,830,000,000	5,830,000,000	0	444,265,857	444,265,857	0	0	6,274,265,857	6,274,265,857
1016000 General Administration, Planning and Support Services	5,259,931	0	5,259,931	0	0	0	0	5,259,931	0	5,259,931
1105 State Department for Environment	2,743,441,011	2,165,625,000	4,909,066,011	489,300,000	(569,291,125)	(79,991,125)	25,000,000	3,257,741,011	1,596,333,875	4,854,074,886
1002000 Environment Management and Protection	1,334,707,697	1,890,550,000	3,225,257,697	449,300,000	(669,291,125)	(419,991,125)	0	1,784,007,597	1,021,256,875	2,805,265,572
1010000 General Administration, Planning and Support Services	330,536,643	0	330,536,643	0	0	0	0	330,536,643	0	330,536,643
1012000 Meteorological Services	1,078,196,671	275,075,000	1,353,271,671	40,000,000	300,000,000	340,000,000	25,000,000	1,143,196,671	575,075,000	1,718,271,671
1106 State Department for Natural Resources	12,892,449,917	3,214,070,990	16,106,520,907	543,512,398	(463,192,678)	80,319,720	15,800,000	13,451,762,315	2,750,878,312	16,202,640,627
1003000 Natural Resources Management and Protection	12,892,449,917	3,214,070,990	16,106,520,907	543,512,398	(463,192,678)	80,319,720	15,800,000	13,451,762,315	2,750,878,312	16,202,640,627
1112 Ministry of Lands and Physical Planning	2,312,568,601	3,563,375,000	5,875,943,601	16,800,000	(765,719,266)	(748,979,266)	0	2,329,368,601	2,797,955,734	5,128,964,335
0101000 Land Policy and Planning	2,312,568,601	3,563,375,000	5,875,943,601	16,800,000	(765,719,266)	(748,979,266)	0	2,329,368,601	2,797,955,734	5,128,964,335
1122 State Department for Information Communications and Technology & Innovation	965,316,078	13,447,478,834	14,412,794,912	133,247,981	(1,482,459,766)	(1,349,211,785)	0	1,118,566,059	11,965,019,058	13,083,585,127
0207000 General Administration Planning and Support Services	214,359,507	0	214,359,507	28,789,950	0	28,789,950	0	243,149,357	0	243,149,357

0210000 ICT Infrastructure Development	217,079,529	12,590,750,000	12,807,829,529	70,000,000	(1,242,576,196)	(1,172,576,196)	0	287,079,529	11,348,173,804	11,635,253,333
0217000 E-Government Services	553,879,042	856,728,834	1,410,607,876	34,488,131	(239,883,570)	(205,425,439)	0	588,337,173	616,845,284	1,205,182,457
1123 State Department for Broadcasting & Telecommunications	1,957,173,236	191,000,000	2,148,173,235	1,406,217,602	188,483,438	1,595,701,040	0	3,353,390,837	380,483,438	3,743,874,275
0207000 General Administration Planning and Support Services	233,770,111		233,770,111	94,664,401		94,664,401	0	328,434,512	0	328,434,512
0209000 Information And Communication Services	1,515,953,124	135,750,000	1,651,703,124	1,311,553,201	191,417,188	1,502,970,389	0	2,827,506,325	327,167,188	3,154,673,513
0209000 Mass Media Skills Development	207,450,000	55,250,000	262,700,000	0	(1,933,750)	(1,933,750)	0	207,450,000	53,316,250	260,766,250
1132 State Department for Sports Development	3,748,333,817	2,950,000,000	6,698,333,817	(1,153,554,646)	(703,100,019)	(1,856,654,665)	0	2,584,789,171	2,246,899,981	4,831,689,152
0901000 Sports	3,748,333,817	2,950,000,000	6,698,333,817	(1,153,554,646)	(703,100,019)	(1,856,654,665)	0	2,584,789,171	2,246,899,981	4,831,689,152
1133 State Department for Arts and Culture	2,855,775,296	641,250,000	3,507,025,296	164,900,000	(91,314,473)	73,585,527	0	3,030,675,296	549,935,827	3,580,611,123
0902000 Culture	1,336,613,161	95,000,000	1,431,613,161	134,783,164	(15,009,750)	119,773,414	0	1,471,396,325	79,990,250	1,551,386,575
0903000 The Arts	682,010,890	23,750,000	715,760,890	8,500,000	(1,610,189)	6,889,811	0	700,510,890	22,139,811	722,650,701
0904000 Library Services	688,764,589	522,500,000	1,221,264,589	0	(74,694,234)	(74,694,234)	0	688,764,589	447,805,766	1,145,570,335
0905000 General Administration, Planning and Support Services	138,386,676		138,386,676	21,616,836		21,616,836	0	160,003,512	0	160,003,512
1152 State Department for Energy Support Services	2,052,500,000	82,548,497,961	84,600,997,961	101,500,000	(7,598,572,709)	(7,487,072,709)	0	2,154,000,000	74,949,925,252	77,103,925,252
0211000 General Administration Planning and Support Services	354,898,337	327,000,000	681,898,337	69,300,000	(5,839,285)	63,460,715	0	424,189,337	321,150,715	745,350,052
0212000 Power Generation	786,687,274	14,560,498,652	15,347,185,926	23,500,000	(4,810,499,653)	(4,786,999,653)	0	810,487,274	5,745,999,999	10,560,487,273
0213000 Power Transmission and Distribution	790,303,286	60,837,308,309	61,627,611,605	2,400,000	(3,979,600,599)	(3,977,200,599)	0	792,703,286	56,657,707,713	57,650,411,009
0214000 Alternative Energy Technologies	120,320,093	6,823,690,000	6,944,010,093	6,300,000	1,197,386,825	1,203,686,825	0	126,620,093	6,021,056,825	6,147,676,918
1153 State Department for Petroleum and Gas	195,232,407	4,276,875,000	4,472,107,407	14,077,333	(341,777,000)	(327,699,667)	0	209,309,740	3,935,698,000	4,145,007,740
1161 State Department for Agriculture Support Services	195,232,407	4,276,875,000	4,472,107,407	14,077,333	(341,777,000)	(327,699,667)	0	209,309,740	3,935,698,000	4,145,007,740
0107000 General Administration Planning and Support Services	4,462,865,676	810,290,000	5,273,155,676	4,925,000	(317,059,849)	(312,134,849)	0	4,467,810,676	493,190,151	4,961,000,827
0108000 Crop Development and Management	9,488,665,191	14,521,577,422	24,011,242,613	1,933,500,000	(3,240,307,123)	(1,306,807,123)	0	11,423,165,191	11,281,270,299	22,704,435,490
0109000 Agribusiness and Information Management	163,747,473	1,087,266,726	1,251,014,199	(10,325,000)	(585,086,028)	(595,411,028)	0	153,422,473	502,180,998	655,603,471
1162 State Department for Livestock, and Development	7,114,150,771	3,693,332,750	10,807,483,521	(84,800,000)	2,084,235,095	1,999,435,095	0	7,029,350,771	5,777,587,845	12,806,938,616
0112000 Livestock Resources Management	7,114,150,771	3,693,332,750	10,807,483,521	(84,800,000)	2,084,235,095	1,999,435,095	0	7,029,350,771	5,777,587,845	12,806,938,616
1164 State Department for Fisheries and the Blue Economy	1,444,465,848	420,920,000	2,285,385,848	66,728,261	(106,943,195)	(40,214,935)	0	1,922,194,109	313,976,804	2,236,170,913
0111000 Fisheries Development and Management	1,349,912,465	407,670,000	1,957,582,465	1,392,555	(101,797,020)	(100,414,465)	0	1,551,295,020	305,872,980	1,857,168,000
0117000 General Administration, Planning and Support Services	132,687,033		132,687,033	55,102,405		55,102,405	0	198,789,438	0	198,789,438
0118000 Development and Coordination of the Blue Economy	161,866,350	13,250,000	175,116,350	10,243,301	(5,146,176)	5,097,125	0	172,109,651	8,103,824	180,213,475
1172 State Department for Investment and Industry	2,189,243,808	3,216,930,120	5,406,173,928	82,149,968	3,416,158,359	3,488,308,337	0	2,271,393,776	6,635,088,489	8,906,482,265
0301000 General Administration Planning and Support Services	388,652,659	180,000,000	568,652,659	37,237,368	(100,000,000)	(62,762,632)	0	423,890,027	80,000,000	503,890,027
0302000 Industrial Development and Investments	849,783,149	1,997,493,120	2,847,276,269	34,912,600	3,840,271,997	3,875,184,597	0	894,695,749	5,837,765,117	6,722,460,865

0303000 Standards and Business Incubation	952,808,000	1,041,437,000	1,994,245,000		-10,000,000	(324,113,629)	(314,113,629)		992,808,000	717,323,372	1,680,131,372
1173 State Department for Cooperatives	737,987,448	385,000,000	1,122,987,448		51,510,981	170,000,000	221,510,981	0	789,498,429	555,000,000	1,344,498,429
0304000 Cooperative Development and Management	737,987,448	385,000,000	1,122,987,448		51,510,981	170,000,000	221,510,981	0	789,498,429	555,000,000	1,344,498,429
1174 State Department for Trade	2,164,310,293	71,230,000	2,235,560,293		54,600,000	(23,683,043)	30,916,957	0	2,219,910,293	47,586,957	2,267,477,250
0307000 Trade Development and Promotion	2,164,310,293	71,230,000	2,235,560,293		54,600,000	(23,683,043)	30,916,957	0	2,219,910,293	47,586,957	2,267,477,250
1183 State Department for East African Integration	1,356,495,896	65,000,000	1,421,495,896		222,458,663	0	222,458,663	69,800,000	1,548,754,559	65,000,000	1,713,754,559
0305000 East African Affairs and Regional Integration	1,356,495,896	65,000,000	1,421,495,896		222,458,663	0	222,458,663	69,800,000	1,548,754,559	65,000,000	1,713,754,559
1184 State Department for Labour	1,792,943,512	636,024,999	2,428,968,511		24,000,000	(182,388,128)	(158,388,128)	14,500,000	1,831,443,512	453,636,871	2,285,080,383
0910000 General Administration Planning and Support Services	478,154,933	-	478,154,933		33,006	0	33,006	14,500,000	492,667,939	0	492,667,939
0906000 Promotion of the Best Labour Practice	466,033,781	50,250,000	516,283,781		8,920,918	(6,488,489)	2,432,430	0	474,954,599	43,781,512	518,736,211
0907000 Manpower Development, Employment and Productivity Management	848,754,798	585,774,999	1,434,529,797		15,046,076	(175,919,640)	(160,873,564)	0	863,800,674	409,655,359	1,273,656,233
1185 State Department for Social Protection	15,218,012,572	14,669,955,283	29,887,967,855		(44,736,486)	(1,546,000,000)	(1,590,736,486)	0	15,173,276,086	13,017,955,283	28,191,231,369
0908000 Social Development and Children Services	3,010,258,449	894,975,000	3,905,233,449		(104,736,774)	0	(104,736,774)	0	2,905,521,675	894,975,000	3,800,496,675
0909000 National Social Safety Net	12,056,421,924	13,767,230,283	25,823,652,207		7,000,000	(1,546,000,000)	(1,539,000,000)	0	12,063,421,924	12,121,230,283	24,184,652,207
0914000 General Administration, Planning and Support Services	151,332,199	1,750,000	153,082,199		53,000,288	0	53,000,288	0	204,332,487	1,750,000	206,082,487
1191 Ministry of Mining	1,287,594,267	1,650,821,429	2,938,415,696		164,715,339	(1,442,753,205)	(1,278,037,866)	100,000,000	1,552,939,656	208,068,224	1,760,977,880
1007000 General Administration Planning and Support Services	790,690,898	15,000,000	805,690,898		240,268,669	(1,698,964)	238,579,705	100,000,000	1,130,960,567	13,310,036	1,144,270,603
1008000 Resources Surveys and Remote Sensing	170,572,219	90,250,000	260,822,219		(29,170,046)	(45,222,012)	(74,392,058)	0	141,402,173	45,027,988	186,430,161
1009000 Mineral Resources Management	326,331,150	1,545,571,429	1,871,902,579		(46,384,264)	(1,396,841,229)	(1,442,225,493)	0	279,946,886	149,730,200	429,677,086
1201 Ministry of Tourism	2,777,458,614	980,250,000	3,757,708,614		(148,700,000)	0	(148,700,000)	80,000,000	2,708,758,614	980,250,000	3,689,008,614
0306000 Tourism Development and Promotion	2,777,458,614	980,250,000	3,757,708,614		(148,700,000)	0	(148,700,000)	80,000,000	2,708,758,614	980,250,000	3,689,008,614
1211 State Department for Public Service and Youth Affairs	14,455,917,402	11,889,899,727	26,347,817,129		61,000,000	(37,807,348)	23,192,652	0	14,516,917,402	11,854,092,379	26,371,009,781
0710000 Public Service Transformation	1,586,847,286	1,781,211,584	3,368,058,970		13,000,000	(182,015,256)	(169,015,256)	0	1,599,847,286	1,599,196,428	3,199,043,714
0709000 General Administration Planning and Support Services	5,551,585,773	-	5,551,585,773		24,000,000	-	24,000,000	0	5,575,585,773	0	5,575,585,773
0711000 Youth Employment	7,317,484,343	10,110,686,043	17,428,172,386		24,000,000	144,207,908	168,207,908	0	7,341,484,343	10,254,895,951	17,596,380,294
1212 State Department for Gender	1,424,218,371	3,187,250,000	4,611,968,371		(94,232,530)	0	(94,232,530)	0	1,339,985,841	3,187,750,000	4,517,735,841
0911000 Community Development	470,000,000	2,130,000,000	2,600,000,000		0	0	0	0	470,000,000	2,130,000,000	2,600,000,000
0912000 Gender Empowerment	753,026,131	1,057,250,000	1,810,076,131		(94,875,396)	0	(94,875,396)	0	658,150,735	1,057,250,000	1,715,900,735
0913000 General Administration, Planning and Support Services	201,192,240	-	201,192,240		642,866	-	642,866	0	201,835,106	0	201,835,106
1252 State Law Office and Department of Justice	4,383,634,769	388,178,571	4,771,813,340		152,000,000	(256,075,375)	(104,075,375)	0	4,535,634,769	132,103,196	4,667,737,965
0606000 Legal Services	1,953,662,838	3,500,000	1,957,162,838		(65,245,128)	(1,000,000)	(66,245,128)	0	1,888,417,710	2,500,000	1,890,917,710
0607000 Governance, Legal Training and Constitutional Affairs	1,427,977,029	360,000,000	2,107,977,029		1,800,000	(250,000,000)	(248,200,000)	0	1,749,777,029	110,000,000	1,859,777,029
0603000 General Administration, Planning and Support Services	681,984,902	24,678,571	706,673,473		215,445,128	(6,075,375)	210,369,753	0	897,440,030	19,603,196	917,043,226
1261 The Judiciary	12,351,768,912	3,248,975,000	15,610,743,912		350,000,000	(1,308,850,184)	(958,850,184)	0	12,711,768,912	1,940,124,816	14,651,893,728

0610000 Dispensation of Justice	12,261,768,912	3,248,975,000	15,610,743,912	350,000,000	(1,308,850,184)	(558,850,184)	0	12,711,768,912	1,940,124,916	14,651,893,728
1271 Ethics and Anti-Corruption Commission	3,068,540,000	1,268,000,000	4,336,540,000	0	0	0	0	3,068,540,000	1,268,000,000	4,336,540,000
0611000 Ethics and Anti-Corruption	3,068,540,000	1,268,000,000	4,336,540,000	0	0	0	0	3,068,540,000	1,268,000,000	4,336,540,000
1281 National Intelligence Service	29,754,000,000	0	29,754,000,000	2,203,500,000	0	2,203,500,000	0	31,957,500,000	0	31,957,500,000
0804000 National Security Intelligence	29,754,000,000	0	29,754,000,000	2,203,500,000	0	2,203,500,000	0	31,957,500,000	0	31,957,500,000
1291 Office of the Director of Public Prosecutions	1,944,442,452	2,550,000	1,946,992,452	0	2,010,500	2,010,500	0	1,944,442,452	4,560,500	1,949,002,952
0612000 Public Prosecution Services	1,944,442,452	2,550,000	1,946,992,452	0	2,010,500	2,010,500	0	1,944,442,452	4,560,500	1,949,002,952
1311 Office of the Registrar of Political Parties	798,527,310	0	798,527,310	10,000,000	0	10,000,000	0	858,527,310	0	858,527,310
0614000 Registration, Regulation and Funding of Political Parties	798,527,310	0	798,527,310	10,000,000	0	10,000,000	0	858,527,310	0	858,527,310
1321 Witness Protection Agency	442,380,483	0	442,380,483	0	0	0	0	442,380,483	0	442,380,483
0615000 Witness Protection	442,380,483	0	442,380,483	0	0	0	0	442,380,483	0	442,380,483
2011 Kenya National Commission on Human Rights	389,766,300	0	389,766,300	9,000,000	0	9,000,000	0	398,766,300	0	398,766,300
0616000 Protection and Promotion of Human Rights	389,766,300	0	389,766,300	9,000,000	0	9,000,000	0	398,766,300	0	398,766,300
2021 National Land Commission	389,766,300	0	389,766,300	9,000,000	0	9,000,000	0	398,766,300	0	398,766,300
0113000 Land Administration and Management	1,093,767,550	0	1,093,767,550	40,400,000	173,000,000	213,400,000	0	1,134,167,550	173,000,000	1,307,167,550
0114000 General Administration, Planning and Support Services	202,117,228	0	202,117,228	10,400,000	0	10,400,000	0	212,517,228	0	212,517,228
0115000 Land Disputes and Conflict Resolutions	820,095,345	0	820,095,345	24,000,000	0	24,000,000	0	844,095,345	0	844,095,345
0116000 National Land Information Management System	52,097,456	0	52,097,456	0	0	0	0	52,097,456	0	52,097,456
2031 Independent Electoral and Boundaries Commission	19,457,521	0	19,457,521	6,000,000	173,000,000	179,000,000	0	25,457,521	173,000,000	198,457,521
0617000 Management of Electoral Processes	32,860,477,459	712,210,000	33,572,687,459	(200,000,000)	0	(200,000,000)	0	32,660,477,459	712,210,000	33,372,687,459
2041 Parliamentary Service Commission	32,860,477,459	712,210,000	33,572,687,459	(200,000,000)	0	(200,000,000)	0	32,660,477,459	712,210,000	33,372,687,459
0722000 Senate Affairs	10,287,068,157	2,637,500,000	12,924,568,157	(160,000,000)	(1,100,000,000)	(1,260,000,000)	0	10,287,068,157	2,187,500,000	12,474,568,157
0723000 General Administration, Planning and Support Services	5,290,539,449	0	5,290,539,449	(160,000,000)	0	(160,000,000)	0	5,290,539,449	0	5,290,539,449
2042 National Assembly and Oversight	4,996,528,708	2,637,500,000	7,634,028,708	0	(1,100,000,000)	(1,100,000,000)	0	4,996,528,708	2,187,500,000	7,184,028,708
0721000 National Legislation, Representation and Oversight	19,591,048,577	0	19,591,048,577	(840,000,000)	0	(840,000,000)	0	19,591,048,577	0	19,591,048,577
2051 Judicial Service Commission	183,537,700	0	183,537,700	100,000,000	0	100,000,000	0	283,537,700	0	283,537,700
0619000 General Administration, Planning and Support Services	183,537,700	0	183,537,700	100,000,000	0	100,000,000	0	283,537,700	0	283,537,700
2061 The Commission on Revenue Allocation	391,711,063	0	391,711,063	0	0	0	0	391,711,063	0	391,711,063
0724000 Inter-Governmental Revenue and Financial Matters	391,711,063	0	391,711,063	0	0	0	0	391,711,063	0	391,711,063
2071 Public Service Commission	1,357,425,000	15,000,000	1,372,425,000	7,575,000	(6,013,221)	1,561,779	0	1,357,986,779	8,986,779	1,366,973,558
0725000 General Administration, Planning and Support Services	1,024,568,639	15,000,000	1,039,568,639	(7,425,000)	(6,013,221)	(13,438,221)	0	1,017,143,639	8,986,779	1,026,130,418
0726000 Human Resource management and Development	202,189,957	0	202,189,957	0	0	0	0	202,189,957	0	202,189,957
0727000 Governance and National Values Commission	124,666,404	0	124,666,404	15,000,000	0	15,000,000	0	139,666,404	0	139,666,404
2081 Salaries and Remuneration Commission	609,634,499	0	609,634,499	18,894,501	0	18,894,501	0	628,529,000	0	628,529,000

SCHEDULE II

COMMITTEE RECOMMENDATIONS AND OBSERVATIONS – SUPPLEMENTARY II FY 2017/18

COMMITTEE OBSERVATION

COMMITTEE RECOMMENDATION

1.0 ADMINISTRATION AND NATIONAL SECURITY

<p>a) The allocation for the Presidency has increased by KShs. 1.2 billion from the Gross approved estimates of KSh8.8 billion to KShs. 9.9 billion on account of compensation to employees, Operations and Maintenance and increased donor commitment while the allocation for Interior will increase by KShs.1.3 billion from the gross Approved Estimates of KShs.130 billion. The increase on expenditure is mainly on account of salary adjustments, enhanced security operations and assumption of the office of the President.</p> <p>b) The allocation for State Department for Correctional Services will go up by KSh.915.5 million mainly on account of adjustment of salary and expenses of recruitment and training of new prisons officers while that of Public Service Commission will slightly move upwards by Kshs. 1.5 million. The Current expenditure estimates for the Commission have been proposed for adjustment upwards by Kshs. 7.5million to cater for foreign travel, while capital expenditure estimates have been proposed for adjustment downwards by Kshs. 6 million on account of austerity measures. The allocation for the National Police Service Commission has increased by Kshs. 80.2 million on account of personnel emoluments and expenses on the on-going vetting of police officers. The allocation to Independent Police Oversight Authority has remained unaffected by this supplementary.</p> <p>c) The Committee noted with concerns the reductions towards development projects that have taken a while to be completed and are off-track as a result of budgetary cuts through supplementary budgets. They include Equipping of the forensic laboratory, Police Modernization, Modernization of security press, Completion of Sub county Headquarters and IPRS upgrade under the State Department for Interior. This will thus escalate</p>	<p>The Committee recommends the House approves the Revised Estimates as submitted to Parliament by the National Treasury of:</p> <ul style="list-style-type: none"> (i) Kshs. 9,929,890,824 for the Presidency vote 1011; (ii) Kshs 131,289,172,840 for the State Department for Interior vote 1021; (iii) KShs. 23,350,893,243 for the State Department of Correctional Services vote 1022; (iv) Kshs 1,367,986,779 for the Public Service Commission, vote 2071; (v) KShs. 547,588,237 for the National Police Service Commission vote 2101 <p>Re-allocations</p> <p>The Committee recommends that the reduction of Kshs. 146,355,151 for Population Management Services be re-instated and the supplementary allocation towards the Policing Services be reduced by the same amount.</p>
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their costs of their completion.

d) The Committee further observed that this supplementary proposes to reduce items where ordinary citizens struggle to receive services on a day to day basis and they include: Immigrations services at KShs. 72 million, National Registration of Persons at KShs. 95 million, National Registration field services at KShs. 55 million and Civil Registration at KShs. 28 million

2.0 DEFENCE AND FOREIGN RELATIONS

a) The absorption rates for the Ministry of Foreign Affairs are low despite the additional resources proposed for allocation in this supplementary. At 37 per cent with three months before the end of the financial year, the Ministry needs to increase its absorption before the financial year ends in June. However this low absorption was attributed to non-application of IFMIS in foreign Missions. The absorption rates as provided by the National Treasury were therefore misleading since the actual absorption rate was given as 74 per cent.

b) The allocation for National Security sector has been on upward trend over the last ten years. With this supplementary, when approved, the allocation will amount to KShs. 146 billion representing 5.4 per cent of the total estimates. The opportunity cost of high allocation towards this sector is the provision of critical social services including Health and Education.

c) The PFM Act section 43 (2) @ authorizes an Accounting Officer to re-allocate funds of which the total sum of all re-allocations made on a program or sub-vote does not exceed ten percent of the total expenditure approved for that program or sub-vote. From the analysis

a) The Committee recommends that the House approves the proposal to withdraw from the consolidated fund a sum of:

- 1) Kshs.114, 310,379,864 for the Ministry of Defence, Vote 1041.
- 2) KShs.16, 890,259,237 for the Ministry of Foreign Affairs and International Trade, Vote 1051.
- 3) KShs. 1,643,954,559 for the State Department of East African Integration, Vote 1183.
- 4) KShs. 31,957,500,000 for the National Intelligence Service, Vote 1231.

b) The Committee further recommends that KShs. 850 million be sourced from elsewhere and be given to the Ministry of Defence towards a settlement of Claim by Kay Construction Ltd.

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above, number of programmes within the Ministry of Foreign Affairs has exceeded the ten per cent threshold.

d) Article 223 of the Constitution allows the national government to spend money that has not been appropriated if the amount appropriated for that purpose is insufficient after which approval can be sought within two months after spending the money. To this end, the Ministries of Defence, Foreign Affairs, EAC and the Intelligence Service are requesting for KShs. **1500 million**, KShs. **1,239 million**, KShs. **71 million**, KShs. **500 million** respectively for approval in line with the provisions of this Article.

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Justification for the recommendation

a) M/S Kay Construction was awarded a contract by the Ministry for Pavement rehabilitation on 25th October 1990. Upon completion and handing over of the project, a dispute arose over the settlement of the final certificate. The contractor invoked the terms of the contract by seeking legal redress through Arbitration and was awarded a total sum of KShs. 1,427,137,645 by the High Court.

b) The Office of the Attorney General and the Department of Justice advised the Ministry to engage the Contractor in negotiations with a view of bringing down the interest element which forms the bulk of the claim. After protracted negotiations, the Contractor accepted a final offer of KShs. 850 million all inclusive down from KShs. 1,427,137,645. The Office of the Attorney General has concurred with the offer and has recommended that the claim be settled in full and payment made to avert any further orders being issued against the Ministry. The High Court proposed that the Ministry pays the claim in two installments within the 2017/18 financial year.

c) Due to the magnitude of the claim and the desire to negotiate it downwards, the Ministry was not in a position to factor in this amount in the FY 2017/18 budget and hence requested the National Treasury for additional funds of KShs. 850 million in the second supplementary to settle the claim. Failure to consider this request may lead to the issuance of an order of Mandamus due to failure to comply with the earlier court order of settling the negotiated sum

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<p>3.0 DEPARTMENTAL COMMITTEE FOR HEALTH</p> <p>COMMITTEE OBSERVATIONS</p> <p>a) That the development budget cut is largely attributed to non absorption of donor funds. This is a serious concern to the Committee since it affects the overall implementation of the Budget.</p> <p>b) That there is enhanced collection of revenues (ALA) collected by various SAGAs within the Ministry such as KNH, MTRH and KMTC. The Committee noted that if financial systems are strengthened in the various SAGAs there is a possibility of collecting more internal revenues to support the various programmes in the sector.</p>	<p>d) The Committee further recommends that the National Treasury considers allocating KShs. 69.8 million to the state department for East African Integration to take care of the following critical areas which are not funded.</p> <p>(i) KShs. 6.8 million towards Personnel Emoluments which is a non-discretionary expenditure</p> <p>(ii) KShs. 50 million for foreign travel to take care of EAC Meetings in Arusha</p> <p>(iii) KShs. 5 million for ICT services</p> <p>(iv) KShs. 10 million for Refurbishment of new offices</p> <p>COMMITTEE RECOMMENDATION</p> <p>- The committee recommends that the Ministry work closely with various donor partners to ensure that the issue of non-absorption of donor funds is eliminated in order to ensure that the Ministry Budget is well implemented.</p> <p>- The committee recommends for the approval of the</p>

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- c) The Committee observed that the Development allocation for procurement of family planning and reproductive health commodities has been reduced by Kshs 21 Million despite the critical role this project plays.
- d) The Committee observed that a new project to purchase CT scans for 37 Hospitals has been allocated Kshs 1.7 Billion. The Committee observed that there is a need to provide more details especially on the location of the hospitals.

supplementary Budget Estimates II for the Ministry of Health.

4.0 DEPARTMENTAL COMMITTEE ON COMMUNICATION, INFORMATION AND INNOVATION

Committee Observations

- a) There was a mismatch between the revised allocations to the MIDAS and the corresponding revised outputs. For every increment in allocation there should be an increment in outputs and vice versa.
- b) The actual absorption rate for the State Department of ICT and Innovation was 77 percent for the development budget and 70 percent for the recurrent budget
- c) The Budget cuts in the two State Departments had affected implementation of planned programmes including the ongoing projects

**The Committee recommends that:-
For State Department for ICT and Innovation.**

- a) **Kshs 500million** be deducted from the 1122101000 Digital Literacy Programme- Laptop and be allocated to 112100600 Konza Complex
- b) **Kshs 30million** be deducted from 112100400 NOFBI II and be allocated to 1122000700 Konza Technopolis Development Authority (KOTDA)
- c) **Kshs 20 million** be deducted from 1122100600 Government shared services and be allocated to 1122000700 Konza Technopolis Development

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<p>which had contractual agreements.</p>		<p>Authority (KOTDA)</p>
<p>d) It was noted that the number of the Constituency Innovation Hubs to be installed had reduced from 290 to 11 constituencies with a budget cut of 94.5Million.</p>	<p>d) The Budget and Appropriations Committee to increase the allocation to Konza Complex by Kshs 195 million to enable it cater for the pending bills that have accrued.</p>	
<p>e) The reduction in the development expenditure of the State Departments is likely to occasion pending bills, as some projects have already commenced.</p>	<p>e) The Budget and Appropriations Committee to increase the recurrent allocation to KOTDA by Kshs 70 million which will go towards salaries and wages.</p>	
<p>f) The reductions for some programmes under the state department for broadcasting and telecommunications have exceeded the 10%. This is in contravention of the threshold as outlined/provided by the Section 43(2) of the Public finance management Act.</p>	<p>f) The Kshs 920.6 million deducted under the Digital Literacy Program is reinstat in order to bring the allocation to Kshs 6,704 million which was wholly meant to cater for pending bills.</p>	
<p>g) The committee observed that there was very minimal progress being made at the Konza City Project and this was caused by the insufficient financing. For example the resource requirement for the project under the supplementary estimates II was Kshs 711 million but only Kshs 16 million was appropriated.</p>	<p>g) Kshs 87.8 million meant for equipping operationalization disaster recovery Centre Phase III is reinstated to the department.</p> <p>h) Kshs 74.25 million deducted from the development project of the Government shared services is reinstated to the department in order to promote efficiency in government operations.</p>	
<p>h) The committee observed that there were major interests that were accruing from the non-settlement of the pending bills that existed.</p>	<p>i) There was need to review the Constituency Innovation Hub Model to have the project budgeted for under the Ministry in the next financial year.</p> <p>State Department for Broadcasting and Telecommunications.</p> <p>a) The allocation to the state department is retained as it is.</p> <p>b) The surplus funds raised as A/A by the Communication Authority be appropriated to the agencies under the Ministry</p>	

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5.0 DEPARTMENTAL COMMITTEE FOR LANDS

OBSERVATION	RECOMMENDATIONS
<p>1. The reduction for the allocation for the Ministry of Lands and Physical Planning in the Revised Estimates will affect processing and registration of title deeds where the original target for the year 250,000 titles deeds has been revised downwards to 200,000 title deeds in FY 2017/18. It will also affect the digitization of land registries where the target the original target of digitization of 12 registries has been revised downwards to 10 registries in the year.</p> <p>2. There is need for the Ministry of Lands and Physical Planning and the National Land Commission to harmonize the land information management systems to reduce duplications and work towards a comprehensive unified land information management system for the country.</p> <p>3. There is need for the National Land Commission to fast track the implementation of the School Tiling Sub-Programme to protect the schools from land grabbing.</p>	<p>The Committee recommends that the House:</p> <p>1. Approves the Revised Estimates as submitted to Parliament by the National Treasury of Kshs1,307,167,550 for the Vote 2021: - the National Land Commission.</p> <p>2. Reinstates the a mount of Kshs 368,7251,718 for the processing and registration of title deeds and Kshs. 154,298,131 for the digitization of land registries under Vote 1112: - Ministry of Lands and Physical Planning</p> <p>Other Recommendations</p> <p>3. The National Treasury should allocate Kshs. 80,000,000 in the Financial Year 2018/19 to cater for Land Control Board members under Vote 1112: - Ministry of Lands and Physical Planning.</p> <p>4. The Ministry of Lands and Physical Planning and the National Land Commission should harmonize the land information management systems to reduce duplications and work towards developing a comprehensive unified land information management system for the country.</p> <p>5. The National Land Commission should fast track the implementation of the School Tiling Sub-Programme</p>

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to protect the schools from land grabbing.

6.0 DEPARTMENT COMMITTEE FOR LABOUR AND SOCIAL WELFARE

Observations STATE DEPARTMENT FOR LABOUR	Recommendations STATE DEPARTMENT FOR LABOUR
<p>1. During the 2017/2018 FY, the State Department has been implementing certain projects under its Development Budget. The State Department was allocated an initial budget of Kshs. 1.044 Billion in 2017/18 which was scaled downwards to Kshs. 636.02 Million under Supplementary Estimates I and further reduced to Kshs. 453.64 Million under Supplementary Budget No. 2.</p> <p>2. Despite the state department for labour playing a critical role in the country's development, it has not been accorded due consideration to enhance its responsiveness, efficiency and effectiveness in addressing emerging issues and challenges facing the labour sector which also has an impact on all the other sectors of the economy.</p> <p>3. The construction of the National Occupational Safety and Health (OSH) Institute was initiated over seven (7) years ago but has stalled for the last two years due to lack of funding. The Institute is expected to offer safety and health expertise and act as referral institute in East and Central Africa. The Institute is also expected to serve as a testing centre for plant, materials, personal protective equipment (PPE), dust</p>	<p>1. The State Department needs to be accorded enhanced budgetary support required in order for it to carry out its mandate as a fully-fledged state department</p> <p>2. The National Occupational Safety and Health project is currently deteriorating due to non-completion and this may lead to additional costs in materials and refurbishment works. The project should be allocated the Kshs. 143 million required to complete the project to be able to utilize the project for the intended purposes</p> <p>3. The National Treasury should ensure the completion of ongoing projects and funding as per the budgeted amounts to avoid deteriorating of projects due to non-completion which may further lead to additional costs in materials and refurbishment works, legal cases by contractors and pending bills.</p>

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<p>and fumes samples from workplaces and also as a demonstration centre with models of best methods for control of hazards. The project which is currently 82% complete was allocated Kshs. 181 Million in 2017/18 Financial Year which was expected to complete the project as per the approved Bills of Quantities (BQ). Subsequently, with the budget cut under Supplementary I to Kshs. 45 Million, the BQs were revised downwards, procurement process initiated where tenders for works were advertised and awarded. Under Supplementary Budget II the amount has further been reduced to Kshs. 38.78 Million.</p>	<p>4. The Ksh 14.5 million required to pay annual subscriptions to International partner organizations such as ILO, IOM, WAPES etc be availed to the Department to enhance the country's visibility in international fora and enable effective participation in the ratification of various Conventions that have far reaching implication in labour issues.</p>		
<p>4. The Committee observed that there are various ongoing projects whose budgets have been decreased so drastically that whatever is left cannot be put to any meaningful use. Such a scenario encourages waste and even possible fraud. This is the case with the construction of the National Employment Promotion Centre (Kabete) which was allocated Kshs. 133.7 million at the beginning of the FY, and reduced to Kshs. 33.4 million during supplementary I and a further reduction to Kshs. 10.7 million.</p>	<p>5. That, even as budget is rationalized, it needs to be done in a just and fair manner to avoid crippling of state departments in implementing their key projects</p>		
<p>5. The Committee further observed that the State Department has not been able to receive the required technical support from various international organizations due to non- payment of subscriptions. These organizations include the International Labour Organization(ILO), African Regional Labour Administration Centre(ARLAC), International Organisation For Migration (IOM), Pan African Productivity Organization(PAPA) and World Association of Public Employment Services(WAPES). This international obligations</p>			

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<p>are important in enhancing the Country's global visibility in labour matters and require an annual subscription of Kshs. 14.5 Million. In addition, the country has missed out on important global for a where conventions with far reaching implications are ratified due to underfunding.</p> <p>6. The decrease to the Kenya Youth employment and opportunities program of Ksh 100 million will adversely affect ongoing skills training of Youth at NITA. This money was meant to be utilised as stipend for the youth on internship program.</p>	
STATE DEPARTMENT FOR SOCIAL PROTECTION	
<p><u>Observation</u></p> <p>1. The current allocation under the in uajamii Programme could not cater for annual bank charges (Commission) for the expanded 70 years and above cash transfer Programmes which is mandatory expenditure. The allocation to the Programme has therefore been increased by Ksh.219.73 Million in the budget and since the National Treasury did not provide additional funding to cater for the above, the state Department had to undertake an internal reallocation within the vote meant to cater for bank charges.</p> <p>2. The committee has noted and raised its concerns in relation to Programme implementation, the Committee was concerned in the rise of operating expenses occasioning shift of Programme objectives in supporting the vulnerable members of the society.</p>	<p><u>Recommendations</u></p> <p>4. The committee recommends that the State Department should reorganize and reprioritize recurrent spending with a view to reduce the growing trend under recurrent component and to ensure more beneficiaries benefit from enhanced transfers with less optimal operating expenses.</p> <p>5. That, the State Department shall ensure prompt reconstitution and operationalization of the Constituency Social Assistance Committees where necessary to ensure participation of all the relevant stakeholders at the grassroots level.</p> <p><u>Recommendation</u></p> <p>6. The committee has planned to invite the head of public service to address the issues of the absence of a board which is likely to halt the operations of the</p>

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3. The committee further expressed its concern on the monies spent on bank charges (commission) and was not convinced that the state department is getting value for money in its transaction with the banks.

NATIONAL COUNCIL FOR PERSONS WITH DISABILITY

Observation

1. The committee noted that, NCPWD is currently operating with 1 staff in every county and additional 60 staffs of the commission, however the approved staff establishment for the council provides for 284 staff. The Council therefore lacks key staff to enable it execute some of its functions as provided for in the Disability Act.

2. The committee noted that the council is operating without a board of directors as well as a board of trustees since expiry of their term in May 2017 thus hampering operations of the Council activities.

3. The council's mandate involves providing assistive devices and services to support PWDs, providing education scholarship grants, economic empowerment for PWDs through grants to self-help groups and LPO financing under the access to government procurement opportunities Programme, provision of cash transfers to poor households caring for persons with severe disabilities among other

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7. Increase the number of staff in each county from the current 1 to at least 3 staffs in every county office
8. The committee recommends the transfer of cash transfers to persons with disability from the NCPWD to the state department for social protection to rationalize and streamline the cash transfers for efficiency and effectiveness

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<p>mandates. The council is however not adequately financed to carry out its mandate</p>			
<p>STATE DEPARTMENT FOR PUBLIC SERVICE AND YOUTH AFFAIRS- YOUTH EMPOWERMENT PROGRAMME</p>			
<p>1. That, the National Youth Service has been allocated Kshs. 500 million to acquire commuter buses under initiative of 'Operation Okoabiria'. The Committee was informed that the National Youth Service, received a notification from the Cabinet to acquire the buses and the National Treasury further allocated the funds under Supplementary II</p>		<p>The committee has reservation on the hurried introduction of the NYS buses without proper feasibility study. The committee also noted that the objectives of the project are unclear, whether the buses are commercial or just providing community service and indeed whether the function is a national government function or a county government function as per the constitution.</p>	
<p>2. The Committee further notes that under schedule four of the Constitution, the provision of road transport is a function of the County Government and should not be undertaken by NYS, and further expresses its reservation against the rationale for these buses</p>			
<p><u>NATIONAL GENDER AND EQUALITY COMMISSION</u></p>			
<p>Observation</p> <p>1. The committee notes that the National Gender Equality Commission Board is currently comprised of two members against the recommended five members, this therefore hinders the commission from conducting its function</p>		<p>Recommendation</p> <p>1) That, there is need to hasten the recruitment process to fill the vacancy position of the Chairperson and other members of the Commission.</p>	

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STATE DEPARTMENT FOR DEVELOPMENT OF ASALS

Observation

Recommendation

1. The state department appeared before the committee for the first time and that the committee needed more time to engage to understand the mandate of the state department.
2. From the Presentation made by the State Department, the committee observed that, Kenya Meteorological Department weather forecast shows that most areas of the ASAL are likely to remain dry or some pockets will experience flash floods, this therefore requires the government to continue providing for emergency relief food to cushion an estimated 2.5 million people that are risk in the 23 counties, as part of its overall social Welfare system.
3. That, the National Treasury has not captured **Kshs. 1 billion** grant for the Hunger Safety Net Programme (Cash transfer flagship project that benefits 100,000 drought vulnerable households) which DFID has already committed for the FY 2017/2018, and the funds cannot be utilized until it is appropriated
4. That, the National Treasury has not captured **Kshs. 547 million** EU – Donor under capture for Ending Drought Emergencies Programme in NDMA

1. That, the state department requires Kshs. 1.69 billion to address the situation which comprises Kshs. 1.37 billion for food and Kshs. 310 million for non-food items
2. That, the severity of flood or drought is extreme and there is need to put up a fund to cater for these emergency cases
3. That, the grants by DFID and the EU for the hunger safety net Programme and the Ending Drought Emergencies Programme by NDMA, needs to be unlocked
4. It is important to ensure that in future budget considerations, all MDAs should do their presentations in the presence of responsible officers from the National Treasury to align communication from the National Treasury and the MDAs;
5. There is need to strengthen the link between the Programme Based Budget framework and Itemized Budget with respect to having a comprehensive and responsive set of indicators, key outputs and realistic targets and proper costing of programmes. There is need to have a costed approach when setting targets and expected outputs as the evidence available

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<p>5. That, there are some containers of relief rice that have not been cleared at the port and it is concerning that relief food cannot be accessed due to long processes at the port</p> <p>6. That, despite the invitations sent to the National Treasury liaison officers, they did not attend the committee meetings.</p> <p>7. It is observed that the various targets set under the various programmes have remained the same despite the changes in resource allocation across the spending agencies in this sector. This means that there is little connection between the KPI targets and the revised budget. This will therefore make it difficult to monitor progress made in terms of attaining the set targets.</p>	<p>indicate a weak link in terms of having an effective and responsive PBB framework</p>
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7.0 DEPARTMENTAL COMMITTEE FOR SPORTS, CULTURE AND TOURISM

STATE DEPARTMENT OF TOURISM

Observation	Recommendation
<p>a) Tourism was a major enabler of the big four agenda and it contributed to 10% of Kenya's GDP and 9% of the country's total formal employment.</p> <p>b) The committee observed that the recurrent gross estimates had been revised downwards by Kshs 148.7 million. This relates to net recurrent estimates of Kshs 114.7 million and a decrease in AIA by Kshs 34 million.</p> <p>c) The reduction in the allocation would hamper the operations of the Ministry as the amount relates to the Salaries and wages of employees</p> <p>d) The development estimates for the Ministry had been reduced from Kshs 3,921 million to Kshs 980.3 million under the Supplementary Estimates I. This budget cut has led to huge pending bills in the Ministry and stalled projects especially Ronald NygalalUtalii College.</p> <p>e) The State Department has accumulated pending bills amounting to Kshs 1,575 million in the current financial year 2017/18.</p>	<p>a) The Kshs 114.7 million recurrent estimates meant for salaries and wages be reimbursed back to the State Department.</p> <p>b) The Ministry of Tourism be revamped, this is to be done by increasing their development allocation in the current supplementary estimates as well as the next financial year.</p> <p>c) Additional funds be allocated to cater for projects that had already commenced under the Kshs 3,902 million printed estimates.</p> <p>d) There is need to fast track the Air Passengers Service Charge (amendment) Bill, to ensure that the Tourism Promotion Fund incorporated the state Department for Tourism.</p> <p>The following amounts to be allocated to the State Department to cater for pending bills:</p>

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<p>f) The National Treasury had not consulted the state department before making the adjustments to ensure that the Department provided its priority areas to be funded.</p> <p>g) There were some capital projects like the Ronald Ngala Utaalii College that had been adversely affected by the budget cuts.</p> <p>h) There is a legislation in place, Air Passengers Service Charge (amendment) Bill, 2018 to have the State Department for Tourism benefit from the Kshs. 6 billion Tourism Promotion fund that is currently lying with the Kenya Airports Authority (KAA).</p> <p>i) The national Treasury had reported a 41% as the absorption rate for the State Department. However, the department reported that most of the funds allocated to it had been absorbed up to 80% and the Department only requires the net of 20%.</p>	<p>i. Ushanga Kenya –</p> <p>ii. Mama Ngina</p> <p>iii. Meru Road</p> <p>iv. Office Partitioning</p> <p>v. Little Theatre</p> <p>vi. Tourism Fund</p> <p>vii. KUC</p>	<p>Kshs 250 million</p> <p>Kshs. 100million</p> <p>Kshs. 100million</p> <p>Kshs. 50million</p> <p>Kshs 50million</p> <p>Kshs 975 million</p> <p>Kshs 50 million.</p>	
STATE DEPARTMENT OF SPORTS DEVELOPMENT			
<p>Observation</p> <p>a) The reduction of the programme sports under the State Department for Sports Development is 28%. This is in contravention of the threshold as outlined/provided by the Section 43(2) of the Public finance management Act.</p>	<p>Recommendation</p> <p>a) The Kshs 1,739 million that was meant for African Nations Football Championship-2018 in relation to refurbishment of CHAN stadia –soft services be reimbursed to the State Department to avoid penalties and pending bills that may accrue. This is because the</p>		

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- b) The budget cuts under supplementary estimates II relates to projects that are ongoing and that the contractors were on the ground.
- c) The budget cuts would result into huge penalties as well as pending bills.
- d) Failure to have the facilities i.e. the Stadia would have Kenya blacklisted/denied the right by FIFA of hosting any international games/sports.
- e) Two consultants that are working with the contractors who are currently doing works at the stadia had been recommended to Kenya by FIFA in order to have the stadia conform to the international standards and FIFA requirement.
- f) The cash awards to sportsmen have never been honoured since inception (2010) as per annexed list.
- g) The Moi International Sports Centre-Kasarani and the Nyayo National Stadium completion status was at 80% and they would be ready for use by 1st June 2018 if funds are made available.
- h) There existed a national Lottery that had never been operationalized due to lack of funds.

- contracts were awarded and works are ongoing.
- b) The **Kshs 551.8 million** that was meant for Stadia Infrastructure upgrading and development be reimbursed to the State Department. This is to ensure that Kenya has the required facilities as is the requirement by Federation of International Football Association, (FIFA) and International Association of Athletics Federations (IAAF)
- c) The **Kshs 157 million** that was meant for IAAF World Youth under 18 Infrastructural Project be reimbursed to the State Department to avoid penalties and pending bills.
- d) The **Kshs 5.6 million** that was meant for Kenya Academy of Sports be reimbursed to the State Department to avoid penalties and pending bills.
- e) **Kshs 600 million** be allocated to the Department in order to operationalize the National sports Lottery that will enhance sporting event sponsorship.
- f) **Kshs 147 million** be allocated to cater for unpaid historical cash awards due to Sportsmen.

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COMMITTEE OBSERVATION

COMMITTEE RECOMMENDATION

STATE DEPARTMENT OF HERITAGE	Recommendations	
<p>Observation</p> <p>a) The reduction in the development budget estimates was for projects that were ongoing. This reduction would result into accumulation of pending bills, stalled projects as well as penalties/ interests.</p> <p>b) The State Department had accrued pending bills amounting to Kshs 452.7 million which relates to a pending bill composed of pension arrears owed by the National Museum of Kenya.</p> <p>c) The National Museums of Kenya collects between Kshs 250 million to Kshs 350m. This amount is however not sufficient for their operations as the agency does not get any funding from the government.</p>	<p>a) The Kshs 74.3 million that was meant for the construction of an Ultra- Modern national library is reimbursed to the state department to avoid penalties and pending bills.</p> <p>b) An additional Kshs 452.7 million to be allocated to the state department to pay pensions that are in arrears.</p> <p>c) The Kshs 3.57 million that was meant for restoration of monuments (Fort Jesus' Sea Wall) be reimbursed to the State Department to avoid penalties and pending bills.</p>	<p>The committee further recommends that, there is need for the National Treasury to consult the State Departments before reducing budgets so that they can be able to share with them the areas of priority, ongoing projects etc.</p>

COMMITTEE RECOMMENDATIONS AND OBSERVATIONS – SUPPLEMENTARY II FY 2017/18

COMMITTEE OBSERVATION

COMMITTEE RECOMMENDATION

8.0 DEPARTMENTAL COMMITTEE OF JUSTICE AND LEGAL AFFAIRS

Observations	Recommendation
<p>a) The department's approved revised budget for the FY 2017/18 was Kshs 15.6 billion of which Kshs 12.4 billion was for recurrent expenditure and Kshs 3.3 billion was for development expenditure.</p> <p>b) In the proposed supplementary estimate II, the recurrent budget has been increased by Kshs 350 million. The upward adjustment on current expenditures is on account of provisions to cater for election petitions expenses. On the other hand, the Judiciary's development budget has been reduced by Kshs 1,308.9 million.</p> <p>c) The Judiciary submitted that even though they were allocated through external funding from Ford Foundation Kshs 80,000,000 during the FY 2017/18 only Kshs 22,899,866 has been availed to date for spending. This leaves a balance of Kshs 57,100,134 unspent. They made an appeal to the committee to make the balance available and accessible as the Ford Foundation had granted extension upto June 2018.</p> <p>d) The approved revised allocation for Judicial Service Commission in the FY 2017/18 amounts to Kshs. 183.5 million for current expenditure. The approved estimates have been adjusted to Kshs. 283.5 million for current expenditure under Supplementary Estimates II reflecting a net increase of Kshs. 100.0 million.</p>	<p>a) That the unspent funding balance of Kshs 57,100,134 from Ford Foundation be made available and accessible to the Judiciary forthwith. This will reduce possible escalation of pending bills from completed projects, possible litigations, and penalties and fines arising from no prompt payment of bills as and whenever they fall due.</p> <p>b) That the National Treasury reallocates Kshs 150 million to the Judiciary to cater for settling of pending bills arising from the construction of courts across the country to facilitate access to justice for the citizens as partial apportioning of the proposed reduction by the National Treasury of Kshs 200 million under the IEBC vote.</p>

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THE INDEPENDENT ELECTORAL AND BOUNDARIES COMMISSION (IEBC)

Observation

The Independent Electoral and Boundaries Commission (IEBC) approved Estimates have been adjusted to Kshs. 33,572.7 million under Supplementary Estimates II. This comprise largely of Kshs. 32,655,477,459 for current expenditures. The Commission's budget has been reduced by Kshs. 200 million. The downward adjustment on current expenditure is on account of over-provisions on compensation to employees under the current expenditure. They have not concluded projected recruitment.

The Committee was informed that the Commission was able to fit its requirements within the allocated amount and had no objection of reducing its recurrent budget by Kshs 200 million.

OFFICE OF THE DIRECTOR PUBLIC PROSECUTIONS (ODPP)

Observation

The gross approved allocation for the Office of the Director of Public Prosecutions in the FY 2017/18 amounts to Kshs 2.0 billion. This comprises of Kshs 1.94 billion and Kshs 2.6 million for current and capital expenditures respectively.

The Office through a letter dated 13th April 2018 narrated how it was adversely

Recommendation

That the committee recommends the IEBC's budget be approved as proposed by the National Treasury at the same funding level as proposed in the supplementary estimates.

Recommendation

That the National Treasury reallocates Kshs 50 million to the Office of the Director Public Prosecutions to cater for critical operational expenditures for the FY 2017/18 as partial apportioning of the proposed reduction of Kshs 200 under the

COMMITTEE RECOMMENDATIONS AND OBSERVATIONS – SUPPLEMENTARY II FY 2017/18

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affected by the 1st Supplementary Estimates that reduced its budget by huge amount of Kshs 305.64 million. They submitted a request for the Committee consideration requesting an additional allocation of Kshs 50 million to provide for critical operational expenditures.

COMMITTEE RECOMMENDATION

IEBC vote.

REGISTRAR OF POLITICAL PARTIES

(i) Committee Observations

The Committee observed as follows:-

The gross approved allocation for Office of the Registrar of Political Parties in the FY 2017/18 amounts to Kshs.798.5 million for current expenditure. The Approved Estimates have been adjusted to Kshs.808.5 million for current expenditure under Supplementary Estimates II. This reflects a net increase of Kshs.10.0 million representing a percentage decrease of 1.2% in its budget.

Committee Recommendations

The Committee recommends the approval of the budget as contained in the supplementary estimate II for FY 2017/18.

ETHICS AND ANTI-CORRUPTION COMMISSION

(i) Committee Observation

The gross approved allocation for Ethics and Anti-Corruption Commission in the FY 2017/18 amounts to Kshs 4.3 billion. This comprises of Kshs 3.1 billion and Kshs 1.3 billion for current and capital expenditures respectively. The Approved Estimates have not been adjusted to Kshs 4.3 billion in Supplementary Estimates II. Therefore the targets and outputs for the departments remain the same. The department's expenditure as at March, 2018 stood at Kshs 2.2 Billion translating to an absorption rate of 50.0%.

The Committee recommends the approval of the Commission's budget as contained in the supplementary estimate II for FY 2017/18.

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COMMISSION FOR ADMINISTRATIVE JUSTICE

Committee Observations

The gross approved allocation for the Commission on Administrative Justice in the FY 2017/18 amounts to Kshs 416.8 million for recurrent expenditure. The Approved Estimates have been adjusted to Kshs 412.8 million for current expenditure under Supplementary Estimates II. This reflects a net decrease of Kshs 4.0 million. The above adjustment is on account of rationalization of budget. The department's expenditure as at March, 2018 stood at Kshs 296.5 million translating to an absorption rate of 71.8%.

Committee Recommendations

The Committee recommends the approval of the Commission's budget as contained in the supplementary estimate II for FY 2017/18.

KENYA NATIONAL COMMISSION ON HUMAN RIGHTS (KNCHR)

Committee Observations

The Approved gross allocation to the Kenya National Commission on Human Rights for FY2017/18 is KShs 389.8 million, comprising of current expenditure. The Approved Estimates have been adjusted upwards to KShs 398.8 million under the Supplementary Estimates II on account of Additional expenditure to cater for shortfall in salaries. The department's expenditure as at March, 2018 stood at Kshs 293.2 million translating to an absorption rate of 71.8%.

Committee Recommendations

The Committee recommends the approval of the commission's budget as contained in the in the supplementary estimate II for FY 2017/18.

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COMMITTEE OBSERVATION

WITNESS PROTECTION AGENCY

Committee Observations

The gross approved allocation for Witness Protection Agency in the FY 2017/18 amounts to Kshs. 442.4 million for current expenditure. The Approved Estimates have not been adjusted under the Supplementary Estimates II. Therefore, the targets and outputs for the departments remain the same. The department's expenditure as at March, 2018 stood at Kshs 162.3 million translating to an absorption rate of 36.7%.

COMMITTEE RECOMMENDATION

Committee Recommendations

The Committee recommends the approval of the Agencies budget as contained in the supplementary estimate II for FY 2017/18

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9.0 COMMITTEE FOR AGRICULTURE, LIVESTOCK AND FISHERIES

STATE DEPARTMENT OF IRRIGATION

Observations

There are significant allocations under supplementary estimate II to National Expanded Irrigation Programme and the Thwake Multi-Purpose Dam of **Kshs 2.9 billion** and **Kshs 3.2 billion** respectively. The committee was concerned about the ability of the department to absorb the allocated funds within remaining the two months.

In addition, the committee observed that there was need for a through audit on the Galanakulalu development project before any additional funds are allocated to the project. The committee further observed that despite the massive injection of funds to the project, its achievement was minimal.

STATE DEPARTMENT OF CROPS DEVELOPMENT & MANAGEMENT

The current fall army worm infestation in some parts of the country and the potential nationwide outbreak requires a speedy intervention by the state department of crop production.

Reduction of Kshs 3.4 billion from the state

department of Irrigation. In particular, the

committee recommends the reduction of Kshs

416 million from Galana Kulalu Irrigation

Scheme, the reduction of Kshs 1.8 billion from

the National Expanded Irrigation Programme

and the reduction of Kshs 1.0 billion from

Thwake Multi-Purpose Dam bringing the total

reduction to Kshs 3.2 billion.

An allocation of Kshs 540 million for the mitigation of fall army worm menace. The funds will be utilized for procurement of Chemicals, Sprayers and related equipment, personnel protection equipment and enhanced sensitization and publicity Multi-Purpose Dam bringing the total reduction to Kshs 3.2 billion.

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Departmental committee on Transport public works and housing

The committee also observed that adequate funds were not availed to clear farmer's debts accruing from maize delivered to NCPB as well to buy more grains from the growers to meet Strategic Food Reserve requirements. The total maize purchases amounted to **KSh 12.4 billion**. The SFR fund had only **KSh 5.5 billion** while the budget provision under the supplementary estimate II was **KSh1.3 billion** hence a deficit of **KSh 5.6 billion**.

Recommends an additional allocation of Kshs 2.5 billion bringing the total to Kshs. 3.5B for that the Strategic Food Reserve to pay for the maize received from farmers. The allocation will go a long way in settling the monies owed to small scale farmers.

State Department of Livestock

One of the objectives of the government to reopen KMC was to provide a ready market for livestock producers. During the time of drought the government re-opens up livestock which it then directs to KMC for slaughter

The Committee recommends the reallocation of Kshs 176 M which was part of the money realized from the reductions under the vote of the state department of irrigation to Kenya Meat Commission to clear pastoralists' debts accruing from products delivered to KMC which remains as pending bills.

State Department of Fisheries

b) The committee observed that the state department of fisheries and blue economy ability to Subscribe to International Organizations has been hampered due to

An additional allocation of Kshs 11 million to the estate department to facilitate its Subscription to International Organizations. This will lead to the

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COMMITTEE OBSERVATION	COMMITTEE RECOMMENDATION
<p>STATE DEPARTMENT FOR TRANSPORT</p> <ol style="list-style-type: none"> 1. The state department has projects such as Nairobi-Naivasha SGR allocation reduced by Ksh 42 billion of which Ksh 32 billion was from donor because of court cases, while Ksh 10 billion railway development levy fund was re-allocated to Mombasa/Nairobi SGR project. 2. Additional allocation made to some projects such as Mombasa/Nairobi SGR of Ksh 59 billion was to cater for payment for pending certificates and management fees for the operations of the SGR among others. 3. The state department has pending bills of Ksh 8.9 billion for LAPSET-project and Re-location Action Plan- Kibera project. The delayed payments is attracting penalties. 	<p>That Committee approves the 2nd Supplementary estimates for 2017/18 as tabled.</p>
<p>STATE DEPARTMENT FOR HOUSING AND URBAN DEVELOPMENT</p> <ol style="list-style-type: none"> 1. The state department has increased budget in recurrent expenditure of Ksh 652.5 million mainly to meet budget shortfall in personnel emoluments, and maintenance of government houses from AIA raised from rent. 2. The increased in capital expenditure of Ksh 2.9 billion is mainly on donor funded programme and payments of outstanding pending bills and payment certificates for on-gong works. 3. The state department has a pending bill of Ksh 400 million for completion of 463 Housing units at Mavoko and complete the project. 	<p>That Committee approves the 2nd Supplementary estimates for 2017/18 as tabled.</p>

COMMITTEE RECOMMENDATIONS AND OBSERVATIONS – SUPPLEMENTARY II FY 2017/18

<u>COMMITTEE OBSERVATION</u>	<u>COMMITTEE RECOMMENDATION</u>
<p>State Department for Public Works</p> <ol style="list-style-type: none"> 1. The state department has increased budget in recurrent expenditure of Ksh 25.7 million mainly to meet budget shortfall in personnel emoluments, and other operating expenses. 2. Increase in development expenditure of Ksh 170 million is mainly to meet final accounts of stalled government building and paying pending certificates for Ndaou sea wall. 3. The department has pending payment certificate of Ksh 355 million as at 19th April, 2018. <p>State Department for Maritime and Shipping Affairs</p> <p>The state department has increased budget in recurrent expenditure of Ksh 41.7 million mainly for office partitioning, refurbishment and shortfall in rent.</p>	<p>That Committee approves the 2nd Supplementary estimates for 2017/18 as tabled</p> <p>That Committee approves the 2nd Supplementary estimates for 2017/18 as tabled.</p>

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COMMITTEE OBSERVATION		COMMITTEE RECOMMENDATION	
11. COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES		State Department For Water Services	
<ol style="list-style-type: none"> 1. That, the National Treasury did not consult line Ministries on reduction of resources especially donor funded projects. This is bound to have negative effect on implementation of projects; 2. There is need to ensure that in future budget considerations, all MDAs should do their presentations in the presence of responsible officers from the National Treasury to align communication from the National Treasury and the MDAs; 3. The need to strengthen the link between the Programme Based Budget framework and Itemized Budget with respect to having a comprehensive and responsive set of indicators, key outputs and realistic targets and proper costing of programmes. There is need to have a costed approach when setting targets and expected outputs as the evidence available indicate a weak link in terms of having an effective and responsive PBB framework 4. With the reductions in allocation of donor funded projects due to low absorption rates, there is need to ensure that the ministry's improve the utilization of approved allocations especially of external funds already mobilized and committed with a view to minimize the associated opportunity costs (delayed benefits to Kenyans, fiscal risks and contingent liabilities). The ministry should also enhance efficiency in utilization to further minimize mid-stream budget revisions. 	<ol style="list-style-type: none"> 1. The committee recommends for the National Treasury to consult the MDAs before major budget adjustments are made to protect the budgetary allocations for the ongoing commitments which could occasion huge pending bills and projects delays 2. There is need to consult the local communities during the design of major projects to reduce unnecessary hostility created between the local community and the project implementers and negative attitude developed by the local community against the project 3. With the constrained and limited resources, the MDAs need to focus on fast-tracking completion of key ongoing projects before starting new projects 4. Due to the implementation of the water Act that repealed the requirement of remittance of revenue by the water companies to the water service boards, there is need for the GOK to adequately fund the water services boards in order for them to meet their recurrent expenditure on personnel emoluments and operations 5. The committee recommends the National Treasury to reinstate the Kshs. 50 million deducted in the state departments personnel emoluments which was budgeted to cater for the existing staff in the Ministry 	<p>Committee Re-allocation;</p>	

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COMMITTEE OBSERVATION	COMMITTEE RECOMMENDATION
	<p>6. Under the Kenya Pooled water fund, the allocated Kshs. 150 million is not sufficient to actualize the creation of the fund, the committee recommends that the Kshs. 150 million be re-allocated within the same Programme of water and sewerage infrastructure development as follows</p> <ul style="list-style-type: none"> ➤ Kshs. 100 million be allocated to Athi Water Service Board for the Nairobi City water & Sewerage support services interventions which is a project between the national and county government focusing on rehabilitation of sewers within Nairobi especially where it gets in to rivers ➤ Kshs. 50 million to Tanathi Water Service Board to the drilling and equipping of 40 boreholes project which suffered a budgetary cut of Kshs. 75.28 million <p>Ministry Of Mining</p> <ol style="list-style-type: none"> 1. In order for the ministry to achieve its full potential and to achieve its target of contributing 10% to G.D.P by vision 2030 and if we need to industrialize as a country, the committee recommends enhanced budgetary allocation to the Ministry. 2. That, the decreased allocation of Kshs. 1.32 billion for carrying out the National Airborne Geophysical Survey should be reinstated since the committee was informed that the ministry has initiated Rapid Results Initiative and aims at ensuring the Launch of the project happens before the end of the F.Y 2017/18.

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3. The committee recommends the allocation of **Kshs. 100 million** which is the agreed capped fee to settle the pending legal fees, which if not paid can result in the country risking paying \$ 5 billion.

State Department For Environment

1. The National Treasury should consult the Ministries so that the targets set under the various Programmes are agreed upon with changes in resource allocation across the spending agencies in the sector
2. Under the medical waste and hazardous project, the committee recommends that NEMA should not issue Environmental Impact assessment licenses for human settlements in the area
3. The Committee recommends the allocation of **Kshs. 25 million** for the renewal of the ISO certification for the aviation service.
4. With the effect/impact of climate change, there is need to invest in better and modern weather forecasting and early warning systems through increased budgetary allocations to the Kenya Meteorological department to enhance its capability to give accurate information on future erratic weather patterns to ensure effective adaptation and mitigation measures.
5. That the National Treasury should allocate the Kenya Meteorological department **Kshs. 895 million** to settle its pending bills to avoid additional costs on legal cases

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6. For NEMA to enforce the plastic ban and any other environmental pollution issue there is need to empower it through additional enforcement officers as well as resources to intensify surveillance especially following news of increased activities by illegal plastic bag manufacturers and importers.

State Department Natural Resources

1. On the issue of human wildlife conflict, the committee recommends that in the subsequent budget, allocations should be made to invest in fencing to mitigate the human wildlife conflict
2. Due to non-submission of the list of schools in which the green school Programme has been implemented, the committee recommends reallocation of the **Kshs. 112 million** within the same sub-Programme of the forest management and conservation from the green school project to farm and dryland forest development for model nurseries
3. The committee further recommends that, presidential directives should be followed by additional resource allocation

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12.0 .FINANCE AND NATIONAL PLANNING

1. In Consideration of the fiscal environment with revenue underperformance, it was pointed out that the Supplementary II has an insignificant effect on improving the fiscal deficit level since the net effect of the proposed expenditure readjustments will only lead to an expenditure cut of only Ksh.3.99 Billion when the last Quarterly Economic and Budgetary Report indicated an underperformance of revenue by Ksh.64 Billion.
2. There are low absorption rates in the MDAs and given the short time remaining for the year to end, the yearly targets will not be met. A concern was raised that the highly accelerated expenditure towards end of the Financial Year in a bid to better absorption rate may occasion imprudent expenditure.
3. It was noted that there are incidences of a mismatch between the proposed adjustments in allocations with the revised targets. It was pointed out that this mismatch negates the noble intention of Programme Based Budgeting besides making it difficult to oversight the concerned programme performance. An example is in the State department of Planning and Statistics under the Regional Integrated Development programme; the target of completion rate of Arroi Multipurpose Dam has been revised downwards from 35% to 25% despite a proposal to allocate more funds (Ksh.4.6 Billion) to the project.
4. There exists high Pending Bills in some agencies. This was noted to be specifically so high in the State Department for Devolution (Reported to be Ksh.3.5 Billion which was inherited from the defunct Local Authorities). The Committee observed that Pending Bills have

The Committee recommended as follows, that: -

1. The Committee agrees with all the adjustments in all the sectors be approved as proposed by the National Treasury except for the allocation under the NGCDF Funds which should be allocated the balance of Kshs. 4.9 billion.
2. The National Treasury to provide an allocation of Kshs. **4.9 billion** to cater for the National Government Constituency Development Fund.
3. The Constitution is clear on the equalization fund hence the need to provide the moneys meant for the equalization fund. If it is not provided in the current FY, it should be provided for in the next FY.

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<p>adverse multiplier effects such as accruing interests and penalties, litigations and adverse impact on the businesses of the affected suppliers. Committee took cognizant of the fact that each Pending Bill needs to be quickly interrogated separately with an aim of settling them.</p> <p>5. The Committee noted that all the approved estimates for this Financial Year for the Equalization Fund (7.7 Billion) and the Contingency Fund (5 Billion) that falls under the vote of National Treasury are proposed to be wiped out through the proposed reductions without any Commitment to have this year's allocations reimbursed in future. Given the noble purposes for which the Funds were created, a concern was raised that this will impair the achievement of the purposes.</p> <p>6. It was observed that there is no proposed additional allocation to National Government Constituency Development Fund (NGCDF) within the State Department for Planning and Statistics despite the reduction effected in Supplementary I and a promise to have the reduced funds reinstated in Supplementary II. It was noted that this will adversely affect the completion of NGCDF projects.</p> <p>7. The Committee observed that the new administrative structure in the National Government (Ministries) such as hiving off of State Department of Devolution and ASAL from the former larger Ministry of Devolution and Planning and the creation of the Chief Administrative Secretary Office has occasioned recurrent expenditure pressure. This was noted in the State Department of Devolution and ASAL that reportedly did not acquire equitable share of the overhead budgetary resources from the parent Ministry.</p> <p>8. The high and growing public wage bill was noted. In the Supplementary II, the Committee observed that Employees' compensation in some Agencies are proposed to be increased. This is noted under National Treasury of which Ksh.27.3 Billion is to be transferred to cater for readjustments of civil servants' salaries. The</p>	

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<p>performance of Salaries and Remuneration Commission (SRC) in relation to containing the wage Bill was noted to be below expectations.</p> <p>9. The pace at which Commission on Revenue Allocation (CRA) is developing the second generation policy for identification of marginalized areas was observed to be slow and needs to be fast tracked. The Committee pointed out that it is this policy that will lead to effective identification of pockets of smaller units instead of using counties as units of regions.</p> <p>13.0 TRADE, INDUSTRY AND COOPERATIVES</p> <p>The Committee observed the following, that:-</p> <ol style="list-style-type: none"> i. KPI Targets- It is observed that all the targets except two have remained the same despite the changes in resource allocation. This may imply that there is little connection between the KPI targets and the revised budget. ii. Considering that we are in the last quarter of the financial year, the departments are not likely to absorb the funds as proposed in this supplementary. This is especially for the State Department for Investment & Industry at absorption of 36.8 percent and State Department for Trade at absorption of 48.3 percent. iii. Supplementary budget should be restricted to unforeseen and unavoidable expenditures to avoid extensive budget adjustments during the financial year. Provision for compensation for employees should not be an item under supplementary budget. It can be foreseen and included in the preparation of the main budget 	<p>The committee recommends as follows;</p> <p>Vote 1172 State Department for Investment and Industry</p> <p>The committee accepted the allocations as submitted but proposed reallocation as follows:</p> <ol style="list-style-type: none"> 1. The committee recommends a reduction of Kshs. 285 million from the supplementary II allocations for Development of Leather Industrial Park Kenanie under the Industrial Development & Investments programme. The Kshs. 285 million is added to the supplementary II allocation of the Construction of Constituency Industrial Development Centres under the Standards & Business Incubation Programme. <p>The CIDC program under the Economic stimulus project has been dragging for a long time and needs to be expedited to accelerate industrial growth at the</p>

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<p>focusing on:</p> <ul style="list-style-type: none"> ii. That more resources have been allocated to the construction of Mithani House which has been ongoing for a long period of time. The Ministry submitted that the allocation is intended to complete the building such that by the next examination period, KNEC will have moved in. iii. The Committee observed various projects in universities are usually affected by budget cuts during in supplementary budgets hence affecting the completion and even resulting to stalling of these projects. iv. That the secondary school infrastructure improvement project allocation has been reduced. However, the Ministry assured the Committee that this reduction will not affect the improvement in infrastructure in various secondary schools and that this project is well on course. v. That the various targets set by the Ministry have not been adequately revised in line with budget increments or reductions. Further, the various performance indicators do not reflect the key mandates of some delivery units within the Ministry. vi. That resources have been provided for purchase of motor vehicles for field offices and that this will ease the movement of Education Officials in various sub counties to check on the quality of education being delivered. 	<p>reinstated. This will facilitate the fast tracking of this project and effectively support the Big Four agenda:</p> <ul style="list-style-type: none"> ii. The Committee recommends that Kshs 205 million development budget be allocated to Egerton University for Construction of Library Phase I under the State Department for University Education. The allocation to this project was reduced under the 2017/18 supplementary budget I and this has resulted to accumulation of pending bills; iii. The Committee approves the Supplementary Budget Estimates for the Teachers Service Commission. iv. That the National Council for Nomadic Education in Kenya (NACONEK) be considered for additional budgetary allocation of Kshs 300 million in the 2018/19 budget to allow it to roll out its various activities aimed at improving access and quality education in Arid and Semi Arid Areas (ASAL) nomadic counties and urban settlements. <p>The Committee having received submissions from the Ministry of Education, Science and Technology and the Teachers Service Commission, makes the following recommendations:</p> <ul style="list-style-type: none"> i. That Kshs 275,686,732 development budget which has been reduced from the Construction of the
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<p>vii. That TSC will recruit 6,000 teachers in the next two months to ease teacher shortage. The TSC undertook to deliver on this recruitment within that period. Further resources have been allocated to TSC to cater for the CBA which is currently being implemented.</p> <p>The Committee having considered the various submissions, made the following observations during the processing of the Supplementary Estimates II:</p> <ol style="list-style-type: none"> i. That the reduction in the development budget for State Department for Technical Education will affect the ongoing projects especially on the Construction and equipping of the various Technical Training Institutes (TTI's) which are at various levels of completion. This, the Committee observes will affect the Big Four agenda which the government is focusing on. ii. That more resources have been allocated to the construction of Mithani House which has been ongoing for a long period of time. The Ministry submitted that the allocation is intended to complete the building such that by the next examination period, KNEC will have moved in. iii. The Committee observed various projects in universities are usually affected by budget cuts during in supplementary budgets hence affecting the completion and even resulting to stalling of these projects. iv. That the secondary school infrastructure improvement project allocation has been reduced. However, the Ministry assured the Committee that this reduction will not affect the improvement in infrastructure in various secondary schools and that this project is well 	<ol style="list-style-type: none"> ii. Technical Training Institutes in the State Department for Vocational and Technical Training under the Technical Education and Vocational Training be reinstated. This will facilitate the fast tracking of this project and effectively support the Big Four agenda; iii. The Committee recommends that Kshs 205 million development budget be allocated to Egerton University for Construction of Library Phase I under the State Department for University Education. The allocation to this project was reduced under the 2017/18 supplementary budget I and this has resulted to accumulation of pending bills; iii. The Committee approves the Supplementary Budget Estimates for the Teachers Service Commission. iv. That the National Council for Nomadic Education in Kenya (NACONEK) be considered for additional budgetary allocation of Kshs 300 million in the 2018/19 budget to allow it to roll out its various activities aimed at improving access and quality education in Arid and Semi Arid Areas (ASAL) nomadic counties and urban settlements.

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on course.

- v. That the various targets set by the Ministry have not been adequately revised in line with budget increments or reductions. Further, the various performance indicators do not reflect the key mandates of some delivery units within the Ministry.
- vi. That resources have been provided for purchase of motor vehicles for field offices and that this will ease the movement of Education Officials in various sub counties to check on the quality of education being delivered.
- vii. That TSC will recruit 6,000 teachers in the next two months to ease teacher shortage. The TSC undertook to deliver on this recruitment within that period. Further resources have been allocated to TSC to cater for the CBA which is currently being implemented.

15.0. DEPARTMENTAL COMMITTEE FOR ENERGY

Committee Observations

- 1) According to the Sector Report in the Treasury's Website, Lake Turkana Wind Power Project started in January 2015 and was expected to complete by January 2018 at a cost of **Kshs. 3.1 billion** on Foreign Financing. However, in the submissions of the State Department during consideration of the BPS 2018/19 had the Start date and the Completion

Committee Recommendations

Consequently, the Committee noted and recommended, as follows that :-
RECURRENT
 The Supplementary Estimates No. 2 be approved without any

COMMITTEE RECOMMENDATIONS AND OBSERVATIONS – SUPPLEMENTARY II FY 2017/18

COMMITTEE OBSERVATION	COMMITTEE RECOMMENDATION
<p>date changed to July 2015 and June 2021 respectively while source of financing changed from Foreign donor to Gok. However project is reported by the contractor through its website (contractor's) that it was complete and ready for full commercial operation by July 2017 and according to the BPS 2018/19 the project attracts "DEEMED GENERATED ENERGY PAYMENTS OF 110.4 MILLION EUROS (Approx. Kshs. 13,689 billion at Current exchange rate of Kshs. 124) concluding that Government is currently paying for energy that is produced and not evacuated.</p>	<p>amendments</p> <p>DEVELOPMENT</p> <p>The Supplementary Estimates No. 2 be approved with the following amendment</p> <p>That Kshs 200 million being part of the proposed reallocation to the Lake Turkana Wind Power project under the Power generation program be reallocated to the Nuclear Electricity Board within the same Power generation program to allow the Board complete an ongoing feasibility study on Nuclear and carry-out public sensitization on Nuclear matters</p>
<p>2) Despite the Lake Turkana Wind Power project being complete as mentioned above, Supplementary Estimates 2 proposes an additional Kshs. 960 Million to the project which are entirely from Gok. The State Department on Energy could not clearly explain why the National government would be allocating monies to completed project.</p>	<p>1) STATE DEPARTMENTS OF PETROLEUM</p> <p>RECURRENT</p> <p>The Supplementary Estimates No. 2 be approved without any amendments</p>
<p>3) Nuclear Power Plant siting started in June 2015 and was expected to complete by June 2020 at a cost of Kshs.1.5 billion. However, it's difficult to tell the source of financing since the Treasury's Website captures the allocation under Foreign Financing while the documents submitted by the State Department on Energy, captures funding as coming from Gok. However, the project was allocated Kshs. 130 million in 2017/18 which has been reduced by Kshs. 16.25 million Supplementary Estimates 2, this is under the backdrop of an ongoing contract for a feasibility study which had just being started by the agency.</p>	<p>DEVELOPMENT</p> <p>The Supplementary Estimates No. 2 be approved without any amendments</p>
<p>4) Article 204 of the Constitution Establishes the Equalization Fund and</p>	

COMMITTEE RECOMMENDATIONS AND OBSERVATIONS - SUPPLEMENTARY II FY 2017/18

COMMITTEE OBSERVATION

requires the National Government to provide for basic services including water, roads, health facilities and **Electricity** to marginalized areas. However it's not clear if State Department of Energy is implementing such projects funded by Equalization Fund

COMMITTEE RECOMMENDATION

- 5) Kenya Off-Grid Solar Access Project for Underserved Counties cuts across two programmes and has an allocation of **Kshs.465 million** in the Supplementary 2 which is already spent. The Committee raised concern on whether the targets for the project was worth the allocation and secondly how the “**Underserved Counties**” was arrived at. These targets included;
- Engage 5 consultants and produce 1 feasibility report under distribution and transmission Programme and;
 - Recruit 40 officers, recruit 7 consultants and carry out 1 feasibility study under Alternative Energy Technologies Programme.

- 6) Connectivity subsidy project had an allocation of **Kshs.1.329 billion** with a target of Connecting 1 million households. The allocation is increased by **Kshs. 833 million**, however, a look at the Programme Based Budget Book shows that the number of households targeted to be connected remain at 1 million.

- 7) There are two new projects which were not in the list of the compendium projects submitted by the state Department of Energy during consideration of the BPS 2018/19 introduced in the supplementary 2. The projects are;
- 220Kv Kamburu-Embu – Thika Transmission line (Kshs. 2.65 billion Gok)

COMMITTEE RECOMMENDATIONS AND OBSERVATIONS – SUPPLEMENTARY II FY 2017/18

COMMITTEE OBSERVATION	COMMITTEE RECOMMENDATION
<p>8) While there are substantial adjustments in the allocations to programmes and projects under the State Department of Energy, the corresponding targets were not reviewed accordingly.</p> <p>9) Whilst the PFM Act, 2012 requires that all changes to or from a Programme in a supplementary estimates should not be more than 10% of the total expenditure approved for the Programme, the following two programmes under the state department of energy had their allocations adjusted by more than 10%:</p> <ul style="list-style-type: none"> • Power generation Programme reduced by -31% • Alternative Energy Technologies Programme increased by 17% 	

MINUTES OF 19TH SITTING (EVENING SESSION) OF THE BUDGET AND APPROPRIATIONS COMMITTEE HELD ON WEDNESDAY, 25TH APRIL 2018, IN NDOVU CONFERENCE HALL , BOMA INN HOTEL,NAIROBI AT 7:30 P.M.

PRESENT

1. **Hon. Kimani Ichung'wah, M.P- Chairperson**
2. Hon. CPA. John Mbadi, CBS, M.P
3. Hon. Samwel Moroto, M.P.
4. Hon. (Dr.) Gideon Ochanda, M.P.
5. Hon. (Dr.) Korei Ole Lemein, M.P.
6. Hon. Moses Kiarie Kuria, M.P.
7. Hon. Fatuma Gedi Ali, M.P.
8. Hon. James Mwangi Gakuya, M.P.
9. Hon. Jude Njomo, M.P
10. Hon. Florence Chepngetich Koskey, M.P.
11. Hon. John Muchiri Nyaga, M.P.
12. Hon. Paul Abuor, M.P.

In attendance

1. Hon. Joseph Limo,M.P – Chairperson, Finance and Planning Committee
2. Hon. Ndirangu Waihenya- V/Chairperson, Finance and Planning Committee

ABSENT WITH APOLOGIES

1. **Hon. Moses Lessonet, M.P- Vice Chairperson**
2. Hon. (Dr.) Makali Mulu, M.P
3. Hon. Richard Onyonka, M.P.
4. Hon. Twalib Bady, M.P.
5. Hon. Millie Odhiambo, M.P.
6. Hon. Sarah Paulata Korere, M.P.
7. Hon. Benard Masaka Shinali, M.P.

8. Hon. Naisula Lesuuda, OGW M.P.
9. Hon. Danson Mwashako, M.P.
10. Hon. Christopher Wangaya Aseka, M.P.
11. Hon. (Dr.) John K. Mutunga, M.P.
12. Hon. James Gichuki Mugambi, M.P.
13. Hon. (Eng.) Mark Nyamita, M.P.
14. Hon. Qalicha Gufu Wario, M.P.
15. Hon. Ruth W. Mwaniki, M.P.

PARLIAMENTARY BUDGET OFFICE(PBO) AND SECRETARIAT

- | | |
|--------------------------|-------------------------------------|
| 1. Ms. Phyllis Makau | Director, PBO |
| 2. Mr. Joseph Ndirangu | Committee Lead Clerk/Fiscal Analyst |
| 3. Mr. Robert Nyaga | Deputy Director, PBO |
| 4. Ms . Lucy Makara | |
| 5. Mr. Fredrick Muthengi | |
| 6. Ms. Millicent Ojiambo | |
| 7. Mr. James Chacha | |
| 8. Mr. Edison Odhiambo | |
| 9. Ms. Julie Muthiga | |
| 10. Mr. Joram Baraza | Office Attendant |

NATIONAL TREASURY

1. Mr. Henry Rotich- Cabinet Secretary, National Treasury and Ministry of National Planning
- ~~2. Mr. Kamau Thugge- Principal Secretary ,National Treasury~~
3. Hon. Nelson Gaichuhie- Chief Administrative Secretary
4. Mr. Francis Anyona
5. Musa Kathanje
6. Albert Mwenda
7. George Muthemba
8. Moses Kanagi

9. Wambugu Samuel
10. Kennedy Ondieki

Agenda

1. Preliminaries
2. Confirmation of Agenda
3. Confirmation of the previous minutes
4. Matters Arising
5. Agenda: **Consultations with the National Treasury on the 2nd 2017/18 Supplementary Estimates**
6. Any Other Business

MIN BAC /19 /2018/01: PRELIMINARIES/CONFIRMATION OF AGENDA

The chairman called the meeting to order at 7:45 p.m. and welcomed members back to the meeting. In his introductory remarks, the Chairman welcomed officials from the Treasury. He informed the members that the meeting had delayed due to the fact that the Cabinet Secretary and the Principal Secretary were expected to attend but were however delayed in other official engagements and were to join the meeting later. Thereafter, he asked those present to introduce themselves.

MIN BAC/19/2018/02: CONFIRMATION OF PREVIOUS MEETING MINUTES/ MATTERS ARISING

The confirmation of the previous meeting minutes was postponed to the next meeting.

MIN BAC/19/2018/03: CONSULTATIONS WITH THE NATIONAL TREASURY ON THE 2ND 2017/18 SUPPLEMENTARY ESTIMATES

The Chair informed the National Treasury delegation that earlier in the day the Committee had received submissions from the various

Departmental Committees, Parliamentary Service Commission and the Office of Auditor General and had lengthy deliberations where various issues were raised. He read out the issues and asked the National Treasury to respond to them.

The issues of concern were:

- What is the understanding of the National Treasury of Article 223 of the Constitution and its application to public finance management, why are there payments that do not meet the criteria for unforeseen/emergencies and what is implication if the National Assembly does not approve some of these payments. For example, an allocation which has been utilized to compensate a private land owner at Ruaraka.
- Why is there introduction of new projects during supplementary estimates yet the projects would have been factored in the annual estimates. For example, new projects worth Kshs. 689 Million have been proposed in the State Department of Water, the purchase of CT scans for 37 hospitals worth Kshs. 1.7Billion
- Whether there is a framework for consultations between the National Treasury and Ministries, Departments and Agencies (MDA's) during the preparation of supplementary estimates. For example, the state department for youth affairs stated that they had not spent money meant for commuter buses under the National Youth Service (NYS) while the statement submitted in the National Assembly by the National Treasury which showed the resources had already been spent.
- Why is it that outputs and key performance indicators remains the same in the various MDA's even though the resource allocations are changing in the revised estimates.
- Whether there is a framework of consultation between the local communities and the government during the design of major projects so as to avoid hostilities

- What is the implication of the huge development expenditure cuts to ongoing projects and what will be the total pending bills as a result of these proposed cuts. For example, the ongoing roads projects, Technical Training Institutes (TVET's), Sports Stadias among others.
- Framework of engagement/ consultations between the Government and donors in relation to release of resources to programmes and projects.
- Explanation of the increase in the consolidated fund services, was it unforeseen or an emergency
- Details on the allocation to devolution support programme for results , which is has been allocated Kshs.6.148 Billion

Reply from the Cabinet Secretary, National Treasury and further concerns from Members

The national treasury stated that the Article 223 provides for the national treasury to spend for money that has not been appropriated in case of unforeseen case or an emergency and seek approval of the National Assembly within two months.

Members queried the payment of various new items that include commuter buses under the National Youth Service (NYS), purchase of CT scans for 37 hospitals worth Kshs. 1.7 Billion , compensation to a private land owner at Ruaraka among others. Members stated that the national treasury was taking advantage and abusing the intent and spirit of Article 223 of the Constitution.

The Cabinet Secretary informed that members that he would seek information on costs and modalities of roll out of those new programmes and projects that the committee queried about from the relevant ministries or government departments and provide the information to the committee in the next day. Members were further informed that the purchase of CT scans for 37 hospitals is a

counterpart funding project where the Government of Kenya is contributing 20% while the donor is contributing 80% which therefore translates that the cost of purchase of the CT scans is Kshs. 8.5 Billion. Members noted that the amount was too high.

Members were also concerned and asked for the reinstatement of the funds meant for the Constituency Development Funds that had been reduced during the 2017/18 supplementary estimates I. The Cabinet Secretary stated that there was no fiscal space to accommodate the request due to non-performing revenues on account of hard constraint year 2017 and thus the national treasury had only left with an alternative of scaling down expenditures that for the first time include proposed reduction to the County Governments shareable revenue and reprioritization of expenditures within MDA's.

The Chair read out various allocations and re-allocations that had been proposed by the various departmental committees and asked the National Treasury to comment on the proposals.

The Cabinet Secretary made a further request to the Committee to consider reallocation of resources from the National Treasury vote to cater for the environment, east Africa community, special programmes, information and communication and technology, ushanga project and Deputy President's office which amounts to Kshs.683 Million.

The Committee went through the various allocations and approved as follows:

- Kshs. 146.36 Million to be reduced from policing services and re-allocate it to population management services
- Kshs. 69.80 to be allocated to East Africa Integration

- Kshs. 50 be allocated to state department for ICT and innovation and be reduced from Government shared services (Kshs. 20 Million) and from NOFBI (Kshs. 30 Million) and add to konza technopolis development authority
- Kshs. 810 Million be allocated to parliamentary service commission and Kshs. 840 Million be allocated to the National Asembly.
- Kshs. 50 Million to be allocated to Directorate of Public Prosecution
- Kshs. 11 Million state department of fisheries for subscription to international organizations
- Kshs. 25 million additional allocation for state departmental environment
- Kshs. 15.8 million additional allocation for state department of natural resources.
- Kshs. 120 Million be re-allocated from Kenya pooled water fund
- Kshs. 112 Millon be re-allocated from state department of Natural resources green school programme and re-allocated to farm and dry land forest development .
- Kshs. 205 Million be allocated to egerton university for construction library phase 1
- Kshs. 60 Million for construction of office of auditor general
- Kshs. 100 million be allocated to the national Council for Nomadic Education in Kenya(NACONEK)

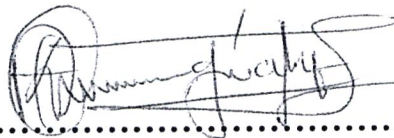
MIN BAC/19/2018/03: ADJOURNMENT AND ANY OTHER BUSINESS

Members deliberated on the payments to the purchase of CT scans for 37 hospitals and compensation to a private land owner at Ruaraka and stated that the payments were regular. After a long deliberations they stated that they require to decline the approval

until the required information is provided as promised by the National treasury by the next day. Further they noted that the relevant departmental committees should follow up on the matter and report to the committee before the second supplementary appropriation bill for 2017/18 is approved.

Having no any other business the meeting was adjourned at 5 minutes past midnight (12:00a.m).The next meeting will be communicated later.

SIGNED



.....
HON. KIMANI ICHUNG'WAH, M.P.
CHAIRMAN, BUDGET AND APPROPRIATIONS COMMITTEE

28/4/18

.....
DATE

**MINUTES OF THE 18TH MEETING OF THE BUDGET AND APPROPRIATIONS
COMMITTEE HELD ON 25TH APRIL 2018 AT THE BOMA HOTEL, NDOVU HALL
NAIROBI AT 3.00 PM**

PRESENT

- 1) **Hon. Kimani Ichung'wah, M.P.-Chairman**
- 2) Hon. Hon. CPA John Mbadi, M.P.
- 3) Hon. Samwel Moroto, M.P.
- 4) Hon. (Dr.) Gedion Ochanda, M.P.
- 5) Hon. James Gakuya, M.P.
- 6) Hon. (Dr.) Makali Mulu, M.P.
- 7) Hon. Moses Kiarie Kuria, M.P.
- 8) Hon. Jude Njomo, M.P.
- 9) Hon. (Dr.) Korei Ole Lemein, M.P.
- 10) Hon. Fatuma Gedi Ali, M.P.
- 11) Hon. Florence Chepngetich Koskey, M.P.
- 12) Hon. Paul Abuor, M.P.
- 13) Hon. Muchiri Nyaga, M.P.

ABSENT WITH APOLOGIES

- 1) Hon. Moses Lessonet, M.P.
- 2) Hon. Millie Odhiambo, M.P.
- 3) Hon. Twalib Bady, M.P.
- 4) Hon. Benard Masaka Shinali, M.P.
- 5) Hon. Richard Onyonka, M.P.
- 6) Hon. Sarah Puulata Korere, M.P.
- 7) Hon. Naisula Lesuuda, M.P.
- 8) Hon. Christopher Wangaya Aseka, M.P.
- 9) Hon. Danson Mwashako, M.P.
- 10) Hon. James Gichuki Mugambi, M.P.
- 11) Hon. (Dr.) John K. Mutunga, M.P.
- 12) Hon. Mark Nyamita, M.P.
- 13) Hon. Ruth W. Mwaniki, M.P.
- 14) Hon. Qalicha Gufu Wario, M.P.

PARLIAMENTARY BUDGET OFFICE/COMMITTEE SECRETARIAT

- 1) Ms. Phyllis Makau-Director
- 2) Mr. Robert Nyaga –Deputy Director
- 3) Mr. Joseph Ndirangu-Clerk/Fiscal Analyst
- 4) Mr. Fredrick Muthengi-Principal Fiscal Analyst
- 5) Ms. Lucy Makara-Chief Fiscal Analyst
- 6) Ms. Millicent Makina-Fiscal Analyst

- 7) Ms. Jullie Muthiga-Fiscal Analyst
- 8) Mr. James Chacha-Fiscal Analyst
- 9) Mr. Benard Omondi-Serjent-At-Arms
- 10) Mr. Edison Odhiambo-Fiscal Analyst
- 11) Mr. Joram Barasa-Support Staff

AGENDA

- 1) Preliminary
- 2) Adoption of the Agenda
- 3) Confirmation of the Minutes of the previous meeting
- 4) Meeting with Parliamentary Service Commission/Auditor General
- 5) A.O.B

MIN BAC/18/2018/01: PRELIMINARY

The Chair welcomed the members into the meeting and called the meeting to order at 3.00 pm.

MIN BAC/18/2018/02: ADOPTION OF THE AGENDA

The agenda of the meeting was adopted by the members as earlier proposed and seconded in the previous meeting.

MIN BAC/18/2018/03: CONFIRMATION OF MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting was confirmed by the members

MIN BAC/18/2018/04: MEETING WITH THE PARLIAMENTARY SERVICE COMMISSION

The Commission informed the Committee that

- (i) They had a total appropriated budget of KShs. 32.5 billion of which KShs. 19.6 million relates to vote 2041 and KShs. 12.9 billion which relates to Vote 2042. Further the Development Expenditure was allocated KShs. 2.6 billion.
- (ii) That the Personnel Emoluments was budgeted for based on the guidelines issued by Salaries and Remuneration Commission Circular of 2013,

- (iii) The new SRC circular of 2018 had significant adjustments which led to two major developments of requesting SRC to further negotiate for remuneration for Members of Parliament and the Nairobi Judicial review Case No. 682 of 2017.
- (iv) This SRC circular of 11th December 2017 led to further adjustments on monthly transport facilitation for Members of Parliament.
- (v) The ongoing court case ruling may have significant implications on the manner in which MPs were remunerated
- (vi) The ongoing development of the Multi-Storey office block was critical to the Commission. It was expected to resolve the acute shortage of offices within Parliament.
- (vii) Payments for the building were expected to fall due before the end of the financial year hence the proposed rationalization under the supplementary would adversely affect the Commission to meet its financial obligations to the contractors while stalling of various ongoing development projects would burden the tax payers further in form of interest delayed payments

The Commission further recommended to the House through the Budget Committee to

- (viii) Regularize the payment of KShs. 70 million through this supplementary
- (ix) Reject the proposed rationalization of compensation to employees due to the on-going Judicial Review case No. 682 of 2017 whose ruling may have significant implications on the remuneration of Members.

MIN BAC/18/2018/05: MEETING WITH THE AUDITOR GENERAL

- (i) The Auditor General informed the Committee that there were two ongoing development projects in Kakamega and Eldoret. While the Kakamega project was 55 per cent complete, the contractor for the Eldoret project was handed over the site on 9th April 2018.
- (ii) The Kakamega project was proposed for reduction in the second supplementary by KShs. 67.1 million while the Eldoret project was proposed for reduction by KShs. 61.3 million
- (iii) The Office pleaded with the Committee to allocate KShs. 30 million for each project.
- (iv) The Committee was however concerned whether the Office had the capacity to absorb the funds requested.

MIN BAC/18/2018/06: MEETING WITH THE CHAIRMAN DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING

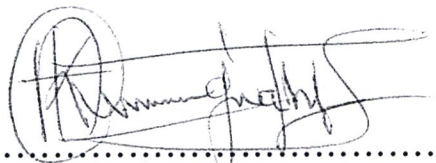
The Chairman informed the Committee that:

- (i) The supplementary had insignificant effect on improving the fiscal deficit level since the net effect of the supplementary would only lead to an expenditure cut of only KShs. 3.9 billion
- (ii) The highly accelerated expenditure towards the end of the financial year in a bid to better absorption rate would occasion imprudent expenditure
- (iii) There was no proposed additional allocation to the National Government Constituency Development Fund (NGCDF) within the State Department for Planning despite the reduction effected in Supplementary I. This would adversely affect the completion of the ongoing NGCDF projects.
- (iv) The approved estimates for Equalization Fund (KShs. 7.7 million) and the Contingency Fund (KShs. 5 billion) that falls under the National Treasury were proposed to be wiped out through the proposed reductions without any commitment to have them re-implemented in future.
- (v) The Committee recommended that the House approves all the proposed allocations in the supplementary with the exception of the State Department for Planning whose allocation should be enhanced by additional KShs. 4.9 billion
- (vi) That the equalization fund be provided cumulatively in the next financial year where it was not provided for in the previous years.

MIN BAC/18/2018/07: ADJOURNMENT

There being no other business the meeting adjourned at 6.45 pm

SIGNED

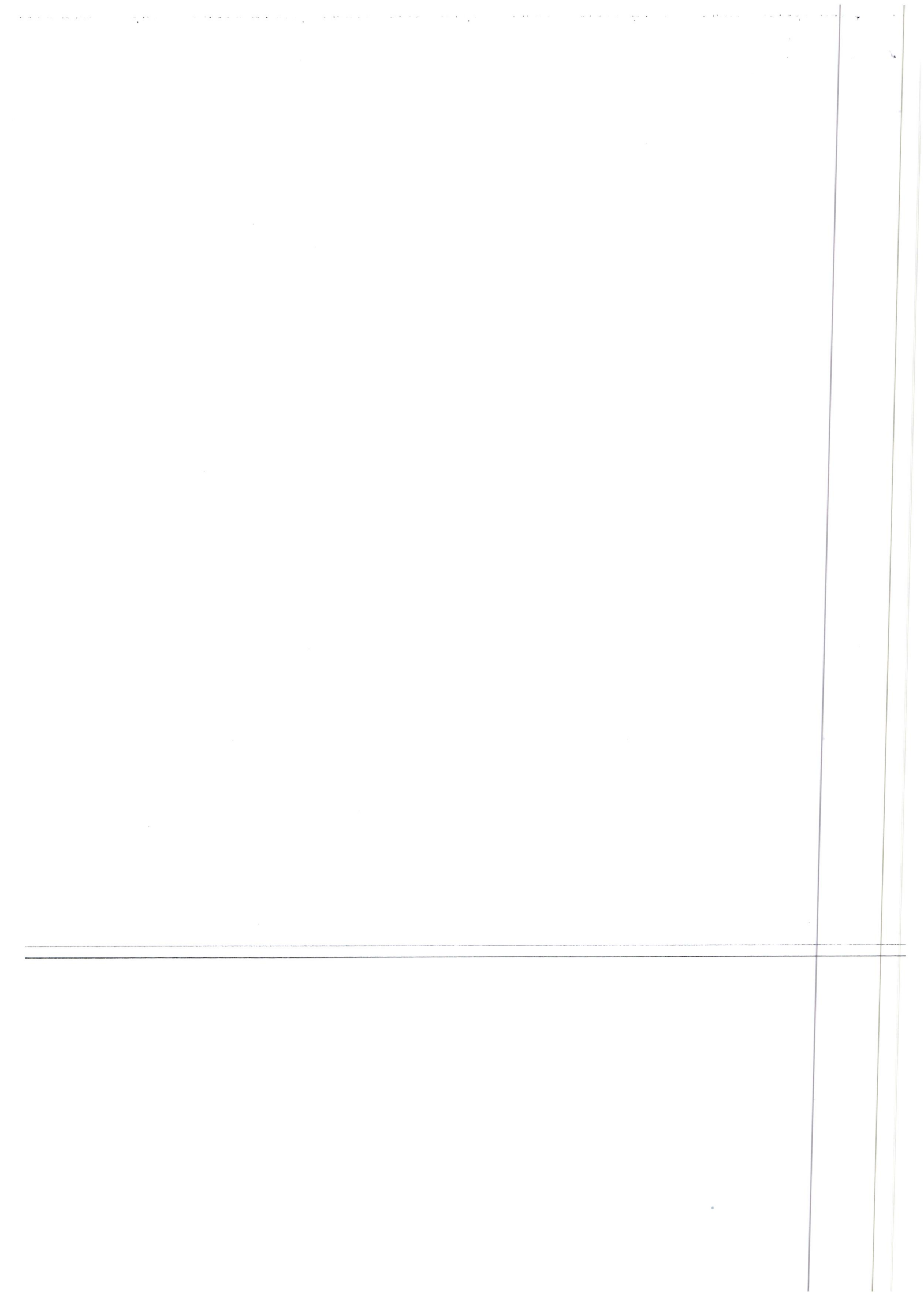


HON. KIMANI ICHUNG'WAH, M.P.

CHAIRMAN, BUDGET AND APPROPRIATIONS COMMITTEE

2014/18

DATE



**MIUNTES OF THE 17TH MEETING OF THE BUDGET AND
APPROPRIATIONS COMMITTEE HELD ON 25TH APRIL 2018 AT THE
BOMA HOTEL, NDOVU HALL NAIROBI AT 10.00 AM**

PRESENT

- 1) **Hon. Kimani Ichung'wah, M.P.-Chairman**
- 2) Hon. Hon. CPA .John Mbadi, M.P.
- 3) Hon.Samwel Moroto, M.P.
- 4) Hon. (Dr.). Gedion Ochanda, M.P.
- 5) Hon.James Gakuya, M.P.
- 6) Hon. (Dr.) Makali Mulu, M.P.
- 7) Hon.Moses Kiarie Kuria, M.P
- 8) .Hon. Jude Njomo, M.P.
- 9) Hon. (Dr.) Korei Ole Lemein, M.P.
- 10) Hon.Muchiri Nyaga, M.P.
- 11) Hon. Fatuma Gedi Ali, M.P.
- 12) Hon. Florence Chepngetich Koskey , M.P.
- 13) Hon. Paul Abuor , M.P.

ABSENT WITH APOLOGY

- 1) Hon. Moses Lessonet, M.P
- 2) Hon. Millie Odhiambo , M.P
- 3) Hon. Twalib Bady, M.P.
- 4) Hon. Benard Masaka Shinali, M.P
- 5) Hon.Richard Onyonka, M.P.
- 6) Hon. Sarah Paulata Korere, M.P.
- 7) Hon. Naisula Lesuuda , M.P
- 8) Hon. Christopher Wangaya Aseka , M.P
- 9) Hon. Danson Mwashako, M.P.
- 10) Hon. James Gichuki Mugambi, M.P.
- 11) Hon. (Dr.) John K. Mutunga, M.P.
- 12) Hon. Mark Nyamita, M.P.
- 13) Hon. Ruth W. Mwaniki, M.P.
- 14) Hon.Qalicha Gufu Wario, M.P.

PARLIAMENTARY BUDGET OFFICE/COMMITTEE SECRETARIAT

- 1) Ms. Phyllis Makau-Director
- 2) Mr. Robert Nyaga –Deputy Director
- 3) Mr. Joseph Ndirangu-Clerk/Fiscal Analyst
- 4) Mr. Fredrick Muthengi-Principal Fiscal Analyst
- 5) Ms. Lucy Makara-Chief Fiscal Analyst
- 6) Ms. Millicent Makina-Fiscal Analyst
- 7) Ms. Jullie Muthiga-Fiscal Analyst
- 8) Mr. James Chacha-Fiscal Analyst
- 9) Mr. Joram Barasa-Support Staff
- 10) Mr. Benard Omondi-Serjent-At-Arms
- 11) Mr.Edison Odhiambo-Fiscal Analyst

AGENDA

- 1) Preliminary
- 2) Adoption of the Agenda
- 3) Confirmation of the previous minutes
- 4) Consideration of Reports from Departmental Committees
- 5) A.O.B

MIN BAC/17/2018/01: PRELIMINARY

The Chair welcomed the members into the meeting and called the meeting to order at 10.00 a.m.

MIN BAC /17/2018/02: ADOPTION OF THE AGENDA

The agenda of the meeting was adopted by the members proposed by Hon. Jude Njomo and seconded by Hon. Makali Mulu.

MIN BAC /17/2018/03: CONFIRMATION OF THE PREVIOUS MINUTES

The minutes of the previous meeting were confirmed by the members

MIN BAC /17/2018/04: CONSIDERATION OF THE REPORT BY THE CHAIR DEPARTMENTAL COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES

The Chair of the Departmental Committee, informed the meeting that:

- (i) The cuts in the budget under supplementary II were not consultative and would have an adverse effect on the projects under implementation since there were ongoing commitments on these projects and as such mid-stream budget cut would occasion pending bills and projects delays.
- (ii) Local communities were not consulted during the design of major projects. For instance; Itare dam was designed without considering the neighboring communities
- (iii) In the FY 2017/2018 budget, there were new projects totaling to **KShs. 689 million** under the Ministry of Environment which went against the directive of starting new projects and ensuring completion of ongoing projects with the constrained resources.
- (iv) The committee recommended that the National Treasury reinstates the Kshs. 50 million deducted in the state departments personnel emoluments which was budgeted to cater for the existing staff in the Ministry
- (v) That the **Kshs. 150 million** be re-allocated within the same Programme of water and sewerage infrastructure development as follows:
 - (vi) **KShs. 100 million** be allocated to Athi Water Service Board for the Nairobi City water & Sewerage support services interventions and **Kshs. 50 million** to Tanathi Water Service Board to the drilling and equipping of 40 boreholes project which suffered a budgetary cut of **Kshs. 75.28 million**
 - (vii) Under the State Department for Mining, The committee recommended the allocation of **Kshs. 100 million** which was the agreed capped fee to settle the pending legal fees, which if not paid would result in the country risking paying \$ 5 billion.
 - (viii) Under the state Department for Environment, The Committee recommended the allocation of **Kshs. 25 million** for the renewal of the ISO certification for the aviation service.

- (ix) Under the State Department for Natural Resources the Committee recommended that to avoid human wildlife conflict, allocations should be made to invest in fencing to mitigate the human wildlife conflict
- (x) The committee recommends reallocation of the **Kshs. 112 million** within the same sub-Programme of the forest management and conservation from the green school project to farm and dry land forest development for model nurseries

MIN BAC /17/2018/05: CONSIDERATION OF THE REPORT BY THE DEPARTMENTAL COMMITTEE ON EDUCATION

The Chairperson informed Committee

- i. That the reduction in the development budget for State Department for Technical Education would affect the ongoing projects especially on the Construction and equipping of the various Technical Training Institutes (TTI's)
- ii. That more resources had been allocated to the construction of Mitihani House which had been ongoing for a long period of time. The Ministry submitted that the allocation was intended to complete the building such that by the next examination period, KNEC would have moved in.
- iii. The Committee observed various projects in universities were usually affected by budget cuts during in supplementary budgets hence affecting the completion and even resulting to stalling of these projects.
- iv. That the secondary school infrastructure improvement project allocation had been reduced. However, the Ministry assured the Committee that this ~~reduction would not affect the improvement in infrastructure in various~~ secondary schools and that this project was well on course.
- v. Those resources have been provided for purchase of motor vehicles for field offices and that this would ease the movement of Education Officials in various sub counties to check on the quality of education being delivered.
- vi. That TSC would recruit 6,000 teachers in the next two months to ease teacher shortage. The TSC undertook to deliver on this recruitment within

that period. Further resources had been allocated to TSC to cater for the CBA which was currently being implemented.

The Chair informed the meeting of the Departmental Committee recommendations that:

- i. KShs. **275,686,732** development budget which had been reduced from the Construction of the Technical Training Institutes in the State Department for Vocational and Technical Training under the Technical Education and Vocational Training be reinstated. This would facilitate the fast tracking of this project and effectively support the Big Four agenda;
- ii. **Kshs 205 million** development budget be allocated to Egerton University for Construction of Library Phase I under the State Department for University Education. The allocation to this project was reduced under the 2017/18 supplementary budget I and this had resulted to accumulation of pending bills;
- iii. The Committee approves the Supplementary Budget Estimates for the Teachers Service Commission as submitted.
- iv. The National Council for Nomadic Education in Kenya (NACONEK) be considered for additional budgetary allocation of Kshs 300 million in the 2018/19 budget to allow it to roll out its various activities aimed at improving access and quality education in Arid and Semi-Arid Areas (ASAL) nomadic counties and urban settlements.

MIN BAC/17/2018/06: CONSIDERATION OF THE REPORT FROM THE DEPARTMENTAL COMMITTEE ON HEALTH

The chair informed the Committee as follows:

- i. That the development budget cut was largely attributed to non-absorption of donor funds. This was a serious concern to the Committee since it would affect the overall implementation of the Budget.
- ii. That there was enhanced collection of revenues (AIA) collected by various SAGAs within the Ministry such as KNH, MTRH and KMTC. The

Committee noted that if financial systems were strengthened in the various SAGAs there was a possibility of collecting more internal revenues to support the various programs in the sector.

- iii. The Committee observed that the Development allocation for procurement of family planning and reproductive health commodities had been reduced by Kshs. 21 Million despite the critical role this project plays.
- iv. The Committee observed that a new project to purchase CT scans for 37 Hospitals had been allocated Kshs 1.7 Billion. The Committee observed that there was a need to provide more details especially on the location of the hospitals.

The Chair further informed the Committee of its recommendations as follows

- i. The Committee recommended that the Ministry work closely with the various donor partners to ensure that the issue of non-absorption of donor funds was eliminated..
- ii. The Committee further recommended for the approval of the 2017/18 Supplementary Budget Estimates II for the Ministry of Health.
- iii. Members were concerned that the programme on medical equipment was not making significant headway because it was not being implemented fully since the equipment were lying idle.

MIN BAC/17/2018/07: CONSIDERATION OF THE REPORT BY THE DEPARTMENTAL COMMITTEE ON LABOUR AND SOCIAL WELFARE

The Chair informed the meeting that

- (i) During the 2017/2018 FY, the State Department had been implementing certain projects under its Development Budget. The State Department was allocated an initial budget of **Kshs. 1.044 Billion** in 2017/18 which was scaled downwards to **Kshs. 636.02 Million** under Supplementary Estimates I and further reduced to **Kshs. 453.64 Million** under Supplementary Budget No. 2.

- (ii) Despite the state department for labour playing a critical role in the country's development, it had not been accorded due consideration to enhance its responsiveness, efficiency and effectiveness in addressing emerging issues and challenges facing the labour sector which also has an impact on all the other sectors of the economy.

Under the state Department for Social Protection, the Chair informed the Committee that

- (i) The current allocation under the '*Inua jamii*' Programme could not cater for annual bank charges (Commission) for the expanded 70 years and above cash transfer Programs which was mandatory expenditure. The allocation to the Programme had therefore been increased by **Ksh.219.73 Million** in the budget and since the National Treasury did not provide additional funding to cater for the above, the state Department had to undertake an internal reallocation within the vote meant to cater for bank charges.
- (ii) The committee had noted and raised its concerns in relation to Programme implementation, the Committee was concerned in the rise of operating expenses occasioning shift of Programme objectives in supporting the vulnerable members of the society.
- (iii) The committee further expressed its concern on the monies spent on bank charges (commission) and was not convinced that the state department was getting value for money in its transaction with the banks.

Under the State Department for Public Service, the Chair informed the Committee that

- (i) The National Youth Service had been allocated **Kshs. 500 million** to acquire commuter buses under initiative of 'Operation Okoa abiria'. The

Committee was informed that the National Youth Service, received a notification from the Cabinet to acquire the buses and the National Treasury further allocated the funds under Supplementary II

- (ii) The Committee further noted that under schedule four of the Constitution, the provision of road transport was a function of the County Government, and further expressed its reservation against the rationale for these buses.
- (iii) It was not clear whether the allocation of KShs. had been spent in line with Article 223 since the National Treasury reported it had been spent while the Ministry reported a contrary opinion.
- (iv) On the National Gender and Equality Commission, the committee noted with concerns that the Board was currently comprised of two members against the recommended five members; this was therefore hindering the commission from conducting its function.
- (v) On the State Department for Arid and Semi-Arid Lands, the Chair informed the committee that the National Treasury had not captured **Kshs. 1 billion** grant for the Hunger Safety Net Programme (Cash transfer flagship project that benefits 100,000 drought vulnerable households) which DFID had already committed for the FY 2017/2018, and the funds could not be utilized until they were appropriated.

MIN BAC/17/2018/08 REPORT BY THE CHAIR DEPARTMENTAL COMMITTEE ON SPORTS, CULTURE AND TOURISM

The Chair informed the Committee that

- (i) The gross estimates for the Ministry of Tourism was reduced by 148 million comprising of KShs. 114.7 million for recurrent and KShs. 34 million for development.

- (ii) That the reductions were related to non –discretionary expenditure and the reduction will hamper the operations of the Ministry
- (iii) That the National Treasury had not consulted all the MDAs under the purview of the Committee when they were reducing such critical expenditure.
- (iv) That the National Treasury had given a wrong absorption rate of 41 per cent for the Ministry of Tourism while the actual absorption stood at 80 per cent.
- (v) That the cuts on development budget relates to projects which were on-going and therefore would result in huge pending bills.
- (vi) That failure by Kenya to have stadia competed would have Kenya blacklisted and denied the right by FIFA to host any international games/sports
- (vii) That the Kasarani and Nyayo National Stadium completion was at 80 per cent and would be completed by 1st June 2018 if funds were to be availed.
- (viii) The Committee was however concerned by the request made by the Departmental Committee on additional resources without looking for any saving from any of the votes under their purview.

MIN BAC/17/2018/09: REPORT BY THE CHAIR DEPARTMENTAL COMMITTEE ON JUSTICE AND LEGAL AFFAIRS

The Chair informed the Committee that

- (i) The Judiciary's department's approved revised budget for the FY 2017/18 was Kshs 15.6 billion of which Kshs 12.4 billion was for recurrent expenditure and Kshs 3.3 billion was for development expenditure.
- (ii) In the proposed supplementary estimate II, the recurrent budget was proposed to be increased by Kshs 350 million on account of election

petitions expenses while development budget was proposed for reduction by Kshs 1,308.9 million.

- (iii) The Judiciary was allocated external funding from Ford Foundation Kshs 80,000,000. During the FY 2017/18 only Kshs 22,899,866 had been availed for spending leaving a balance of Kshs 57,100,134.
- (iv) The Committee recommended that unspent funding balance of Kshs. 57,100,134 from Ford Foundation be made available and accessible to the Judiciary forthwith. This would reduce possible escalation of pending bills from completed projects, possible litigations, and penalties and fines arising from no prompt payment of bills as and whenever they fall due.
- (v) That the National Treasury reallocates Kshs. 150 million to the Judiciary to cater for settling of pending bills arising from the construction of courts across the country to facilitate access to justice for the citizens as partial apportioning of the proposed reduction by the National Treasury of Kshs 200 million under the IEBC vote.

The Independent Electoral and Boundaries Commission (IEBC)

- (i) The Committee was informed that The Independent Electoral and Boundaries Commission (IEBC) approved Estimates were proposed for adjustment to Kshs. 33,572.7 million under Supplementary Estimates II. This comprised largely of Kshs. 32,655,477,459 for current expenditures. The Commission's budget had been reduced by Kshs. 200 million. The downward adjustment on current expenditure was on account of over-provisions on compensation to employees under the current expenditure. They have not concluded projected recruitment.

Office of the Director Public Prosecutions (ODPP)

- (i) The gross approved allocation for the Office of the Director of Public Prosecutions in the FY 2017/18 amounted to Kshs 2.0 billion. This was comprised of Kshs 1.94 billion and Kshs 2.6 million for current and capital expenditures respectively.
- (ii) The reduction of KShs. 305.6 would greatly hamper the operations of the Office and the Office was therefore requesting for an additional KShs. 50 to enable them operate at optimal level.

Registrar of political parties

- (i) The gross approved allocation for Office of the Registrar of Political Parties in the FY 2017/18 amounted to Kshs.798.5 million for current expenditure. The Approved Estimates were proposed for adjustment to Kshs.808.5 million for current expenditure under Supplementary Estimates II.

Ethics and Anti-Corruption Commission

- (ii) The supplementary did not affect the allocation towards Ethics and Anti-Corruption Commission.

Commission for Administrative Justice

- (iii) The Approved Estimates were proposed for adjustment to Kshs 412.8 million for current expenditure under Supplementary Estimates II. This was a net decrease of Kshs 4.0 million on account of rationalization of budget.

Kenya National Commission on Human Rights (KNCHR)

- (i) The estimates had been proposed for adjustment to KShs 398.8 million under the Supplementary Estimates II on account of Additional expenditure to cater for shortfall in salaries.

Witness Protection Agency

- (ii) The supplementary has not been affected by this supplementary

MIN BAC/17/2018/10 REPORT FROM THE CHAIR DEPARTMENTAL COMMITTEE ON LANDS

The Chair informed the Committee that

- (i) The reduction for the allocation for the Ministry of Lands and Physical Planning in the Revised Estimates would affect processing and registration of title deeds where the original target for the year 250,000 titles deeds had been revised downwards to 200,000 title deeds in FY 2017/18. It would also affect the digitization of land registries where the original target of digitization of 12 registries had been revised downwards to 10 registries in the year.
- (ii) There was need for the Ministry of Lands and Physical Planning and the National Land Commission to harmonize the land information management

systems to reduce duplications and work towards a comprehensive unified land information management system for the country.

- (iii) There was need for the National Land Commission to fast track the implementation of the School Titling Sub-Programme to protect the schools from land grabbing.

MIN BAC/17/2018/11: CONSIDERATION OF THE REPORT BY THE DEPARTMENTAL COMMITTEE ON ENERGY

The Chair informed the Committee that:

- (i) Despite the Lake Turkana Wind Power project being completed, Supplementary Estimates 2 proposed an additional Kshs. **960 Million** to the project which were entirely from the Government of Kenya. The State Department on Energy could explain why the National government would be allocating monies to completed project.
- (ii) Article 204 of the Constitution Establishes the Equalization Fund and requires the National Government to provide for basic services including water, roads, health facilities and **Electricity** to marginalized areas. However it's not clear if State Department of Energy was implementing such projects funded by Equalization Fund
- (iii) There were two new projects which were not in the list of the compendium projects submitted by the state Department of Energy during consideration of the BPS 2018/19 introduced in the supplementary 2. The projects were; 220Kv Kamburu-Embu – Thika Transmission line (Kshs. 2.65 billion Gok) Kenya Off-Grid Solar Access Project for Underserved Counties (Kshs. 465 million- Donor

The Committee recommended to the Budget Committee to consider

- (i) The Supplementary Estimates for the State Department for Energy recurrent expenditure without any amendment.
- (ii) Kshs 200 million being part of the proposed reallocation to the Lake Turkana Wind Power project under the Power generation program be reallocated to the Nuclear Electricity Board within the same Power

generation program under Nuclear Energy Development sub program to allow the Board complete an ongoing feasibility study and carry-out public sensitization on Nuclear matters for Development expenditure.

- (iii) Approve the supplementary allocation for State Department for Petroleum without any amendment.

MIN BAC/4/2018/12: REPORT FROM ADMINISTRATION AND NATIONAL SECURITY

The Chair Administration and National Security Informed the meeting that:

- (i) The revised estimate for the Presidency amounted to KShs. 9.9 billion on account of compensation to employees, Operations and Maintenance and increased donor commitment while the allocation for Interior would increase by KShs.1.3 billion from the gross Approved Estimates of KShs.130 billion. The increase on expenditure was mainly on account of salary adjustments, enhanced security operations and assumption of the office of the President.
- (ii) The allocation for State Department for Correctional Services would go up by KSh.915.5 million mainly on account of adjustment of salary and expenses of recruitment and training of new prisons officers while that of Public Service Commission would slightly move upwards by Kshs. 1.5 million. The Current expenditure estimates for the Commission have been proposed for adjustment upwards by Kshs. 7.5million to cater for foreign travel, while capital expenditure estimates had been proposed for adjustment downwards by Kshs. 6 million on account of austerity measures. The allocation for the National Police Service Commission had increased by Kshs. 80.2 million on account of personnel emoluments and expenses on the on-going vetting of police officers. The allocation to Independent Police Oversight Authority remained unaffected by the supplementary.
- (iii) The Committee noted with concerns the reductions towards development projects that had taken a while to be completed and were off-track as a result of budgetary cuts through supplementary budgets. They included Equipping of the forensic laboratory, Police Modernization, Modernization of security press, Completion of Sub county Headquarters

and IPRS upgrade under the State Department for Interior. This would thus escalate their costs of their completion.

- (iv) The Committee further observed that this supplementary proposed to reduce items where ordinary citizens struggle to receive services on a day to day basis and they included: Immigrations services at KShs. 72 million, National Registration of Persons at KShs. 95 million, National Registration field services at KShs. 55 million and Civil Registration at KShs. 28 million.
- (v) The Committee submitted to the Budget Committee to approve the estimates as submitted except the re-allocation of Kshs. 146,355,151 from policing services to Population Management Services.

MIN BAC/17/2018/13: CONSIDERATION OF THE REPORT FROM THE DEPARTMENTAL COMMITTEE ON AGRICULTURE

The Chairperson informed the Committee that

- (i) There was need for a through audit on the Galana Kulalu development project before any additional funds were allocated to the project. The committee further observed that despite the massive injection of funds to the project, its achievement was minimal.
- (ii) The committee recommended a reduction of Kshs 3.5 billion from the state department of Irrigation. In particular, the committee recommended the reduction of Kshs 615 million from Galana Kulalu Irrigation Scheme, the reduction of Kshs 1.8 billion from the National Expanded Irrigation Programme and the reduction of Kshs 1.0 billion from Thwake Multi-Purpose Dam bringing the total reduction to Kshs 3.5 billion.
- (iii) The current fall army worm infestation in some parts of the country and the potential countrywide outbreak required a speedy intervention by the state department of crop production.
- ~~(iv) The committee recommended an allocation of Kshs 540 million for the mitigation of fall army worm menace. The funds would be utilized for procurement of Chemicals, Sprayers and related equipment, personnel protection equipment and enhanced sensitization and publicity.~~
- (v) The committee also observed that adequate funds were not availed to clear farmer's debts accruing from maize delivered to NCPB as well to buy more grains from the growers to meet Strategic Food Reserve

requirements. The total maize purchases amounted to **KSh 12.4 billion**. The SFR fund had only **KSh 5.5 billion** while the budget provision under the supplementary estimate II was **KSh1.3 billion** hence a deficit of **KSh 5.6 billion**.

- (vi) Therefore the committee recommended an additional allocation of Kshs 2.5 billion bringing the total to Kshs. 3.5B for that the Strategic Food Reserve to pay for the maize received from farmers. The allocation would go a long way in settling the monies owed to small scale farmers.
- (vii) The committee observed that the state department of fisheries and blue economy ability to Subscribe to International Organizations had been hampered due to inadequate funding for the department. This would lead to the Country not benefitting from the Grants which supports several activities within the State Department.
- (viii) Therefore the Committee recommended the approval of an additional allocation of Kshs 11 million to the state department to facilitate its Subscription to International Organizations.

MIN BAC/17/2018/14: REPORT FROM THE DEPARTMENTAL COMMITTEE ON DEFENCE AND FOREIGN RELATIONS

The Chairperson informed the meeting that

- (i) The allocation for National Security sector had been on upward trend over the last ten years. With this supplementary, when approved, the allocation would amount to KShs.146 billion representing 5.4 per cent of the total estimates. The opportunity cost of high allocation towards this sector would be the provision of critical social services including Health and Education.
- (ii) The Ministries of Defence, Foreign Affairs, EAC and the Intelligence Service are requesting for KShs. **1500 million**, KShs. **1,239 million**, KShs. **71 million**, KShs. **500 million** respectively for approval in line with the provisions of Article 223.
- (iii) The committee recommended to Budget and Appropriations Committee to approve the estimates as submitted by the National Treasury with additional allocation of KShs. 850 million be sourced from elsewhere and be given to the Ministry of Defence towards a settlement of Claim by

Kay Construction Ltd on account of court ruling that awarded the company KShs. 1.4 billion. Paying the KShs. 850 million would save the country from paying KShs. 1.4 billion.

- (iv) Additionally the Committee recommended that the National Treasury considers allocating KShs. 147 million to the Ministry of East African Integration to take care of critical areas which were not funded.

MIN BAC/17/2018/15: CONSIDERATION OF THE REPORT FROM THE DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY AND COOPERATIVES

The chairperson informed the committee that

- (i) The Key Performance indicators for the State agencies had not been revised in line with the revised estimates.
- (ii) The absorption rate for State Department for Investment and Industry were low at 36.8 while that of Trade was at 48.3 per cent and therefore could not absorb the funds as proposed in the supplementary.
- (iii) That the Committee recommended that a reduction of KShs. 285 million under Development of Leather Industrial Parks and be increased to Construction of Constituency Industrial Development centers under the Standards and Business Incubation programme and
- (iv) Increase the allocation of KShs. 50 million to SMEs in the manufacturing sector KIE under the standards and Incubation Centre by reducing the allocation for Cotton Development Subsidy.
- (v) The allocation for State Department for Cooperatives and Trade be retained as submitted in the Supplementary.

MIN BAC/17/2018/16 DEPARTMENTAL COMMITTEE ON COMMUNICATION, INFORMATION AND INNOVATION

The Chair informed the meeting that

- (i) There was minimal progress being made towards Konza City Project due to insufficient funding

- (ii) That the reduction of development expenditure was likely to occasion pending bills
- (iii) KShs. 500 million be deducted from Digital Literacy programme and be allocated to Konza Complex under recurrent expenditure.
- (iv) KShs. 30 million be deducted from NOFBI II and be increased to Konza Technopolis Development Authority
- (v) Under the State Department for Broadcasting and Telecommunication the estimates be retained as it was submitted.

MIN BAC/17/2018/17: CONSIDERATION OF THE REPORT BY THE DEPARTMENTAL COMMITTEE ON TRANSPORT

The Chairperson informed the Committee that:

- (i) The State department for infrastructure allocation for 2017/18 had a reduction in the 2nd supplementary by KShs. 34.3 billion; the reduction was composed of KShs. 11.9 from development partner and 22.4 from net Government of Kenya (GoK).
- (ii) The reduction of the development partner component was mainly caused by delayed no objection letters, inadequate funds for land acquisition and political uncertainties during the 1st half of the financial year. The reduction in net GoK was mainly caused by reduced revenue collection.
- (iii) The reduction in net GoK would affect projects by having delayed completion of projects, interest and other claims on delayed payments, increased cost of projects than originally planned.
- (iv) The state department of Infrastructure had pending bills of KShs. 37 billion which was made up of certified works, land acquisition and relocation of services costs as at 15th April, 2018.
- (v) The on- going rains had affected road network throughout the country and there was an initial request of KShs. 2 billion made by the state department to National Treasury to meet emergencies costs of road maintenance. The cost had however been revised to KShs. 17.5 billion because of the damages caused by the on-going rains.

Under the State Department for Transport, the Committee was informed that

- (i) The state department had projects such as Nairobi-Naivasha SGR allocation reduced by KShs. 42 billion of which KShs. 32 billion was from donor because of court cases, while KShs. 10 billion railway development levy fund was re-allocated to Mombasa/Nairobi SGR project.
- (ii) Additional allocation made to some projects such as Mombasa/Nairobi SGR of KShs. 59 billion was to cater for payment for pending certificates and management fees for the operations of the SGR among others.
- (iii) The state department has pending bills of KShs. 8.9 billion for LAPSSSET-project and Re-location Action Plan- Kibera project. The delayed payments are attracting penalties.

Under State Department for Housing and Urban Development the Chairperson informed the Committee that:

- (i) The state department had increased budget in recurrent expenditure of KShs. 652.5 million mainly to meet budget shortfall in personnel emoluments, and maintenance of government houses from AIA raised from rent.
- (ii) The increase in capital expenditure of KShs. 2.9 billion was mainly on donor funded programme and payments of outstanding pending bills and payment certificates for on-going works.
- (iii) The state department had pending bills of Ksh 400 million for completion of 463 Housing units at Mavoko.

Under State Department for Public Works, the Committee was informed that

- (i) The state department had increased budget in recurrent expenditure of Ksh 25.7 million mainly to meet budget shortfall in personnel emoluments, and ~~other operating expense and the increase in development expenditure of Ksh~~ 170 million was mainly to meet final accounts of stalled government building and paying pending certificates for Ndau sea wall.

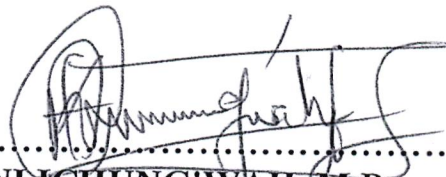
State Department for Maritime and Shipping Affairs

- (ii) The state department had increased budget in recurrent expenditure of Ksh 41.7 million mainly for office partitioning, refurbishment and shortfall in rent.
- (iii) The Committee recommended that Committee approves the 2nd Supplementary estimates for 2017/18 as tabled for the state departments and The Budget and Appropriations Committee considers allocating the roads programme additional budgetary allocation of Ksh 34 billion to avoid delayed completion of projects, interest and other claims on delayed payments, and increased cost of projects than originally planned.
- (iv) The Budget and Appropriation Committee consider allocating Ksh 17.5 billion to meet costs of repairing road infrastructure as a result of on-going heavy rains

MIN BAC/17/2018/18: ADJOURNMENT

There being no other departmental Committee to present, the meeting was adjourned till 3.00 pm.

SIGNED



.....
HON. KIMANI ICHUNG'WAH, M.P.
CHAIRMAN, BUDGET AND APPROPRIATIONS COMMITTEE

28/4/18

.....
DATE

MINUTES OF THE 16th MEETING OF THE BUDGET AND APPROPRIATIONS COMMITTEE HELD ON 19TH APRIL 2018 AT THE MEMBERS'S NEW LOUNGE AT 10.30 AM.

Present

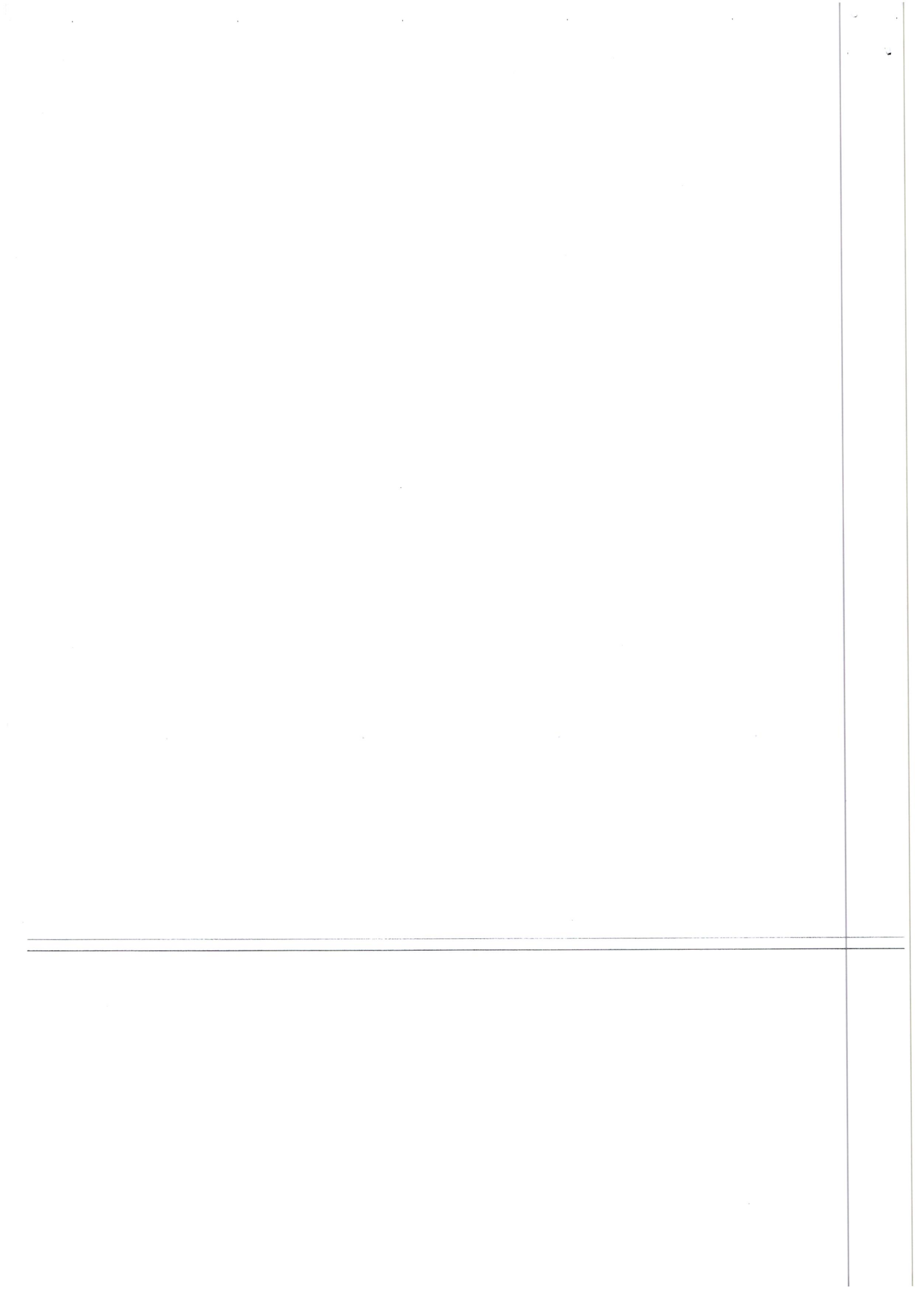
- i. **Hon. Moses Lessonet, -Vice chairperson.**
- ii. Hon. Millie Odhiambo, M.P.
- iii. Hon. Twalib Bady, M.P.
- iv. Hon. Benard Masaka Shinali, M.P.
- v. Hon. Jude Njomo, M.P.
- vi. Hon. (Dr.) Korei Ole Lemein, M.P.
- vii. Hon. Naisula Lesuuda, M.P.
- viii. Hon. Christopher Wangaya Aseka, M.P.
- ix. Hon. Florence Chepngetich Koskey, M.P.
- x. Hon. Paul Abuor, M.P.
- xi. Hon. Qalicha Gufu Wario, M.P.

Absent

- i. Hon. Kimani Ichung'wah, M.P.
- ii. Hon. CPA .Johm Mbadi, M.P.
- iii. Hon. Richard Onyonko, M.P.
- iv. Hon. Samwel Moroto, M.P.
- v. Hon. (Dr.). Gedion Ochanda, M.P.
- vi. Hon. James Gakuya, M.P.
- vii. Hon. (Dr.) Makali Mulu, M.P.
- viii. Hon. Moses Kiarie Kuria, M.P.
- ix. Hon. Muchiri Nyaga, M.P.
- x. Hon. Sarah Puulata Korere, M.P.
- xi. Danson Mwashako, M.P.
- xii. Hon. James Gichuki Mugambi, M.P.
- xiii. Hon. Fatuma Gedi Ali, M.P.
- xiv. Hon. (Dr.) John K. Mutunga, M.P.
- xv. Hon. Mark Nyamita, M.P.
- xvi. Hon. Ruth W. Mwaniki, M.P.

Parliamentary Budget Officers

- i. Mr. Martin Masinde –Senior Deputy Director ,PBO
- ii. Ms. Lucy Makara-Chief Fiscal Analyst
- iii. Ms. Millicent Makina-Fiscal Analyst



Committee Secretariat

- iv. Mr. Salat Hussein- Committee Clerk/Fiscal Analyst
- v. Mr. Danson Kachumbo – Committee Clerk/Fiscal Analyst
- vi. Ms. Flora Atesa-Office Assistant

Agenda

- i. Preliminary
- ii. Adoption of the Agenda
- iii. Confirmation of the previous minute
- iv. Briefing by Parliamentary Budget Office on the Unpacking of the 2017/18 Supplementary II Estimates.
- v. A.O.B

Min 1/15/2018: Preliminary

The Chair welcomed the members to the meeting and called the meeting to order at 10.30 a.m. Hon. (Dr.) Korei Ole Lemein opened the meeting with a word of prayer.

Min 2/15/2018: Adoption of the Agenda

The agenda of the meeting was adopted by the members; proposed by Hon. Jude Njomo and seconded by Hon. Naisula Lesuuda with an amendment to include briefing on the devolution conference including confirmation of logistics for the BAC delegation.

Min 3/15/2018: Briefing by Parliamentary Budget Office on the Unpacking of the 2017/18 Supplementary II Estimates.

The Parliamentary Budget Office briefed the members of the committee on the 2017/18 supplementary II budget estimates. The committee was informed that the supplementary budget was necessitated by revenue shortfalls during the first two quarters of 2017/18, shortfalls in salaries due to the job evaluations programme within the public service as well as implementation of CBAs, allocations for security related expenditure, enhancing the provision of maize and fertilizer subsidy program, support to the manufacturing sector and infrastructure sector as well as the scaling down of expenditure to achieve fiscal deficit of 7.2 per cent of GDP as the country gear itself towards fiscal consolidation and the 3per cent fiscal deficit path envisaged under the EAC criterion.

The committee was informed that the overall change under the supplementary estimate amounts to a reduction of **Ksh. 17.622 billion** equivalent to 1.1 per cent



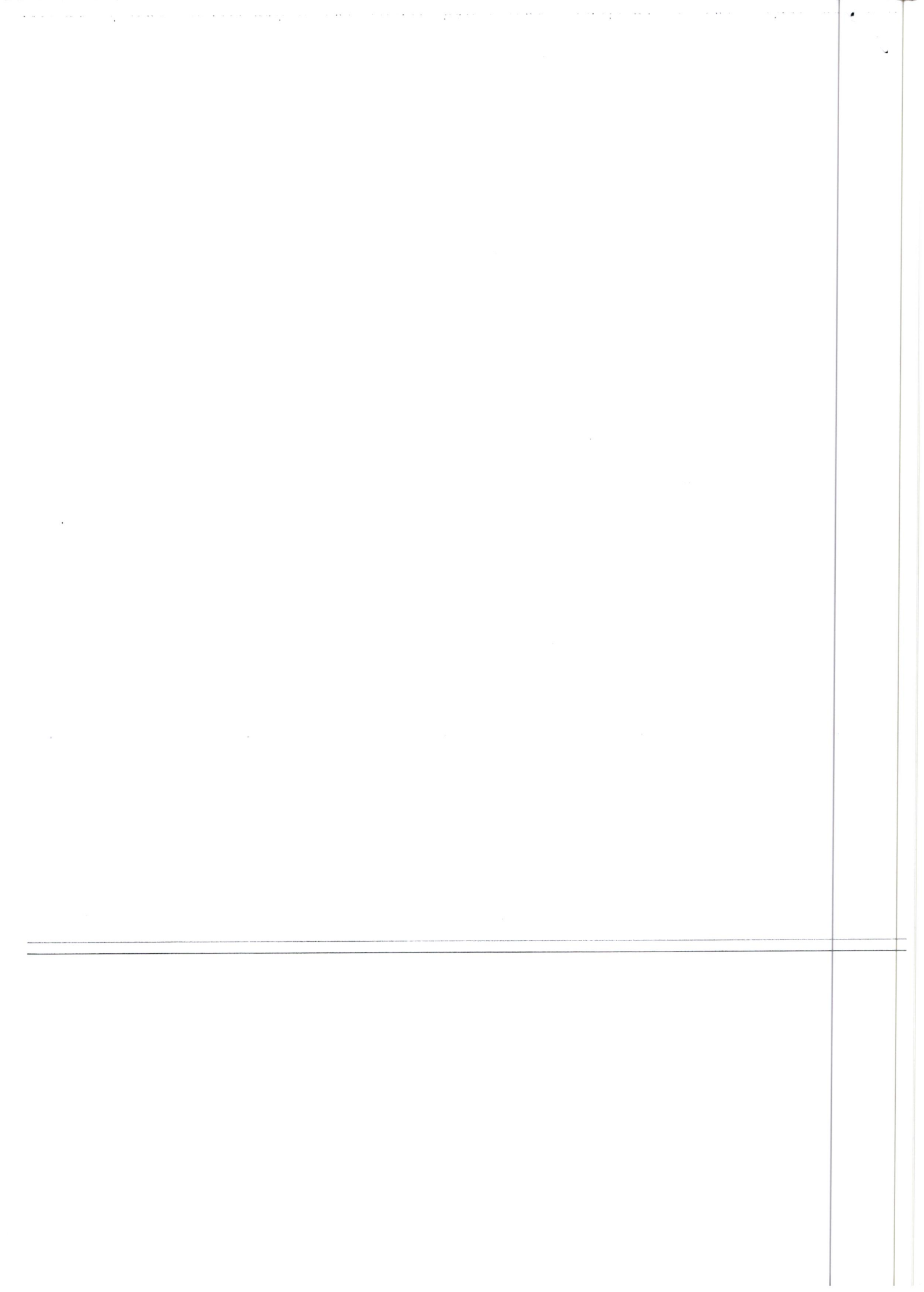
of the approved estimate. Further the bulk of the expenditure reductions are under the development budget which has a proposed reduction of **Ksh.40.8 billion** while the recurrent expenditure has a proposed increase of **Ksh.23.2 billion**. Other major change also includes reduction of **Ksh. 2.1 billion** from the budget of Parliament, **Ksh.858 million** from the Judiciary budget. On other hand significant changes has also been noted under the consolidated fund services (CFS).

The supplementary budget showed a reduction of MDAs budget in both recurrent and capital expenditure with no provision on analysis on how such huge reduction will affects the operations and the implementations of various capital projects undertaken by MDAs. The committee was further informed that the MDAs with highest increments in recurrent expenditure are:

- i. The Ministry of Health **Ksh. 18.1 billion** for the remunerations of personnel in implementing CBAs and adjustments for increased AiA collections.
- ii. The Teachers Service Commission **Ksh. 16.3 billion** to cater for shortfalls in salaries as a result of the implementation of the job evaluation program and recruitment of additional teachers.
- iii. The State Department for University Education **Ksh.5.7 billion** to cater for the implementation of CBAs for university staff.
- iv. The State Department for Interior **Ksh.4.0 billion** to cater for salaries increment in the policing services.
- v. The National Intelligence Service **Ksh.2.2 billion** for security related expenditure.
- vi. The State Department for Transport **Ksh. 2.0 billion** under the Kenya Civil Aviation Authority as an adjustment of increased local Appropriation in Aid collection.

Further, the committee was informed that the MDAs with the highest reduction in capital expenditure are:

- i. The State Department of Transport **Ksh.42.0 billion** in respect to reduction in external funding for the Nairobi to Naivasha Standard Gauge Railway.
- ii. The State Department for Infrastructure **Ksh.34.3 billion** under the roads transports program due to reduction in donor commitment and Government budget rationalization on capital expenditure.
- iii. The National Treasury **Ksh. 22.1 billion** in respect to reduction in Contingency fund(**Ksh.5.0 billion**) and Equalization fund (**Ksh.7.7 billion**) , low cost housing(**Ksh.2.0 billion**) among others
The committee raised concerned in reduction of funds under the equalization fund given the constitutional provision that any unexpended money in the



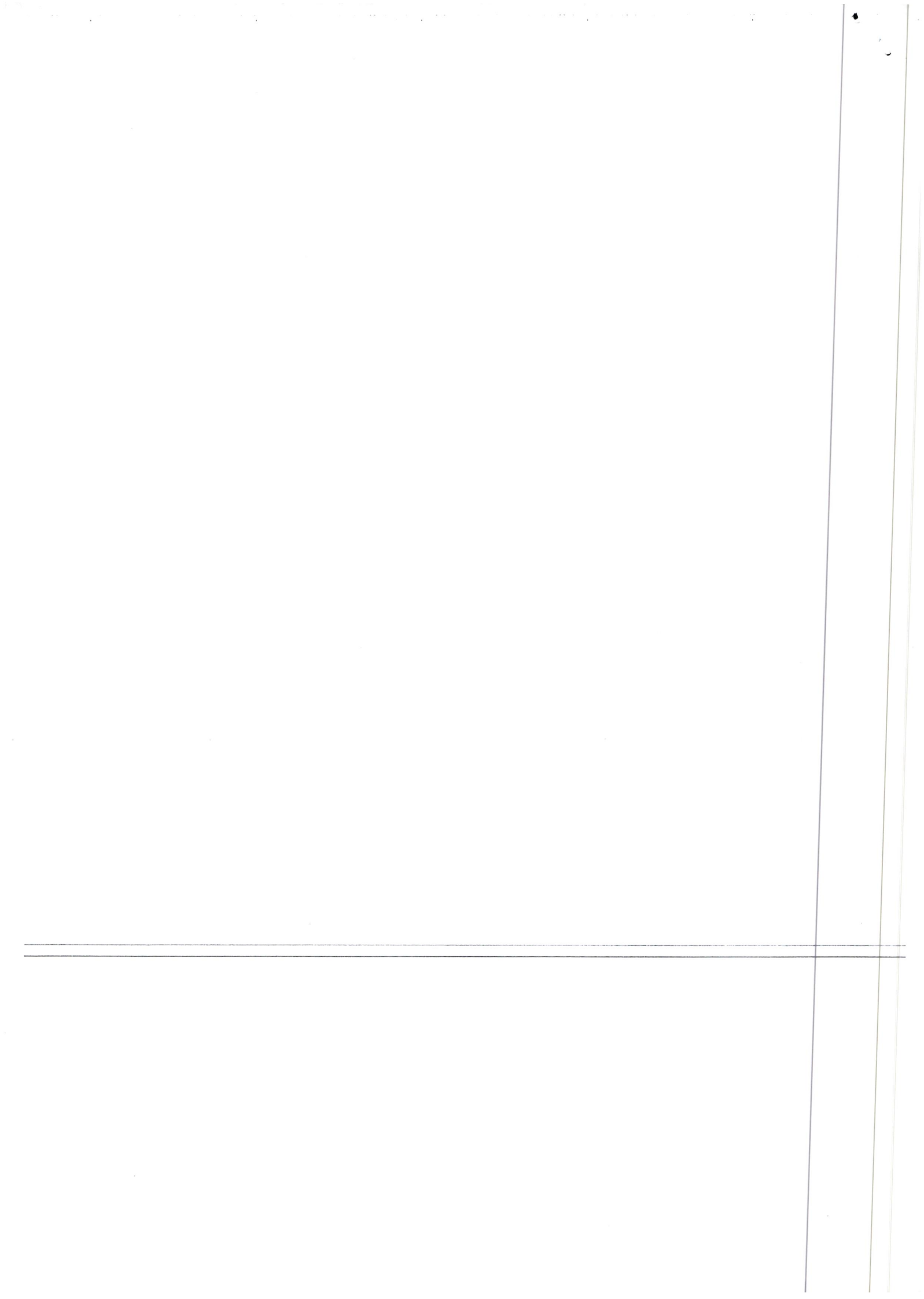
fund remains within that fund. The committee resolved to have a session with National Treasury to provide an explanation on the reduction in the equalization fund among other pertinent issues noted under the supplementary budget estimate such as the extensive reduction in the development budgets, introduction of new programmes within the financial year and the implication of donor fund reductions.

Furthermore, the committee was briefed on the highlights of the supplementary budget estimate for the Parliamentary Service Commission and the Auditor General. The committee was informed that the gross expenditure reduction in the Parliamentary Service Commission of **Ksh. 1,260 million** comprising of **Ksh.1,100 million** for development and **Ksh.160.0 million** for recurrent. Most of the reduction in the development budget of the PSC includes: the construction of multi-storey office block **Ksh.740.7 million**, the refurbishments of various buildings **Ksh.102 million** and the installations of integrated security systems **Ksh.178 million** among others.

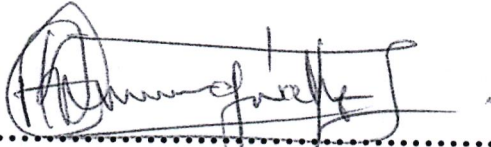
Further, the committee was informed that the National Assembly budget had a reduction of **Ksh. 840 million** on account of reduction in compensation due to early expiry of the term of the 11th parliament, however the committee raise concern that the reduction has no basis and that members who served in the 11th parliament and lost the subsequent election should be compensated since its their constitutional contract. Hence the committee resolved to have a session with the Parliamentary Service Commission (PSC) and the office of the Auditor General on **Wednesday 25th April, 2018** so as to shed more light on the reduction of their respective budgetary allocations.

Min 4/15/2018 Any Other Business

The committee was briefed by Parliamentary Budget Office on the upcoming 5th Devolution conference scheduled to take place in Kakamega County on 23rd to 27th April 2018 on which the budget and appropriation committee has nominated 5 members to participate in the conference. There being no other business; the meeting was adjourned at 12.15 P.M. with the next meeting scheduled on Tuesday 24th April 2018.



SIGNED



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HON. KIMANI ICHUNG'WAH, M.P.
CHAIRMAN, BUDGET AND APPROPRIATIONS COMMITTEE

25/4/18

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DATE

