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KENYA NATIONAL ASSEMBLY

TENTH PARLIAMENT – THIRD SESSION (2009)

**DEPARTMENTAL COMMITTEE ON DEFENCE AND
FOREIGN RELATIONS**

**REPORT ON THE SCRUTINY OF ANNUAL ESTIMATES
FOR FINANCIAL YEAR 2009/2010 FOR THE
MINISTRIES OF STATE FOR DEFENCE; EAST
AFRICAN COMMUNITY; FOREIGN AFFAIRS AND
THE NATIONAL SECURITY INTELLIGENCE SERVICE;**

(R08, R24 & D24, R04 & D04 AND R45)

Clerks Chambers,
Kenya National Assembly,
Nairobi

July, 2009

TABLE OF CONTENTS

1.0 Preface	1
1.2 Recommendations	3
2.0 Scrutiny of Vote 08 – Ministry of State for Defence	7
2.9.1 Scrutiny of Recurrent allocation	9
3.0 Scrutiny of Vote 45 – National Security Intelligence Service	10
3.5.1 Scrutiny of Recurrent allocation	10
4.0 Scrutiny of Vote 24 – Ministry of East African Community	11
4.4.1 Scrutiny of Recurrent allocation	13
4.4.2 Scrutiny of Development allocation	14
5.0 Scrutiny of vote 24 – Ministry of Foreign Affairs	15
5.3.1 Scrutiny of Recurrent allocation	17
5.3.2 Scrutiny of Development allocation	33

1.0 PREFACE

Mr. Speaker Sir,

On behalf of Members of the Departmental Committee on Defence and Foreign Relations, I feel honoured to present to the House, the Committee's Report on the Scrutiny of Annual Estimates for the Financial Year 2009/2010 for Votes – 08, 45, 24 and 04, pursuant to provision of Standing Order No. 152 (1) and (2).

1.1 Mandate of the Committee

The Departmental Committee No. C on Defence and Foreign Relations is established pursuant to provisions of Standing Order No. 198 (1) and (2). Standing Order 198 (3) sets out the functions of the Committee as follows: -

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

The Provisions of Standing Order No. 152 provide that:-

- (1) Upon being laid before the National Assembly, the Annual Estimates shall stand committed to the respective Departmental Committees according to their mandates.
- (2) Each Departmental Committee shall consider, discuss and review the Estimates committed to it under this standing order and submit its report thereon to the House within twenty one days after they were first laid before the House.

Mr. Speaker Sir,

1.2 Oversight

In executing its mandate, the Committee oversees and is mandated to consider and review the Estimates of the following Government Ministries and Department; namely: -

- (i) Defence;
- (ii) Foreign Affairs;
- (iii) East African Community; and
- (iv) National Security Intelligence Service.

Under the above Ministries, the Committee covers the following subjects;

- (i) Defence matters;
- (ii) Foreign policy;
- (iii) Treaties, Conventions and Agreements;
- (iv) International and Regional Organisations;
- (v) Bilateral and Multilateral Relations;
- (vi) Regional Cooperation policy;
- (vii) East African Community Affairs;
- (viii) National Security Intelligence.

1.3 Committee composition

The Departmental Committee on Defence and Foreign Relations was constituted on 17th June, 2009 and its membership is as follows:-

The Hon. Adan W. Keynan, MP – **Chairman**
The Hon. Hassan Ali Joho, MP – **Vice Chairman**
The Hon. Julius Kiema Kilonzo, MP
The Hon. Eugene Ludovic Wamalwa, MP
The Hon. Jeremiah Ngayu Kioni, MP
The Hon. Charles Kilonzo, MP
The Hon. Joshua Serem Kutuny, MP
The Hon. Peter Edick Omondi Anyanga, MP
The Hon. Benedict Fondo Gunda, MP
The Hon. Wilson Mwotiny Litole, MP
The Hon. George Nyamweya, MP

Mr. Speaker Sir,

1.4 Committee undertakings and submission gathering

Subsequent to its appointment, the Committee commenced its work immediately. During its first sitting on Tuesday, 23rd June, 2009, the Committee elected the Hons. Adan W. Keynan, M.P. and, Hassan Ali Joho M.P., as Chairperson and Vice-Chairperson, respectively. Pursuant to provisions of Standing Order 152, the Committee considered and scrutinized the printed Estimates of Government Ministries and department under its mandate in twelve sittings between 7th and 21st July, 2009. The Committee also met with the staff of the Budget Office of the National Assembly. The Minutes of these meetings are appended to this report.

Pursuant to provisions of Standing Order No. 180 the Committee held open sittings while considering the Estimates of the Ministries of Foreign Affairs and East African Community. All other sittings of the Committee were held in camera.

Mr. Speaker Sir,

The Committee received submission, presentations and other reports from the three Ministries and one Government department as follows:-

- (i) Minister and Permanent Secretary, Ministry of State for Defence accompanied by Senior Ministry officials;

- (ii) Director General, National Security Intelligence Service (NSIS), accompanied by the Director Administration (NSIS) and Treasury desk officer for NSIS;
- (iii) Minister, Assistant Minister and Permanent Secretary, Ministry of East African Community, accompanied by Senior Ministry officials; and
- (iv) Minister, Assistant Minister and Permanent Secretary, Ministry of Foreign Affairs accompanied by senior ministry officials.

While scrutinizing the Estimates, the Committee considered the following documents: -

- (i) Vision 2030;
- (ii) Medium term plans
- (iii) Printed Estimates for the FY 2009/2010 for votes 08, 45, 24 and 04;
- (iv) Budget Speech for 2009/010;
- (v) Budget outlook paper for FY 2009/010; and
- (vi) Budget Strategy Paper for 2009/010;

Mr. Speaker Sir,

The Committee wishes to sincerely thank the Offices of the Speaker and the Clerk of the National Assembly for the necessary support extended to it in the execution of its mandate. The Committee further wishes to thank the Ministers for Defence, Foreign Affairs, East African Community and the Director General, National Security Intelligence Service (NSIS) for responding promptly to issues raised by the Committee during the examination of the 2009/2010 Estimates.

I take this opportunity to thank all the Members of the Committee for their patience, sacrifice, endurance and hard work during the long sitting hours under tight schedules which enabled us to complete the tasks within the stipulated period.

The Committee further wishes to record its appreciation for the services rendered by the staff of the National Assembly attached to the Committee. Their efforts made the work of the Committee and the production of this Report possible.

1.5 Recommendations

Mr. Speaker Sir,

Based on the submission, presentations and evidence adduced, the Committee makes the following recommendations, that: -

Ministry of State for Defence

- (i) The Ministry should in future itemise its budget to enable full scrutiny, transparency and accountability, but to the extent that national security is not jeopardised.
- (ii) The Ministry should fast track its modernisation programme so as to be able to offer credible deterrence on external threats to sovereignty and defend Kenya's territorial integrity.

- (iii) The Ministry of Defence should reallocate more of its resources for modernisation.
- (iv) The Government Ministries that request the Department of Defence to offer humanitarian community assistance should refund the department for services rendered. This will ensure that the department does not fall short of its budgetary targets.

National Security Intelligence Service

- (i) The National Security Intelligence Service should in future itemise its budget for scrutiny, transparency and accountability, but to the extent that national security is not jeopardised.

Ministry of East African Community

- (i) Ministry should in future rationalise its expenditure on travel and hospitality which take a large share of the Ministry's resources.
- (ii) Ministry to strengthen advocacy and publicity of the integration agenda.

Ministry of Foreign Affairs

- (i) The Ministry be allocated funds in the next financial year to undertake the following crucial projects:-
 - Establishment of a Diplomatic Zone;
 - Establishment of a Fund for Technical Cooperation;
- (ii) The Ministry of Finance should expedite release of exchequer so as to enable the Ministry implement its operations and programmes as well as to meet contractual obligations.
- (iii) The Government should rescind its directive to reduce visa fees by 50%. The decrease in visa fees has negatively impacted on the Ministry's resource base and has not realised any increase in visa applicants or visitors to the country.

The absorption capacity of the above Ministries and government department has been affected by delays in exchequer releases. The Committee therefore recommends that The Ministry of Finance should expedite exchequer releases to Ministries and department to enable completion of approved programmes.

And from the above,

The Committee is agreeable to the proposals by the Ministers for Defence, East African Community, Foreign Affairs and the National Security Intelligence Service and recommends that a sum not exceeding :-

1. **Kshs. 44, 399, 000, 000** be allocated to the Ministry of State for Defence – Vote 08 for Recurrent expenditure and that the Ministry be allowed to raise **Appropriation In Aid** amounting to **Kshs. 421, 000, 000** to finance salaries, General Administration and Planning and expenses related to the Kenya Armed Forces;
2. **Kshs. 9, 516, 300, 000** be allocated to the National Security Intelligence Service (NSIS) – Vote 45 for Recurrent and that the Department be allowed to raise Appropriation-in-Aid amounting to **Kshs. 2, 000, 000** to

finance salaries, general administration and planning, operations, training and expenditure related to liaison services;

3. **Kshs. 912, 386, 570** be allocated to the Ministry of East African Community – Vote 24 - for Recurrent and **Kshs. 120, 900, 000** for Development expenditure proposed in the Heads under Vote 24; and
4. **Kshs. 6, 966, 068, 000** be allocated to the Ministry of Foreign Affairs – Vote 04 - for Recurrent and **Kshs. 1, 055, 000, 000** for Development expenditure, proposed in the Heads under Vote 04, and that the Ministry be allowed to raise Appropriation-in-Aid amounting to **Kshs. 482, 719, 785** for recurrent to finance its operations;

Be approved by the House.

Mr. Spear Sir,

Finally, it is now my pleasant duty, on behalf of the Departmental Committee on Defence and Foreign Relations, to present and recommend this report to the House for adoption pursuant to the provisions of Standing Order 152 (2).

SIGNED:.....



**HON. ADAN W. KEYNAN, MP
CHAIRMAN**

DEPARTMENTAL COMMITTEE ON DEFENCE AND FOREIGN RELATIONS

DATE:.....

3/8/2009

2.0 SCRUTINY OF VOTE 08 – MINISTRY OF STATE FOR DEFENCE (MOSD)

2.1 INTRODUCTION – BACKGROUND

National Security is a prerequisite for socio-Economic and political development in any country. Provision of National Security is essential in the attainment of the goals contained in VISION 2030. National security is about territorial integrity, independence and the well being of citizens, embedded in the political, diplomatic, economic, socio-cultural and military elements of power to safeguard and promote the national interests of a state.

2.2 MANDATE, VISION AND MISSION

The mandate of MOSD is derived from Kenya Armed Forces Act, Cap 199 Laws of Kenya Section 3 (1) and (2).

The Vision of the Ministry is to create premier, credible and mission capable force deeply rooted in professionalism.

The Mission of the Ministry is to deter aggression and should deterrence fail, defend the Republic, provide support to civilian authority in the maintenance of order and such other duties as may from time to time be assigned.

2.3 STRATEGIC OBJECTIVES

The Ministry's strategic objectives include:-

- Defence policy and strategy
- Credible deterrence
- Internal Security Operation
- Military Modernization

The Ministry appeared before the Committee on Wednesday, 8th July, 2009 starting 10.00 am to 12.30 p.m. and tabled the following papers:-

- The Minister's Statement; and
- The Budget Estimates (Recurrent);

2.4 REQUEST, ALLOCATION, EXPENDITURE AND ABSORPTION CAPACITY

The Ministry had requested for Kshs. 54, 787, 081, 378 for its operations but was allocated Kshs. 44, 820, 000, 000 which translates to 5.18% of the National Budget. This is 8.76% increase compared to Kshs. 41, 210, 000, 000 in 2008/09 Financial Year. The Ministry's budget is the third biggest after the budgets of the Ministry of Education and Roads respectively. The Ministry operates a Recurrent Budget.

Recurrent

Sub vote	Net approved Expenditure 2008/2009	Gross Expenditure 2009/2010	A-In-A 2009/2010	Net Expenditure 2009/2010
080	665,201,229	703,743,729	30,000,000	673,743,729
081	40,123,256,271	44,116,256,271	391,000,000	43,725,256,271
Total	40,788,457,500	44,820,000,000	421,000,000	44,399,000,000

Actual Allocations

The Ministry's Budget- **Allocations for the year 2009/10 (in Kshs. Millions)**

CURRENT FINANCIAL YEAR (2009/2010) ALLOCATION

Sub vote	Gross Expenditure 2009/2010	A-In-A 2009/2010	Net Expenditure 2009/2010
080 Gen Admin & Planning	703,743,729	30,000,000	673,743,729
081 Armed Forces	44,116,256,271	391,000,000	43,725,256,271
Total	44,820,000,000	421,000,000	44,399,000,000

NET REQUESTED FROM EXCHEQUER FY 2009/2010

Sub-vote	Gross Expenditure	A-In-A	Net expenditure
080-Gen Admin & Planning (Kshs.)	736,825,107	30,000,000	706,825,107
081-Armed Forces (Kshs.)	54,471,256,271	391,000,000	54,080,256,271
Total (Kshs.)	55,208,081,378	421,000,000	54,787,081,378

2.5. AREAS LEFT OUT OF THE BUDGET

The amount allocated for modernisation is insufficient.

2.6 PROPOSED ALLOCATIONS VS ACHIEVEMENTS

The Ministry used the monies allocated in the last Financial Year for:-

- Deterrence and defence of the Nation
- Recruitment, Training and operations
- Aiding civil authority e.g. Linda Mpaka (North Eastern & Coast Provinces), Operation Fagia Maharamia (Mt. Elgon) and Operation rudi nyumbani (Post election violence)

- Environmental soldier programme (in conjunction with other government Agencies)
- Disaster management (Capacity and equipment enhancement)
- Humanitarian Community Assistance programmes such as construction of Dams, boreholes, water pans, schools, dispensaries, livestock branding.

2.8 ALLOCATION TO NEW PROJECTS/PROGRAMMES

Due to underfunding the Ministry will only implement ongoing programmes.

2.9 CONSIDERATION OF ESTIMATES

2.9.1 ANALYSIS OF THE RECURRENT ALLOCATIONS

Examination of Heads, by the Committee, under Vote R. 08 was as follows:-

Head 175: Headquarters Administrative Services

The proposed net expenditure under this Head is **Kshs. 673, 743, 729**. The Ministry expects to raise Kshs. **30, 000, 000** as Appropriation-In-aid (Receipts from the sale of inventories, stocks and commodities).

Observation: The allocations to the Head increased from Kshs. 665, 201, 229 million in FY 2008/2009 to Kshs. 673, 743, 729 million in FY 2009/2010 mainly on account of three new sub Heads:-

- Kenya Army Civilian Administration (0257) – Kshs. 4, 320, 000;
- Kenya Airforce Civilian Administration (0258) – Kshs. 2, 540, 000;
- Kenya Navy Civilian Administration (0259) – Kshs. 2, 060, 000.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding **Kshs. 673, 743, 729** be allocated to the Ministry for the expenditure proposed in the items under Head 175 and that the Ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. **30, 000, 000** to finance the operations of the items under the above Head.

Head 554: KENYA ARMED FORCES

The proposed net expenditure under this Head is **Kshs 43, 725, 256, 271**. Under this Head the Ministry expects to raise **Kshs. 391, 000, 000** as Appropriations In Aid.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. **43, 725, 256, 271** be allocated to the Ministry for the expenditure proposed in the items under Head 554 and Kshs. **391, 000, 000** be raised as Appropriations In Aid.

2.9.2 RECOMMENDATIONS

Arising from the submissions by the Ministry and observations, the Committee recommends that:-

- (i) The Ministry should in future itemise its budget to enable full scrutiny, transparency and accountability, but to the extent that national security is not jeopardised.

- (ii) The Ministry should fast track its modernisation programme so as to be able to offer credible deterrence on external threats to sovereignty and defend Kenya's territorial integrity.
- (iii) The Ministry of Defence's should reallocate more of its resources for modernisation.
- (iv) The Government Ministries that request the Department of Defence to offer humanitarian assistance should refund the department for services rendered. This will ensure that the department does not fall short of its budgetary targets.

3.0 SCRUTINY OF VOTE 45–NATIONAL SECURITY INTELLIGENCE SERVICE (NSIS)

3.1 Introduction – Mandate and appearance

The National Security Intelligence Service (NSIS) was established in 1999 pursuant to NSIS Act No. 11 of 1998 with an advisory role in matters of security intelligence.

3.2 ALLOCATION

Over the past few years the department's budget has been increasing steadily. During the FY under review, the NSIS has been allocated a total of Kshs. 9, 518, 300, which translates to a 24% increase from Kshs. 7, 700, 000 in 2008/09 Financial Year.

3.3 ALLOCATION AND ABSORPTION CAPACITY

RECURRENT

FY	Request	Allocation	Difference	Absorption
08/09	-	7,700, 000, 000	-	100%
09/010	11,640,000,000	9,516,300,000	2,123,700,000	

3.4 ACTUAL ALLOCATIONS

The Departments Budget- **Allocations for the year 2009/10(in Kshs millions)**

Vote	Head 585	Gross Recc. estimates 2008/09	Gross Rec. Exp. 2009/10	Increase
45	General administration and planning	7,702,000,000	9,518,300,000	1,816,300,000
	A-I-A	2,000,000	2,000,000	-
	Total.	7,700,000,000	9,516,300,000	1,816,300,000

3.5 CONSIDERATION OF ESTIMATES

3.5.1 SCRUTINY OF THE RECURRENT ALLOCATIONS

Head 585: Headquarters, Field Services, Training School and Liaison Office

The proposed net expenditure under this Head is **Kshs 9,516,300,000**. The department expects to raise Kshs. 2, 000, 000 as Appropriation-in-Aid.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. **9,516,300,000** be allocated to the department for the expenditure proposed in the items under Head 585 and that the department be allowed to raise Kshs. 2, 000, 000 as Appropriation-in-Aid.

3.5.2 OBSERVATIONS AND RECOMMENDATIONS

General Observations

- (i) The emerging threats in national security require modernisation of national security intelligence.
- (ii) The department operates a one line budget which hampers scrutiny.
- (iii) The Committee believes that the monies approved in this Financial Year's Budget for the National Security Intelligence Service will be used prudently as provided for under the Fiscal Management Act, 2009.

Recommendations

From the submissions and observations, the Committee recommends that:-

- (i) Parliament approves the Budget of the department.
- (ii) The department should in future itemise its budget for accountability and transparency without jeopardising national security.

4.0 SCRUTINY OF VOTE 24 – MINISTRY OF EAST AFRICAN COMMUNITY (MEAC)

4.1 Introduction – Mandate and Appearance

The Ministry is mandated to coordinate the integration of Kenya into the east African community as espoused in the Presidential circular No. 1 of May 2008 and the treaty for the establishment of the East African Community of 2002.

Other functions of the Ministry include:-

- (i) Policy on East African Community;
- (ii) Coordination of Government participation in East African Community meetings and institutions;
- (iii) Coordination of the implementation of East African Community regional programmes and projects;
- (iv) Implementation of East African Treaty; and
- (v) Promotion and fast-tracking of East African integration.

Papers Laid

The Minister appeared before the Committee and laid the following papers

- (i) Ministers statement on the FY 2009/2010 Annual Estimates;
- (ii) Presidential Circular No.1/2008
- (iii) The Treaty for the Establishment of the East African Community

- (iv) Letter to the P.S. Ministry of State for Public Service on Creation of New Posts in the MEAC.
- (v) Letter to the P.S. Ministry of Finance on Consolidation of Kenyan Financial Contributions to The East African Community under the Ministry of East African Community
- (vi) Letter to the P.S Ministry of Finance on Proposal for Support to the Regional East African integration Programme (REAP)
- (vii) Letter from the P.S Ministry of Finance on Pending Bills in Respect to the Somali Peace Process.
- (viii) Draft EAC time bound Programme for Elimination of Identified non-tariff Barriers (NTBs)
- (ix) The rationale for the Establishment of Regional Integration Centres
- (x) Staffing level of the Ministry 2009/2010
- (xi) Revised Strategic Plan 2008-2012
- (xii) Item Analysis Vote R 24 Ministry of East African Community
- (xiii) Calendar of EAC Activities for the Period July-December 2009
- (xiv) Vote D24, Development Expenditure Estimates 2009/2010 and projected Estimates for 2010/2011- 2011/2012
- (xv) List of Kenyan Nationals employed in the East African Community
- (xvi) East African Community 10th Summit of EAC Heads of State;
- (xvii) Progress Report of the Council of Ministers (For the Period July 2008-April 2009)

4.2 ALLOCATION

Total budget allocation (Recurrent and Development) for the Ministry is Kshs.1,033.3 million. This is more than double the allocation of Kshs.455.2 million in 2008/09. The increase is on account of transfers to International Organization (EAC) and provisions for rental of produced assets as well as introduction of a development budget which never existed before.

4.3 ALLOCATION

RECURRENT AND DEVELOPMENT

FY	REQUEST	RECURRENT	DEVELOPMENT
2008/09		1, 455, 199, 210	NIL
2009/10		912, 386, 570	120, 900, 000
Increase		457, 187, 360	120, 900, 000

ACTUAL ALLOCATIONS – printed Estimates

The Ministry's budget- **Allocations for 2008/2009 & 2009/10(Kshs millions).**

Vote	Net Estimates 2008/09	Net Estimates 2009/10	Increase
R. 24	455, 199,210	912, 386, 570	457, 187, 360

D. 24	NIL	120, 900, 000	120, 900, 000
Total	455, 199,210	1, 033, 286, 570	578, 087, 360

It is evident that the allocation for the Ministry has increased in this Financial Year.

4.4 CONSIDERATION OF THE ESTIMATES

4.4.1 SCRUTINY OF RECURRENT ALLOCATIONS

The proposed Recurrent allocation for the Ministry is Kshs. **912, 386, 570** million in FY 2009/2010.

Head 119: Headquarters, Administrative Services

The proposed net allocation is down from Kshs. 224, 289, 966 (FY 2008/2009) to Kshs. 216, 146, 753 in FY 2009/2010.

Observations: Biggest reduction is in the Sub Heads, General Administration (0000) and Aids Control Unit (0001).

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 216, 147, 753 be allocated to the Ministry for the expenditure proposed in the items under Head 119.

Head 500: Information Communication and Technology

The proposed expenditure under this Head is Kshs. 18, 800, 692.

Observations: Newly created Budget item. Bulk of the allocation goes to foreign travel Kshs. 3, 500, 000 and hospitality supplies and services Kshs. 4, 800, 000.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 18, 000, 692 be allocated to the Ministry for the expenditure proposed in the items under Head 500.

Head 514: Directorate of Central Planning and Monitoring

The proposed expenditure under this Head is Kshs. 17, 245, 084.

Observations: Newly created budget item. Bulk of the allocation goes to foreign travel Kshs. 4, 500, 000 and hospitality supplies and services Kshs. 2, 400, 000.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 17, 245, 084 be allocated to the Ministry for the expenditure proposed in the items under Head 514.

Head 072: Regional Cooperation

The proposed expenditure under this Head is Kshs. 660, 194, 041.

Observations: The expenditure has increased from Kshs. 230, 909, 244 in 2008/2009 to Kshs. 660, 194, 041. The increase is mainly on account of membership fees and dues and subscriptions to international organisations. This is after treasury consolidated all fees and dues to EAC under the Ministry. Another increase is on office furniture and general equipment from Kshs. 1, 400, 000 in 2008/2009 to Kshs. 6, 624, 000 in 2009/2010.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 660, 194, 041 be allocated to the Ministry for the expenditure proposed in the items under Head 072.

4.4.2 SCRUTINY OF THE DEVELOPMENT ALLOCATIONS

It is the first time that the Ministry has requested for a development budget totalling Kshs. 120, 900, 000. The allocation will be spent on the following projects:-

- (i) Creation of regional Integration centres;
- (ii) Strengthening National Publicity and advocacy for EAC integration;
- (iii) Establishment of monitoring and evaluation services
- (iv) Establishment of research, reference and documentation centre.

Head 119: Headquarters Administrative Services

The proposed expenditure under this Head is Kshs. 34, 400, 000.

Observations: This is a new Budget Item. Training expenses under this Head is a recurrent expenditure.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 34, 400, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 119.

Head 188: Regional Monitoring and Evaluation Centres

The proposed expenditure under this Head is Kshs. 19, 000, 000.

Observations: This is a new Budget Item. Training expenses under this Head is a recurrent expenditure.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 19, 000, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 188.

Head 201: Regional Integration Centres

The proposed expenditure under this Head is Kshs. 31, 000, 000.

Observations: This is a new Budget Item. Training expenses under this Head is a recurrent expenditure.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 31, 000, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 201.

Head 209: National Publicity and Advocacy for Regional Integration

The proposed expenditure under this Head is Kshs. 11, 000, 000.

Observations: This is a new Budget Item.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 11, 000, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 209.

Head 234: Research /Reference Documentation Centre

The proposed expenditure under this Head is Kshs. 25, 500, 000.

Observations: This is a new Budget Item.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 25, 500, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 234.

4.5 RECOMMENDATIONS

The Committee recommends that:-

- (i) Parliament approves the Ministry's Budget
- (ii) Ministry should in future rationalise its expenditure on travel and hospitality which take a large share of the Ministry's resources.
- (iii) Ministry should strengthen advocacy and publicity of the integration agenda.

5.0 SCRUTINY OF VOTE 04 – MINISTRY OF FOREIGN AFFAIRS

The Ministry appeared before the Committee on Tuesday 21st July 2009 at 10.00 am.

5.1 Mandate

The Ministry's mandate is to develop, articulate and implement Kenya's foreign policy. Its core functions include management of external relations including coordination of International cooperation and promotion of economic, external trade and investment relations, custodian of rules of engagement with the diplomatic community, administration of diplomatic services, coordination of Diaspora participation in development among others.

Papers Laid

The Minister appeared before the Committee and laid the following papers:-

- The Minister statement on the Estimates;
- Disaggregated Budget.

5.2 ALLOCATION

In the Financial Year 2009/2010 the Ministry was allocated a net of **Kshs. 8, 021, 068, 000** comprising of a Recurrent of Kshs. 6, 966, 068, 000 and Development vote of Kshs. 1, 055, 000, 000.

5.2.1 ABSORPTION CAPACITY FOR LAST THREE YEARS

FY	VOTE	ALLOCATION	EXPENDITURE	ABSORPTION
2006/2007	Recurrent	5, 711, 488, 240	4, 766, 269, 403.45	83.00 %
	Development	979, 000, 000	739, 913, 006.25	76.00 %
2007/2008	Recurrent	6, 134, 948, 820	5, 549, 956, 891.70	90.46 %
	Development	979, 000, 000	823, 083, 128.95	84.07 %
2008/2009	Recurrent	7, 054, 104, 800	6, 495, 922, 769.65	92.09 %
	Development	1, 817, 709, 080	1, 553, 378, 838.35	85.46 %
2009/2010	Recurrent	6, 966, 068, 000	-	
	Development	1, 055, 000, 000	-	

The average absorption capacity of the Ministry is 85 %. This has been occasioned by delayed exchequer releases. Compared to the 2008/2009 allocation the Ministry's budget has reduced by 9.5 %. The reduction is mostly attributed to loss of A-I-A occasioned by the government policy to reduce Visa fees.

5.2.2 AREAS LEFT OUT OF THE BUDGET

Projects left out	Total Expenditure (Kshs. Million)	2009/2010 Request(Kshs. Million)
Construction of Chancery, Kigali	500	300
Purchase of High Commissioners Residence, Kampala	150	3.735
Establishment of diplomatic zone (200 acres land)	1 Billion	1 Billion
Networking of Kenya Missions abroad (Virtual Private Network)	250	100
Review of foreign service allowance (FSA)	353	343
opening of new Consulates/Missions	295	295
Fund for Technical Cooperation	500	500

5.2.3 ACTUAL ALLOCATIONS

Allocations for the Year 2009/10 (in Kshs millions)

Vote	Request	Allocation 2009/2010	A-I-A	Gross total allocation 2009/10
R. 04	9, 202, 000, 000	7, 448, 787, 785	482, 719, 785	6, 966, 068, 000
D. 04	2, 270, 000, 000	1, 055, 000, 000	-	1, 055, 000, 000
Total	11, 472, 000, 000	8, 503, 787, 785	482, 719, 785	8, 021, 068, 000

5.3 CONSIDERATION OF ESTIMATES – ANALYSIS OF ESTIMATES

5.3.1 SCRUTINY OF THE RECURRENT ALLOCATIONS

The net Recurrent Estimate for the Ministry for the Financial Year 2009/2010 amounts to Kshs. 6, 966, 068, 000. The Ministry expects to raise Appropriations In Aid amounting to Kshs. 482, 719, 785.

Head 043: Headquarters and Administrative Services

Proposed net expenditure Kshs. 1, 175, 101, 284

The Ministry proposes to raise Appropriation-In-Aid totalling Kshs. 5, 550, 000 from administrative fees and sale of vehicles, plant machinery and equipment.

Observations: Generally the expenditure has reduced but there are notable increases in foreign travel and hospitality supplies budget.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 1, 175, 101, 284 is allocated to the Ministry for the expenditure proposed in the items under Head 043 and that the Ministry is allowed to raise A-I-A of Kshs. 5, 550, 000 to finance its programmes.

Head 667: Financial Management and Procurement Services

Proposed net expenditure Kshs. 49, 415, 432.

Observations: General reduction in the Heads expenditure.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 49, 415, 432 be allocated to the Ministry for the expenditure proposed in the items under Head 667.

Head 044: New York

Proposed net expenditure Kshs. 233, 218, 429.

Observations: Generally the expenditure for the mission has reduced from Kshs. 237, 242, 522 in 2008/2009 to Kshs. 233, 218, 429 in 2009/2010.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 233, 218, 429 be allocated to the Ministry for the expenditure proposed in the items under Head 044.

Head 045: Washington

Proposed net expenditure Kshs. 127, 290, 216.

The Ministry proposes to raise Appropriations-In-Aid totalling Kshs. 100, 000, 000 million from administrative fees and charges.

Observations: Generally the expenditure has increased from Kshs 54, 977, 114 in 2008/2009 to Kshs. 127, 290, 216 in 2009/2010. The increases are related to basic wages, personal allowances, rentals of produced items and scholarships.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 127, 290, 216 be allocated to the Ministry for the expenditure proposed in the items under Head 045 and that the Ministry be allowed to raise A-I-A of Kshs. 100, 000, 000 to finance its programmes under Head 045.

Head 046: London

Proposed net expenditure Kshs. 201, 062, 216.

The Ministry proposes to raise Appropriations In Aid totalling Kshs. 80, 000, 000 from administrative fees and charges.

Observations: Generally the expenditure has reduced from Kshs 229, 726, 496 in 2008/2009 to Kshs. 201, 062, 216 in 2009/2010.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 201, 062, 216 be allocated to the Ministry for the expenditure proposed in the items under Head 046 and that the Ministry be allowed to raise A-I-A of Kshs. 80, 000, 000 to finance its programmes under Head 046.

Head 047: Moscow

Proposed net expenditure Kshs. 160, 591, 424.

The Ministry proposes to raise Appropriations In Aid totalling Kshs. 2, 650, 000 from administrative fees and charges.

Observations: Generally the expenditure has decreased from Kshs. 167, 038, 032 in 2008/2009 to Kshs. 160, 591, 424 in 2009/2010.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 160, 591, 424 be allocated to the Ministry for the expenditure proposed in the items under Head 047 and that the Ministry be allowed to raise A-I-A of Kshs. 2, 650, 000 to finance its programmes under Head 047.

Head 048: Addis Ababa

Proposed net expenditure Kshs. 90, 906, 060.

The Ministry proposes to raise Appropriations In Aid totalling Kshs. 2, 000, 000 from administrative fees and charges.

Observations: Generally the expenditure has decreased from Kshs 102, 531, 548 in 2008/2009 to Kshs. 90, 906, 060 in 2009/2010.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 90, 906, 060 be allocated to the Ministry for the expenditure proposed in the items under Head 048 and that the Ministry be allowed to raise A-I-A of Kshs. 2, 000, 000 to finance its programmes under Head 048.

Head 049: Berlin

Proposed net expenditure Kshs. 157, 177, 426.

The Ministry proposes to raise Appropriations In Aid totalling Kshs. 28, 750, 000 from administrative fees and charges as well as VAT on domestic goods and services.

Observations: Generally the expenditure has increased from Kshs 153, 468, 699 in 2008/2009 to Kshs. 157, 177, 426 in 2009/2010. The increases are mainly on account of personal allowances paid as part of salary and rentals of produced items.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 157, 177, 426 be allocated to the Ministry for the expenditure proposed in the items under Head 049 and that the Ministry be allowed to raise A-I-A of Kshs. 28, 750, 000 to finance its programmes under Head 049.

Head 050: Kinshasa

Proposed net expenditure Kshs. 82, 477, 548.

The Ministry proposes to raise Appropriations In Aid totalling Kshs. 1, 600, 000 from administrative fees and charges.

Observations: Generally the expenditure has increased from Kshs 80, 151, 073 in 2008/2009 to Kshs. 82, 477, 548 in 2009/2010. The increases are mainly on account of personal allowances paid as part of salary and rentals of produced items.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 82, 477, 548 be allocated to the Ministry for the expenditure proposed in the items under Head 050 and that the Ministry be allowed to raise A-I-A of Kshs. 1, 600, 000 to finance its programmes under Head 050.

Head 051: Lusaka

Proposed net expenditure Kshs. 84, 349, 151.

The Ministry proposes to raise Appropriations In Aid totalling Kshs. 1, 200, 000 from administrative fees and charges.

Observations: Generally the expenditure has decreased from Kshs. 86, 544, 718 in 2008/2009 to Kshs. 84, 349, 151 in 2009/2010.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 84, 349, 151 be allocated to the Ministry for the expenditure proposed in the items under Head 051 and that the Ministry be allowed to raise A-I-A of Kshs. 1, 200, 000 to finance its programmes under Head 051.

Head 052: Paris

Proposed net expenditure Kshs. 156, 607, 477.

The Ministry proposes to raise Appropriations In Aid totalling Kshs. 10, 460, 000 from administrative fees and charges.

Observations: Generally the expenditure has increased from Kshs. 121, 344, 093 in 2008/2009 to Kshs. 156, 607, 477 in 2009/2010. The increases are related to personal allowances, rentals of produced items, employer contributions and scholarships.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 156, 607, 477 be allocated to the Ministry for the expenditure proposed in the items under Head 052 and that the Ministry be allowed to raise A-I-A of Kshs. 10, 460, 000 to finance its programmes under Head 052.

Head 054: New Delhi

Proposed net expenditure Kshs. 100, 717, 874.

The Ministry proposes to raise Appropriations In Aid totalling Kshs. 15, 000, 000 from administrative fees and charges.

Observations: Generally the expenditure has increased from Kshs 98, 199, 651 in 2008/2009 to Kshs. 100, 717, 874 in 2009/2010. The increases are mainly on account of basic wages paid to temporary employees and personal allowances paid as part of salary.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 100, 717, 874 be allocated to the Ministry for the expenditure proposed in the items under Head 054 and that the Ministry be allowed to raise A-I-A of Kshs. 15, 000, 000 to finance its programmes under Head 054.

Head 055: Stockholm

Proposed net expenditure Kshs. 150, 203, 856.

The Ministry proposes to raise Appropriations In Aid totalling Kshs. 10, 100, 000 from administrative fees and charges as well as sale of vehicles and transport equipment.

Observations: Generally the expenditure has decreased from Kshs 150, 834, 386 in 2008/2009 to Kshs. 150, 203, 856 in 2009/2010.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 150, 203, 856 be allocated to the Ministry for the expenditure proposed in the items under Head 055 and that the Ministry be allowed to raise A-I-A of Kshs. 10, 100, 000 to finance its programmes under Head 055.

Head 056: Abuja

Proposed net expenditure Kshs. 181, 732, 516.

The Ministry proposes to raise Appropriations In Aid totalling Kshs. 8, 050, 000 from administrative fees and charges.

Observations: Generally the expenditure has increased from Kshs 115, 817, 469 in 2008/2009 to Kshs. 181, 732, 516 in 2009/2010. The increases mainly related to rentals of produced items, basic wages to temporary employees and personal allowance paid as part of salary.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 181, 732, 516 be allocated to the Ministry for the expenditure proposed in the items under Head 056 and that the Ministry be allowed to raise A-I-A of Kshs. 8, 050, 000 to finance its programmes under Head 056.

Head 057: Cairo

Proposed net expenditure Kshs. 71, 253, 169.

The Ministry proposes to raise Appropriations In Aid totalling Kshs. 6, 100, 000 from administrative fees and charges.

Observations: Generally the expenditure has decreased from Kshs 82, 685, 552 in 2008/2009 to Kshs. 71, 253, 169 in 2009/2010. The decreases are on account of personal allowances paid as part of salary, scholarships and other educational benefits as well as other operating expenses.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 71, 253, 169 be allocated to the Ministry for the expenditure proposed in the items under Head 057 and that the Ministry be allowed to raise A-I-A of Kshs. 6, 100, 000 to finance its programmes under Head 057.

Head 058: Riyadh

Proposed net expenditure Kshs. 62, 323, 330.

The Ministry proposes to raise Appropriations In Aid totalling Kshs. 5, 860, 000 from administrative fees and charges, sale of vehicles and transport equipment and sale of plant machinery and equipment.

Observations: Generally the expenditure has increased from Kshs 60, 965, 582 in 2008/2009 to Kshs. 62, 323, 330 in 2009/2010. The increases are on account of routine maintenance and scholarships.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 62, 323, 330 be allocated to the Ministry for the expenditure proposed in the items under Head 058 and that the Ministry be allowed to raise A-I-A of Kshs. 5, 860, 000 to finance its programmes under Head 058.

Head 059: Brussels

Proposed net expenditure Kshs. 143, 625, 224.

The Ministry proposes to raise Appropriations In Aid totalling Kshs. 5, 020, 000 from administrative fees and charges and sale of vehicles and transport equipment.

Observations: Generally the expenditure has increased from Kshs 135, 518, 596 in 2008/2009 to Kshs. 143, 625, 224 in 2009/2010. The increases are on account of rentals of produced items and employer contributions to compulsory national social security schemes.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 143, 625, 224 be allocated to the Ministry for the expenditure proposed in the items under Head 059 and that the Ministry be allowed to raise A-I-A of Kshs. 5, 020, 000 to finance its programmes under Head 059.

Head 060: Ottawa

Proposed net expenditure Kshs. 107, 822, 142.

The Ministry proposes to raise Appropriations In Aid totalling Kshs. 17, 500, 000 from administrative fees and charges.

Observations: Generally the expenditure has increased from Kshs. 93, 429, 090 in 2008/2009 to Kshs. 107, 822, 142 in 2009/2010. The increases are on account of basic salaries and wages, employer contributions to compulsory health insurance schemes, rentals of produced items and other operating expenses.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 107, 822, 142 be allocated to the Ministry for the expenditure proposed in the items under Head 060 and that the Ministry be allowed to raise A-I-A of Kshs. 17, 500, 000 to finance its programmes under Head 060.

Head 061: Tokyo

Proposed net expenditure Kshs. 218, 628, 874.

The Ministry proposes to raise Appropriations In Aid totalling Kshs. 20, 000, 000 from administrative fees and charges.

Observations: Generally the expenditure has increased from Kshs 183, 881, 478 in 2008/2009 to Kshs. 218, 628, 874 in 2009/2010. The increases are on account of basic wages, personal allowance paid as part of salary, rentals of produced items, other operating expenses and scholarships.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 218, 628, 874 be allocated to the Ministry for the expenditure proposed in the items under Head 061 and that the Ministry be allowed to raise A-I-A of Kshs. 20, 000, 000 to finance its programmes under Head 061.

Head 062: Beijing

Proposed net expenditure Kshs. 69, 741, 534.

The Ministry proposes to raise Appropriations In Aid totalling Kshs. 20, 000, 000 from administrative fees and charges.

Observations: Generally the expenditure has slightly increased from Kshs 68, 643, 244 in 2008/2009 to Kshs. 69, 741, 534 in 2009/2010.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 69, 741, 534 be allocated to the Ministry for the expenditure proposed in the items under Head 062 and that the Ministry be allowed to raise A-I-A of Kshs. 20, 000, 000 to finance its programmes under Head 062.

Head 063: Rome

Proposed net expenditure Kshs. 158, 903, 500.

The Ministry proposes to raise Appropriations In Aid totalling Kshs. 20, 000, 000 million from administrative fees and charges.

Observations: Generally the expenditure has slightly increased from Kshs. 156, 605, 906 in 2008/2009 to Kshs. 158, 903, 500 in 2009/2010.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 158, 903, 500 be allocated to the Ministry for the expenditure proposed in the items under Head 063 and that the Ministry be allowed to raise A-I-A of Kshs. 20, 000, 000 to finance its programmes under Head 063.

Head 064: Kampala

Proposed net expenditure Kshs. 67, 463, 219.

The Ministry proposes to raise Appropriations In Aid totalling Kshs. 5, 000, 000 from administrative fees and charges.

Observations: Generally the expenditure has decreased from Kshs 73, 175, 392 in 2008/2009 to Kshs. 67, 463, 219 in 2009/2010. The decreases are mainly on account of purchase of vehicles and other transport equipment which has been scaled to zero and scholarships.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 67, 463, 219 be allocated to the Ministry for the expenditure proposed in the items under Head 064 and that the Ministry be allowed to raise A-I-A of Kshs. 5, 000, 000 to finance its programmes under Head 064.

Head 065: UNON

Proposed net expenditure Kshs. 93, 628, 644.

The Ministry proposes to raise Appropriations In Aid totalling Kshs. 299, 900 from sale of plant machinery and equipment.

Observations: Generally the expenditure has increased from Kshs. 60, 125, 006 in 2008/2009 to Kshs. 93, 628, 644 in 2009/2010. The increases are mainly on account of basic salaries, personal allowance paid as part of salary, rentals of produced items, other operating expenses and refurbishment of buildings.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 93, 628, 644 be allocated to the Ministry for the expenditure proposed in the items under Head 065 and that the Ministry be allowed to raise A-I-A of Kshs. 299, 900 to finance its programmes under Head 065.

Head 066: Habitat

Proposed net expenditure Kshs. Zero.

Observations: The expenditure has decreased from Kshs 55, 021, 792 in 2008/2009 to Kshs. zero in 2009/2010.

The Committee is agreeable to the proposal by the Minister that Habitat and UNEP be put under UNON to reduce cost. The reduction is part of the rationalisation efforts by the Ministry.

Head 067: Harare

Proposed net expenditure Kshs. 78, 670, 770.

The Ministry proposes to raise Appropriations In Aid totalling Kshs. 3, 250, 000 from administrative fees and charges.

Observations: Generally the expenditure has slightly decreased from Kshs. 79, 638, 487 in 2008/2009 to Kshs. 78, 670, 770 in 2009/2010. The decrease is mainly on account of purchase of routine maintenance. Under the Head there is a new item, refurbishment of buildings at Kshs. 2, 000, 000.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 81, 920, 770 be allocated to the Ministry for the expenditure proposed in the items under Head 067 and that the Ministry be allowed to raise A-I-A of Kshs. 3, 250, 000 to finance its programmes under Head 067.

Head 068: Khartoum

Proposed net expenditure Kshs. 89, 667, 621.

The Ministry proposes to raise Appropriations In Aid totalling Kshs. 4, 400, 000 from administrative fees and charges.

Observations: Generally the expenditure has increased from Kshs. 79, 567, 485 in 2008/2009 to Kshs. 89, 667, 621 in 2009/2010. The increases are mainly on account of rentals of produced items, other operating expenses and scholarships.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 89, 667, 621 be allocated to the Ministry for the expenditure proposed in the items under Head 068 and that the Ministry be allowed to raise A-I-A of Kshs. 4, 400, 000 to finance its programmes under Head 068.

Head 069: Abu Dhabi

Proposed net expenditure Kshs. 97, 560, 948.

The Ministry proposes to raise Appropriations In Aid totalling Kshs. 14, 000, 000 from administrative fees and charges.

Observations: Generally the expenditure has increased from Kshs. 88, 359, 990 in 2008/2009 to Kshs. 97, 560, 948 in 2009/2010. The increases are mainly on account of personal allowance paid as part of salary, rentals of produced items and routine maintenance.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 97, 560, 948 be allocated to the Ministry for the expenditure proposed in the items under Head 069 and that the Ministry be allowed to raise A-I-A of Kshs. 14, 000, 000 to finance its programmes under Head 069.

Head 073: Dar Es Salaam

Proposed net expenditure Kshs. 81, 268, 208.

The Ministry proposes to raise Appropriations In Aid totalling Kshs. 1, 060, 000 from administrative fees and charges, sale of plant machinery, inventories, stocks and commodities.

Observations: Generally the expenditure has decreased from Kshs 101, 859, 101 in 2008/2009 to Kshs. 81, 268, 208 in 2009/2010. The decreases are mainly on account of basic salaries, purchase of household furniture and institutional equipment, purchase of office furniture and scholarships.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 81, 268, 208 be allocated to the Ministry for the expenditure proposed in the items under Head 073 and that the Ministry be allowed to raise A-I-A of Kshs. 1, 060, 000 to finance its programmes under Head 073.

Head 074: Islamabad

Proposed net expenditure Kshs. 91, 267, 505.

The Ministry proposes to raise Appropriations In Aid totalling Kshs. 4, 900, 000 million from administrative fees and charges.

Observations: Generally the expenditure has decreased from Kshs 102, 461, 599 in 2008/2009 to Kshs. 91, 267, 505 in 2009/2010. The decreases are mainly on account of purchase of vehicles and other transport equipment which has been scaled to zero and scholarships.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 91, 267, 505 be allocated to the Ministry for the expenditure proposed in the items under Head 074 and that the Ministry be allowed to raise A-I-A of Kshs. 4, 900, 000 to finance its programmes under Head 074.

Head 075: The Hague

Proposed net expenditure Kshs. 138, 096, 510.

The Ministry proposes to raise Appropriations In Aid totalling Kshs. 15, 000, 000 from administrative fees and charges.

Observations: Generally the expenditure has increased from Kshs. 109, 722, 812 in 2008/2009 to Kshs. 138, 096, 510 in 2009/2010. The increases are mainly on account of basic wages, personal allowances paid as part of salary, rentals of produced assets, other operating expenses, and scholarships.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 109, 722, 812 be allocated to the Ministry for the expenditure proposed in the items under Head 075 and that the Ministry be allowed to raise A-I-A of Kshs. 15, 000, 000 to finance its programmes under Head 075.

Head 076: Geneva

Proposed net expenditure Kshs. 285, 948, 908.

The Ministry proposes to raise Appropriation-In-Aid totalling Kshs. 10, 000, 000 million from administrative fees and charges.

Observations: Generally the expenditure has increased from Kshs. 249, 818, 988 in 2008/2009 to Kshs. 285, 948, 908 in 2009/2010. The increases are mainly on account of personal allowances paid as part of salary, rentals of produced items and scholarships.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 285, 948, 908 be allocated to the Ministry for the expenditure proposed in the items under Head 076 and that the Ministry be allowed to raise A-I-A of Kshs. 10, 000, 000 to finance its programmes under Head 076.

Head 077: Mission to Somali

Proposed net expenditure Kshs. 52, 499, 950.

Observations: Generally the expenditure has decreased from Kshs. 61, 014, 546 in 2008/2009 to Kshs. 52, 499, 950 in 2009/2010. The decreases are mainly on account of purchase of specialised plant and equipment, purchase of office and household furniture and scholarships.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 52, 499, 950 be allocated to the Ministry for the expenditure proposed in the items under Head 078.

Head 078: Los Angeles

Proposed net expenditure Kshs. 59, 395, 027.

The Ministry proposes to raise Appropriation-In-Aid totalling Kshs. 18, 000, 000 million from administrative fees and charges.

Observations: Generally the expenditure has decreased from Kshs. 61, 648, 044 in 2008/2009 to Kshs. 59, 395, 027 in 2009/2010. The decreases are mainly on account of purchase of office furniture and general equipment and hospitality supplies and services.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 59, 395, 027 be allocated to the Ministry for the expenditure proposed in the items under Head 078 and that the Ministry be allowed to raise A-I-A of Kshs. 18, 000, 000 to finance its programmes under Head 078.

Head 184: Foreign Service Institute

Proposed net expenditure Kshs. 24, 914, 704.

Observations: This is a new budget item. The expenditure is expected to increase in the medium term.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 24, 914, 704 be allocated to the Ministry for the expenditure proposed in the items under Head 184.

Head 231: Bujumbura

Proposed net expenditure Kshs. 60, 300, 838.

The Ministry proposes to raise Appropriations In Aid totalling Kshs. 500, 000 million from administrative fees and charges.

Observations: Generally the expenditure has decreased from Kshs. 62, 337, 338 in 2008/2009 to Kshs. 60, 300, 838 in 2009/2010. The decreases are mainly on

account of purchase of specialised plant, equipment and machinery, purchase of furniture, scholarships and routine maintenance.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 60, 300, 838 be allocated to the Ministry for the expenditure proposed in the items under Head 231 and that the Ministry be allowed to raise A-I-A of Kshs. 500, 000 to finance its programmes under Head 231.

Head 253: Tel Aviv

Proposed net expenditure Kshs. 116, 858, 106.

The Ministry proposes to raise Appropriations In Aid totalling Kshs. 3, 259, 885 from rents and administrative fees and charges.

Observations: Generally the expenditure has increased from Kshs. 114, 463, 541 in 2008/2009 to Kshs. 116, 858, 106 in 2009/2010. The increases are mainly on account of foreign travel, specialised materials and supplies, routine maintenance, other operating expenses and scholarships.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 116, 858, 106 be allocated to the Ministry for the expenditure proposed in the items under Head 253 and that the Ministry be allowed to raise A-I-A of Kshs. 3, 259, 885 to finance its programmes under Head 253.

Head 262: Pretoria

Proposed net expenditure Kshs. 123, 939, 998.

The Ministry proposes to raise Appropriations In Aid totalling Kshs. 5, 800, 000 from administrative fees and charges and sale of vehicles and transport equipment.

Observations: Generally the expenditure has increased from Kshs. 102, 621, 355 in 2008/2009 to Kshs. 123, 939, 998 in 2009/2010. The increases are mainly on account of personal allowance paid as part of salary, personal allowance paid as reimbursements, rentals of produced items and scholarships.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 123, 939, 998 be allocated to the Ministry for the expenditure proposed in the items under Head 262 and that the Ministry be allowed to raise A-I-A of Kshs. 5, 800, 000 to finance its programmes under Head 262.

Head 284: Vienna

Proposed net expenditure Kshs. 146, 035, 528.

The Ministry proposes to raise Appropriations In Aid totalling Kshs. 2, 710, 000 million from administrative fees and charges, receipts not classified elsewhere and sale of vehicles and transport equipment.

Observations: Generally the expenditure has increased from Kshs. 130, 889, 934 in 2008/2009 to Kshs. 146, 035, 528 in 2009/2010. The increases are mainly on account of basic wages, personal allowance paid as part of salary, employer contributions to compulsory health insurance schemes, rentals of produced assets and scholarships.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 146, 035, 528 be allocated to the Ministry for the expenditure proposed in the items under Head 284 and that the Ministry be allowed to raise A-I-A of Kshs. 2, 710, 000 to finance its programmes under Head 284.

Head 299: Kuala Lumpur

Proposed net expenditure Kshs. 67, 967, 636.

The Ministry proposes to raise Appropriations In Aid totalling Kshs. 1, 000, 000 from administrative fees and charges and sale of vehicles and transport equipment.

Observations: Generally the expenditure has decreased from Kshs. 76, 023, 563 in 2008/2009 to Kshs. 67, 967, 636 in 2009/2010. The decreases are mainly on account of personal allowance paid as part of salary, communication, supplies and services, domestic travel, routine maintenance- other assets, purchase of office and house hold furniture and scholarships.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 67, 967, 636 be allocated to the Ministry for the expenditure proposed in the items under Head 299 and that the Ministry be allowed to raise A-I-A of Kshs. 1, 000, 000 to finance its programmes under Head 299.

Head 369: Kuwait

Proposed net expenditure Kshs. 79, 587, 940.

The Ministry proposes to raise Appropriations In Aid totalling Kshs. 1, 000, 000 million from administrative fees and charges.

Observations: Generally the expenditure has increased from Kshs. 76, 409, 044 in 2008/2009 to Kshs. 79, 587, 940 in 2009/2010. The increases are mainly on account of foreign travel, rentals of produced assets and scholarships.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 79, 587, 940 be allocated to the Ministry for the expenditure proposed in the items under Head 369 and that the Ministry be allowed to raise A-I-A of Kshs. 1, 000, 000 to finance its programmes under Head 369.

Head 370: Dublin

Proposed net expenditure Kshs. 100, 144, 268.

The Ministry proposes to raise Appropriations In Aid totalling Kshs. 1, 600, 000 million from administrative fees and charges.

Observations: Generally the expenditure has increased from Kshs. 97, 979, 532 in 2008/2009 to Kshs. 100, 144, 268 in 2009/2010. The increases are mainly on account of personal allowance paid as part of salary, personal allowance paid as reimbursements, domestic travel and subsistence, foreign travel and rentals of produced assets.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 100, 144, 268 be allocated to the Ministry for the expenditure proposed in the items under Head 370 and that the Ministry be allowed to raise A-I-A of Kshs. 1, 600, 000 to finance its programmes under Head 370.

Head 378: Madrid

Proposed net expenditure Kshs. 163, 047, 760.

The Ministry proposes to raise Appropriation-In-Aid totalling Kshs. 1, 500, 000 from administrative fees and charges.

Observations: Generally the expenditure has increased from Kshs. 124, 724, 980 in 2008/2009 to Kshs. 163, 047, 760 in 2009/2010. The increases are mainly on account of basic salaries and wages, personal allowance paid as part of salary, employer contributions to compulsory national social security and health insurance schemes, rentals of produced assets, printing, advertising, and information supplies and services and scholarships.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 163, 047, 760 be allocated to the Ministry for the expenditure proposed in the items under Head 378 and that the Ministry be allowed to raise A-I-A of Kshs. 1, 500, 000 to finance its programmes under Head 378.

Head 383: Seoul

Proposed net expenditure Kshs. 89, 038, 960.

The Ministry proposes to raise Appropriation-In-Aid totalling Kshs. 4, 500, 000 from administrative fees and charges.

Observations: Generally the expenditure has increased from Kshs. 80, 244, 168 in 2008/2009 to Kshs. 89, 038, 960 in 2009/2010. The increases are mainly on account of basic wages, personal allowance paid as part of salary, utility supplies and services and rentals of produced assets.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 89, 038, 960 be allocated to the Ministry for the expenditure proposed in the items under Head 383 and that the Ministry be allowed to raise A-I-A of Kshs. 4, 500, 000 to finance its programmes under Head 383.

Head 417: Kigali

Proposed net expenditure Kshs. 68, 713, 826.

The Ministry proposes to raise Appropriation-In-Aid totalling Kshs. 700, 000 from administrative fees and charges.

Observations: Generally the expenditure has decreased from Kshs. 69, 717, 740 in 2008/2009 to Kshs. 68, 713, 826 in 2009/2010. The decreases are mainly on account of basic wages, personal allowance paid as reimbursement, domestic travel, and scholarships. There is however a marked increase in expenditure on rentals of produced assets.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 68, 713, 826 be allocated to the Ministry for the expenditure proposed in the items under Head 417 and that the Ministry be allowed to raise A-I-A of Kshs. 700, 000 to finance its programmes under Head 417.

Head 420: Canberra

Proposed net expenditure Kshs. 94, 463, 372.

The Ministry proposes to raise Appropriation-In-Aid totalling Kshs. 12, 500, 000 million from administrative fees and charges.

Observations: Generally the expenditure has slightly increased from Kshs. 93, 582, 924 in 2008/2009 to Kshs. 94, 463, 372 in 2009/2010. The increases are mainly on account of basic wages, utility supplies and services, and fuel oil and lubricants.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 94, 463, 372 be allocated to the Ministry for the expenditure proposed in the items under Head 420 and that the Ministry be allowed to raise A-I-A of Kshs. 12, 500, 000 to finance its programmes under Head 420.

Head 421: Tehran

Proposed net expenditure Kshs. 72, 598, 621.

The Ministry proposes to raise Appropriation-In-Aid totalling Kshs. 3, 000, 000 from administrative fees and charges.

Observations: Generally the expenditure has increased from Kshs. 64, 549, 724 in 2008/2009 to Kshs. 72, 598, 621 in 2009/2010. The increases are mainly on account of basic wages, personal allowance paid as part of salary, utility supplies and services, domestic travel, rentals of produced assets and other operating expenses.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 72, 598, 621 be allocated to the Ministry for the expenditure proposed in the items under Head 421 and that the Ministry be allowed to raise A-I-A of Kshs. 3, 000, 000 to finance its programmes under Head 421.

Head 422: Windhoek

Proposed net expenditure Kshs. 82, 051, 684.

The Ministry proposes to raise Appropriations In Aid totalling Kshs. 950, 000 from administrative fees and charges, rents and VAT on domestic goods and services.

Observations: Generally the expenditure has increased from Kshs. 76, 655, 256 in 2008/2009 to Kshs. 82, 051, 684 in 2009/2010. The increases are mainly on account of basic salaries and wages, personal allowance paid as part of salary, personal allowance paid as reimbursement, utility supplies and services, insurance costs, office and general supplies and services, other operating expenses, routine maintenance – other assets and overhaul of vehicles and other transport equipment.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 82, 051, 684 be allocated to the Ministry for the expenditure proposed in the items under Head 422 and that the Ministry be allowed to raise A-I-A of Kshs. 950, 000 to finance its programmes under Head 422.

Head 470: Brasilia

Proposed net expenditure Kshs. 136, 948, 449.

The Ministry proposes to raise Appropriations In Aid totalling Kshs. 600, 000 from administrative fees and charges.

Observations: Generally the expenditure has increased from Kshs. 123, 029, 602 in 2008/2009 to Kshs. 136, 948, 449 in 2009/2010. The increases are mainly on account of basic salaries, personal allowance paid as reimbursements, utility supplies and services, employer contributions to compulsory national social security schemes, domestic and foreign travel, rentals of produced assets and scholarships.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 136, 948, 449 be allocated to the Ministry for the expenditure proposed in the items under Head 470 and that the Ministry be allowed to raise A-I-A of Kshs. 600, 000 to finance its programmes under Head 470.

Head 476: Thailand

Proposed net expenditure Kshs. 82, 878, 422.

The Ministry proposes to raise Appropriation-In-Aid totalling Kshs. 650, 000 from administrative fees and charges.

Observations: Generally the expenditure has slightly increased from Kshs. 82, 068, 460 in 2008/2009 to Kshs. 82, 878, 42 in 2009/2010. The increases are mainly on account of utility supplies and services, foreign travel, insurance costs, other operating expenses, purchase of household furniture and institutional equipment and rentals of produced assets.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 82, 878, 422 be allocated to the Ministry for the expenditure proposed in the items under Head 476 and that the Ministry be allowed to raise A-I-A of Kshs. 650, 000 to finance its programmes under Head 476.

Head 566: Gaborone

Proposed net expenditure Kshs. 62, 408, 990.

The Ministry proposes to raise Appropriations In Aid totalling Kshs. 2, 200, 000 million from administrative fees and charges.

Observations: Generally the expenditure has decreased from Kshs. 66, 446, 723 in 2008/2009 to Kshs. 62, 408, 990 in 2009/2010. The decreases are mainly on account of rentals of produced assets, hospitality supplies and services, routine maintenance – other assets, purchase of furniture and General Equipment and scholarships.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 62, 408, 990 be allocated to the Ministry for the expenditure proposed in the items under Head 566 and that the Ministry be allowed to raise A-I-A of Kshs. 2, 200, 000 to finance its programmes under Head 566.

Head 727: Tripoli

Proposed net expenditure Kshs. 70, 148, 832.

Observations: Generally the expenditure has increased from Kshs. 64, 394, in 2008/2009 to Kshs. 67,670, 148, 832 in 2009/2010. The increases are mainly on account of basic salaries and wages, personal allowance paid as part of salary, personal allowance paid as reimbursement, utility supplies and services,

domestic and foreign travel, rentals of produced assets, fuel oil and lubricants and scholarships.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 70, 148, 832 be allocated to the Ministry for the expenditure proposed in the items under Head.

Head 728: Juba

Proposed net expenditure Kshs. 70, 804, 074.

The Ministry proposes to raise Appropriations In Aid totalling Kshs. 4, 500, 000 from administrative fees and charges.

Observations: Generally the expenditure has increased from Kshs. 67, 046, 144 in 2008/2009 to Kshs. 70, 804, 074 in 2009/2010. The increases are mainly on account of basic salaries and wages, utility supplies and services, domestic and foreign travel, fuel oil and lubricants, rentals of produced assets, specialised materials and supplies and scholarships.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 70, 804, 074 be allocated to the Ministry for the expenditure proposed in the items under Head 728 and that the Ministry be allowed to raise A-I-A of Kshs. 4, 500, 000 to finance its programmes under Head 728.

Head 070: United Nations Organisations

Proposed net expenditure Kshs. 58, 500, 000. The allocation is for Membership Fees and Dues and Subscriptions to International Organisation.

Observations: Generally the expenditure has increased from Kshs. 16, 500, 000 in 2008/2009 to Kshs. 58, 500, 000 in 2009/2010.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 58, 500, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 070.

Head 071: Commonwealth

Proposed net expenditure Kshs. 29, 000, 000. The allocation is for Membership Fees and Dues and Subscriptions to International Organisation

Observations: The expenditure remains constant at Kshs. 29, 000, 000 in 2008/2009 and 2009/2010 Budget but projected to increase in the Medium Term.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 29, 000, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 070.

Head 072: African Union

Proposed net expenditure Kshs. 235, 000, 000. The allocation is for Membership Fees and Dues and Subscriptions to International Organisation

Observations: Generally the expenditure has increased from Kshs. 185, 000, 000 in 2008/2009 to Kshs. 235, 000, 000 in 2009/2010.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 235, 000, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 072.

Head 087: Grants to International Organisations

Proposed net expenditure Kshs. 12, 100, 000. The allocation is for Membership Fees and Dues and Subscriptions to International Organisation

Observations: The expenditure has decreased from Kshs. 14, 600, 000 in 2008/2009 to Kshs. 12, 100, 000 in 2009/2010.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 12, 100, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 087.

5.3.2 ANALYSIS OF THE DEVELOPMENT ALLOCATION

The net Development Estimate for the Ministry for the Financial Year 2009/2010 amounts to Kshs. 1, 055, 000. The allocation is for capital expenditure, including general administration and planning and diplomatic representation.

Head 043: Headquarters Administrative Services

Proposed net Expenditure Kshs. 212, 500, 000.

Observations: The expenditure has increased from Kshs. 128, 750, 000 in 2008/2009 to Kshs. 212, 500, 000 in 2009/2010. The increase is on account of purchase of buildings and purchase of specialised plant, equipment and machinery.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 212, 500, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 043.

Head 044: New York

Proposed net Expenditure Kshs. 2, 500, 000.

Observations: The expenditure has decreased from Kshs. 5, 000, 000 in 2008/2009 to Kshs. 2, 500, 000 in 2009/2010. The decrease is on account of refurbishment of buildings.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 2, 500, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 044.

Head 045: Washington

Proposed net Expenditure Kshs. 2, 500, 000.

Observations: The expenditure has decreased from Kshs. 10, 000, 000 in 2008/2009 to Kshs. 2, 500, 000 in 2009/2010. The decrease is on account of refurbishment of buildings.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 2, 500, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 045.

Head 046: London

Proposed net Expenditure Kshs. 5, 000, 000

Observations: The expenditure has decreased from Kshs. 13,125, 000 in 2008/2009 to Kshs. 5, 000, 000 in 2009/2010. The decrease is on account of refurbishment of buildings.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 5, 000, 000 be allocated to the Ministry for the proposed refurbishment of buildings in the London Mission.

Head 050: Kinshasa

Proposed net Expenditure Kshs. 2, 500, 000.

Observations: this is anew expenditure item on account of refurbishment of buildings.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 2, 500, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 050.

Head 051: Lusaka

Proposed net Expenditure Kshs. 7, 500, 000.

Observations: The expenditure has decreased from Kshs. 10, 000, 000 in 2008/2009 to Kshs. 7, 500, 000 in 2009/2010. The decrease is on account of refurbishment of buildings.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 7, 500, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 051.

Head 052: Paris

Proposed net Expenditure Kshs. 5, 000, 000.

Observations: The expenditure has decreased from Kshs. 5, 500, 000 in 2008/2009 to Kshs. 5, 000, 000 in 2009/2010. The decrease is on account of refurbishment of buildings.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 5, 000, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 052.

Head 056: Abuja

Proposed net Expenditure Kshs. 230, 000, 000.

Observations: The expenditure has increased from Kshs. 2, 000, 000 in 2008/2009 to Kshs. 230, 000, 000 in 2009/2010. The increase is on account of construction of Building.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 230, 000, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 056.

Head 059: Brussels

Proposed net Expenditure Kshs. 12, 500, 000.

Observations: The expenditure has decreased from Kshs. 15, 500, 000 in 2008/2009 to Kshs. 12, 500, 000 in 2009/2010. The decrease is on account of refurbishment of Buildings.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 12, 500, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 059.

Head 061: Tokyo

Proposed net Expenditure Kshs. 380, 000, 000.

Observations: The expenditure has decreased from Kshs. 1, 200, 000, 000 in 2008/2009 to Kshs. 380, 000, 000 in 2009/2010. The decrease is on account of purchase of buildings.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 380, 000, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 061.

Head 062: Beijing

Proposed net Expenditure Kshs. 2, 500, 000.

Observations: The expenditure has decreased from Kshs. 5, 000, 000 in 2008/2009 to Kshs. 2, 500, 000 in 2009/2010. The decrease is on account of refurbishment of buildings.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 2, 500, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 062.

Head 063: Rome

Proposed net Expenditure Kshs. 17, 500, 000.

Observations: The expenditure has decreased from Kshs. 20, 000, 000 in 2008/2009 to Kshs. 17, 500, 000 in 2009/2010. The decrease is on account of refurbishment of buildings.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 17, 500, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 063.

Head 064: Kampala

Proposed net Expenditure Kshs. 2, 500, 000.

Observations: This a new budget item for the purchase of Buildings.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 2, 500, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 064.

Head 073: Dar Es Salaam

Proposed net Expenditure Kshs. 50, 000, 000.

Observations: The expenditure has decreased from Kshs. 80, 000, 000 in 2008/2009 to Kshs. 50, 000, 000 in 2009/2010. The decrease is on account of construction of buildings.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 50, 000, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 073.

Head 074: Islamabad

Proposed net Expenditure Kshs. 70, 000, 000.

Observations: The expenditure has decreased from Kshs. 262, 834, 080 in 2008/2009 to Kshs. 70, 000, 000 in 2009/2010. The decrease is on account of construction of buildings.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 70, 000, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 074.

Head 075: The Hague

Proposed net Expenditure Kshs. 2, 500, 000.

Observations: The expenditure has decreased from Kshs. 10, 000, 000 in 2008/2009 to Kshs. 2, 500, 000 in 2009/2010. The decrease is on account of refurbishment of buildings.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 2, 500, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 075.

Head 076: Geneva

Proposed net Expenditure Kshs. 2, 500, 000.

Observations: This is a new budget item for purchase of buildings.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 2, 500, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 076.

Head 417: Kigali

Proposed net Expenditure Kshs. 2, 500, 000.

Observations: This is a new budget item for construction of building.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 2, 500, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 417.

Head 422: Windhoek

Proposed net Expenditure Kshs. 45, 000, 000.

Observations: The expenditure has decreased from Kshs. 50, 000, 000 in 2008/2009 to Kshs. 45, 000, 000 in 2009/2010. The decrease is on account of refurbishment of buildings.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 45, 000, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 422.

5.4 OBSERVATIONS

The Committee observed that the Ministry faces the following challenges:-

- (i) Volatility of the exchange rate of major currencies leads to huge foreign exchange losses amounting to Kshs. 40 million when remitting funds to missions abroad.
- (ii) The Government directive to reduce visa fees by 50% will impact negatively on the performance of Ministry whose Missions abroad rely on AIA accrued from visa fees. The directive is expected to reduce the revenue base by Kshs. 745 million.
- (iii) In spite the reduction in visa fees there is no corresponding increase of visa applicants.
- (iv) Late disbursement of exchequer releases by treasury constraints the operations and implementation of the Ministry's programmes. The delay leads to failure to meet contractual obligations.
- (v) Disharmony between the public procurement and disposal act and the procurement in countries where missions are located abroad leads to delays in implementing procurement plans.

5.4 RECOMMENDATIONS

From the submissions and observations the Committee recommends that:-

- (i) Parliament approves the Ministry's Budget
- (ii) The Ministry of Finance should expedite release of exchequer so as to enable the Ministry implement its operations and programmes as well as to meet contractual obligations.
- (iii) The Government should rescind its directive to reduce visa fees by 50%. The decrease in visa fees has negatively impacted on the Ministry's resource base and has not realised any increase in visa applicants or visitors to the country.

MINUTES OF THE 12TH SITTING OF THE DEPARTMENTAL COMMITTEE ON DEFENCE AND FOREIGN RELATIONS HELD ON WEDNESDAY, 29TH JULY, 2009, IN CONTINENTAL HOUSE, 4TH FLOOR, PARLIAMENT BUILDINGS AT 4.00 PM.

PRESENT

The Hon. Adan Keynan, M.P. - **Chairperson**
The Hon. Benedict Fondo Gunda, M.P.
The Hon. Charles Kilonzo, M.P.
The Hon. Wilson Mwotiny Litole, M.P.
The Hon. Jeremiah Ngayu Kioni, M.P.
The Hon. Julius Kiema Kilonzo, M.P.
The Hon. George Nyamweya, M.P.
The Hon. Peter Edick O. Anyanga, M.P.
The Hon. Eugene Wamalwa, M.P.

ABSENT

The Hon. Hassan Joho, M.P. – **Vice Chairperson**
The Hon. Joshua Kutuny, M.P.

IN ATTENDANCE:

KENYA NATIONAL ASSEMBLY

Mr. Nicholas Emejen - Clerk Assistant
Ms. Ruth Mwhaki - Intern

PRELIMINARY

The meeting started with a word of prayer, and thereafter the Chairperson welcomed the Members and thanked them for attending the meeting.

MIN. NO. 44/2009 – CONFIRMATION OF MINUTES OF THE PREVIOUS SITTING

Minutes of the Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth and Eleventh Sittings were confirmed as the true records of proceedings and signed by the Chair.

MIN. NO. 45/2009 – MATTERS ARISING

Ministry of Foreign Affairs

The Committee noted with concern that the Ministry of Foreign Affairs unilaterally nominates Members of Parliament to attend functions organised by the Ministry. The Committee resolved that in future the Ministry should write

The Committee made the following recommendations on the Estimates of assigned Ministries and department:-

Ministry of State for Defence

- (i) The Ministry should in future itemise its budget to enable full scrutiny, transparency and accountability, but to the extent that national security is not jeopardised.
- (ii) The Ministry should fast track its modernisation programme so as to be able to offer credible deterrence on external threats to sovereignty and defend Kenya's territorial integrity.
- (iii) The Ministry of Defence's Budget be increased from the current 1.7% to 3% of the Gross Domestic Product (GDP), in line with international practise, so as to enable the Ministry modernise the country's military capability.
- (iv) The Government Ministries that request the Department of Defence to offer humanitarian assistance should refund the department for services rendered. This will ensure that the department does not fall short of its budgetary targets.

National security intelligence service

- (i) That the service should in the next financial year allocate a large part of its allocation for modernisation.
- (ii) The budget of the service be itemised to enable scrutiny and for purposes of transparency and accountability.

Ministry of East African Community

- (i) Ministry should in future rationalise its expenditure on travel and hospitality which take a large share of the Ministry's resources.
- (ii) Ministry to strengthen advocacy and publicity of the integration agenda.

Ministry of Foreign Affairs

- (i) Ministry be allocated funds to:-
 - Establish a diplomatic zone
 - Fund for technical cooperation
- (ii) The Ministry of Finance should expedite exchequer releases to enable Ministry undertake projects and meet contractual obligations in foreign missions in time.

Prof. Egara Kabaji – Head Public Affairs and Communications
Mr. Anthony Masinde – Ag. Chief Finance Officer
Mr. Peter J. M. Thumbi - Finance Officer (Treasury)
Mr. S. J. Maasai – Third Secretary
Mr. Thomas Okemwa – Senior Accountant
Bernard I. Wekesa - HRMO

PRELIMINARY

The meeting started with a word of prayer, and thereafter the Chairman welcomed the Members and thanked them for attending the meeting.

MIN. NO. 32/2009: ADMINISTRATIVE ISSUES TOUCHING ON THE MINISTRY

The Committee raised concerns with the ministry on the lack of proper facilitation for Committee members accompanying the Ministry in foreign visits notably the recent trip to Dar-es-Salaam.

The Minister informed the Committee that for the Dar-es-Salaam visit, the list of Members of Parliament invited had been reached jointly and in consultation with the Speaker and Clerks office. Facilitation for the Members of Parliament was to be by the National Assembly.

MIN. NO. 33/2009: BUDGET SCRUTINY FOR THE MINISTRY OF FOREIGN AFFAIRS **(VOTE R. 04 AND D. 04)**

The Minister laid Papers titled;

- (i) Ministers Statement on Financial Estimates of the Ministry.*
- (ii) Disaggregated Budget for Recurrent and Development Votes for the Financial Year 2009/2010.*

The Committee was informed that:-

(i) Ministry's mandate

The Mandate of the Ministry is as spelt out in the Presidential Circular No.1 of May 2008 and arising from it are its core functions which include among others; Formulation, coordination and articulation of Kenya's Foreign Policy; Management of external relations including coordination of International Cooperation and promotion of economic, external trade and investment relations, custodian of rules of engagement with the diplomatic community among others.

PRELIMINARY

The meeting started with a word of prayer, and thereafter the Chairman welcomed the Members and thanked them for attending the meeting.

MIN. NO. 28 /2009: MEETING WITH THE MINISTER FOR FOREIGN AFFAIRS

The Committee noted with concern that the Minister for Foreign Affairs had failed to appear before the Committee even after he had requested a rescheduling of the meeting.

After deliberations the Committee resolved that in light of the importance of the Ministry's Budget on the life of Kenyan's the Minister be allowed to present the Ministry's Budget before the Committee for scrutiny on Tuesday, July 21st, 2009 at 10.00 am.

MIN. NO. 29 /2009: BUDGET SCRUTINY FOR THE MINISTRY OF EAST AFRICAN COMMUNITY (VOTE R. 24 AND D. 24)

The following Papers were laid before the Committee:-

Paper laid

The Minister made a presentation to the Committee on the Ministry's estimates for the FY2009/2010 and tabled the following papers:-

- (i) Presidential Circular No.1/2008
- (ii) The Treaty for the Establishment of the East African Community
- (iii) Letter to the P.S Ministry of State for Public Service on Creation of New Posts in the MEAC.
- (iv) Letter to the P.S Ministry of Finance on Consolidation of Kenyan Financial Contributions to The East African Community under the Ministry of East African Community
- (v) Letter to the P.S Ministry of Finance on Proposal for Support to the Regional East African integration Programme (REAP)
- (vi) Letter from the P.S Ministry of Finance on Pending Bills in Respect to the Somali Peace Process.
- (vii) Draft EAC time bound Programme for Elimination of Identified non-tariff Barriers (NTBs)
- (viii) The rationale for the Establishment of Regional Integration Centers
- (ix) Staffing level of the Ministry 2009/2010
- (x) Revised Strategic Plan 2008-2012
- (xi) Item Analysis Vote R 24 Ministry of East African Community
- (xii) Calendar of EAC Activities for the Period July-December 2009

- (xiii) Vote D24, Development Expenditure Estimates 2009/2010 and projected Estimates for 2010/2011- 2011/2012
- (xiv) List of Kenyan Nationals employed in the East African Community
- (xv) East African Community 10th Summit of EAC Heads of State;
- (xvi) Progress Report of the Council of Ministers (For the Period July 2008-April 2009)

The Committee heard that:-

- (i) The mandate of the Ministry of EAC is to co-ordinate the Integration of Kenya into EAC as outlined in the Presidential Circular No. 1/2008 of May 2008 but conflict arises, between the Ministries of East African Community and Foreign Affairs, when it comes to co-ordination of State visits and other issues of national interest like the boundary dispute over Migingo.
- (ii) The Ministry had requested donors (DFID) through Treasury to support its development activities. The Variance of Kshs. 10.9 Million between the requested amount (Kshs. 110 Million and allocated amount Kshs. 120.9 Million) in the Development vote is attributed to donor response to the Ministry's request.
- (iii) The Establishment and funding of Regional Integration Centers has been necessitated by the need to establish the physical presence of the Ministry at key border posts with the sole purpose of assisting to harmonize the understanding of Custom Union and Common Market Issues.
- (iv) Training will involve publicity and advocacy at the grass root level, organizing events and other functions related to integration in terms of Education, public Discussions etc. The bulk of funding for training is from DFID.
- (v) Allocations to the Somali Peace Process Pending Bills was made in the 2005/2006 and 2006/2007 financial years. Treasury allocated money to the Ministry and requested that it pays the pending bills arising from the Somali peace process even though the Ministry of Foreign Affairs was the one handling the peace process.
- (vi) In view of the expanded role of the Ministry with the expansion of the Community, the envisaged onset of the Common Market

protocol and the need to scale up awareness to a cross section of Kenyans including private sector and media foreign travel and hospitality expenditure by the Ministry is expected to increase.

The Ministry's hospitality expenditure items include; Hosting EAC and regional Conferences and Seminars; Hosting EAC Summit, Council and Sectoral Preparatory Meetings; Hosting meetings with Development partners, EAC missions, inter Ministerial committee meetings and taskforces/retreats/workshops and other meetings meant to undertake special assignments Etc. The increase in the current Financial Year's allocation for hospitality (Kshs. 31,421,520 Million) will cater for increased activities in the EAC calendar of events.

Expenditure on Foreign travel in the 2008/2009 Financial Year amounted to Kshs. 35 million. The increase of Kshs. 7 million in the current Financial Year is justified as the EAC has continued to expand (with the inclusion of two new partners). The signing of the common market expected at the end of 2009; negotiations for the monetary union expected to start and full implementation of the Customs Union at the beginning of 2010 all imply increased levels of activities in the current Financial Year.

(vii) The Ministry has 138 in-post Staff and has a shortage of senior technical staff. It expects to recruit 15 staff in this financial year. Money allocated for training will be use in training the newly recruited staff and building capacity.

(viii) The Ministry has requested for funding for purchase of land and construction of Ministry headquarters. Currently, the Ministry occupies four floors at the Cooperative Bank Building and is incurring high expenditure on rent (Kshs. 21 Million p.a.)

The Ministry is in the process of providing office space for EALA Members office. The Ministry will also develop a cabinet paper on the remuneration of EALA MP's Kenya Chapter.

(ix) Kenya receives enormous benefits from employment opportunities, projects and programs, as well as in growth in Trade. Projects and programs gives Kenya benefits valued at

estimated at Kshs. 140 billion. These results reveal that Kenya gains significantly from the regional projects. Currently there are 56 posts in the EAC filled by Kenyans. The posts range from Deputy Secretary General to Support staff, distributed in the various organs and institutions of EAC.

The Minister appealed to the Committee to support the Ministry's Budget in the House so as to enable the it undertake the projects and targets it had set during the 2009/2010 Financial Year.

MIN 30/2009: ANY OTHER BUSINESS

The Committee raised concern over the remuneration of EALA members from Kenya and requested the minister to raise the in cabinet so as to enhance the package of EALA MP's. The Minister informed the Committee that the Ministry is already looking at the issue and will keep the Committee updated on the matter.

The Minister informed the Committee that through a Policy paper by the Ministry, it had been resolved that the Departmental Committee on Defence and Foreign relations be involved when the ministry is dealing with crucial issues in the region so as to help set the integration agenda in the House.

The Minister further informed Members that he was to accompany the President on a state visit to Tanzania from 16th -18th July, 2009 and had written to the Speaker requesting the Committee to propose six Members to accompany him in the visit so as to expose members on bilateral and regional issued of the community. The Committee after consultations, proposed the following Members to accompany the Minister:-

- (i) The Hon. Adan Keynan, MP
- (ii) The Hon Charles Kilonzo, MP
- (iii) The Hon Wilson M. Litole, MP
- (iv) The Hon. Kiema J. Kilonzo, MP
- (v) The Hon. Peter E. O. Anyanga, MP

MIN. NO.31/2009 - ADJOURNMENT

There being no other business, the Chairman adjourned the meeting at Five Minutes past one O'clock.

Signed:signed.....

Date:

(Chairperson)

MINUTES OF THE 11TH SITTING OF THE DEPARTMENTAL COMMITTEE ON DEFENCE AND FOREIGN RELATIONS HELD ON TUESDAY, 28TH JULY, 2009, IN CONTINENTAL HOUSE, 4TH FLOOR, PARLIAMENT BUILDINGS AT 10.00 AM.

PRESENT

The Hon. Adan Keynan, M.P. - **Chairperson**
The Hon. Benedict Fondo Gunda, M.P.
The Hon. Charles Kilonzo, M.P.
The Hon. Wilson Mwotiny Litole, M.P.
The Hon. Jeremiah Ngayu Kioni, M.P.
The Hon. Julius Kiema Kilonzo, M.P.

ABSENT

The Hon. Hassan Joho, M.P - **Vice Chairperson**
The Hon. Eugene Wamalwa, M.P.
The Hon. Joshua Kutuny, M.P.
The Hon. George Nyamweya, M.P.
The Hon. Peter Edick O. Anyanga, M.P.

IN ATTENDANCE:

KENYA NATIONAL ASSEMBLY

Mr. Nicholas Emejen - Clerk Assistant
Ms. Ruth Mwhaki - Intern

PRELIMINARY

The meeting started with a word of prayer, and thereafter the Chairperson welcomed the Members and thanked them for attending the meeting.

MIN. NO. 40/2009 – CONFIRMATION OF MINUTES OF THE PREVIOUS SITTING

Confirmation of Minutes of the previous sittings was deferred to the next meeting.

MIN. NO. 41/2009 – CONSIDERATION OF DRAFT REPORT ON SCRUTINY OF ESTIMATES FOR FINANCIAL YEAR 2009/2010

The Committee considered the draft report on the Estimates of the Ministries state for defence, East African Community, Foreign Affairs and the National Security Intelligence Service.

The Committee made the following recommendations on the Estimates of assigned Ministries and department:-

Ministry of State for Defence

- (i) The Ministry should in future itemise its budget to enable full scrutiny, transparency and accountability, but to the extent that national security is not jeopardised.
- (ii) The Ministry should fast track its modernisation programme so as to be able to offer credible deterrence on external threats to sovereignty and defend Kenya's territorial integrity.
- (iii) The Ministry of Defence's Budget be increased from the current 1.7% to 3% of the Gross Domestic Product (GDP), in line with international practise, so as to enable the Ministry modernise the country's military capability.
- (iv) The Government Ministries that request the Department of Defence to offer humanitarian assistance should refund the department for services rendered. This will ensure that the department does not fall short of its budgetary targets.

National security intelligence service

- (i) That the service should in the next financial year allocate a large part of its allocation for modernisation.
- (ii) The budget of the service be itemised to enable scrutiny and for purposes of transparency and accountability.

Ministry of East African Community

- (i) Ministry should in future rationalise its expenditure on travel and hospitality which take a large share of the Ministry's resources.
- (ii) Ministry to strengthen advocacy and publicity of the integration agenda.

Ministry of Foreign Affairs

- (i) Ministry be allocated funds to:-
 - Establish a diplomatic zone
 - Fund for technical cooperation
- (ii) The Ministry of Finance should expedite exchequer releases to enable Ministry undertake projects and meet contractual obligations in foreign missions in time.

- (iii) The Government should rescind its directive to reduce visa fees by 50%. The decrease in visa fees has negatively impacted on the Ministry's resource base and has

MIN. NO. 42/2009 – ANY OTHER BUSINESS

The Committee noted with concern that diplomatic representation in Kenyan missions abroad is embarrassing particularly the mission in London. Other missions with diplomatic issues include Tokyo, Washington and Kampala.

The Committee resolved to invite the Minister of Foreign Affairs to address the following issues:-

- (i) Foreign service allowance and salaries for diplomats;
- (ii) Double appointment of representatives to missions abroad;
- (iii) Efforts by the Ministry to improve Kenya's diplomatic standing in the international community;
- (iv) Rationale and impact of Visa fee reduction;
- (v) Rationale for allocation of Scholarships to diplomatic staff and foreign scholarships to Kenyan students;
- (vi) Relationship between the Ministries of Foreign Affairs and East African Community when dealing with bilateral and community matters.

The Committee noted with concern that the Government directive to reduce visa fees by 50% had resulted in deficits in the Ministry of Foreign Affairs resource base with little or no increase in the number of visitors. The Committee in this regard resolved to meet the Ministers for Finance and Immigration of Persons to discuss the Government directive to reduce of visa fees.

The Committee further resolved to invite the Director General, NSIS, to a meeting to discuss the role, powers, challenges and expectations of the Service.

The Committee noted with concern that some members of the Committee have consecutively missed to attend Committee meetings without apology and further that some members were making technical appearances during sittings. The Chairman informed the Committee that provisions of Standing Order No. 169 will take care of absentee members of the Committee. The secretariat was directed to produce an attendance sheet to be signed by each Member at the end of a sitting.

MIN. NO. 43/2009 - ADJOURNMENT

There being no other business, the Chairman adjourned the meeting at Fifteen Minutes past twelve O'clock. Next meeting will be on Tuesday, 29th, July 2009 at 4.00 pm.

Signed:signed.....

Date:

(Chairperson)

MINUTES OF THE 10TH SITTING OF THE DEPARTMENTAL COMMITTEE ON DEFENCE AND FOREIGN RELATIONS HELD ON WEDNESDAY, 22ND JULY, 2009, IN CONTINENTAL HOUSE, 2ND FLOOR, PARLIAMENT BUILDINGS AT 3.00 PM.

PRESENT

The Hon. Adan Keynan, M.P. - **Chairperson**
The Hon. Benedict Fondo Gunda, M.P.
The Hon. George Nyamweya, M.P

ABSENT WITH APOLOGY

The Hon. Jeremiah Ngayu Kioni, M.P
The Hon. Peter Edick O. Anyanga, M.P
The Hon. Wilson Mwotiny Litole, M.P

ABSENT

The Hon. Hassan Joho, M.P – **Vice Chairperson**
The Hon. Eugene Wamalwa, M.P
The Hon. Joshua Kutuny, M.P
The Hon. Charles Kilonzo, M.P
The Hon. Julius Kiema Kilonzo, M.P

IN ATTENDANCE:

KENYA NATIONAL ASSEMBLY

Mr. Nicholas Emejen - Clerk Assistant
Ms. Ruth Mwhaki - Intern

PRELIMINARY

The meeting started with a word of prayer, and thereafter the Chairperson welcomed the Members and thanked them for attending the meeting.

MIN. NO. 37/2009 – CONFIRMATION OF MINUTES OF THE PREVIOUS SITTING

Confirmation of Minutes of the previous sittings was deferred to the next meeting.

MIN. NO. 38/2009 – ANY OTHER BUSINESS

The Committee noted with concern that reports from Kenyans in diaspora indicate dissatisfaction in the services provided by Kenya's missions abroad. Members resolved to undertake visits to foreign missions abroad to establish

the veracity of the claims and inquire into the operations and service delivery of the missions.

In this regard the secretariat was directed to prepare a proposal for a study visit by the Committee to Germany, United Kingdom, EU and Turkey.

MIN. NO. 39/2009 - ADJOURNMENT

There being no other business, the Chairman adjourned the meeting at Fifty Minutes past three O'clock. Next meeting will be on Tuesday, 28th, July 2009 at 10.00 am

Signed:signed.....

Date:

(Chairperson)

**MINUTES OF THE 9TH SITTING OF THE DEPARTMENTAL COMMITTEE ON
DEFENCE AND FOREIGN RELATIONS HELD ON TUESDAY, 21ST JULY, 2009,
IN COMMITTEE ROOM, 2ND FLOOR, CONTINENTAL HOUSE AT 10.00 A.M.**

PRESENT

The Hon. Adan Keynan, M.P. - **Chairperson**
The Hon. Benedict Fondo Gunda, M.P.
The Hon. Peter Edick O. Anyanga, M.P.
The Hon. Charles Kilonzo, M.P

ABSENT WITH APOLOGY

The Hon. Jeremiah Ngayu Kioni, M.P
The Hon. Wilson Mwotiny Litole, M.P
The Hon. George Nyamweya, M.P

ABSENT

The Hon. Hassan Joho, M.P – **Vice Chairperson**
The Hon. Eugene Wamalwa, M.P
The Hon. Julius Kiema Kilonzo, M.P
The Hon. Joshua Kutuny, M.P

IN ATTENDANCE:

KENYA NATIONAL ASSEMBLY

Mr. Nicholas Emejen - Clerk Assistant
Mr. Fredrick Muthengi – Budget Officer
Ms. Ruth Mwihaki – Intern

MINISTRY OF FOREIGN AFFAIRS

The Hon. Moses Wetangula, EGH, MP - Minister
The Hon. Richard Onyonka, MP - Assistant Minister
Mr. Thuita Mwangi, CBS - Permanent Secretary
Amb. B. H. O. Ogutu - Director Political Affairs
Mr. J. K. Ndathi – Director Administration
Mr. Washington Oloo – Head CPU
Mr. Antony Muchiri – DDA
Mr. Wilfred Musai – Head HRM

Prof. Egara Kabaji – Head Public Affairs and Communications
Mr. Anthony Masinde – Ag. Chief Finance Officer
Mr. Peter J. M. Thumbi - Finance Officer (Treasury)
Mr. S. J. Maasai – Third Secretary
Mr. Thomas Okemwa – Senior Accountant
Bernard I. Wekesa - HRMO

PRELIMINARY

The meeting started with a word of prayer, and thereafter the Chairman welcomed the Members and thanked them for attending the meeting.

MIN. NO. 32/2009: ADMINISTRATIVE ISSUES TOUCHING ON THE MINISTRY

The Committee raised concerns with the ministry on the lack of proper facilitation for Committee members accompanying the Ministry in foreign visits notably the recent trip to Dar-es-Salaam.

The Minister informed the Committee that for the Dar-es-Salaam visit, the list of Members of Parliament invited had been reached jointly and in consultation with the Speaker and Clerks office. Facilitation for the Members of Parliament was to be by the National Assembly.

MIN. NO. 33/2009: BUDGET SCRUTINY FOR THE MINISTRY OF FOREIGN AFFAIRS (VOTE R. 04 AND D. 04)

The Minister laid Papers titled;

- (i) *Ministers Statement on Financial Estimates of the Ministry.*
- (ii) *Disaggregated Budget for Recurrent and Development Votes for the Financial Year 2009/2010.*

The Committee was informed that:-

(i) Ministry's mandate

The Mandate of the Ministry is as spelt out in the Presidential Circular No.1 of May 2008 and arising from it are its core functions which include among others; Formulation, coordination and articulation of Kenya's Foreign Policy; Management of external relations including coordination of International Cooperation and promotion of economic, external trade and investment relations, custodian of rules of engagement with the diplomatic community among others.

(ii) Ministry's Request versus allocation

The Ministry had requested for Kshs. 11,472,000,000 Billion from the exchequer for the 2009/2010 financial year but was allocated Kshs. 8,021,068,000; Kshs. 6,966,068,000 for Recurrent and Kshs. 1,055,000,000 for Development. This translates to a reduction of 9.5% from 2008/09 financial allocation.

(iii) Ministry's Absorption capacity

The Ministry's absorption capacity has been above 80 % over the last years and would have been higher if treasury expedited exchequer releases.

(iv) New projects

The following allocations have been provided for to cater for new projects/ programmes in the Financial Year 2009/2010.

- Purchase of ten State Guest Houses for a total cost of Kshs 540 Million and has been allocated Kshs. 200 Million in the current financial year.
- Refurbishment of the Ministry's front reception area at a cost of Kshs. 10 million aimed at enhancing security and creating a decent VIP and visitor's waiting rooms at the ground floor.
- Construction of Chancery, Ambassadors Residence and Staff quarters in Abuja, Nigeria at a contract sum of Kshs 769,401,912 and it is expected to be completed by December 2010.

(v) Projects or programmes left out of budget

Due to under funding the following projects have been left out of the 2009/2010 budget Estimates.

- Construction of a Chancery and business complex in Kigali, Rwanda at a cost of Kshs. 500 million and Purchase of High Commissioners residence in Kampala, Uganda at a cost of Kshs.150 Million. Currently the Ministry spends Kshs. 3.753 million annually in rent (in Uganda).
- Purchase of 200 acres of land in Gigiri at a cost of Kshs. 1 Billion to establish a Diplomatic Zone in line with the Ministry's policy priority of promoting Nairobi as a centre of multilateral diplomacy and a regional economic hub.

- Networking of Kenyan Missions abroad through linkage with Ministry headquarters via virtual private network at a cost of Kshs. 250 Million. The Ministry had requested for Kshs. 100 million to implement the first phase of linking 22 missions in the Financial Year 2009/2010.
- Review of Foreign Service Allowance at a cost of Kshs. 353 Million (25 % increase).
- Opening of new Consulates/Missions in the following strategic locations important for promoting Kenya's National Interests abroad; Goma, Oman, Luanda, Arusha, Qatar and Dubai at a cost of Kshs. 295 Million
- Fund for technical Cooperation (Kshs. 500million) - to reinforce Kenya's influence regionally and internationally, shape evolution of events as well as secure new developments in favour of Kenya through technical cooperation.

(vi) Achievements over the past years.

The following achievements have been made over the last three years;

- Purchase of Chancery and ambassador's residence in Beijing at a cost of Kshs. 535 Million and saving the government Kshs. 7,717,197, annually in rent.
- Purchase of Chancery in Brussels at a cost of Kshs. 385 Million saving the government Kshs. 17,738,299 Million annually in rent.
- Construction of a Chancery and High Commissioners residence in Dar-es-salaam at a cost of Kshs. 281,152,703 and saving the government Kshs. 6, 836,000 annually in rent.
- Purchase of a building to house the Chancery and ambassadors residence in Tokyo at a cost of Kshs. 1.5 billion saving the government Kshs. 48 million annually.
- Construction of chancery and High Commissioners residence in Islamabad at a cost of Kshs. 385 Million. The project is 80% complete and will save the Government Kshs. 11,371,200 annually in rent upon completion.

- Refurbishment of a six storey government property in Windhoek at a cost of Kshs. 80 Million. The property is expected to raise AIA of Kshs. 40 Million through rentals of office space annually.
- Rationalization and restructuring process aimed at enhancing efficiency in operation of the Ministry and Missions abroad. This has saved the Ministry Kshs. 846,630,054 which have been utilised in:-
 - Opened new missions in Kuwait, Dublin, Seoul, Madrid, Brasilia, Bangkok and Bujumbura at a cost of Kshs 618 Million.
 - Employed 107 new cadet Foreign Service officers at a cost of Kshs 27 million per year.
 - Established the Foreign Service Institute of Kenya at a Cost of Kshs 40 Million.
- Facilitated and lobbied placement of Kenyans in High Profile international Jobs and leadership policy organs in the African Union, IGAD, ICC, Pan African Postal Union, UN Committee on the Elimination of Discrimination Against Women(CEDAW) and Pan African Conference of ministers responsible for Public Service.

(vii) Challenges to the Ministry

The Ministry is facing the following challenges:-

- Volatility of the exchange rate which leads to the Ministry incurring huge foreign Exchange losses on average about 40 Million while remitting funds to missions abroad.
- The recent directive to reduce visa fees by 50% has drastically reduced the revenue base by approximately Kshs. 745 Million of which treasury only funded 500 Million leaving a deficit of Kshs. 245 million forcing the Ministry to cut on other items of expenditure.
- Late disbursement of exchequer releases from treasury. This constrains the operations of the Ministry leading to non utilization of Funds.
- Disharmony between the Public Procurement and Disposal Act and procurement procedures in countries where missions are located. This has led to delays in implementation of procurement plans.

MIN. NO. 34/2009: OBSERVATIONS

The Committee observed that the creation of a Diplomatic Zone would promote the Country as a centre for multilateral diplomacy and the establishment of Fund for technical Cooperation will boost Kenya's diplomatic image in the region.

The Committee urged the Ministry to fast track the implementation of the increase of the Foreign Service allowance.

MIN. NO. 35/2009: ANY OTHER BUSINESS

The Minister called upon the Committee to support the establishment of a Fund for Technical cooperation that will enable the Ministry to enhance the country's presence in the region.

MIN. NO.36/2009 - ADJOURNMENT

There being no other business, the Chairman adjourned the meeting at fifteen Minutes past one. The next meeting will be held on 22nd July 2009.

Signed:signed.....

Date:

(Chairperson)

**MINUTES OF THE 8TH SITTING OF THE DEPARTMENTAL COMMITTEE ON
DEFENCE AND FOREIGN RELATIONS HELD ON WEDNESDAY, 15TH JULY,
2009, IN COMMITTEE ROOM, 2ND FLOOR, CONTINENTAL HOUSE AT
10.00 A.M.**

PRESENT

The Hon. Adan Keynan, M.P. - **Chairperson**
The Hon. Benedict Fondo Gunda, M.P.
The Hon. Julius Kiema Kilonzo, M.P.
The Hon. Peter Edick O. Anyanga, M.P.
The Hon. Charles Kilonzo, M.P.
The Hon. Wilson Mwotiny Litole, M.P.
The Hon. George Nyamweya, M.P.
The Hon. Joshua Kutuny, M.P.

ABSENT WITH APOLOGY

The Hon. Hassan Joho, M.P. – **Vice Chairperson**
The Hon. Jeremiah Ngayu Kioni, M.P.

ABSENT

The Hon. Eugene Wamalwa, M.P.

IN ATTENDANCE:

KENYA NATIONAL ASSEMBLY

Mr. Nicholas Emejen - Clerk Assistant
Ms. Ruth Mwihaki – Intern

MINISTRY OF EAST AFRICAN COMMUNITY

The Hon. Jeffa Amason Kingi, EGH, MP - Minister
The Hon. Peter Munya, MP – Assistant Minister
Mr. David S. Nalo, CBS
Mr. Ezra O. Magati – Finance Officer
Mr. Peter Kasango – Deputy Chief Economist
Mrs. Christine Mwangi – Finance Advisor
Mr. Leonard Kwinga – Economist
Mr. Felix Ouko – Finance Officer (Treasury)

PRELIMINARY

The meeting started with a word of prayer, and thereafter the Chairman welcomed the Members and thanked them for attending the meeting.

MIN. NO. 28 /2009: MEETING WITH THE MINISTER FOR FOREIGN AFFAIRS

The Committee noted with concern that the Minister for Foreign Affairs had failed to appear before the Committee even after he had requested a rescheduling of the meeting.

After deliberations the Committee resolved that in light of the importance of the Ministry's Budget on the life of Kenyan's the Minister be allowed to present the Ministry's Budget before the Committee for scrutiny on Tuesday, July 21st, 2009 at 10.00 am.

MIN. NO. 29 /2009: BUDGET SCRUTINY FOR THE MINISTRY OF EAST AFRICAN COMMUNITY (VOTE R. 24 AND D. 24)

The following Papers were laid before the Committee:-

Paper laid

The Minister made a presentation to the Committee on the Ministry's estimates for the FY2009/2010 and tabled the following papers:-

- (i) Presidential Circular No.1/2008
- (ii) The Treaty for the Establishment of the East African Community
- (iii) Letter to the P.S Ministry of State for Public Service on Creation of New Posts in the MEAC.
- (iv) Letter to the P.S Ministry of Finance on Consolidation of Kenyan Financial Contributions to The East African Community under the Ministry of East African Community
- (v) Letter to the P.S Ministry of Finance on Proposal for Support to the Regional East African integration Programme (REAP)
- (vi) Letter from the P.S Ministry of Finance on Pending Bills in Respect to the Somali Peace Process.
- (vii) Draft EAC time bound Programme for Elimination of Identified non-tariff Barriers (NTBs)
- (viii) The rationale for the Establishment of Regional Integration Centers
- (ix) Staffing level of the Ministry 2009/2010
- (x) Revised Strategic Plan 2008-2012
- (xi) Item Analysis Vote R 24 Ministry of East African Community
- (xii) Calendar of EAC Activities for the Period July-December 2009

- (xiii) Vote D24, Development Expenditure Estimates 2009/2010 and projected Estimates for 2010/2011- 2011/2012
- (xiv) List of Kenyan Nationals employed in the East African Community
- (xv) East African Community 10th Summit of EAC Heads of State;
- (xvi) Progress Report of the Council of Ministers (For the Period July 2008-April 2009)

The Committee heard that:-

- (i) The mandate of the Ministry of EAC is to co-ordinate the Integration of Kenya into EAC as outlined in the Presidential Circular No. 1/2008 of May 2008 but conflict arises, between the Ministries of East African Community and Foreign Affairs, when it comes to co-ordination of State visits and other issues of national interest like the boundary dispute over Migingo.
- (ii) The Ministry had requested donors (DFID) through Treasury to support its development activities. The Variance of Kshs. 10.9 Million between the requested amount (Kshs. 110 Million and allocated amount Kshs. 120.9 Million) in the Development vote is attributed to donor response to the Ministry's request.
- (iii) The Establishment and funding of Regional Integration Centers has been necessitated by the need to establish the physical presence of the Ministry at key border posts with the sole purpose of assisting to harmonize the understanding of Custom Union and Common Market Issues.
- (iv) Training will involve publicity and advocacy at the grass root level, organizing events and other functions related to integration in terms of Education, public Discussions etc. The bulk of funding for training is from DFID.
- (v) Allocations to the Somali Peace Process Pending Bills was made in the 2005/2006 and 2006/2007 financial years. Treasury allocated money to the Ministry and requested that it pays the pending bills arising from the Somali peace process even though the Ministry of Foreign Affairs was the one handling the peace process.
- (vi) In view of the expanded role of the Ministry with the expansion of the Community, the envisaged onset of the Common Market

protocol and the need to scale up awareness to a cross section of Kenyans including private sector and media foreign travel and hospitality expenditure by the Ministry is expected to increase.

The Ministry's hospitality expenditure items include; Hosting EAC and regional Conferences and Seminars; Hosting EAC Summit, Council and Sectoral Preparatory Meetings; Hosting meetings with Development partners, EAC missions, inter Ministerial committee meetings and taskforces/retreats/workshops and other meetings meant to undertake special assignments Etc. The increase in the current Financial Year's allocation for hospitality (Kshs. 31,421,520 Million) will cater for increased activities in the EAC calendar of events.

Expenditure on Foreign travel in the 2008/2009 Financial Year amounted to Kshs. 35 million. The increase of Kshs. 7 million in the current Financial Year is justified as the EAC has continued to expand (with the inclusion of two new partners). The signing of the common market expected at the end of 2009; negotiations for the monetary union expected to start and full implementation of the Customs Union at the beginning of 2010 all imply increased levels of activities in the current Financial Year.

(vii) The Ministry has 138 in-post Staff and has a shortage of senior technical staff. It expects to recruit 15 staff in this financial year. Money allocated for training will be use in training the newly recruited staff and building capacity.

(viii) The Ministry has requested for funding for purchase of land and construction of Ministry headquarters. Currently, the Ministry occupies four floors at the Cooperative Bank Building and is incurring high expenditure on rent (Kshs. 21 Million p.a.)

The Ministry is in the process of providing office space for EALA Members office. The Ministry will also develop a cabinet paper on the remuneration of EALA MP's Kenya Chapter.

(ix) Kenya receives enormous benefits from employment opportunities, projects and programs, as well as in growth in Trade. Projects and programs gives Kenya benefits valued at

estimated at Kshs. 140 billion. These results reveal that Kenya gains significantly from the regional projects. Currently there are 56 posts in the EAC filled by Kenyans. The posts range from Deputy Secretary General to Support staff, distributed in the various organs and institutions of EAC.

The Minister appealed to the Committee to support the Ministry's Budget in the House so as to enable the it undertake the projects and targets it had set during the 2009/2010 Financial Year.

MIN 30/2009: ANY OTHER BUSINESS

The Committee raised concern over the remuneration of EALA members from Kenya and requested the minister to raise the in cabinet so as to enhance the package of EALA MP's. The Minister informed the Committee that the Ministry is already looking at the issue and will keep the Committee updated on the matter.

The Minister informed the Committee that through a Policy paper by the Ministry, it had been resolved that the Departmental Committee on Defence and Foreign relations be involved when the ministry is dealing with crucial issues in the region so as to help set the integration agenda in the House.

The Minister further informed Members that he was to accompany the President on a state visit to Tanzania from 16th -18th July, 2009 and had written to the Speaker requesting the Committee to propose six Members to accompany him in the visit so as to expose members on bilateral and regional issued of the community. The Committee after consultations, proposed the following Members to accompany the Minister:-

- (i) The Hon. Adan Keynan, MP
- (ii) The Hon Charles Kilonzo, MP
- (iii) The Hon Wilson M. Litole, MP
- (iv) The Hon. Kiema J. Kilonzo, MP
- (v) The Hon. Peter E. O. Anyanga, MP

MIN. NO.31/2009 - ADJOURNMENT

There being no other business, the Chairman adjourned the meeting at Five Minutes past one O'clock.

Signed:signed.....

Date:

(Chairperson)

**MINUTES OF THE 7TH SITTING OF THE DEPARTMENTAL COMMITTEE ON
DEFENCE AND FOREIGN RELATIONS HELD ON FRIDAY, 14TH JULY, 2009,
IN BATIAN ROOM, 1ST FLOOR, KENYATTA INTERNATIONAL
CONFERENCE CENTRE AT 2.30 P.M.**

PRESENT

The Hon. Adan Keynan, M.P. - Chairperson
The Hon. Jeremiah Ngayu Kioni, M.P.
The Hon. Benedict Fondo Gunda, M.P.
The Hon. Julius Kiema Kilonzo, M.P.
The Hon. Peter Edick O. Anyanga, M.P.
The Hon. Charles Kilonzo, M.P.

ABSENT WITH APOLOGY

The Hon. George Nyamweya, M.P.

ABSENT

The Hon. Hassan Joho, M.P – Vice Chairperson
The Hon. Wilson Mwoiny Litole, M.P.
The Hon. Eugene Wamalwa, M.P.
The Hon. Joshua Kutuny, M.P.

IN ATTENDANCE:

KENYA NATIONAL ASSEMBLY

Mr. Nicholas Emejien - Clerk Assistant
Ms. Ruth Mwhaki - Intern

PRELIMINARY

The meeting started with a word of prayer, and thereafter the Chairman welcomed the Members and thanked them for attending the meeting.

MIN. NO. 26 /2009 – MEETING WITH THE MINISTER FOR FOREIGN AFFAIRS

The Committee noted with concern that the Minister for Foreign Affairs had failed to attend the Committee sitting for the second consecutive time. The Committee further noted that it was the Minister who had

requested for a rescheduling of the sittings to today July 14th, 2009 at 2.30 p.m.

After deliberations the Committee resolved to:-

- (i) Adjourn till tomorrow 15th July 2009 at 10.00 am to scrutinize the Estimates of the Ministry of East African Community.
- (ii) Suspend scrutiny of the vote for the Ministry of Foreign Affairs until the Minister writes to the Committee indicating availability and reason for not appearing before the Committee as requested.

MIN. NO. 27 /2009 - ADJOURNMENT

There being no other business, the Chairman adjourned the meeting at Fifteen Minutes past three O'clock.

Signed:signed.....

Date:

(Chairperson)

**MINUTES OF THE 6TH SITTING OF THE DEPARTMENTAL COMMITTEE ON
DEFENCE AND FOREIGN RELATIONS HELD ON FRIDAY, 10TH JULY, 2009
IN CONTINENTAL HOUSE, 2ND FLOOR, PARLIAMENT BUILDINGS AT
10.00 A.M.**

PRESENT

The Hon. Adan Keynan, M.P. - **Chairperson**
The Hon. Jeremiah Ngayu Kioni, M.P.
The Hon. Benedict Fondo Gunda, M.P.
The Hon. Julius Kiema Kilonzo, M.P.
The Hon. Peter Edick O. Anyanga, M.P.
The Hon. Charles Kilonzo, MP
The Hon. George Nyamweya, M.P.
The Hon. Wilson Mwotiny Litole, M.P.
The Hon. Eugene Wamalwa, M.P.

ABSENT

The Hon. Joshua Kutuny, M.P.
The Hon. Ali Hassan Joho, M.P - **Vice person**

IN ATTENDANCE:

KENYA NATIONAL ASSEMBLY

Mr. Nicholas Emejen - Clerk Assistant
Ms. Gichangi – Senior Legal Counsel
Mr. Muthengi – Budget Officer

NATIONAL SECURITY INTELLIGENCE SERVICE

Maj. Gen. Michael Gichangi - Director General
Moses K. Tenai – Director Administration

Treasury

Mr. Peter J. M. Thumbi - Treasury Desk Officer for NSIS

PRELIMINARY

The meeting started with a word of prayer, and thereafter the Chairperson welcomed the Members and the Director General, NSIS, and thanked them for attending the meeting. The Chairman invited the Director General, NSIS, to brief the Committee on the Departments' Budget.

MIN. NO. 21 /2009 - SCRUTINY OF NSIS ESTIMATES (VOTE 45)

The Committee was informed that:-

- (i) In the FY 2009/2010, NSIS, had requested Kshs. 11.640 Billion but was allocated Kshs. 9.518 Billion for implementation of its programmes and activities. This is an increase of Kshs. 1.518 Billion from Kshs. 8.0 Billion in FY 2008/2009. In the FY 2008/2009 the Department's Budget was reduced to Kshs. 7.70 Billion during the revised Estimates. The department operates a one line recurrent budget owing to the confidential nature of its activities.
- (ii) The amounts allocated to the Department in FY 2009/2010 will be utilised for administration, operations, maintenance and modernisation programmes.
- (iii) The modernisation programme by the Service will improve discerning, analysis and dissemination of information. It will also assist in addressing emerging and modern threats related to globalisation. The modernisation aspect will involve replacement/upgrading of aging security equipment and systems and inducting new technology to counter emerging technological threats.
- (iv) As per the NSIS Act the Service is mandated to advise security agents and relevant authorities on threats to national security. In furtherance of this responsibility the Service provides operational and technical intelligence to authorities who choose to act or not to on the intelligence provided.
- (v) The Service utilized all the funds allocated (Kshs. 7.70 Billion) in FY 2008/2009. Due to emerging challenges and risks, funds allocated are re-allocated from time to time.

(iii) **Consideration of draft report on estimates of assigned Ministries – Friday, July 17, 2009 at 10 .00 a.m.**

(iv) **Adoption of report on Estimates of assigned Ministries – Monday, July 20, 2009 at 2.30 pm**

MIN. NO. 25 /2009 - ADJOURNMENT

There being no other business, the Chairman adjourned the meeting at Thirty Minutes past Twelve O'clock. Next meeting will be held on Tuesday, July 14, 2009 at 2.30 pm.

Signed:signed.....

Date:

(Chairperson)

**MINUTES OF THE 5TH SITTING OF THE DEPARTMENTAL COMMITTEE ON
DEFENCE AND FOREIGN RELATIONS HELD ON THURSDAY, 9TH JULY,
2009 IN CONTINENTAL HOUSE, 2ND FLOOR, PARLIAMENT BUILDINGS AT
10.00 A.M.**

PRESENT

The Hon. Adan Keynan, M.P. - **Chairperson**
The Hon. Ali Hasan Joho, MP - **Vice Chairperson**
The Hon. Jeremiah Ngayu Kioni, M.P
The Hon. Julius Kiema Kilonzo, M.P
The Hon. Peter Edick O. Anyanga, M.P
The Hon. Charles Kilonzo, MP
The Hon. George Nyamweya, M.P
The Hon. Wilson Mwotiny Litole, M.P

ABSENT WITH APOLOGY

The Hon. Benedict Fondo Gunda, M.P.

ABSENT

The Hon. Joshua Kutuny, M.P
The Hon. Eugene Wamalwa, M.P

IN ATTENDANCE:

KENYA NATIONAL ASSEMBLY

Mr. Nicholas Emejen - Clerk Assistant
Ms. Ruth Mwhaki – Intern

MINISTRY OF EAST AFRICAN COMMUNITY

Hon. Amasson Jeffa Kingi - Minister
Mr. David S. Nalo – Permanent Secretary
Mrs. Christine Mwangi – Financial Advisor

PRELIMINARY

The meeting started with a word of prayer, and thereafter the Chairman welcomed the Minister and Members and thanked them for attending

the meeting. The Chairman invited the Minister to brief the Committee on the Ministry's Budget.

MIN. NO.17 /2009 – CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Minutes of the previous sittings were confirmed as follows:-

- (i) Minutes of the First Sitting were confirmed as the true records of proceedings and signed by the Chair.
- (ii) Minutes of the Second Sitting were confirmed with amendments and signed by the Chair.

MIN. NO.18 /2009 - SCRUTINY OF MINISTRY OF EAST AFRICAN COMMUNITY ESTIMATES (VOTE 24)

The Committee was informed that:-

- (i) For the Financial Year 2009/2010 the Ministry had requested for Kshs. 917, 894, 054 from the exchequer but was allocated a total of Kshs. 1, 033, 286, 520 distributed as Kshs. 807, 894, 054 for Recurrent and Kshs. 110, 000, 000 for Development. The difference between what was requested and the allocation amounted to Kshs. 115, 392, 466. The amount is the accumulated fees to EAC that was not remitted by government departments in the last Financial Year.

The amount requested for recurrent expenditure was to cater for personal emolument, operations and maintenance and contributions to EAC. The increase in expenditure in emoluments and allowances has been conditioned by plans by the Ministry to hire technical staff at the Senior level.

- (ii) In the past Financial Years the Ministry did not receive development allocation but in the 2009/2010 Financial Year it requested development funding to cater for publicity and advocacy of the EAC integration agenda, establishment of research/ reference documentation centre, establishment of regional monitoring and evaluation services and establishment of regional integration centres.
- (iii) A total of Kshs. 557 million has been consolidated in this Financial Year for contributions to East African Community and the Ministry of East African Community will be the sole remitter of the fees to Arusha unlike in the past where each responsible government department remitted the requisite fees on its own.

MIN. NO. 19/2009 – COMMITTEE OBSERVATIONS & RECOMMENDATIONS

The Committee observed that:-

- (i) The Ministry was allocated funds that it had not requested for amounting to Kshs. 115, 392, 466. Treasury should consolidate all fees payable to East African Community within the Budget of the Ministry.
- (ii) A new budget item Information, Communication and Technology (ICT) has been introduced but a large amount of its expenditure goes to foreign travel and hospitality. Overall hospitality and foreign travel consume more than salaries.
- (iii) The Ministry in the FY 2006/2007 settled pending Bills for the Somali peace process which is not within the mandate of the Ministry.

The Committee considered the Ministry's response to issues raised and requested the Minister to appear before the Committee on Wednesday July 15, 2009 to shed more light on issues raised and finalise on the Budget scrutiny.

MIN. NO. 20/2009 - ADJOURNMENT

There being no other business, the Chairman adjourned the meeting at Fifteen Minutes past Twelve O'clock. Next meeting will be held on Friday July 10, 2009 at 10.00 a.m.

Signed :....signed.....

Date:.....

(Chairperson)

**MINUTES OF THE 4TH SITTING OF THE DEPARTMENTAL COMMITTEE ON
DEFENCE AND FOREIGN RELATIONS HELD ON WEDNESDAY, 8TH JULY,
2009 IN CONTINENTAL HOUSE, 2ND FLOOR, PARLIAMENT BUILDINGS AT
10.00 A.M.**

PRESENT

The Hon. Adan Keynan, M.P. - Chairperson
The Hon. Jeremiah Ngayu Kioni, M.P
The Hon. Benedict Fondo Gunda, M.P.
The Hon. Julius Kiema Kilonzo, M.P
The Hon. Peter Edick O. Anyanga, M.P
The Hon. Charles Kilonzo, MP
The Hon. George Nyamweya, M.P
The Hon. Wilson Mwoitiny Litole, M.P
The Hon. Eugene Wamalwa, M.P

ABSENT WITH APOLOGY

The Hon. Joshua Kutuny, M.P
The Hon. Ali Hassan Joho, MP - Vice-Chairperson

IN ATTENDANCE:

KENYA NATIONAL ASSEMBLY

Mr. Nicholas Emejen - Clerk Assistant
Ms. Ruth Mwhaki – Intern

MINISTRY OF STATE FOR DEFENCE

Hon. Maj. Gen. Joseph Nkaisery - Assistant Minister
Amb. Nancy Kirui – Permanent Secretary
Major Gen. Sasia – ACGS Pal
Col. Kipngetich – Budget
E. W. Murimi – Principal Accounts Controller

Treasury

Joseph K. Kimemia – Finance Officer
Peter J. M. Thumbi - MOSD Treasury Desk Officer

PRELIMINARY

The meeting started with a word of prayer, and thereafter the Chairman welcomed the Minister and Members and thanked them for attending the meeting. The Chairman invited the Minister to take the Committee through the Ministry's Budget.

MIN. NO.14 /2009 - SCRUTINY OF THE ESTIMATES OF THE MINISTRY OF STATE FOR DEFENCE (VOTE R. 08)

The Assistant Minister laid a Paper titled *Programme of Examination of the 2009/2010 printed Budget Estimates by Departmental Committee on Defence and Foreign Affairs-Vote R 08, Ministry of State for Defence* before the Committee.

The Committee was informed that:-

Budget allocation

- (i) The Ministry operates a Recurrent Budget which comprises of General Administration and Planning (Head 175), Kshs. 373, 743, 729 and Kenya Armed Forces (Head 554) Kshs. 43, 725, 256, 271. The military does not receive external financial assistance or loans but occasionally receives military bilateral assistance.

The Ministry's budget is based on a threat analysis in regard to the nation, the economic situation viz a viz the threat and the country's regional standing.

Balance of payment analysis (BOPA) position for MOSD

Year	2008/2009 Revised Estimate	2009/10 Estimates	2010/11 Projection	2011/12 Projection
Gross (Kshs.)	41.209 (B)	44.066	44.947	49.442
A-I-A (Kshs.)	421(M)	421	423	463
Net (Kshs.)	40.788 (B)	43.645	44.526	48.976

Modernisation programme

- (ii) The Government approved military modernization programme in FY 2005/2006. The programme was by then expected to be undertaken within a period of ten years at a total cost of Kshs. 62, 775, 219, 950. However the implementation period was later reduced to three years, with the objective of fast tracking the programme.
- (iii) By the time the budget for the current financial year was submitted Kshs. 24, 209, 272, 817 had been received leaving a balance of Kshs. 38, 565, 947,138. To ensure the programme was finalized in time the Ministry recommended that the remaining balance be funded in two equal instalments of Kshs. 19, 08, 609, 987.
- (i) The implementation of the programme has further been frustrated by exchequer shortfall and budget reductions. During the FY 2007/2008 the Ministry experienced exchequer shortfall of Kshs. 2.961 Billion while in FY 2008/2009 the Ministry suffered a Budget reduction of Kshs. 2 Billion which led the Ministry to scale down certain programmes and in particularly infrastructure development.
- (iv) The Armed Forces modernization program was conceived with focus on:-
- Early warning
 - Fire power
 - Mobility
 - Communications
 - Infrastructure development

Utilization of previous allocations

- (v) Past allocations to the Ministry have been utilised on the following key projects:-
- Deterrence and defence of the Nation
 - Recruitment, Training and operations
 - Aid to civil authority
 - Linda mpaka (NEP & Coast provinces)
 - Operation fagia maharamia (Mt. Elgon)
 - Operation rudi nyumbani (Post election violence)

- Environmental soldier programme (in conjunction with other government Agencies)
- Disaster management (Capacity and equipment enhancement)
- Humanitarian community assistance - Construction of Dams, boreholes, water pans, schools, dispensaries, livestock branding. The projects are identified by the Line Ministries and then forwarded to the Military for action but the Ministries concerned fail to refund the military thus creating a shortage in the Ministries Budget.

Absorption capacity

- (vi) The Ministry's main challenge is under funding which has affected its absorption capacity. Most of the major programmes in the Ministry like development of infrastructure and purchase of military equipment go beyond one year and are paid in phases.
- (vii) Full utilization of budget funds and compliance with Treasury ceilings are targets in the Ministry's performance contract which have been achievable and measurable.

New budget items (civilian administration)

- (viii) The main role of the Military is war and that civilian's substitute their roles for instance as cooks, Clerks and other subordinate staff. The civilian units already exist in the Ministry but it has been cumbersome to get funds for their operations since they have to go through Headquarter Services leading to delays. The Subheads are therefore meant to facilitate their functioning.
- (ix) Contributions to international organisations and particularly to East African Community had been removed from the Ministry's Budget and channelled through the Ministry of East African Community thus reduction in the amount allocated to item 2620100.

MIN. NO.15/2009 – COMMITTEE OBSERVATIONS & RECOMENDATIONS

The Committee observed that:-

- (i) The Ministry is shrouded in secrecy and recommended that the Ministry builds its image through Public Relations to counter negative perception. This however ought to be carried out in a way that does not release sensitive information.
- (ii) There was selective itemisation of the Ministry's Budget which made it difficult to scrutinize. In future the Ministry should itemise its budget to the extent that national security is not jeopardised.
- (iii) The amount allocated for the modernisation programme is insufficient to carry out serious modernisation that will enable credible deterrence and securing of the country's borders in light of emerging threats in a volatile region. The Ministry should re-allocate more funds to modernisation and should further fast track the programme.

MIN. NO.16 /2009 - ADJOURNMENT

There being no other business, the Chairman adjourned the Meeting at Thirty Minutes past Twelve O'clock. Next meeting will be held on Thursday, July 09, 2009 at 10. 00 a.m.

Signed :.....signed

Date:.....

(Chairman)

MINUTES OF THE 3RD SITTING OF THE DEPARTMENTAL COMMITTEE ON DEFENCE AND FOREIGN RELATIONS HELD ON TUESDAY, 7TH JULY, 2009 IN CONTINENTAL HOUSE, 2ND FLOOR, PARLIAMENT BUILDINGS AT 10.00 A.M.

PRESENT

The Hon. Adan Keynan, M.P. - Chairperson
The Hon. Jeremiah Ngayu Kioni, M.P
The Hon. Benedict Fondo Gunda, M.P.
The Hon. Julius Kiema Kilonzo, M.P
The Hon. Peter Edick O. Anyanga, M.P
The Hon. Charles Kilonzo, MP
The Hon. Wilson Mwofiny Litole, M.P

ABSENT

The Hon. George Nyamweya, M.P
The Hon. Joshua Kutuny, M.P
The Hon. Eugene Wamalwa, M.P
The Hon. Ali Hassan Joho, MP - Vice Chairperson

IN ATTENDANCE:

KENYA NATIONAL ASSEMBLY

Mr. Nicholas Emejen - Clerk Assistant
Ms. Ruth Mwihaki – Parliamentary Intern

PRELIMINARY

The meeting started with a word of prayer, and thereafter the Chairman welcomed the Members and thanked them for attending the meeting.

MIN. NO.11 /2009 – MEETING WITH THE MINISTER FOR FOREIGN AFFAIRS

The Committee was informed that the Minister had sent a request for the rescheduling of the meeting to Tuesday July 14, 2009 citing a meeting with the President and EU Head of Mission on the appointed day.

In view of the fact that there was no evidence to be taken, the Committee resolved to hold the meeting in-camera so as to deliberate on House keeping issues. The Committee directed that members of the public and press who had come to attend the sitting be advised accordingly.

The Committee deliberated on the matter of rescheduling the meeting and resolved that in future the Minister should communicate in advance of any intended rescheduling or postponement of meetings with the Committee. In light of the fact that the Minister was meeting with the President the Committee resolved to reschedule the meeting to Tuesday July 14, 2009 at 2.30 pm.

MIN. NO. 12/2009 – ANY OTHER BUSINESS

The Committee was informed that the Ministry of East African Community had sent a request to have a meeting with the Committee to discuss policy issues pertaining to East African integration.

The Committee resolved to meet the Minister as soon as the Budget scrutiny is finalised and proposed that the Ministry holds a workshop to enlighten Members on its activities.

MIN. NO. 13 /2009 - ADJOURNMENT

There being no other business, the Chairman adjourned the meeting at fifty minutes past ten O'clock. Next meeting will be held on Thursday July 09, 2009 at 10.00 am.

Signed :....signed.....

Date:.....

(Chairman)

