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REPUBLIC OF KENYA
KENYA NATIONAL ASSEMBLY

TWELFTH PARLIAMENT - SIXTH SESSION

REPORT OF THE BUDGET AND APPROPRIATIONS COMMITTEE ON THE
SUPPLEMENTARY ESTIMATES NO. 1 OF 2021/2022

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 22 MAR 2022	DAY: Tue
TABLED BY: Hon. Kamini Koga Chair, Budget	
BY: Moses Lemuro	

MARCH, 2022

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CHAIRPERSON'S FOREWORD

In line with the provisions of the National Assembly Standing Order 207(3)(b), I hereby present the report of the Budget and Appropriations Committee on the Supplementary Estimates No. 1 for financial year 2021/2022. The Estimates were tabled in the National Assembly on Tuesday, 1st February 2022 pursuant to Article 223 of the Constitution and section 44 of the Public Finance Management Act 2012. These legal provisions allow for supplementary appropriation for any purpose if the amount allocated in the Appropriation Act is insufficient or a need has arisen for expenditure that was unforeseen and had therefore not been provided for in the Appropriation Act; or if money has been withdrawn from the Contingencies Fund.

In a departure from the recent past, the first Supplementary Estimates for financial year 2021/2022 have been brought to the House six months into the financial year which allows the budget adequate time to gain traction for policies to be implemented by the various MDAs. The Committee observed however, that the implementation of the budget has not been uniform. A review of exchequer releases indicates that as at December 2021, 50 MDAs had received less than 50% of their approved budgets with 9 MDAs having received less than 30% of their approved budgets. Indeed, even county transfers have been below target with Counties having receiving only 39% of the total Equitable Share as at December 2021. The Committee is concerned that this skewed release of resources could jeopardize budget implementation for the affected MDAs.

It is indicated that this supplementary budget has been prepared mainly to provide additional funding for drought related interventions, security, COVID-19, pending bills, salary shortfall, 2022 elections and expansion of CBC infrastructure.

EXAMINATION OF THE SUPPLEMENTARY ESTIMATES NO. 1 2021/2022

In reviewing of the Supplementary Estimates No. 1 for FY 2021/2022, the Committee held nine (9) Sittings including one (1) consultative meeting with the National Treasury. Furthermore, the Committee received submissions from the Departmental Committees in relation to proposed expenditure changes within their purview. Discussions were also held with the Office of the Auditor General as well as the Parliamentary Service Commission on proposed revisions to their budgets as this fall under the purview of the Budget and Appropriations Committee.

The outcome of these deliberations has informed the various recommendations which are contained in this report. If approved by the House, these recommendations will form the basis for the passage of the first Supplementary Appropriation Bill for financial year 2021/2022.

RECOMMENDATIONS

Arising from the above deliberations, the Committee recommends the following:

a. Policy Recommendations

- i. That, in the 13th Parliament, the Public Finance Management Act, 2012 and attendant Regulations should be reviewed to provide succinct guidelines on the budget items that should be funded under Article 223 of the Constitution.
- ii. That, any funds withdrawn from Contingency Fund should be outlined on a separate schedule when supplementary estimates are tabled in the House.
- iii. That, once a supplementary budget is submitted to the House, any addendum to the revised budget will NOT be accepted.

Additionally, reference should be made to the observations and policy recommendations from the Departmental Committees on the Supplementary Estimates No. 1. for Financial Year 2021/2022 attached in Annex 1 and relevant MDAs should take action.

b. Financial Recommendations

I. That, the Committee further recommends that this House approves;

- i. An increase of Kshs. 138,860,936,287 of which;
 - (i) Executive -Kshs.138,180,887,040
 - (ii) Judiciary- Kshs. 1,152,244,108
 - (iii) Parliament- Kshs. 527,805,139

II. That, Schedule 1 and 2 form the basis for the finalization of the Supplementary Appropriations Bill , 2022

ACKNOWLEDGMENTS

The Committee wishes to thank the Office of the Speaker and the Clerk of the National Assembly for the support extended in fulfilling its mandate; as well as all the Departmental Committees for their well thought-out recommendations which have formed the backbone of this report. Our sincere gratitude is extended to all the Ministries, Departments and Agencies as well as the National Treasury for honouring the invitation by the National Assembly to be a part of this critical process of reviewing the supplementary budget for financial year 2021/2022.

Finally, the Committee would like to thank the Parliamentary Budget Office; the Directorate of Appropriations, Audit and other Select Committees and the Directorate of the Departmental Committees for the extensive work undertaken in the review and processing of the supplementary estimates No. 1 of 2021/2022.

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

SIGNED

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

HON. KANINI KEGA, CBS, M.P.
CHAIRPERSON, THE BUDGET AND APPROPRIATIONS COMMITTEE

22/03/2022

DATE

1.0 PREFACE

1.1 Establishment and Mandate of the Committee

1. Article 221 (4 and 5) of the Constitution and Section 7 of the Public Finance Management Act, 2012 provide for the establishment of a Committee of the National Assembly whose main role is to take the lead in budgetary oversight by the National Assembly. Pursuant to this constitutional provision, Standing Order 207 establishes the Budget and Appropriations Committee with specific mandates as follows:
 - ii. Investigate, inquire into and report on all matters relating to coordination, control and monitoring of the national budget;
 - iii. Discuss and review the budget estimates and make recommendations to the House;
 - iv. Examine the Budget Policy Statement presented to the House
 - v. Examine bills related to the national budget including appropriation bills;
 - vi. Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays; and
 - vii. Examine the Division of Revenue Bill.

1.2 Membership of the Committee

2. Pursuant to Standing Order 207(2), the Budget and Appropriations Committee as currently constituted comprises of the following Honourable Members:

MEMBER	CONSTITUENCY	PARTY
1. Hon. Kanini Kega, CBS, M.P. – Chairperson	Kieni	Jubilee
2. Hon. Benard Masaka Shinali, M.P. – Vice Chairperson	Ikolomani	Jubilee
3. Hon. CPA John Mbadi, EGH, CBS, M.P.	Suba South	ODM
4. Hon. Emmanuel Wangwe, CBS, M.P.	Navakholo	Jubilee
5. Hon. Fatuma Gedi Ali, CBS, M.P.	Wajir County	PDR
6. Hon. Wangari Mwaniki, OGW, M.P.	Kigumo	Jubilee
7. Hon. CPA Moses K. Lessonet, CBS, M.P.	Eldama Ravine	Jubilee
8. Hon. Samwel Moroto, M.P.	Kapenguria	Jubilee
9. Hon. Millie Odhiambo, M.P.	Suba North	ODM
10. Hon. Richard Onyonka, M.P.	Kitutu Chache South	Ford Kenya
11. Hon. (Dr.) Makali Mulu Benson, M.P.	Kitui Central	Wiper
12. Hon. Twalib Bady, M.P.	Jomvu	ODM
13. Hon. Jude Njomo, M.P.	Kiambu Town	Jubilee
14. Hon. Sarah Paulata Korere, M.P.	Laikipia North	Jubilee
15. Hon. Josephine Naisula Lesuuda, OGW, M.P.	Samburu West	KANU
16. Hon. Alfred Kiptoo Keter, M.P.	Nandi Hills	Jubilee
17. Hon. Sakwa Bunyasi, M.P.	Nambale	ANC

MEMBER	CONSTITUENCY	PARTY
18. Hon. Florence Chepng'etich Koskey Bore, M.P.	Kericho County	Jubilee
19. Hon. James Gichuki Mugambi, M.P.	Othaya	Jubilee
20. Hon. Danson Mwashako, M.P.	Wundanyi	Wiper
21. Hon. (Eng.) Mark Nyamita, M.P.	Urii	ODM
22. Hon. Paul Abuor, M.P.	Rongo	ODM
23. Hon. Mercy Wanjiku Gakuya, M.P.	Kasarani	Jubilee
24. Hon. CPA Francis Kuria Kimani, M.P.	Molo	Jubilee
25. Hon. Samuel Atandi, M.P.	Alego Usonga	ODM
26. Hon. Joseph Manje, M.P.	Kajiado North	Jubilee
27. Hon. Marselino Arbelle, M.P.	Laisamis	Jubilee

1.3 Committee Secretariat

3. The Committee Secretariat is comprised of the following:

1. Mr. Joseph Ndirangu Fiscal Analyst I/ Clerk of the Budget and Appropriations Committee
2. Mr. Danson Kachumbo Fiscal Analyst I/ Clerk of the Budget and Appropriations Committee
3. Mr. Benard Omondi Serjeant-at-arms
4. Mr. Eugene Luteshi Audio Officer
5. Mr. George Mbaluka Office Assistant

4. The Committee also received technical support from the Macroeconomic Analysis and Statistics department of the Parliamentary Budget Office; under the leadership and guidance of the Director Ms. Phyllis Makau, OGW; the Senior Deputy Director, Dr. Martin Masinde; and the Deputy Director, Mr. Robert Nyaga.

2.0 INTRODUCTION

5. The first supplementary budget for the financial year 2021/2022 has been prepared by the National Treasury at a time when the economy is experiencing a rebound in growth with revenue estimated to have performed above target by Ksh. 16.6 billion (June – December 2021). The supplementary budget seeks to adjust expenditure upwards by **Ksh. 126.3 billion**; mainly to provide additional funding for drought related interventions, security, COVID-19, pending bills, salary shortfall, 2022 elections and expansion of CBC infrastructure.
6. The upward adjustment of the budget is mostly on account of recurrent rather than development expenditure. The recurrent budget has increased by Ksh. 113.25 billion (8.9%) whereas the development budget has only increased by Ksh. 13 billion (1.9%). The Committee is concerned that if this trend continues, it could eventually crowd out ‘growth-enhancing’ expenditures under the development budget. Indeed, there is reported under-absorption of the development budget, most of which is attributed to foreign financed projects. Many donor funded projects are facing implementation challenges, mainly relating to low absorptive capacity by the recipient MDA or lack of GoK counterpart funding. The Committee notes that many donor funded projects are not aligned to the budget cycle and therefore face challenges being assimilated by the recipient MDA.
7. Article 223 of the Constitution provides the leeway for the National Government to spend monies that have not been appropriated by Parliament if the amount appropriated for any purpose under the Appropriation Act is insufficient or a need has arisen for expenditure for a purpose for which no amount has been appropriated by that Act; or money has been withdrawn from the Contingencies Fund. So far, the National Treasury has granted approvals under Article 223 of the Constitution amounting to Ksh. 75.366 billion; of which Ksh.40.264 billion is recurrent and Ksh.35.101 billion is development. Of this amount, only Ksh. 29.15 billion has been disbursed to the spending agencies. The Committee is of the opinion that the failure to disburse funds already approved under Article 223 of the Constitution implies that the expenditure items were probably not emergency in nature and should therefore not constitute Article 223 expenditure.
8. The Committee notes with concern that failure to submit the full amount approved under Article 223 of the Constitution raises questions on whether the undisbursed expenditures were indeed emergency in nature. Indeed, the Committee observed that some of the Article 223 expenditures do not appear to meet the spirit of the Constitution. There are allocations cutting across various MDAs towards enhanced operations and maintenance as well as salary shortfalls which could’ve been reasonably provided for within the prevailing budget constraints during the annual budget process and should ideally not constitute a supplementary budget. PFM regulation 40(4)(a) clarifies that the purpose for which approval is sought for a supplementary budget DOES NOT include expenditure that, although known when finalising the original budget estimates, **could not be accommodated within allocations.**

2.1 COMPLIANCE TO LEGAL PROVISIONS

9. The legal provisions underpinning the supplementary budget are contained in Article 223 of the Constitution, Section 44 of the Public Finance Management Act, 2012, Section 40 of PFM regulations, 2015 and National Assembly Standing Order 243. This includes information with regard to the basis, content and procedure of processing the supplementary estimates.
10. The Committee observed that the Supplementary budget has flouted two significant provisions. Firstly, contrary to PFM regulation 40(8), there are many new projects which have been introduced in the supplementary budget. To illustrate, there are 16 new projects in the State Department for Transport; and 50 new level III hospitals in the Ministry of Health. The State Department for crop development and the Ministry of Energy also have new projects. Secondly, some expenditure adjustments to programmes have exceeded 10%. These include programmes under State Department for Transport, Trade, Energy, and Finance among others. To this extent, the National Treasury has indicated that it is seeking special approval of these adjustments in line with regulation 40(9) of the PFM regulations, 2015.
11. The fiscal framework underpinning the 2021/2022 budget is grounded on fiscal consolidation with the aim of reducing the overall fiscal deficit over the medium term. This is also in line with the IMF performance benchmark for fiscal deficit under the 38 month IMF facility programme which the country entered into in 2021. The Committee observed that due to the significant increase in spending, the overall fiscal deficit level inclusive of grants is projected to increase from 7.5 percent to 8.1 per cent of GDP contrary to the fiscal consolidation path. Additional borrowing will therefore be required to plug the deficit. This is a concern given the constrained fiscal space with the country about to breach the legally binding Ksh. 9 trillion debt ceiling. It is further noted that most of the budgetary increases are in the recurrent budget which mostly comprises of 'non-core' as opposed to 'growth-enhancing' development expenditure.
12. The policy direction of the approved budget was anchored on the Big Four Agenda and the post-COVID-19 Economic Recovery Strategy (ERS). There is concern however that some of the deductions could potentially alter the policy direction of the budget. For instance there are deductions on expenditures relating to Economic Recovery Strategy as well as to Big four interventions under housing, under livestock management and coordination; and the development and coordination of the Blue Economy.
13. The Committee further observed that budget implementation appears to be skewed towards the National Government and indeed towards specific MDAs within the National government. As at December 2021, only 39.2% of the County Equitable Share (Ksh. 144.98 billion) had been disbursed to counties against the total amount of Ksh. 370 billion. Further, within the National Government, approximately 50 MDAs had received less than 50% of their total budget; with 9 MDAs receiving less than 30% of their total budget. This is a concern as it hinders effective budget implementation for these entities.

14. The Committee is concerned that despite major adjustments in the supplementary budget, an assessment of the fiscal impact of the proposed reductions and/or increases to various programmes has not been provided. Further, it is noted that some expenditure adjustments are not consistent with the targets which have remained the same despite the changes in budgetary allocation. For instance, in the Ministry of Defence, there are some budget cuts but no changes in the targets of the affected programmes. Similarly in the Ministry of Sports and Ministry of Finance, there are budget cuts under some programmes but the overall targets for the affected have remained the same.

3.0 STATE OF THE ECONOMY

15. The Supplementary Budget for FY 2021/22 has been prepared at a time when the economy is experiencing a rebound in growth following a period of economic underperformance brought about by the COVID-19 pandemic. The average growth for the first three quarters of 2021 is estimated at 7.9 percent. It is worth noting however that the base effect is a significant factor in the recorded growth. Most sectors were coming from negative growth rates experienced in 2020 and the full reopening of the economy led to the unusual spike in growth. Therefore, as much as the economy is in recovery, the recorded growth for 2021 is more of a 'statistical' than 'real' growth.
16. Going forward, there are still some inherent risks to the economic outlook which, if they materialize, could affect the outcome of budget implementation. These include the ongoing drought in some parts of the country, lingering COVID-19 pandemic effects, increasing public expenditure pressures and the impact of a heightened election mood on investment decisions. These risks have a potentially adverse effect on the economic growth outlook and therefore revenue collection which could impact negatively on budgetary spending in 2022.
17. Overall inflation has remained within the target threshold of 2.5 percent to 7.5 percent; declining steadily from 6.9 percent in September 2021 to 5.4 percent in January 2022. Going forward, the risks to inflation will largely emanate from higher food prices due to weather related shocks as well as the rise in global food prices. Fuel inflation is likely to remain stable due to the EPRA fuel subsidy but if the subsidy ends then fuel prices could increase rapidly.
18. Private Sector credit has been resilient but still faces some risks. As at December 2021, private sector credit stood at 8.6 percent - an increase from 7.8 percent in October 2021. The recovery in credit growth was mainly observed in the Transport and Communication sector, Manufacturing sector and Consumer Durables sector. In terms of the outlook however, private sector credit growth is likely to remain subdued on account of the risk profile, especially of the MSMEs due to non-performing loans. Delayed payments to suppliers and contractors by the government also limit their repayment ability.
19. The current account deficit has widened from an estimated 4.6 percent of GDP in 2020 to 5.4 percent in 2021. This is mainly attributed to a higher import bill, which more than offset

increased receipts from horticulture, manufactured exports and diaspora remittances. Going forward, the government should re-think its export strategy, particularly addressing product competitiveness concerns. This includes putting in place measures to support export oriented MSMEs.

4.0 IMPLEMENTATION OF THE BUDGET AS APPROVED

20. The total approved budget for 2021/2022 (excluding CFS) was estimated at Ksh. 1.942 trillion; of which recurrent expenditure was estimated at Ksh. 1.274 trillion and development expenditure at Ksh. 668.378 billion. However, the supplementary budget has proposed major changes cutting across various Ministries, Departments and Agencies.
21. The Committee observed that there were several upward adjustments in the Operations and Maintenance budget of some MDAs. Ideally, a supplementary budget should constitute emergency and unforeseen expenditure. The practice of undertaking significant increases in O&M spending during the supplementary budget has the potential to be abused as there is usually no justification provided. Furthermore, given the resource constraints, higher O&M spending could 'crowd out' development related spending with adverse effects on economic growth outcome.
22. Pending bills continue to present a challenge. Despite the national government policy on pending bills to constitute a first charge (Treasury Circular No.7/2019), it appears that this has not been followed. Latest statistics indicate that as at 30th September 2021, pending bills amounted to Ksh. 423.2 billion. Of this amount, State Corporations accounted for 87.8% (Ksh. 371.5 billion) and MDAs accounted for 12.2% (Ksh. 51.6 billion). The Committee is concerned that some reductions in the development budget could potentially lead to further pending bills accumulation especially where commitments had already been undertaken or there are contractual obligations.
23. The management of the Contingencies fund is in question. The Committee observed that the fund has been allocated Ksh. 3.7 billion in the supplementary budget yet no amounts have been withdrawn and spent from the Fund. Ideally, any allocation of funds to the Contingencies Fund during a supplementary budget is supposed to be a reinstatement of monies withdrawn and spent from the fund. The purpose is to finance unforeseen and unpredictable expenditures which were not budgeted for but must be incurred in the public interest before a supplementary budget is approved. Since no money was withdrawn from the fund, the arbitrary increase in allocation to the fund is not procedural.
24. Some donor funded projects appear to be facing implementation challenges. The Committee noted that the low implementation of the development budget is mainly due to disruptions in donor funded projects. There appears to be a challenge in how donor funded projects are conceived, structured and implemented which then leads to poor outcomes. A framework

should be developed on how donor funded projects should be implemented. More importantly, this should be aligned to the budget cycle.

25. There are several drought mitigation interventions scattered across various MDAs. These include interventions in the State Department for social protection and senior citizens affairs; state department for livestock; State department for devolution; Ministry of Water, Sanitation and Irrigation as well as Regional Development Authorities in the Ministry of Defence. This fragmented approach may lead to duplication of efforts as well as possible pilferage of resources and failure to take responsibility. There is need for a centralized approach in order to effectively handle drought mitigation.

5.0 ADDENDUM TO THE SUPPLEMENTARY ESTIMATES NO.1 OF 2021/2022

26. On 18th of February 2022, the National Treasury submitted an addendum to the supplementary budget, proposing further changes to the 2021/2022 Budget Estimates. The addendum proposed to increase the supplementary budget further by Ksh. 3.768 billion. The recurrent budget was adjusted upwards by Ksh. 9.485 billion whereas the development budget was reduced by Ksh. 5.717 billion.
27. The committee noted with concern that a further reduction of the development budget could disrupt policy implementation and could also lead to further accumulation of pending bills. Additionally, the reduction of the development budget by Ksh. 5.717 billion has slightly reduced the share of the development estimates in the total revised budget from 32.9% to 32.6%. Given the risk of under-absorption of the development budget, the cumulative expenditure at the end of the financial year could fall below the 30% threshold. Indeed, the latest net exchequer issues indicate that as at December 2021, only 36.98% of development exchequer had been released compared to 47.7% of the recurrent budget.
28. The committee observed that the introduction of an addendum to the supplementary budget simply isn't good budget practice. Firstly, it presents a risk of abuse as it is typically brought at the tail end of the review process and therefore isn't subjected to adequate scrutiny. Secondly, the submission of two separate documents adjusting the budget can mask the real impact of the proposed expenditure adjustments. Thirdly, the practice suggests a certain level of unpreparedness on the part of the National Treasury with regard to the supplementary budget.

6.0 FINANCING OF THE SUPPLEMENTARY ESTIMATES NO. 1 OF 2021/2022

29. The total revenue and grants projection has increased by 3.95% from Ksh. 2,101 billion to Ksh. 2,184 billion; mainly due to an upward revision in Appropriations-in Aid collection by 20.2% (Ksh. 53 billion). There are notable increases in Appropriations-in-Aid (A-in-A) estimation across a number of agencies including Universities; the Road Maintenance Levy Fund; Kenya Accreditation Service; Tourism Fund; Bomas of Kenya; Tourism Promotion Fund among others. The Committee observed that accurate estimation of A in A collection continues to be a challenge. According to the Parliamentary Budget Office, the higher revenue targets for both

Appropriations in Aid and foreign grants may not be met. Should this materialize, then it implies that the actual fiscal deficit may be higher than what has been projected by the National Treasury.

30. Ordinary revenue collection is projected to increase by 1.4% (Ksh. 25 billion) from Ksh. 1,776 billion to Ksh. 1,801 billion. This is attributed to an increase in Excise duty by 7.7 % (Ksh. 19 billion) and other tax revenues by 17.1% (Ksh. 18 billion) respectively. Conversely, income tax collection has been revised downwards by 1.9% (Ksh. 16 billion) from Ksh 834 billion to Ksh. 819 billion. This is on account of underperformance of corporate tax and withholding tax at 94.5 percent which translated to a shortfall of Ksh. 10.9 billion in the first half of the 2021/2022 financial year. It is noted that Income tax accounts for approximately 50 percent of ordinary revenue collection.
31. The fiscal deficit is estimated to increase from 7.5% to 8.1% of GDP. The National Treasury projects that the additional deficit of Ksh. 88.6 billion will be financed from external sources. Specifically, the expanded deficit will be financed by programme loans and the use of IMF SDR allocation. The Committee is concerned that the National Treasury appears to be deviating from the fiscal consolidation path that underpinned the 2021/22 Medium Term Expenditure Framework.

7.0 CONSOLIDATED FUND SERVICES (CFS)

32. The Supplementary budget proposes a 2% reduction of the Consolidated Fund Services (CFS) expenditure (by Kshs 17.74 Billion); from Kshs. 1.327 trillion in the approved budget to Ksh 1.309 trillion. This reduction is mainly on account of a decrease in the debt servicing expenses by Kshs 17.87 billion, due to the Debt Service Suspension Initiative(DSSI) that has resulted in the suspension of external debt servicing expenditures by Kshs. 72.3 billion. Key development partners who have offered substantial debt service suspensions include the EXIM Bank of China, Japan, and Italy among others. On the other hand, a few creditors such as the Netherlands, China Development Bank and Spain will receive increased debt servicing payments.
33. Whereas the Committee appreciates the suspension of debt service, it is noted that there are no indications of a similar trend for the medium term. If DSSI agreements are negotiated on a long-term basis, it will provide consistency and predictability during budgeting therefore minimizing DSSI variations during the Supplementary Estimates.
34. Despite the downward revision of the public debt service, it still constitutes the largest component of the CFS; accounting for 88 % (Kshs. 1.51 trillion) of total CFS expenditures. Of this amount, domestic debt service constitutes the largest expenditure item amounting to Kshs. 823.2 billion (or 71%). There is an increase in domestic debt servicing by Ksh. 54.5 billion which can be attributed to reorganization of domestic debt and reopening of infrastructural bonds. On the other hand, external debt servicing expenditures account for only Kshs. 328.1 billion (or

29%). The Committee observed that the prevailing borrowing strategy which favours the domestic market carries a greater refinancing risk and interest risk exposure arising from domestic debt servicing expenditures.

35. The supplementary CFS budget further proposes an increase of allowances for constitutional offices by Kshs. 136 Million. These are allowances for the various commissions and constitutional office holders. Major increases relate to the following: the Teachers Service Commission - increased from Kshs. 630,000 to Kshs. 34 million (5377%); Commission on administrative Justice – increased from Kshs. 250,000 to Kshs 25.7 Million (10,207%); Salaries and Remuneration Commission – increased from Kshs 6.6 Million to Kshs 38.8 Million (489%) among others. The Committee observed that there are no explanatory notes provided to explain or support the high variations of allowances during a period of fiscal constraint that requires rationalization of expenditure.

8.0 RECOMMENDATIONS BY THE BUDGET AND APPROPRIATIONS COMMITTEE

36. Arising from the above deliberations, the Committee recommends the following:

a. Policy Recommendations

- i. That, in the 13th Parliament, the Public Finance Management Act, 2012 and attendant Regulations should be reviewed to provide succinct guidelines on the budget items that should be funded under Article 223 of the Constitution.
 - ii. That, any funds withdrawn from Contingency Fund should be outlined on a separate schedule when supplementary estimates are tabled in the House.
 - iii. That, once a supplementary budget is submitted to the House, any addendum to the revised budget will NOT be accepted.
37. Additionally, reference should be made to the observations and policy recommendations from the Departmental Committees on the Supplementary Estimates No. 1. for Financial Year 2021/2022 attached in Annex 1 and relevant MDAs should take action.

b. Financial Recommendations

38. That, the Committee further recommends that this House approves;
- I. An increase of Kshs. 138,860,936,287 of which;
 - i. Executive -Kshs.138,180,887,040
 - ii. Judiciary- Kshs. 1,152,244,108
 - iii. Parliament- Kshs. 527,805,139
 - II. That, Schedule 1 and 2 form the basis for the finalization of the Supplementary Appropriations Bill, 2022

SCHEDULE 1

NOTE CODE	YOTE/PROGRAMME CODES & TITLE	APPROVED BUDGET FY 2021/22				INCREASES/DECREASES				SUPP. 1 BUDGET ESTIMATES FY 2021/22			
		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES			
1011	Executive Office of the President	25,267,713,596	9,327,249,383	34,594,962,979	-	-	-	2,415,999,861	592,600,000	3,008,599,861	-	-	-
	0702000 Cabinet Affairs	1,301,748,758	245,100,000	1,546,848,758	-	-	-	2,269,568,183	128,600,000	2,398,168,183	-	-	-
	0703000 Government Advisory Services	617,557,028	71,109,443	688,666,471	-	-	-	14,894,178	464,000,000	464,000,000	-	-	-
	0704000 State House Affairs	3,908,383,983	73,409,940	3,981,793,923	-	-	-	-	-	-	-	-	-
	0734000 Deputy President Services	1,400,594,532	17,630,000	1,418,224,532	-	-	-	-	-	-	-	-	-
1021	0745000 Nairobi Metropolitan Services	18,039,427,293	8,920,000,000	26,959,427,293	-	-	-	3,420,454,995	1,201,001,130	4,621,456,125	-	-	-
	State Department for Interior and Citizen Services	131,356,049,106	7,233,055,015	138,589,104,121	2,062,500,100	830,000,000	2,892,500,100	3,420,454,995	1,201,001,130	4,621,456,125	-	-	-
	0601000 Policing Services	98,802,945,708	1,669,000,000	100,471,945,708	1,452,825,525	150,000,000	1,602,825,525	(90,400,548)	230,000,000	139,599,452	-	-	-
	0603000 Government Printing Services	694,265,604	50,000,000	744,265,604	-	-	-	30,133,316	440,330,000	470,463,316	-	-	-
	0605000 Migration & Citizen Services	2,037,089,656	852,152,400	2,889,242,056	-	-	-	10,381,620	440,330,000	450,711,620	-	-	-
	0625000 Road Safety	2,204,400,000	520,865,215	2,725,265,215	-	-	-	180,000,000	550,000,000	730,000,000	-	-	-
	0626000 Population Management Services	3,817,719,070	1,025,500,000	4,843,219,070	6,000,000	50,000,000	6,000,000	326,288,909	(15,000,000)	311,288,909	-	-	-
	0629000 General Administration and Support Services	22,737,029,068	3,015,537,400	25,752,566,468	388,674,575	530,000,000	918,674,575	2,899,051,698	(104,328,870)	2,794,722,828	-	-	-
	0630000 Policy Coordination Services	962,600,000	100,000,000	1,062,600,000	65,000,000	100,000,000	165,000,000	65,000,000	100,000,000	165,000,000	-	-	-
	0623000 General Administration, Planning and Support Services	28,749,156,901	909,068,467	29,658,225,368	896,167,945	(200,000,000)	696,167,945	572,151,902	(478,994,779)	93,157,123	-	-	-
1023	State Department for Correctional Services	354,483,885	8,868,467	363,352,352	-	-	-	(6,941,807)	(7,360,828)	(14,302,635)	-	-	-
	Support Services	26,529,120,000	693,200,000	27,222,320,000	896,167,945	(200,000,000)	696,167,945	653,600,272	(361,338,395)	297,261,877	-	-	-
	0627000 Prison Services	1,865,553,016	207,000,000	2,072,553,016	-	-	-	(79,506,563)	(110,295,566)	(189,802,119)	-	-	-
1032	0628000 Probation & After Care Services	1,353,862,706	1,489,688,414	2,843,551,120	-	-	-	1,209,910,843	(251,065,353)	958,845,490	-	-	-
	State Department for Devolution	1,303,239,634	1,384,688,414	2,687,928,048	-	-	-	11,541,011	(225,748,857)	(244,207,846)	-	-	-
1033	0712000 Devolution Services	417,407,478	-	417,407,478	-	-	-	(1,630,168)	4,683,504	3,053,336	-	-	-
	Support Services	33,215,594	105,000,000	138,215,594	-	-	-	1,200,000,000	-	1,200,000,000	-	-	-
1041	0713000 Special Initiatives	1,061,151,947	9,080,065,116	10,141,216,463	-	-	-	13,224,058	1,132,367,721	1,145,591,779	-	-	-
	State Department for Development of the ASAL	1,061,151,347	9,080,065,116	10,141,216,463	-	-	-	13,224,058	1,132,367,721	1,145,591,779	-	-	-
	0733000 Accelerated ASAL Development	114,671,705,987	5,080,000,000	119,751,705,987	120,200,000	100,000,000	220,200,000	14,176,898,260	1,069,565,910	15,246,464,170	-	-	-
	Ministry of Defence	111,786,498,176	5,080,000,000	116,866,498,176	100,000,000	-	100,000,000	14,173,000,000	1,069,565,910	15,242,565,910	-	-	-
	0801000 Defence	700,000,000	-	700,000,000	-	-	-	-	-	-	-	-	-
1042	0802000 Civil Aid	1,985,207,811	-	1,985,207,811	20,200,000	-	20,200,000	3,898,260	-	3,898,260	-	-	-
	0803000 General Administration, Planning and Support Services	200,000,000	-	200,000,000	-	-	-	672,009,924	(500,000,000)	172,009,924	-	-	-
	0805000 National Space Management	17,023,874,380	1,796,122,798	18,819,997,178	-	-	-	305,064,794	(110,000,000)	195,064,794	-	-	-
	Ministry of Foreign Affairs	2,056,343,640	176,482,798	2,232,826,438	-	-	-	366,945,130	(330,000,000)	36,945,130	-	-	-
	0714000 General Administration Planning and Support Services	14,775,292,180	1,499,640,000	16,274,932,180	-	-	-	-	-	-	-	-	-
1052	0715000 Foreign Relation and Diplomacy	51,823,239	-	51,823,239	-	-	-	-	-	-	-	-	-
	0741000 Economic and Commercial Diplomacy	140,415,321	120,000,000	260,415,321	-	-	-	-	-	-	-	-	-
	0742000 Foreign Policy Research, Capacity Development and Technical Cooperation	18,647,469,071	4,648,436,000	23,295,905,071	-	-	-	349,232,911	(504,978,665)	(155,745,754)	-	-	-
	State Department for Vocational and Technical Training	18,466,236,268	4,638,436,000	23,104,672,268	-	-	-	356,509,334	(515,000,000)	(158,490,666)	-	-	-
	0505000 Technical Vocational Education and Training	38,666,389	10,000,000	48,666,389	-	-	-	(672,808)	10,021,335	9,348,527	-	-	-
1064	0507000 Youth Training and Development	142,566,414	-	142,566,414	-	-	-	(6,603,615)	22,440,140	15,836,525	-	-	-
	0508000 General Administration, Planning and Support Services	91,057,215,304	4,355,600,000	95,412,815,304	350,000,000	260,000,000	610,000,000	8,969,807,650	22,440,140	9,194,209,050	-	-	-
	0504000 University Education	89,913,249,632	4,315,600,000	94,228,849,632	350,000,000	260,000,000	610,000,000	8,964,153,531	22,440,140	9,186,593,671	-	-	-

SCHEDULE I

VOTE CODE	VOTE/PROGRAMME CODES & TITLE	APPROVED BUDGET FY 2021/22			INCREASES/DECREASES			SUPP. LBUDGET ESTIMATES FY 2021/22		
		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES
1065	0506000 Research, Science, Technology and Innovation 0508000 General Administration, Planning and Support Services	900,995,156	40,000,000	940,995,156	-	-	-	25,768,770	-	25,768,770
1066	State Department for Early Learning & Basic Education 0501000 Primary Education 0502000 Secondary Education 0503000 Quality Assurance and Standards 0508000 General Administration, Planning and Support Services	91,563,708,240 16,871,153,177 66,389,444,764 3,701,012,495 4,602,097,804	11,726,600,000 2,171,200,000 8,830,400,000 650,000,000 75,000,000	103,290,308,240 19,042,353,177 75,219,844,764 4,351,012,495 4,677,097,804	(700,000,000) (700,000,000) (595,000,000) 20,000,000 -	125,000,000 (595,000,000) (595,000,000) 20,000,000 -	1,281,339,883 292,535,089 997,605,852 (807,072) (7,993,986)	(20,114,651) 1,236,322,991 1,768,922,991 (585,600,000) 53,000,000	-	(20,114,651) 2,517,662,874 2,061,458,080 412,005,852 52,192,928
1068	Skills Development 0508000 General Administration, Planning and Support Services 0512000 Work Place Readiness Services	268,000,000 133,961,333 85,017,951	- - -	268,000,000 133,961,333 85,017,951	- - -	- - -	(35,880,000) (6,040,147) (20,354,207)	- - -	- - -	(7,993,986) - -
1069	State Department for Implementation of Curriculum Reforms 0514000 Coordination of the Curriculum Reform Implementation	47,020,716	-	47,020,716	-	-	-	-	-	(6,040,147) (20,354,207) (9,485,646)
1071	The National Treasury 0203000 Rail Transport 0204000 Marine Transport 0717000 General Administration Planning and Support Services 0718000 Public Financial Management 0719000 Economic and Financial Policy Formulation and Management 0720000 Market Competition 0740000 Government Cleaning services State Department for Planning	57,409,488,083 157,745,433,969 34,494,000,000 23,214,000,000 49,135,652,127 6,737,065,408 1,159,910,995 302,100,000 74,759,553 3,598,045,950	100,335,945,886 34,494,000,000 23,214,000,000 13,524,527,000 428,815,000 30,000,000 - - - -	157,745,433,969 34,494,000,000 23,214,000,000 62,660,179,127 35,381,669,294 1,588,725,995 332,100,000 74,759,553 45,985,202,166 43,899,604,326	(2,650,000,000) (2,486,922,907) (1,000,000,000) -	(2,486,922,907) (1,000,000,000) -	668,479,826 -	87,600,000 87,600,000 6,685,182,129 500,000,000 (15,040,000,000)	-	87,600,000 87,600,000 7,353,661,955 500,000,000 (15,040,000,000)
1072	0706000 Economic Policy and National Planning 0707000 National Statistical Information Services 0708000 Public Investment Management 0709000 Monitoring and Evaluation Services 0709000 General Administration Planning and Support Services Ministry of Health 0401000 Preventive, Promotive & Reproductive Health 0402000 National Referral & Specialized Services 0403000 Health Research and Development 0404000 General Administration, Planning & Support Services 0405000 Health Policy, Standards and Regulations State Department of Infrastructure	1,804,061,110 1,317,620,000 171,954,648 304,410,192 64,870,742,503 3,020,736,859 36,103,560,722 9,665,500,000 5,938,224,324 10,142,720,598 57,169,918,367	428,815,000 209,355,000 82,258,000 - 56,219,522,127 22,498,282,314 11,593,242,623 787,500,000 1,060,000,000 20,278,496,990 138,033,707,987	1,588,725,995 1,526,975,000 332,100,000 74,759,553 45,985,202,166 43,899,604,326 1,526,975,000 254,212,648 304,410,192 121,090,264,630 25,519,019,473 47,698,803,345 10,453,000,000 6,998,224,324 30,421,217,588 195,203,626,354	(2,650,000,000) (4,136,922,907) -	(1,486,922,907) -	(645,323,765) 1,608,971	23,069,982,129 674,000,000	(2,518,800,000) -	(1,197,801,335) 22,424,658,364
1081	0401000 Preventive, Promotive & Reproductive Health 0402000 National Referral & Specialized Services 0403000 Health Research and Development 0404000 General Administration, Planning & Support Services 0405000 Health Policy, Standards and Regulations State Department of Infrastructure	171,954,648 304,410,192 64,870,742,503 3,020,736,859 36,103,560,722 9,665,500,000 5,938,224,324 10,142,720,598 57,169,918,367	82,258,000 - 56,219,522,127 22,498,282,314 11,593,242,623 787,500,000 1,060,000,000 20,278,496,990 138,033,707,987	254,212,648 304,410,192 121,090,264,630 25,519,019,473 47,698,803,345 10,453,000,000 6,998,224,324 30,421,217,588 195,203,626,354	(1,850,000,000) -	(1,850,000,000) -	862,228,005 (22,286,788)	12,239,151,648 8,563,051,148	-	34,720,261 13,101,379,655
1001	0401000 Preventive, Promotive & Reproductive Health 0402000 National Referral & Specialized Services 0403000 Health Research and Development 0404000 General Administration, Planning & Support Services 0405000 Health Policy, Standards and Regulations State Department of Infrastructure	171,954,648 304,410,192 64,870,742,503 3,020,736,859 36,103,560,722 9,665,500,000 5,938,224,324 10,142,720,598 57,169,918,367	82,258,000 - 56,219,522,127 22,498,282,314 11,593,242,623 787,500,000 1,060,000,000 20,278,496,990 138,033,707,987	254,212,648 304,410,192 121,090,264,630 25,519,019,473 47,698,803,345 10,453,000,000 6,998,224,324 30,421,217,588 195,203,626,354	(1,850,000,000) -	(1,850,000,000) -	862,228,005 (22,286,788)	12,239,151,648 8,563,051,148	-	34,720,261 13,101,379,655
1001	0401000 Preventive, Promotive & Reproductive Health 0402000 National Referral & Specialized Services 0403000 Health Research and Development 0404000 General Administration, Planning & Support Services 0405000 Health Policy, Standards and Regulations State Department of Infrastructure	171,954,648 304,410,192 64,870,742,503 3,020,736,859 36,103,560,722 9,665,500,000 5,938,224,324 10,142,720,598 57,169,918,367	82,258,000 - 56,219,522,127 22,498,282,314 11,593,242,623 787,500,000 1,060,000,000 20,278,496,990 138,033,707,987	254,212,648 304,410,192 121,090,264,630 25,519,019,473 47,698,803,345 10,453,000,000 6,998,224,324 30,421,217,588 195,203,626,354	(1,850,000,000) -	(1,850,000,000) -	862,228,005 (22,286,788)	12,239,151,648 8,563,051,148	-	34,720,261 13,101,379,655
1001	0401000 Preventive, Promotive & Reproductive Health 0402000 National Referral & Specialized Services 0403000 Health Research and Development 0404000 General Administration, Planning & Support Services 0405000 Health Policy, Standards and Regulations State Department of Infrastructure	171,954,648 304,410,192 64,870,742,503 3,020,736,859 36,103,560,722 9,665,500,000 5,938,224,324 10,142,720,598 57,169,918,367	82,258,000 - 56,219,522,127 22,498,282,314 11,593,242,623 787,500,000 1,060,000,000 20,278,496,990 138,033,707,987	254,212,648 304,410,192 121,090,264,630 25,519,019,473 47,698,803,345 10,453,000,000 6,998,224,324 30,421,217,588 195,203,626,354	(1,850,000,000) -	(1,850,000,000) -	862,228,005 (22,286,788)	12,239,151,648 8,563,051,148	-	34,720,261 13,101,379,655
1001	0401000 Preventive, Promotive & Reproductive Health 0402000 National Referral & Specialized Services 0403000 Health Research and Development 0404000 General Administration, Planning & Support Services 0405000 Health Policy, Standards and Regulations State Department of Infrastructure	171,954,648 304,410,192 64,870,742,503 3,020,736,859 36,103,560,722 9,665,500,000 5,938,224,324 10,142,720,598 57,169,918,367	82,258,000 - 56,219,522,127 22,498,282,314 11,593,242,623 787,500,000 1,060,000,000 20,278,496,990 138,033,707,987	254,212,648 304,410,192 121,090,264,630 25,519,019,473 47,698,803,345 10,453,000,000 6,998,224,324 30,421,217,588 195,203,626,354	(1,850,000,000) -	(1,850,000,000) -	862,228,005 (22,286,788)	12,239,151,648 8,563,051,148	-	34,720,261 13,101,379,655
1001	0401000 Preventive, Promotive & Reproductive Health 0402000 National Referral & Specialized Services 0403000 Health Research and Development 0404000 General Administration, Planning & Support Services 0405000 Health Policy, Standards and Regulations State Department of Infrastructure	171,954,648 304,410,192 64,870,742,503 3,020,736,859 36,103,560,722 9,665,500,000 5,938,224,324 10,142,720,598 57,169,918,367	82,258,000 - 56,219,522,127 22,498,282,314 11,593,242,623 787,500,000 1,060,000,000 20,278,496,990 138,033,707,987	254,212,648 304,410,192 121,090,264,630 25,519,019,473 47,698,803,345 10,453,000,000 6,998,224,324 30,421,217,588 195,203,626,354	(1,850,000,000) -	(1,850,000,000) -	862,228,005 (22,286,788)	12,239,151,648 8,563,051,148	-	34,720,261 13,101,379,655
1001	0401000 Preventive, Promotive & Reproductive Health 0402000 National Referral & Specialized Services 0403000 Health Research and Development 0404000 General Administration, Planning & Support Services 0405000 Health Policy, Standards and Regulations State Department of Infrastructure	171,954,648 304,410,192 64,870,742,503 3,020,736,859 36,103,560,722 9,665,500,000 5,938,224,324 10,142,720,598 57,169,918,367	82,258,000 - 56,219,522,127 22,498,282,314 11,593,242,623 787,500,000 1,060,000,000 20,278,496,990 138,033,707,987	254,212,648 304,410,192 121,090,264,630 25,519,019,473 47,698,803,345 10,453,000,000 6,998,224,324 30,421,217,588 195,203,626,354	(1,850,000,000) -	(1,850,000,000) -	862,228,005 (22,286,788)	12,239,151,648 8,563,051,148	-	34,720,261 13,101,379,655
1001	0401000 Preventive, Promotive & Reproductive Health 0402000 National Referral & Specialized Services 0403000 Health Research and Development 0404000 General Administration, Planning & Support Services 0405000 Health Policy, Standards and Regulations State Department of Infrastructure	171,954,648 304,410,192 64,870,742,503 3,020,736,859 36,103,560,722 9,665,500,000 5,938,224,324 10,142,720,598 57,169,918,367	82,258,000 - 56,219,522,127 22,498,282,314 11,593,242,623 787,500,000 1,060,000,000 20,278,496,990 138,033,707,987	254,212,648 304,410,192 121,090,264,630 25,519,019,473 47,698,803,345 10,453,000,000 6,998,224,324 30,421,217,588 195,203,626,354	(1,850,000,000) -	(1,850,000,000) -	862,228,005 (22,286,788)	12,239,151,648 8,563,051,148	-	34,720,261 13,101,379,655
1001	0401000 Preventive, Promotive & Reproductive Health 0402000 National Referral & Specialized Services 0403000 Health Research and Development 0404000 General Administration, Planning & Support Services 0405000 Health Policy, Standards and Regulations State Department of Infrastructure	171,954,648 304,410,192 64,870,742,503 3,020,736,859 36,103,560,722 9,665,500,000 5,938,224,324 10,142,720,598 57,169,918,367	82,258,000 - 56,219,522,127 22,498,282,314 11,593,242,623 787,500,000 1,060,000,000 20,278,496,990 138,033,707,987	254,212,648 304,410,192 121,090,264,630 25,519,019,473 47,698,803,345 10,453,000,000 6,998,224,324 30,421,217,588 195,203,626,354	(1,850,000,000) -	(1,850,000,000) -	862,228,005 (22,286,788)	12,239,151,648 8,563,051,148	-	34,720,261 13,101,379,655
1001	0401000 Preventive, Promotive & Reproductive Health 0402000 National Referral & Specialized Services 0403000 Health Research and Development 0404000 General Administration, Planning & Support Services 0405000 Health Policy, Standards and Regulations State Department of Infrastructure	171,954,648 304,410,192 64,870,742,503 3,020,736,859 36,103,560,722 9,665,500,000 5,938,224,324 10,142,720,598 57,169,918,367	82,258,000 - 56,219,522,127 22,498,282,314 11,593,242,623 787,500,000 1,060,000,000 20,278,496,990 138,033,707,987	254,212,648 304,410,192 121,090,264,630 25,519,019,473 47,698,803,345 10,453,000,000 6,998,224,324 30,421,217,588 195,203,626,354	(1,850,000,000) -	(1,850,000,000) -	862,228,005 (22,286,788)	12,239,151,648 8,563,051,148	-	34,720,261 13,101,379,655
1001	0401000 Preventive, Promotive & Reproductive Health 0402000 National Referral & Specialized Services 0403000 Health Research and Development 0404000 General Administration, Planning & Support Services 0405000 Health Policy, Standards and Regulations State Department of Infrastructure	171,954,648 304,410,192 64,870,742,503 3,020,736,859 36,103,560,722 9,665,500,000 5,938,224,324 10,142,720,598 57,169,918,367	82,258,000 - 56,219,522,127 22,498,282,314 11,593,242,623 787,500,000 1,060,000,000 20,278,496,990 138,033,707,987	254,212,648 304,410,192 121,090,264,630 25,519,019,473 47,698,803,345 10,453,000,000 6,998,224,324 30,421,217,588 195,203,626,354	(1,850,000,000) -	(1,850,000,000) -	862,228,005 (22,286,788)	12,239,151,648 8,563,051,148	-	34,720,261 13,101,379,655
1001	0401000 Preventive, Promotive & Reproductive Health 0402000 National Referral & Specialized Services 0403000 Health Research and Development 0404000 General Administration, Planning & Support Services 0405000 Health Policy, Standards and Regulations State Department of Infrastructure	171,954,648 304,410,192 64,870,742,503 3,020,736,859 36,103,560,722 9,665,500,000 5,938,224,324 10,142,720,598 57,169,918,367	82,258,000 - 56,219,522,127 22,498,282,314 11,593,242,623 787,500,000 1,060,000,000 20,278,496,990 138,033,707,987	254,212,648 304,410,192 121,090,264,630 25,519,019,473 47,698,803,345 10,453,000,000 6,998,224,324 30,421,217,588 195,203,626,354	(1,850,000,000) -	(1,850,000,000) -	862,228,005 (22,286,788)	12,239,151,648 8,563,051,148	-	34,720,261 13,101,379,655
1001	0401000 Preventive, Promotive & Reproductive Health 0402000 National Referral & Specialized Services 0403000 Health Research and Development 0404000 General Administration, Planning & Support Services 0405000 Health Policy, Standards and Regulations State Department of Infrastructure	171,954,648 304,410,192 64,870,742,503 3,020,736,859 36,103,560,722 9,665,500,000 5,938,224,324 10,142,720,598 57,169,918,367	82,258,000 - 56,219,522,127 22,498,282,314 11,593,242,623 787,500,000 1,060,000,000 20,278,496,990 138,033,707,987	254,212,648 304,410,192 121,090,264,630 25,519,019,473 47,698,803,345 10,453,000,000 6,998,224,324 30,421,217,588 195,203,626,354	(1,850,000,000) -	(1,850,000,000) -	862,228,005 (22,286,788)	12,239,151,648 8,563,051,148	-	34,720,261 13,101,379,655
1001	0401000 Preventive, Promotive & Reproductive Health 0402000 National Referral & Specialized Services 0403000 Health Research and Development 0404000 General Administration, Planning & Support Services 0405000 Health Policy, Standards and Regulations State Department of Infrastructure	171,954,648 304,410,192 64,870,742,503 3,020,736,859 36,103,560,722 9,665,500,000 5,938,224,324 10,142,720,598 57,169,918,367	82,258,000 - 56,219,522,127 22,498							

SCHEDULE 1

VOTE CODE	VOTE/PROGRAMME CODES & TITLE	APPROVED BUDGET FY 2021/22				INCREASES/DECREASES				SUPP. 1 BUDGET ESTIMATES FY 2021/22			
		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES			
1091	0202000 Road Transport	57,169,918,367	138,033,707,987	195,203,626,354	-	-	-	17,335,204,819	(8,305,013,660)	9,030,191,159			
	State Department of Transport	9,428,200,336	1,346,300,000	10,774,500,336	-	-	-	940,315,536	(361,500,000)	578,815,536			
	0201000 General Administration, Planning and Support Services	271,768,567	70,000,000	341,768,567	-	-	-	(32,858,833)	(47,000,000)	(79,858,833)			
1092	0204000 Marine Transport	801,705,287	327,000,000	1,128,705,287	-	-	-	(468,646)	(59,000,000)	(59,468,646)			
	0205000 Air Transport	8,342,347,789	603,000,000	8,945,347,789	-	-	-	974,914,744	(255,500,000)	719,414,744			
	0216000 Road Safety	12,378,693	346,300,000	358,678,693	-	-	-	(1,271,739)	(1,271,739)	(1,271,739)			
1093	State Department for Shipping and Maritime Affairs	2,037,305,572	750,200,000	2,787,505,572	-	-	-	62,023,042	(90,000,000)	(27,976,958)			
	0220000 Shipping and Maritime Affairs	2,037,305,572	750,200,000	2,787,505,572	-	-	-	62,023,042	(90,000,000)	(27,976,958)			
	State Department for Housing and Urban Development	1,233,607,313	14,054,600,000	15,288,207,313	-	-	-	(71,630,090)	2,620,340,000	2,548,709,910			
1094	0102000 Housing Development and Human Settlement	632,561,525	8,178,000,000	8,810,561,525	-	-	-	(42,526,679)	(140,000,000)	(182,526,679)			
	0105000 Urban and Metropolitan Development	223,947,762	5,876,600,000	6,100,547,762	-	-	-	(7,503,962)	2,760,340,000	2,752,836,038			
	0106000 General Administration Planning and Support Services	377,098,026	-	377,098,026	-	-	-	(21,599,449)	-	(21,599,449)			
	State for Public Works	3,111,710,821	1,127,800,000	4,239,510,821	-	-	-	12,884,817	(100,000,000)	(87,115,183)			
	0103000 Government Buildings	515,958,500	598,309,300	1,114,267,800	-	-	-	(33,321,516)	(42,300,000)	(75,621,516)			
	0104000 Coastal Infrastructure and Pedestrian Access	159,522,728	158,490,700	318,013,428	-	-	-	(284,344)	31,800,000	31,515,656			
1095	0106000 General Administration Planning and Support Services	308,977,163	14,000,000	322,977,163	-	-	-	48,051,054	-	48,051,054			
	0218000 Regulation and Development of the Construction Industry	2,127,232,430	357,000,000	2,484,232,430	-	-	-	(1,560,377)	(89,500,000)	(91,060,377)			
	Ministry of Environment and Forestry	10,481,631,505	4,245,400,000	14,727,031,505	-	-	-	68,466,236	(88,870,576)	(20,404,340)			
	1002000 Environment Management and Protection	1,949,900,000	1,368,100,000	3,318,000,000	-	-	-	40,360,318	137,029,424	177,389,742			
1108	1010000 General Administration, Planning and Support Services	421,731,505	-	421,731,505	-	-	-	87,038,492	-	87,038,492			
	1012000 Meteorological Services	1,032,000,000	403,000,000	1,435,000,000	-	-	-	(55,700,000)	(55,000,000)	(110,700,000)			
	1018000 Forests and Water Towers	7,078,000,000	2,474,300,000	9,552,300,000	-	-	-	(3,232,574)	(170,900,000)	(174,132,574)			
	Conservation	6,395,728,930	71,218,500,000	77,614,228,930	-	-	-	(74,402,207)	4,429,230,862	4,354,828,655			
	Ministry of Water, Sanitation and Irrigation	761,773,283	150,000,000	911,773,283	-	-	-	(13,867,831)	3,870,000,000	3,856,132,169			
	1001000 General Administration, Planning and Support Services	1,663,850,560	14,667,000,000	16,330,850,560	-	-	-	(11,525,499)	57,076,809	45,551,310			
1109	1004000 Water Resources Management	3,227,254,245	33,539,500,000	36,766,754,245	-	-	-	(28,365,532)	1,217,154,033	1,188,788,501			
	1017000 Water and Sewerage Infrastructure	712,536,298	9,649,000,000	10,361,536,298	-	-	-	(938,731)	795,000,000	794,061,269			
	1014000 Irrigation and Land Reclamation	-	10,783,000,000	10,783,000,000	-	-	-	253,950,000	(378,167,806)	(124,217,806)			
	1015000 Water Storage and Flood Control	30,314,544	2,430,000,000	2,460,314,544	-	-	-	253,950,000	(378,167,806)	(124,217,806)			
	1022000 Water Harvesting and Storage for Irrigation	3,044,973,103	2,431,148,393	5,476,121,496	-	-	-	253,950,000	(378,167,806)	(124,217,806)			
1112	0101000 Land Policy and Planning	3,044,973,103	2,431,148,393	5,476,121,496	-	-	-	253,950,000	(378,167,806)	(124,217,806)			
	State Department for Information Communication and Technology & Innovation	1,585,387,615	21,203,977,790	22,789,365,405	-	-	-	(2,229,479)	-	(2,229,479)			
1122	0207000 General Administration Planning and Support Services	259,756,418	-	259,756,418	-	-	-	38,065,975	(1,201,602,268)	(1,163,536,293)			
	0210000 ICT Infrastructure Development	533,501,638	19,947,515,522	20,481,017,160	-	-	-	38,065,975	(1,201,602,268)	(1,163,536,293)			

SCHEDULE I

VOTE CODE	VOTE/PROGRAMME CODES & TITLE	APPROVED BUDGET FY 2021/22		INCREASES/DECREASES		SUPP. I BUDGET ESTIMATES FY 2021/22		GROSS TOTAL ESTIMATES
		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	
	0217000 E-Government Services	790,129,539	1,236,462,268	-	-	174,475,926	(128,400,000)	46,075,926
	State Department for Broadcasting & Telecommunications	6,456,916,225	496,900,000	-	-	1,189,773,767	(100,000,000)	1,089,773,767
1123	0207000 General Administration Planning and Support Services	197,771,168	-	36,000,000	-	53,240,323	-	53,240,323
	0208000 Information and Communication Services	5,143,859,377	271,400,000	792,500,000	-	1,021,199,116	(60,000,000)	961,199,116
	0209000 Mass Media Skills Development	224,500,000	120,500,000	-	-	-	(20,000,000)	(20,000,000)
	0221000 Film Development Services Programme	890,785,680	105,000,000	119,000,000	-	115,334,328	(20,000,000)	95,334,328
1132	State Department for Sports	1,338,850,782	15,147,791,399	-	20,000,000	-	-	-
	0901000 Sports	1,338,850,782	15,147,791,399	16,486,642,181	-	37,186,009	20,000,000	(17,186,009)
	State Department for Culture and Heritage	2,931,188,547	55,896,560	2,987,085,107	-	37,186,009	20,000,000	(17,186,009)
	0902000 Culture / Heritage	1,880,225,273	43,600,000	1,923,825,273	10,000,000	113,304,136	10,000,000	123,304,136
1134	0903000 The Arts	142,285,698	-	142,285,698	10,000,000	100,710,485	10,000,000	110,710,485
	0904000 Library Services	791,518,439	11,000,000	802,518,439	(40,000,000)	(6,614,145)	-	(6,614,145)
	0905000 General Administration, Planning and Support Services	117,159,137	1,296,560	118,455,697	-	60,991,921	-	60,991,921
1152	Ministry of Energy	6,636,000,000	67,248,000,000	73,884,000,000	-	233,000,000	(9,500,458,575)	316,541,425
	0211000 General Administration Planning and Support Services	413,000,000	130,000,000	543,000,000	-	-	-	-
	0212000 Power Generation	2,267,000,000	9,888,000,000	12,155,000,000	-	200,000,000	(358,000,000)	(164,690,800)
	0213000 Power Transmission and Distribution	3,744,000,000	54,693,000,000	58,437,000,000	-	33,000,000	(7,868,458,575)	1,774,152,233
	0214000 Alternative Energy Technologies	212,000,000	2,537,000,000	2,749,000,000	-	(18,920,008)	(1,274,000,000)	(1,292,920,008)
1162	State Department for Livestock	3,428,178,143	5,651,076,726	9,079,254,869	(200,000,000)	238,520,000	(2,729,925,200)	(2,491,405,200)
	0112000 Livestock Resources Management and Development	3,428,178,143	5,651,076,726	9,079,254,869	(200,000,000)	238,520,000	(2,729,925,200)	(2,491,405,200)
	State Department for Fisheries, Aquaculture & the Blue Economy	2,267,372,675	10,736,200,000	13,003,572,675	(600,000,000)	(15,270,000)	(5,251,000,000)	(5,266,270,000)
	0111000 Fisheries Development and Management	1,963,266,794	7,352,372,380	9,315,639,374	-	(5,262,402)	(2,851,000,000)	(2,856,262,402)
1166	0117000 General Administration, Planning and Support Services	187,905,881	50,000,000	237,905,881	-	(9,666,562)	-	(9,666,562)
	0118000 Development and Coordination of the Blue Economy	116,200,000	3,333,627,420	3,449,827,420	(600,000,000)	(341,036)	(2,400,000,000)	(2,400,341,036)
	State Department for Crop Development & Agricultural Research	13,436,419,328	31,496,699,987	44,933,119,315	50,000,000	(53,090,000)	5,483,196,118	5,430,106,118
1169	0107000 General Administration Planning and Support Services	4,803,770,114	1,840,407,997	6,644,178,111	50,000,000	16,229,810	1,591,000,000	1,607,229,810
	0108000 Crop Development and Management	2,911,708,075	27,248,291,990	30,160,000,065	-	(71,713,436)	3,892,196,118	3,820,482,682
	0109000 Agribusiness and Information Management	118,875,579	1,485,000,000	1,603,875,579	-	5,621,781	-	5,621,781
	State Department for Cooperatives	15,602,065,560	923,000,000	6,523,065,560	-	(3,228,155)	-	(3,228,155)
1173	0304000 Cooperative Development and Management	1,226,290,884	524,600,000	1,750,890,884	5,000,000	6,639,303	(90,000,000)	(83,360,697)
	State Department for Trade and Enterprise Development	1,226,290,884	524,600,000	1,750,890,884	5,000,000	6,639,303	(90,000,000)	(83,360,697)
1174	0307000 Trade Development and Promotion	2,286,129,067	1,739,017,429	4,025,146,496	100,000,000	211,101,960	762,900,000	974,001,960
	State Department for Industrialization	2,286,129,067	1,739,017,429	4,025,146,496	100,000,000	211,101,960	762,900,000	974,001,960
	0301000 General Administration Planning and Support Services	3,112,433,120	3,272,900,000	6,385,333,120	30,000,000	164,414,000	(460,000,000)	(295,586,000)
1175	Support Services	426,452,721	-	426,452,721	-	2,000,000	-	2,000,000

SCHEDULE I

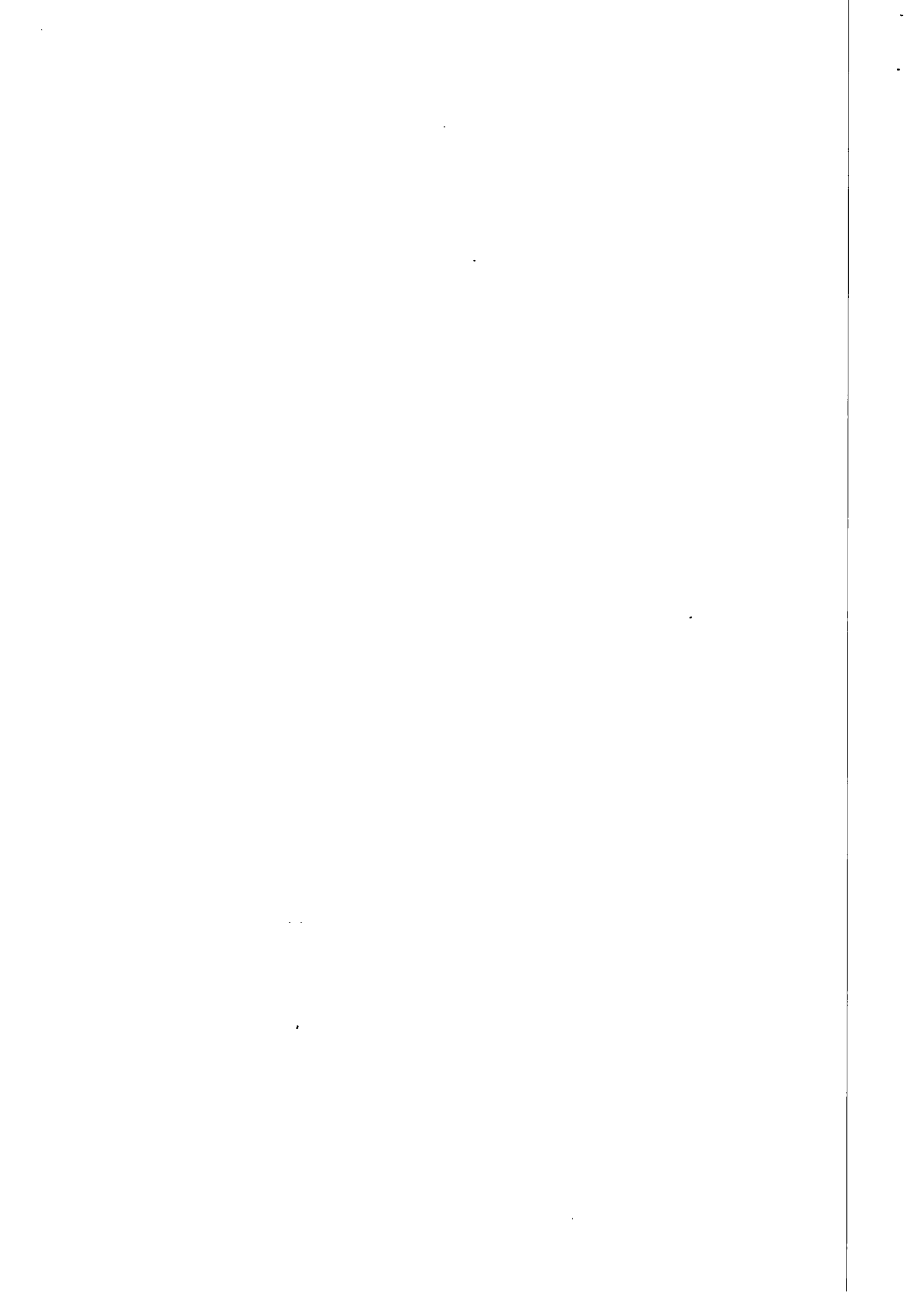
VOTE CODE	VOTE/PROGRAMME CODES & TITLE	APPROVED BUDGET FY 2021/22				INCREASES/DECREASES				SUPP. I BUDGET ESTIMATES FY 2021/22			
		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES			
1184	0302000 Industrial Development and Investments 0303000 Standards and Business Incubation State Department for Labour 0910000 General Administration Planning and Support Services 0906000 Promotion of the Best Labour Practice 0907000 Manpower Development, Employment and Productivity Management State Department for Social Protection, Senior Citizen Affairs & Special Programs 0908000 Social Development and Children Services	1,439,176,689 1,216,803,710 2,782,769,908 442,886,022 669,101,128 1,670,782,738 30,485,432,498 3,870,926,619 26,394,333,516 220,182,363	840,266,000 2,432,634,000 2,560,718,482 337,105 63,811,177 2,496,570,200 3,082,638,823 263,333,823 2,819,305,000 -	2,279,442,689 3,679,437,710 5,343,488,390 443,223,127 732,912,305 4,167,352,938 41,342,260,442 4,134,260,442 29,213,628,516 220,182,363	- 30,000,000 - - - - - - - - -	(340,000,000) 80,000,000 - - - - - - - - -	(340,000,000) 110,000,000 - - - - - - - - -	162,414,000 (101,764,988) (7,971,152) (68,960,799) (24,833,037) 2,378,852,508 (6,356,474) (10,893,169) 2,396,102,151 (10,893,169)	(340,000,000) (120,000,000) (1,630,763,269) - (1,630,763,269) (400,000,000) - (400,000,000) - (400,000,000)	42,414,000 (1,732,528,257) (7,971,152) (68,960,799) (1,655,596,306) 1,978,852,508 (6,356,474) (10,893,169) 1,996,102,151 (10,893,169)			
1185	0909000 National Social Safety Net 0914000 General Administration, Planning and Support Services State Department for Petroleum and Mining 0215000 Exploration and Distribution of Oil and Gas	220,182,363 965,601,695 336,000,000 275,601,695	2,926,138,073 2,649,400,001 23,338,072 126,200,000	3,891,739,768 2,985,400,001 298,939,767 419,000,000	6,730,000,000 6,730,000,000 - -	- - - -	6,730,000,000 6,730,000,000 - -	31,692,984,209 31,709,829,081 (7,372,076) (3,530,247)	(462,415,787) (248,415,787) (19,000,000) (82,000,000)	31,230,568,422 31,461,413,294 (26,372,076) (85,530,247)			
1194	1007000 General Administration Planning and Support Services 1009000 Mineral Resources Management 1021000 Geological Surveys and Geoinformation Management	292,800,000 61,200,000 -	126,200,000 127,200,000 -	419,000,000 188,400,000 -	- - -	- - -	(3,530,247) (5,942,549) -	(82,000,000) (113,000,000) -	(85,530,247) (118,942,549) -				
1202	State Department for Tourism 0306000 Tourism Development and Promotion State Department for Wildlife 1019000 Wildlife Conservation and Management State Department for Gender	5,207,319,152 5,207,319,152 7,611,813,774 7,611,813,774 1,035,807,321	475,000,000 5,682,319,152 632,810,000 632,810,000 2,632,000,000	5,682,319,152 5,682,319,152 8,244,623,774 8,244,623,774 3,667,807,321	- - - - -	100,000,000 100,000,000 - - -	100,000,000 100,000,000 - - -	1,853,524,327 1,853,524,327 (578,009,010) (578,009,010) 97,758,012	100,000,000 100,000,000 186,800,000 186,800,000 (156,131,043)	1,953,524,327 1,953,524,327 (391,209,010) (391,209,010) (58,373,031)			
1203	State Department for Gender 0911000 Community Development 0912000 Gender Empowerment, Planning and Support Services	729,915,304 305,892,017 -	502,000,000 - -	1,231,915,304 305,892,017 -	- - -	- - -	40,935,067 1,000,000 -	(156,131,043) - -	(115,195,976) - -				
1212	State Department for Public Service 0710000 Public Service Transformation 0709000 General Administration Planning and Support Services	18,325,020,000 7,839,013,166 492,210,161	568,012,066 410,170,000 107,842,066	18,893,032,066 8,269,183,166 600,052,227	20,000,000 20,000,000 -	- - -	1,178,683,855 86,253,269 92,430,586	(10,000,000) - 10,000,000	1,178,683,855 76,253,269 102,430,586				
1213	State Department for Youth Affairs 0711000 Youth Empowerment State Department for East African Community	9,973,796,673 1,439,989,789 1,439,989,789	50,000,000 3,210,491,076 3,210,491,076	10,023,796,673 4,650,480,865 4,650,480,865	58,066,245 58,066,245 -	(38,066,245) (38,066,245) -	29,628,874 29,628,874 (20,000,000)	2,061,933,755 2,061,933,755 -	2,091,562,629 2,091,562,629 -				
1214	State Department for East African Community 0305000 East African Affairs and Regional Integration State Department for Regional & Northern Corridor Development	609,846,603 609,846,603 2,785,000,000	- - 1,095,500,000	609,846,603 609,846,603 3,880,500,000	- - -	- - 620,000,000	(20,000,000) - 121,062,275	- - 1,220,000,000	- - (50,000,000)				
1222	State Law Office and Department of Justice 0606000 Legal Services 0607000 Governance, Legal Training and Constitutional Affairs	4,978,349,801 2,395,179,956 1,876,200,000	181,301,335 - 90,500,000	5,159,651,336 2,395,179,956 1,966,700,000	59,226,809 59,226,809 -	- - -	93,526,809 83,526,809 -	1,220,000,000 - (9,500,000)	43,526,809 83,526,809 (9,500,000)				
1252	State Department for Regional & Northern Corridor Development	2,785,000,000	1,095,500,000	3,880,500,000	-	620,000,000	121,062,275	1,220,000,000	1,341,062,275				

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VOTE CODE	VOTE/PROGRAMME CODES & TITLE	APPROVED BUDGET FY 2021/22			INCREASES/DECREASES			SUPP. I BUDGET ESTIMATES FY 2021/22		
		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES
	0609000 General Administration, Planning and Support Services	706,969,845	90,801,535	797,771,380	-	-	-	10,000,000	(40,500,000)	(30,500,000)
1271	Ethics and Anti-Corruption Commission	3,258,530,000	67,493,119	3,326,023,119	-	-	-	-	-	-
1281	National Intelligence Service	42,451,000,000	-	42,451,000,000	1,250,000,000	-	1,250,000,000	3,450,000,000	-	3,450,000,000
1291	Office of the Director of Public Prosecutions	3,125,952,706	150,286,238	3,276,238,944	1,250,000,000	-	1,250,000,000	3,450,000,000	-	3,450,000,000
1311	Office of the Registrar of Political Parties	3,125,952,706	150,286,238	3,276,238,944	-	-	-	200,000,000	-	200,000,000
1321	Witness Protection Agency	1,961,696,750	-	1,961,696,750	1,060,000,000	-	1,060,000,000	1,384,024,100	-	1,384,024,100
2011	Kenya National Commission on Human Rights	489,042,929	-	489,042,929	-	-	-	21,127,357	-	21,127,357
2021	National Land Commission	1,444,003,829	38,896,786	1,482,900,615	-	-	-	-	-	-
2031	Independent Electoral and Boundaries Commission	14,226,688,218	125,000,000	14,351,688,218	500,000,000	-	500,000,000	500,000,000	-	500,000,000
2061	Public Service Commission	2,372,171,009	19,300,000	2,391,471,009	-	-	-	31,700,000	-	31,700,000
2071	Human Resource Management and Development	1,419,259,243	-	1,419,259,243	792,094,422	-	792,094,422	31,700,000	-	31,700,000
2081	Salaries and Remuneration Commission	621,380,000	-	621,380,000	-	-	-	-	-	-
2091	Teachers Service Commission	281,059,000,000	643,100,000	281,704,100,000	-	-	-	-	-	-
2101	National Police Service Commission	794,089,102	-	794,089,102	65,000,000	-	65,000,000	84,648,217	-	84,648,217
2111	Auditor General	5,706,450,390	200,000,000	5,906,450,390	-	-	-	84,648,217	-	84,648,217
2121	Office of the Controller of Budget	689,122,143	-	689,122,143	-	-	-	330,000,000	-	330,000,000
2131	Commission on Administrative Justice	614,821,608	-	614,821,608	-	-	-	330,000,000	-	330,000,000
		614,821,608	-	614,821,608	-	-	-	(33,000,000)	-	(33,000,000)
								20,000,000	-	20,000,000
								20,000,000	-	20,000,000

SCHEDULE I

VOTE CODE	VOTE/PROGRAMME CODES & TITLE	APPROVED BUDGET FY 2021/22				INCREASES/DECREASES				SUPP. I BUDGET ESTIMATES FY 2021/22					
		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES		
2141	National Gender and Equality Commission	436,592,581	-	436,592,581	-	-	-	-	-	-	-	-	-	-	6,044,000
	0621000 Promotion of Gender Equality and	436,592,581	-	436,592,581	-	-	-	-	-	-	-	-	-	-	6,044,000
	Freedom from Discrimination	949,758,146	-	949,758,146	10,800,000	-	10,800,000	-	-	-	-	-	-	-	4,800,000
	0622000 Policing Oversight Services	949,758,146	-	949,758,146	10,800,000	-	10,800,000	-	-	-	-	-	-	-	4,800,000
2151	Independent Policing Oversight Authority	1,222,228,002,992	663,979,911,891	1,886,207,914,883	11,801,161,099	765,010,848	12,266,171,947	123,987,759,254	13,193,127,786	137,180,887,040	1,102,244,108	1,102,244,108	50,000,000	50,000,000	1,102,244,108
	Sub-Total: Executive	15,003,000,000	2,333,400,000	17,336,400,000	-	-	-	-	-	-	-	-	-	-	50,000,000
1261	The Judiciary	15,003,000,000	2,333,400,000	17,336,400,000	-	-	-	-	-	-	-	-	-	-	50,000,000
	0610000 Dispensation of Justice	15,003,000,000	2,333,400,000	17,336,400,000	-	-	-	-	-	-	-	-	-	-	50,000,000
	Judicial Service Commission	581,800,000	-	581,800,000	-	-	-	-	-	-	-	-	-	-	50,000,000
2051	Judicial Service Commission	581,800,000	-	581,800,000	-	-	-	-	-	-	-	-	-	-	50,000,000
	0619000 General Administration, Planning and Support Services	581,800,000	-	581,800,000	-	-	-	-	-	-	-	-	-	-	50,000,000
	Sub-Total: Judiciary	15,584,800,000	2,333,400,000	17,918,200,000	-	-	-	-	-	-	-	-	-	-	1,152,244,108
2041	Parliamentary Service Commission	6,612,314,228	-	6,612,314,228	184,000,000	-	184,000,000	349,305,139	349,305,139	349,305,139	-	-	-	-	349,305,139
	0722000 Senate Affairs	6,612,314,228	-	6,612,314,228	184,000,000	-	184,000,000	349,305,139	349,305,139	349,305,139	-	-	-	-	349,305,139
	National Assembly	23,502,082,199	-	23,502,082,199	50,000,000	-	50,000,000	(130,000,000)	(130,000,000)	(130,000,000)	-	-	-	-	(130,000,000)
2042	National Assembly	23,502,082,199	-	23,502,082,199	50,000,000	-	50,000,000	(130,000,000)	(130,000,000)	(130,000,000)	-	-	-	-	(130,000,000)
	0721000 National Legislation, Representation and Oversight	23,502,082,199	-	23,502,082,199	50,000,000	-	50,000,000	(130,000,000)	(130,000,000)	(130,000,000)	-	-	-	-	(130,000,000)
	Parliamentary Joint Services	5,702,753,573	2,065,550,000	7,768,303,573	80,000,000	-	80,000,000	(30,000,000)	338,500,000	308,500,000	-	-	-	-	308,500,000
	0723000 General Administration, Planning and Support Services	5,554,753,573	2,065,550,000	7,620,303,573	60,000,000	-	60,000,000	(44,000,000)	338,500,000	294,500,000	-	-	-	-	294,500,000
2043	Support Services	148,000,000	-	148,000,000	20,000,000	-	20,000,000	14,000,000	-	-	-	-	-	-	14,000,000
	0746000 Legislative Training Research & Knowledge Management	148,000,000	-	148,000,000	20,000,000	-	20,000,000	14,000,000	-	-	-	-	-	-	14,000,000
	Sub-Total: Parliament	35,817,150,000	2,065,550,000	37,882,700,000	314,000,000	-	314,000,000	189,305,139	338,500,000	527,805,139	-	-	-	-	527,805,139
	TOTAL	1,273,629,952,992	668,578,861,891	1,942,208,814,883	11,815,161,099	765,010,848	12,580,171,947	125,170,384,778	13,790,551,509	138,860,936,287	-	-	-	-	138,860,936,287



		22/03/2022 15:57		SCHEDULE II FINANCIAL RECOMMENDATIONS						Commitment
				COMMITTEE RECOMMENDATIONS						
Vote Code	Departmental Committee ENVIRONMENT AND NATURAL RESOURCES	VOTE/PROGRAMME CODES & TITLE	Recurrent		Development		Net Change		Comment	
			Reduction	Increase	Reduction	Increase				
1109		Ministry of Water, Sanitation and Irrigation			(1,000,000,000)	1,200,000,000	200,000,000			
1109		1001000 General Administration, Planning and Support Services			(1,000,000,000)	1,200,000,000	200,000,000			
1109		1004000 Water Resources Management			(300,000,000)		(300,000,000)		Reduce 300 million (Development) from affordable housing water supply (National Treasury Amendment)	
1109		1004000 Water Resources Management			(300,000,000)		(300,000,000)		Reduce Ksh.. 415 million (Development) from the programme. Increase Ksh.. 5 million (Development) for Uinaa Dam. Increase Ksh.. 5 million (Development) for Badasa Dam. Additional Ksh.. 500 Million (development) for drought mitigation through water supply Additional 100 Million (Development) for Syori-Murany Water project	
1109		1017000 Water and Sewerage Infrastructure Development			(415,000,000)	610,000,000	195,000,000			
1109		1017000 Water and Sewerage Infrastructure Development			(200,000,000)		(200,000,000)		Reduce 200 million (Development) from big four projects UHC (National Treasury Amendment)	
1109		1014000 Irrigation and Land Reclamation								
1109		1015000 Water Storage and Flood Control				370,000,000	370,000,000		Increase Ksh. 200 million (Development) for national water harvesting and ground water exploration. Reinstate Ksh. 170 million (Development) for water projects	
1109		1015000 Water Storage and Flood Control			(80,000,000)		(80,000,000)		Reduce 80 million (Development) from Thwake dam (National Treasury Amendment)	

SCHEDULE II FINANCIAL RECOMMENDATIONS									
Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	COMMITTEE RECOMMENDATIONS				Net Change	Comment	
			Recurrent		Development				
			Reduction	Increase	Reduction	Increase			
1109		1022000 Water Harvesting and Storage for Irrigation				(5,000,000)	220,000,000	215,000,000	Reduce Ksh.. 5 million (Development) from Micro Irrigation program Additional Ksh.. 50 Million(Development) to National Irrigation Authority towards supplement irrigation to cover the already witnessed shortfalls across the country in strategic places. estimates. Additional Ksh.. 170 Million(Development) for implementation of irrigation Projects to enhance food Security by increasing food production in selected areas
	DEPARTMENTAL COMMITTEE ON LANDS								
1112		Ministry of Lands and Physical Planning		705,000,000		(65,000,000)	40,000,000	680,000,000	
1112		0101000 Land Policy and Planning		205,000,000		(65,000,000)	40,000,000	180,000,000	Reduce Ksh.. 65 million (Development) from the Land Value Index Project. Increase Ksh.. 20 million (Development) for settlement of landless project. Increase Ksh.. 20 million (Development) for digitization of land registries. Increase Ksh.. 25 million (Recurrent) for O&M of the HQ Administration and planning services. Increase Ksh. 180 million (Recurrent) for land titling
2021		National Land Commission		500,000,000				500,000,000	
2021		0116000 Land Administration and Management		500,000,000				500,000,000	Additional Ksh. 500 million (Recurrent) for the National Land Commission towards offsetting pending bills
	DEPARTMENTAL COMMITTEE ON AGRICULTURE AND LIVESTOCK								
1162		State Department for Livestock	(200,000,000)	50,000,000		(1,770,000,000)	370,000,000	(1,550,000,000)	
1162		0112000 Livestock Resources Management and Development	(200,000,000)			(1,000,000,000)		(1,200,000,000)	

		22/03/2022 15:57		SCHEDULE II FINANCIAL RECOMMENDATIONS							Comment
Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	COMMITTEE RECOMMENDATIONS				Net Change				
			Reduction	Recurrent Increase	Development Reduction	Development Increase					
1162		0112000 Livestock Resources Management and Development	(200,000,000)		(1,000,000,000)			(1,200,000,000)	Reduce 1 billion (Development) from livestock Export zone -Lamu (Committee had reduced by 1.2 billion) Reduce 200 million (recurrent) (National Treasury Amendment)		
1166		State Department for Fisheries, Aquaculture & the Blue Economy			(770,000,000)		170,000,000	(600,000,000)			
1166		0111000 Fisheries Development and Management									
1166		0117000 General Administration, Planning and Support Services			(370,000,000)		170,000,000	(200,000,000)	Reduce Ksh.. 370 million (Development) from Lamu Fish Processing Plant.		
1166		0118000 Development and Coordination of the Blue Economy							Increase Ksh. 170 million (Development) for Blue Economy Capacity Building to facilitate the training of deep sea fishers.		
1166		0118000 Development and Coordination of the Blue Economy			(400,000,000)			(400,000,000)	Reduce 400 million (Development) from Lamu fish processing plant (Committee had reduced same project by 500 million) (National Treasury Amendment)		
1169		State Department for Crop Development & Agricultural Research		50,000,000			200,000,000	250,000,000			
1169		0107000 General Administration Planning and Support Services					200,000,000	250,000,000	Increase Ksh.. 200 million (Development) for Sugar Reforms Project. Increase Ksh. 50 million (Recurrent) for the Coffee Directorate		
1169		0108000 Crop Development and Management									
1169		0109000 Agribusiness and Information Management									
1169		0120000 Agricultural Research & Development	(700,000,000)		(378,000,000)		898,000,000	170,000,000			
1064		State Department for Vocational and Technical Training					135,000,000	135,000,000			

22/03/2022 15:57		SCHEDULE II FINANCIAL RECOMMENDATIONS						
Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	COMMITTEE RECOMMENDATIONS				Net Change	Comment
			Recurrent		Development			
			Reduction	Increase	Reduction	Increase		
1064		0505000 Technical Vocational Education and Training				135,000,000	135,000,000	Increase Ksh.. 135 million (Development) for infrastructure support for TTIs
1064		0507000 Youth Training and Development						
1064		0508000 General Administration, Planning and Support Services						
1065		State Department for University Education						
1065		0504000 University Education		350,000,000			610,000,000	Increase Ksh.. 260 million (Development) for the infrastructure support to the following Universities
1065		0506000 Research, Science, Technology and Innovation		350,000,000			610,000,000	(Garissa University Ksh.. 30 million) (Kaimosi University College Ksh. 100 million for perimeter wall) (Masinde Muliro Ksh.. 50 million) (University of Nairobi Ksh.. 70 million) (Butula Center for Education Research and Development Ksh.. 10 million). Increase Ksh. 150 million (Recurrent) for Kenyatta University to pay pending bills. Increase Ksh.. 200 million (Recurrent) support for Government sponsored students in private University.
1065		0508000 General Administration, Planning and Support Services						
1066		State Department for Early Learning & Basic Education						
1066		0501000 Primary Education	(700,000,000)				503,000,000	Reduce Ksh.. 110 million (Development) from Digital Literacy Programme.
1066		0501000 Primary Education	(200,000,000)				483,000,000	Reduce Ksh.. 60 million (Development) from Tom Mboya TTC and Muhoho TTC to be channelled towards primary and secondary school infrastructure in the same areas.
							(575,000,000)	Reduce Ksh.. 208 million (Development) from procurement of desks for primary schools.
							(95,000,000)	
							(378,000,000)	
							(378,000,000)	
							(378,000,000)	

		22/03/2022 15:57		SCHEDULE II FINANCIAL RECOMMENDATIONS						COMMITTEE RECOMMENDATIONS		Comment
Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	Recurrent		Development		Net Change					
			Reduction	Increase	Reduction	Increase						
1066		0501000 Primary Education	(200,000,000)	-	-	53,000,000	430,000,000	430,000,000				1) Increase Ksh.. 430 million (Development) for infrastructure support to TTCs
1066		0502000 Secondary Education	-	-	-	20,000,000.00	20,000,000	20,000,000				Additional Ksh.. 20 Million(Development) towards infrastructure support to Secondary school for emergency interventions.
1066		0503000 Quality Assurance and Standards	-	-	-	-	-	-				
1066		0508000 General Administration, Planning and Support Services	-	-	-	-	-	-				
		DEPARTMENTAL COMMITTEE ON DEFENCE & FOREIGN RELATIONS	-	1,370,200,000	(350,000,000)	970,000,000	1,990,200,000					
1041		Ministry of Defence	-	120,200,000	-	-	120,200,000	120,200,000				
1041		0801000 Defence	-	-	-	-	-	0				
1041		0807000 Defence	-	100,000,000	-	-	100,000,000	100,000,000				Increase Ksh.. 100 million (Recurrent) for election preparedness (National Treasury Amendment)
1041		0802000 Civil Aid	-	-	-	-	-	-				

22/03/2022 15:57		SCHEDULE II FINANCIAL RECOMMENDATIONS							Comment
Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	COMMITTEE RECOMMENDATIONS				Net Change		
			Recurrent		Development				
			Reduction	Increase	Reduction	Increase			
1041		0803000 General Administration, Planning and Support Services		20,200,000				20,200,000	Additional Ksh.. 20.2 Million (recurrent) to the Ministry of Defence to cater for the court award to Retired Army officers in reference to petition No. 587 of 2012.
1041		0805000000 National Space Management							
1222		State Department for Regional & Northern Corridor Development			(350,000,000)		970,000,000	620,000,000	
1222		1013000 Integrated Regional Development		0	(350,000,000)		970,000,000	620,000,000	Rationalize the allocation for peace dams and drought mitigation by Ksh. 350 million o ensure all arrears are covered
1281		National Intelligence Service		1,250,000,000				1,250,000,000	Increase Ksh. 320 million (Development) for various regional authorities
1281		0804000 National Security Intelligence							Increase Ksh. 200 million for Ewaso ngiro pending bills.
1281		0804000 National Security Intelligence		1,250,000,000					Ksh.. 100 Million (Development) for the Northern Kenya Water Development Authority pending bills
	DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING								
1032		State Department for Devolution	(2,750,000,000)	100,000,000	(5,250,000,000)		7,463,077,093	(436,922,907)	Increase 1.25 billion (recurrent) for security operations during election. (National Treasury Amendment)
1032		0712000 Devolution Services			(200,000,000)			(200,000,000)	
1032		0712000 Devolution Services			(200,000,000)			(200,000,000)	Reduce 200 million (Development) from Kenya Devolution support programme. (National Treasury Amendment)
1032		0732000 General Administration, Planning and Support Services							
1032		0713000 Special Initiatives							
1032		0713000 Special Initiatives							
1071		The National Treasury	(2,750,000,000)	100,000,000	(5,050,000,000)		2,563,077,093	(5,136,922,907)	Approved reallocation (National Treasury Amendment)
1071		0203000 Rail Transport							

		22/03/2022 15:57		SCHEDULE II FINANCIAL RECOMMENDATIONS COMMITTEE RECOMMENDATIONS						Comment
Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	Recurrent		Development		Net Change			
			Reduction	Increase	Reduction	Increase				
1071		0203000 Rail Transport			(1,000,000,000)		(1,000,000,000)	Reduce 1 billion (Development) from Lenana - Riruta-Ngong Railway line. (National Treasury Amendment)		
1071		0204000 Marine Transport								
1071		0717000 General Administration Planning and Support Services								
1071		0718000 Public Financial Management	(2,000,000,000)		(1,600,000,000)	350,000,000	(3,250,000,000)	Reduce 1.6 billion (recurrent) Reduce 2 billion (Development) Increase Ksh.. 350 million (Development) for public participation initiatives		
1071		0718000 Public Financial Management	(750,000,000)	100,000,000	(2,450,000,000)	2,213,077,093	(886,922,907)	Reduce 750 million (Recurrent) Reduce 2.2 billion (Development) from contingency fund. Reduce 150 million (Development) from procurement. Reduce 100 million (Development) Increase 2.2 billion (Development) for Telkom Kenya. 100 million (recurrent) for KENTRADE. (National Treasury Amendment)		
1071		0719000 Economic and Financial Policy Formulation and Management								
1071		0720000 Market Competition								
1071		0740000 Government Cleaning Services								
1072		State Department for Planning				4,900,000,000	4,900,000,000			
1072		0706000 Economic Policy and National Planning				4,900,000,000	4,900,000,000	Increase Ksh.. 4.9 billion for NG-CDF		
1072		0707000 National Statistical Information Services								
1072		0708000 Monitoring and Evaluation Services								
1072		0709000 General Administration Planning and Support Services								
2081		Salaries and Remuneration Commission								
2081		0728000 Salaries and Remuneration Management								
2081		0728000 Salaries and Remuneration Management						Approved reallocation. (National Treasury Amendment)		
2121		Office of the Controller of Budget								
2121		0730000 Control and Management of Public finances								

22/03/2022 15:57		SCHEDULE II FINANCIAL RECOMMENDATIONS					Comment
Vote Code	Departmental Committee DEPARTMENTAL COMMITTEE ON TRANSPORT, PUBLIC WORKS AND HOUSING	COMMITTEE RECOMMENDATIONS					
		VOTE/PROGRAMME CODES & TITLE		Development		Net Change	
		Recurrent	Increase	Reduction	Increase		
		Reduction	Increase	Reduction	Increase		
1091		-	-	(4,700,000,000)	5,730,000,000	1,030,000,000	Reduce Ksh.. 2.5 billion (Development) from the project 1091128000 Annuity Low Volume Seal road which cannot be absorbed. Reduce Ksh.. 166 million (Development) from 1091164100 Spot Improvement XXX. Reduce Ksh.. 184 million (Development) from 1091164200 Spot Improvement XXI. Reduce Ksh.. 150 million (Development) from 1091159100 Upgrade of Lamu-Ijara-Garissa Road (A10) to All Weather Standard
1091	State Department of Infrastructure 0202000 Road Transport	-	-	(3,700,000,000)	5,430,000,000	1,730,000,000	
		-	-	(3,700,000,000)	5,430,000,000	1,730,000,000	
							Reduce Ksh. 10 million (Development) from 1091133829 Kiritiri-Siakago Reduce Ksh. 50 million (Development) from 1091133847 Karbartonjo-Kipsaraman-Kinyach-Error. Reduce Ksh. 20 million (Development) from 1091133911 Timboroa Junction/A104-Mileitei-songhor-kopere Reduce Ksh. 50 million (Development) from 1091133924 Gatanga-Kionyo-Nyaga. Reduce Ksh. 50 million (Development) from 1091133946 Ngong-Suswa. Reduce Ksh. 70 million (Development) from 1091133972 Ngege-Mapera-Rabur-Kawa-Nyaduong. Reduce Ksh. 50 million (Development) from 1091134501 Nyaru-Iten

		22/03/2022 15:57		SCHEDULE II FINANCIAL RECOMMENDATIONS				Comment
Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	COMMITTEE RECOMMENDATIONS		Development		Net Change	
			Recurrent	Development	Reduction	Increase		
			Reduction	Increase	Reduction	Increase		
								Reduce Ksh. 30 million (Development) from 1091135486 Ihwa-thururu. Reduce Ksh. 40 million (Development) from 1091152601 Kirinyaga town roads. Reduce Ksh. 150 million (Development) from 1091159501 Informal Settlement roads Reduce Ksh. 60 million (Development) 1091163802 Lot 2 Miwani Chemill Reduce Ksh. 60 million (Development) from 1091163800 Kisumu-Miwani-Chemill Muhoroni Reduce Ksh. 30 million (Development) from rehabilitation of moyale biashara street. Reduce Ksh. 10 million (Development) from Graveling of Osmole -Godhe -Guyotimo Reduce Ksh. 20 million (Development) from Rehabilitation of Kinisa bridge
1092		State Department of Transport						Increase Ksh.. 1.6 billion (Development) for Low Volume Seal Roads to finance ongoing contracts under the project and cushion them from the effect of the Ksh.. 4.5 billion that was cut in the proposed supplementary.
1092		0205000 Air Transport						Increase Ksh.. 430 million (Development) for Emergency roads. Increase Ksh..3.4 billion (Development) for critical roads infrastructure.
1092		0216000 Road Safety						Budget realignment. (National Treasury Amendment)
1094		State Department for Housing and Urban Development			(1,000,000,000)	300,000,000	(700,000,000)	
1094		0102000 Housing Development and Human Settlement						

22/03/2022 15:57		SCHEDULE II FINANCIAL RECOMMENDATIONS							Comment
Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	COMMITTEE RECOMMENDATIONS				Net Change		
			Recurrent		Development				
			Reduction	Increase	Reduction	Increase			
1094	Departmental Committee	VOTE/PROGRAMME CODES & TITLE 0105000 Urban and Metropolitan Development				300,000,000	300,000,000	Additional Ksh.. 250 Million(development) to support for implementation of slum upgrading	
1094		0105000 Urban and Metropolitan Development			(1,000,000,000)		(1,000,000,000)	Additional Ksh. 50 million (Development) to Mutithi Market	
1094		0106000 General Administration Planning and Support Services						Reduce 1 billion from Kazi mtaani. (National Treasury Amendment)	
THE DEPARTMENTAL COMMITTEE ON JUSTICE AND LEGAL AFFAIRS									
1252		State Law Office and Department of Justice	(5,000,000)	1,124,226,809	(229,900,000)	229,900,000	1,119,226,809		
1252		0606000 Legal Services	-	59,226,809	-	-	59,226,809		
1252		0606000 Legal Services	-	59,226,809	-	-	59,226,809	Increase 59 million (Recurrent) for legal compensation funded through A in A. (National Treasury Amendment)	
1252		0607000 Governance, Legal Training and Constitutional Affairs	-	-	-	-	-		
1252		0609000 General Administration, Planning and Support Services	-	-	-	-	-		
1271		Ethics and Anti-Corruption Commission	-	-	-	-	-		
1271		0611000 Ethics and Anti-Corruption	-	-	-	-	-		
1291		Office of the Director of Public Prosecutions	-	-	-	-	-		
1291		0612000 Public Prosecution Services	-	-	-	-	-		
1311		Office of the Registrar of Political Parties	-	1,060,000,000	-	-	1,060,000,000	Increase 1 billion (Recurrent) for political parties fund	
1311		0614000 Registration, Regulation and Funding of Political Parties	-	1,060,000,000	-	-	1,060,000,000	Increase 60 million (recurrent) for capacity building	
2131		Commission on Administrative Justice	(5,000,000)	5,000,000	-	-	-	Reduce Ksh.. 5 million (Recurrent) from allocation to Access to Information (ATI) draft regulations	
2131		0731000 Promotion of Administrative Justice	(5,000,000)	5,000,000	-	-	-	Increase Ksh.. 5 million (Recurrent) to African ombudsman & mediators association activities	

		22/03/2022 15:57		SCHEDULE II FINANCIAL RECOMMENDATIONS					Comment
		COMMITTEE RECOMMENDATIONS					Net Change		
		Recurrent		Development		Increase			
Vote Code	Departmental Committee	Reduction	Increase	Reduction	Increase				
1261	Departmental Committee	-	-	(229,900,000)	229,900,000	-	-	Reallocation of Ksh.. 229.9 million (Development) from slow moving projects to those that are better performing as per the attached schedule	
1261	VOTE/PROGRAMME CODES & TITLE The Judiciary 0610000 Dispensation of Justice	-	-	(229,900,000)	229,900,000	-	-		
1122	DEPARTMENTAL COMMITTEE ON COMMUNICATION, INFORMATION AND INNOVATION	-	947,500,000	-	(593,000,000)	354,500,000	-		
1122	State Department for Information Communication and Technology & Innovation	-	-	-	(593,000,000)	(593,000,000)	-		
1122	0207000 General Administration Planning and Support Services	-	-	-	(593,000,000)	(593,000,000)	-	Reduce Ksh.. 563 million (Development) from the Digital Literacy Programme -DPL	
1122	0210000 ICT Infrastructure Development	-	-	-	(593,000,000)	(593,000,000)	-	Reduce Ksh.. 30 million (Development) from Konza Buffer Zone Inter County Physical & Land development plan	
1122	0217000 E-Government Services	-	-	-	-	-	-		
1123	State Department for Broadcasting & Telecommunications	-	947,500,000	-	-	947,500,000	-		
1123	0207000 General Administration Planning and Support Services	-	36,000,000	-	-	36,000,000	-	Increase Ksh.. 36 million (Recurent) for communication, travel, fuel and hospitality	
1123	0208000 Information and Communication Services	-	792,500,000	-	-	792,500,000	-	Increase Ksh.. 50 million (Recurent) to Office awareness campaigns relating to government projects. Increase Ksh.. 288 million (Recurent) to Media Council of Kenya to enhance media monitoring during election. Increase Ksh.. 100 million (Recurent) for Government Advertising Agency for advertising needs Increase Ksh.. 354.5 million (Recurent) to the Media Council of Kenya	
1123	0209000 Mass Media Skills Development	-	-	-	-	-	-		

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SCHEDULE II FINANCIAL RECOMMENDATIONS

COMMITTEE RECOMMENDATIONS

Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	Recurrent		Development		Net Change	Comment
			Reduction	Increase	Reduction	Increase		
1021		0601000 Policing Services		300,000,000	(100,000,000)	50,000,000	250,000,000	Reduce Ksh.. 100 million (Development) from police modernization. Increase Ksh.. 300 million (Recurrent) to facilitate the Directorate of Criminal Investigations. Increase Ksh.. 50 million (Development) to facilitate the completion of stalled projects within Administration Police Service.
		0601000 Policing Services	(97,200,000)	1,250,000,000	0	200,000,000	1,352,800,000	Reduce 97.2 million (Recurrent) from International conferences AF/CITIES Increase 950 million (Recurrent) for recruitment of police officers. Increase 300 million (recurrent) for election preparedness Increase 200 million (Development) for construction of police hospital (National Treasury Amendment)
1021		0603000 Government Printing Services						
1021		0605000 Migration & Citizen Services Management						
1021		0625000 Road Safety		150,000,000		50,000,000	200,000,000	Increase Ksh.. 150 million (Recurrent) towards deployment of NTSA desk in 52 Huduma Centers. Increase Ksh.. 50 million (Development) towards renovation of NTSA Offices
1021		06256000 Population Management Services		6,000,000			6,000,000	Increase Ksh.. 6 million (Recurrent) for operationalization of 30 Civil registries
		0629000 General Administration and Support Services	(228,500,000)	20,000,000	(120,000,000)	150,000,000	(178,500,000)	Reduce Ksh.. 228.5 million (Recurrent) from National Integrated Identity and Management system. Reduce Ksh.. 120 million (Development) from National Integrated Identity Management System. Increase Ksh.. 150 million (Development) for roads security Increase Ksh.. 20 million (Recurrent) towards President's Delivery Unit (PDU)

22/03/2022 15:57		SCHEDULE II FINANCIAL RECOMMENDATIONS						Comment
Vote Code	Departmental Committee	COMMITTEE RECOMMENDATIONS				Net Change		
		Recurrent		Development				
		Reduction	Increase	Reduction	Increase			
	VOTE/PROGRAMME CODES & TITLE 0629000 General Administration and Support Services		597,200,000		500,000,000	1,097,200,000	Increase 100 million (recurrent) for National cohesion commission. Increase 200 million (recurrent) for Multi agency security operations. Increase 200 million (recurrent) for election preparedness. Increase 97.2 million (recurrent) for International conferences (AFRICITIES) Increase 500 million (Development) for huduma card. (National Treasury Amendment)	
	0630000 Policy Coordination Services		65,000,000		100,000,000	165,000,000	Increase Ksh.. 20 million (Recurrent) towards Private Security Regulatory Authority for shortfall in personnel emoluments in the new regional offices of Mombasa, Kisumu and Eldoret. Increase Ksh.. 45 million (Recurrent) towards NACADA for enhanced operations on research and development advocacy against drug abuse. Increase Ksh.. 100 million (Development) expenditure towards completion of Miritini Rehabilitation	
1023	State Department for Correctional Services		896,167,945	(200,000,000)		696,167,945		
1023	0623000 General Administration, Planning and Support Services							
1023	0627000 Prison Services			(200,000,000)		(200,000,000)	Reduce Ksh.. 200 million (Development) from Magereza level IV Hospital on account of low absorption.	
	0627000 Prison Services		896,167,945			896,167,945	Increase 896 million (Recurrent) for recruitment of police officers Reallocate 141.6 million for food rations in the penal institutions. (National Treasury Amendment)	
1023	0628000 Probation & After Care Services							
1213	State Department for Public Service		20,000,000			20,000,000		

22/03/2022 15:57		SCHEDULE II FINANCIAL RECOMMENDATIONS						Comment
Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	COMMITTEE RECOMMENDATIONS				Net Change	
			Recurrent		Development			
			Reduction	Increase	Reduction	Increase		
1213		0710000 Public Service Transformation		20,000,000			20,000,000	Increase Ksh.. 20 million (Recurrent) to facilitate operationalization of the Margaret Kenyatta Institute for Gender and Social Development under KSG
1213		0709000 General Administration Planning and Support Services						
2071		Public Service Commission		31,700,000			31,700,000	
2071		0725000 General Administration, Planning and Support Services		31,700,000			31,700,000	Increase Ksh.. 10.8 million (Recurrent) towards implementation of the Nairobi Employment and Labour Relations Court Ruling on Petition No.E161 of 2021 Increase Ksh.. 20.9 million (Recurrent) for additional Human Resource Requirement for medical cover and pension contributions
2071		0726000 Human Resource Management and Development						
2071		0727000 Governance and National Values						
2071		0744000 Performance and Productivity Management						
2101		National Police Service Commission		65,000,000			65,000,000	
2101		0620000 National Police Service Human Resource Management		15,000,000			15,000,000	Increase Ksh.. 5 million (Recurrent) for automation of Human Resource records
2101		0620000 National Police Service Human Resource Management						Increase Ksh.. 10 million (Recurrent) towards counselling services
2101		0620000 National Police Service Human Resource Management		50,000,000			50,000,000	Increase 50 million (Recurrent) for pre-recruitment and monitoring of police officers recruitment. (National Treasury Amendment)
2151		Independent Policing Oversight Authority		10,800,000			10,800,000	
2151		0622000 Policing Oversight Services		10,800,000			10,800,000	Increase Ksh.. 10.8 million (recurrent) for payment of gratuity to five members of management whose term is lapsing in the third quarter of 2022.
1173	DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY AND COOPERATIVES	State Department for Cooperatives		135,000,000	(230,000,000)	145,000,000	50,000,000	
1173				5,000,000	110,000,000		115,000,000	

SCHEDULE II FINANCIAL RECOMMENDATIONS

COMMITTEE RECOMMENDATIONS

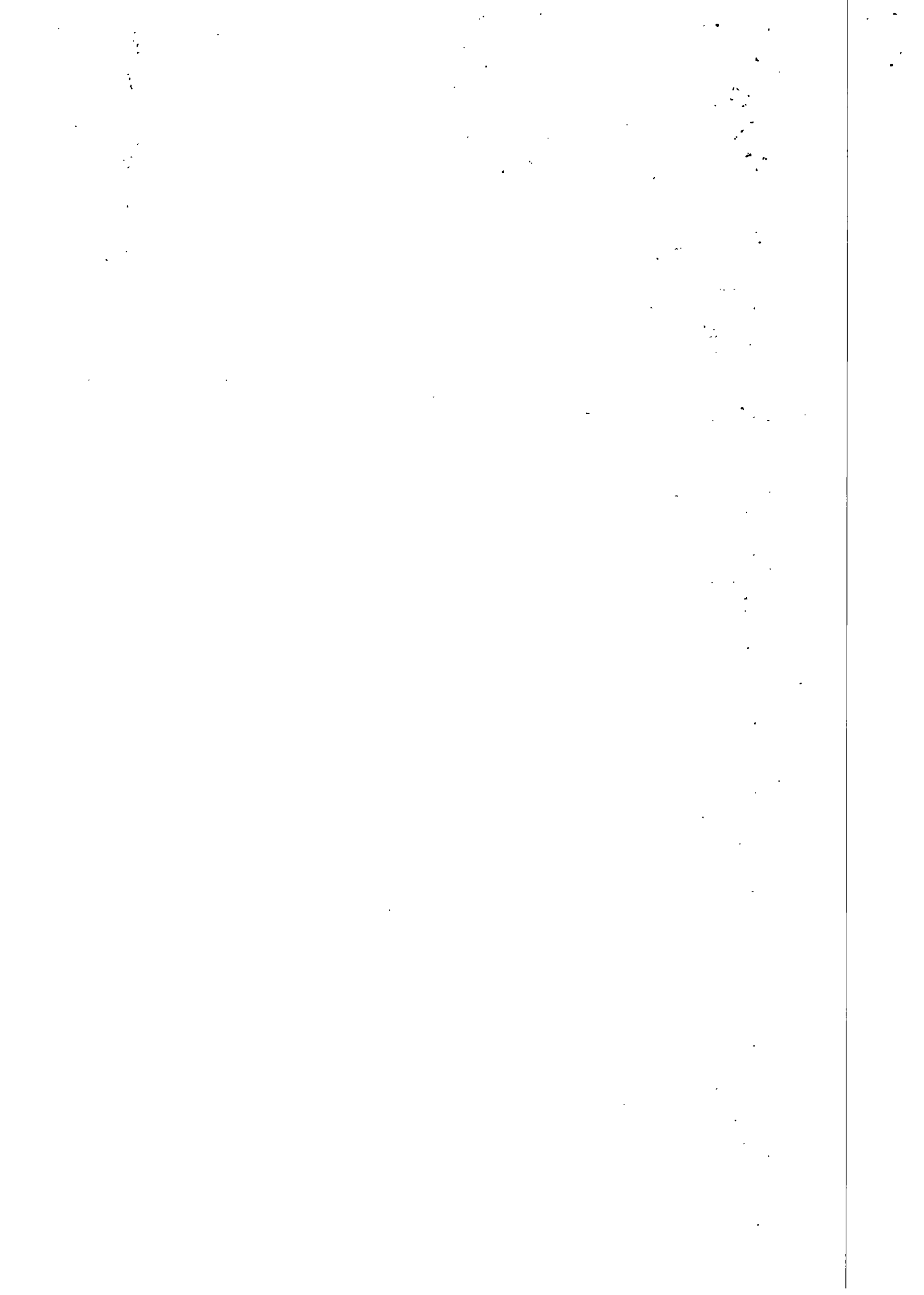
Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	Recurrent		Development		Net Change	Comment
			Reduction	Increase	Reduction	Increase		
1173		0304000 Cooperative Development and Management		5,000,000	110,000,000		115,000,000	Increase Ksh.. 60 million (Development) for coffee Cherry Fund. Increase Ksh.. 5 million (Recurrent) for New KPCU strategic plan. Increase Ksh.. 50 million (Development) for New KCC modernization.
1174		State Department for Trade and Enterprise Development		100,000,000			165,000,000	Increase Ksh.. 65 million (Development) for construction of Constituency Industrial Development Centers (CIDCs). Increase Ksh.. 60 million (Recurrent) for KEPROBA to implement the national export strategy and training of SMEs with export potential Increase Ksh.. 20 million (recurrent) for HQ CPPMU. Increase Ksh.. 20 million (Recurrent) for Weights and Measures HQ Admin services
1175		0307000 Trade Development and Promotion		100,000,000			165,000,000	
1175		State Department for Industrialisation		30,000,000	(340,000,000)		(230,000,000)	
1175		0301000 General Administration Planning and Support Services						
1175		0302000 Industrial Development and Investments			(340,000,000)		(340,000,000)	Reduce Ksh.. 90 million (Development) from Kenya Industrial Training Institute. Reduce Ksh.. 35 million (Development) from Modernization of NMCs Foundry plant & fabrication workshop. Reduce Ksh.. 165 million (Development) from RIVATEX. Reduce Ksh.. 25 million (Development) from Freeport & industrial parks-Special Economic Zone Reduce Ksh.. 25 million (Development) from SEZ Textile park Naivasha.
1175		0303000 Standards and Business Incubation		30,000,000			110,000,000	Increase Ksh. 30 million (Recurrent) for shortfall in personnel emoluments at KIE Increase Ksh.. 80 million (Development) for Nyando Apparel textile unit

22/03/2022 15:57

SCHEDULE II FINANCIAL RECOMMENDATIONS
COMMITTEE RECOMMENDATIONS

Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	COMMITTEE RECOMMENDATIONS				Comment	
			Recurrent		Development			
			Reduction	Increase	Reduction	Increase	Net Change	
1081	Departmental Committee COMMITTEE ON HEALTH	Ministry of Health			(2,300,000,000)	450,000,000	(1,850,000,000)	
1081		0401000 Preventive, Promotive & Reproductive Health				450,000,000	(1,850,000,000)	
1081		0402000 National Referral & Specialized Services			(100,000,000)	350,000,000	250,000,000	Increase Ksh.. 100 million (Development) to Kenya National Hospital for ongoing refurbishment/renovations.
1081		0403000 Health Research and Development			(500,000,000)	100,000,000	100,000,000	Increase Ksh.. 150 Million (Development) for Kenya National Blood transfusion (Consumables) (Development) from construction of neuropsychiatric hospital
1081		0404000 General Administration, Planning & Support Services						Reduce 500 million (Development) from construction of neuropsychiatric hospital (Committee had reduced 200 million from the same project). (National Treasury Amendment)
1081		0405000 Health Policy, Standards and Regulations			(500,000,000)		(500,000,000)	Increase Ksh. 100 million for KMTG
1081		0405000 Health Policy, Standards and Regulations			(200,000,000)		(200,000,000)	Reduce 500 million (Development) from establishment of vaccine plant (Committee had reduced same project by 400 million) (National Treasury Amendment)
1081		0405000 Health Policy, Standards and Regulations			(1,000,000,000)		(1,000,000,000)	Reduce 200 million (Development) from infrastructure support to Nakrok Hospital which is a new project.
1081		0405000 Health Policy, Standards and Regulations			(1,000,000,000)		(1,000,000,000)	Reduce 1 billion (Development) from Construction of level III hospitals. (National Treasury Amendment)
1152	DEPARTMENTAL COMMITTEE ON ENERGY	State Department for Energy		6,730,000,000	(100,000,000)	333,000,000	6,963,000,000	
1152		0211000 General Administration Planning and Support Services			(100,000,000)	333,000,000	233,000,000	

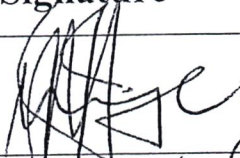


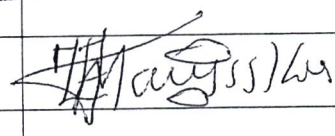


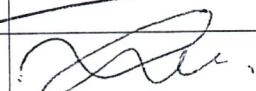


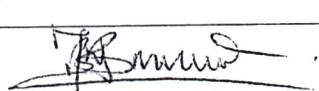







		SCHEDULE II FINANCIAL RECOMMENDATIONS						Comment
		COMMITTEE RECOMMENDATIONS				Net Change		
		Recurrent		Development				
Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	Reduction	Increase	Reduction	Increase	Net Change	
1134		0902000 Culture / Heritage	-	40,000,000	-	10,000,000	50,000,000	Increase Ksh.. 40 million (Recurrent) For Kenya Cultural Center personnel emoluments and O&M Increase Ksh. 10 million (Development) for marachi cultural center
1134		0903000 The Arts						
1134		0904000 Library Services	(40,000,000)				(40,000,000)	Reduce Ksh.. 40 million (Recurrent) from National Library Services
1134		0905000 General Administration, Planning and Support Services						
1202		State Department for Tourism			(100,000,000)	200,000,000	100,000,000	Reduce Ksh.. 100 million (Development) from Construction of Ronald Ngala Uraiii College
1202		0306000 Tourism Development and Promotion	-		(100,000,000)	200,000,000	100,000,000	Increase Ksh.. 200 million (Development) for rehabilitation and refurbishment of Bomas of Kenya
	BAC							
		Parliament	(700,000,000)	1,014,000,000	-	-	314,000,000	
2041		Parliamentary Service Commission	(700,000,000)	1,014,000,000	-	-	314,000,000	Increase Ksh. 50 million (Recurrent) for pending bills arising from provision of tickets.
				184,000,000			184,000,000	Increase Ksh. 134 million (Recurrent) for operations
2042		National Assembly	(700,000,000)	750,000,000			50,000,000	Reduce Ksh. 700 million (Recurrent) from personnel emolument
								Increase Ksh. 750 million(Recurrent) for purchase of goods and services, payment of pending bills and other O&M
2043		Parliamentary Joint Services		80,000,000			80,000,000	Increase Ksh. 60 million (recurrent) for pjs
2043		0723000 General Admin, planning and support services		60,000,000				Increase gross expenditure by 20 million and Increase AIA by 20 million
2043		Legislative Training Research & Knowledge Management		20,000,000			20,000,000	
2111		Auditor General						
		Executive	(4,020,700,000)	15,521,860,999	(17,521,066,245)	18,286,077,093	12,266,171,847	
		Judiciary			(229,900,000)	229,900,000	-	
		Parliament	700,000,000	1,014,000,000			314,000,000	
		Total Expenditure	(4,720,700,000)	16,535,860,999	(17,750,966,245)	18,515,977,093	12,580,171,847	

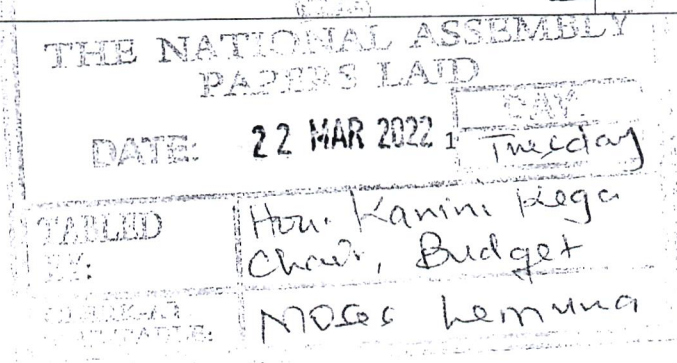


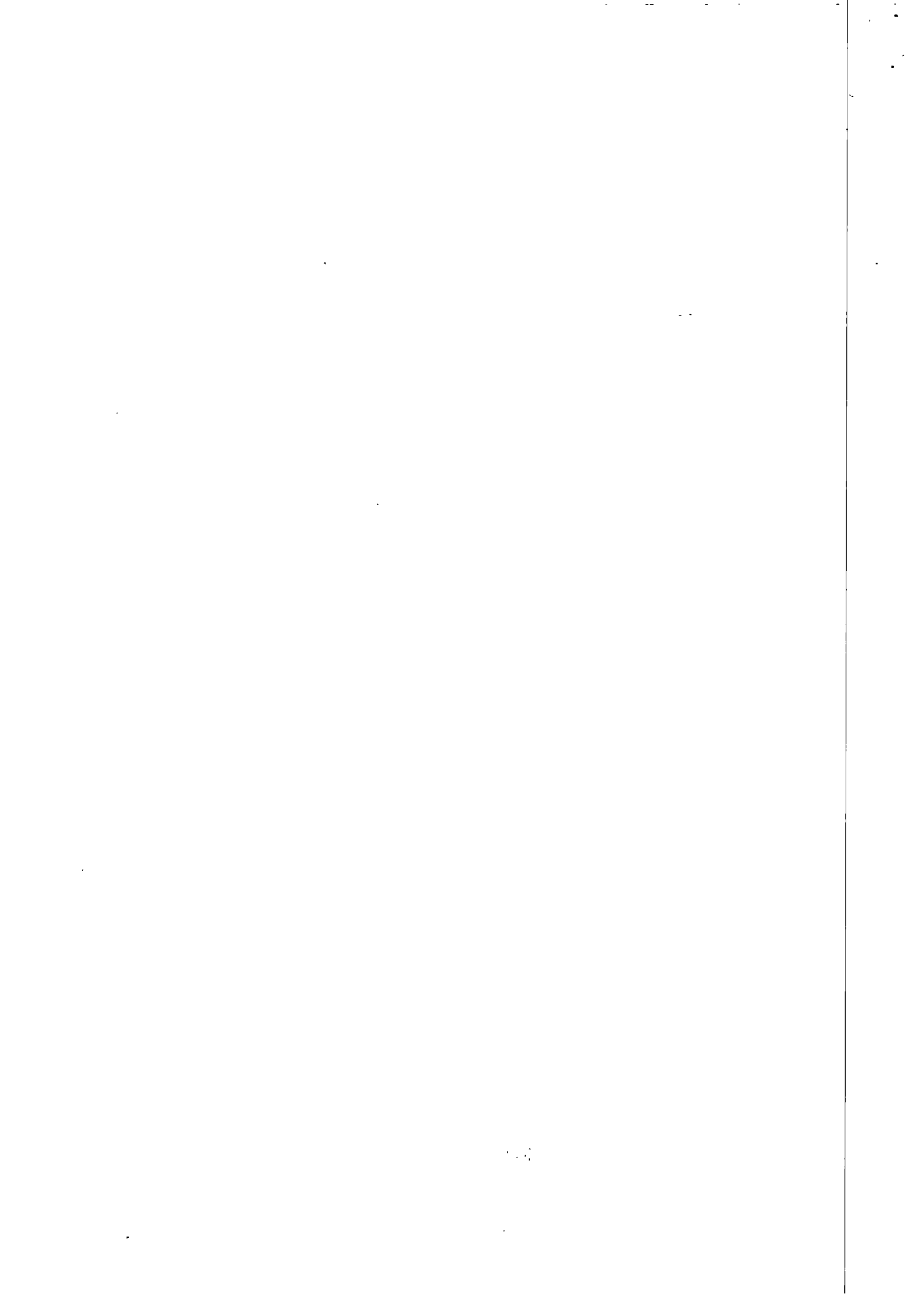
ADOPTION SCHEDULE

Budget and Appropriations Committee

Date: 21/03/22 Time: Sitting:

Name	Signature
1. The Hon. Kanini Kega, CBS, M.P.- Chairperson	
2. The Hon. Benard Masaka Shinali, M.P.- Vice Chairperson	
3. The Hon. (CPA) John Mbadi, EGH, CBS, M.P.	
4. The Hon. Emmanuel Wangwe, CBS, M.P.	
5. The Hon. (CPA) Moses K. Lessonet, CBS, M.P.	
6. The Hon. Samwel Moroto, M.P.	
7. The Hon. Millie Odhiambo, M.P.	
8. The Hon. Alfred Kiptoo Keter, M.P.	
9. The Hon. Richard Onyonka, M.P.	
10. The Hon. (Dr.) Makali Mulu, M.P.	
11. The Hon. Badi Twalib, M.P.	
12. The Hon. Jude Njomo, M.P.	
13. The Hon. Sarah Paulata Korere, M.P.	
14. The Hon. Fatuma Gedi Ali, CBS, M.P.	
15. The Hon. Wangari Mwaniki, OGW, M.P.	
16. The Hon. Josephine Naisula Lesuada, OGW, M.P.	
17. The Hon. Sakwa Bunyasi, M.P.	





Name	Signature
18. The Hon. Florence C. K. Bore, M.P.	
19. The Hon. James Gichuki Mugambi, MBS M.P.	
20. The Hon. Danson Mwashako, MP	
21. The Hon. (Eng.) Mark Nyamita, MP	
22. The Hon. Paul Abuor, MP	
23. The Hon. Mercy Wanjiku Gakuya, M.P.	
24. The Hon. (CPA) Francis Kuria Kimani, M.P.	
25. The Hon. Samuel Atandi, M.P.	
26. The Hon. Joseph Manje, M.P.	
27. The Hon. Masalino Arbelle, M.P.	

Signed.....

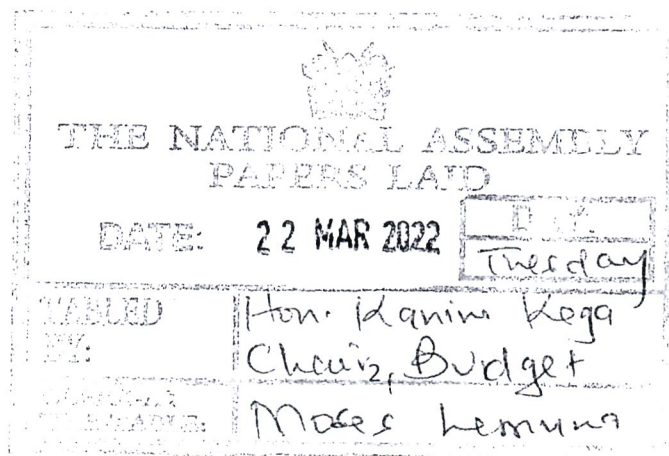
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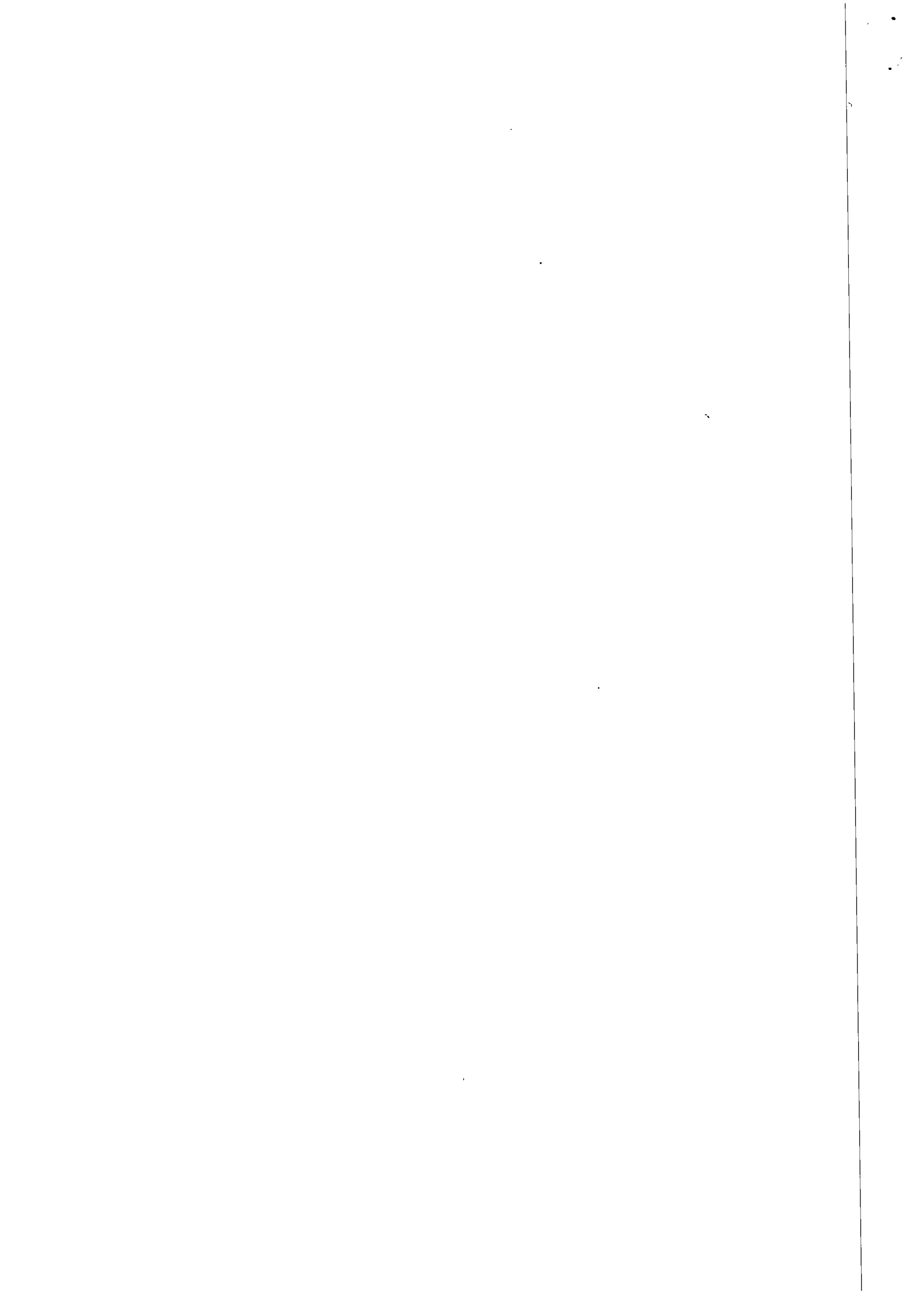
Committee Clerk

Signed.....

Date.....

Director of Audit, Appropriations & Other Select Committees





MINUTES OF THE 17th SITTING OF THE BUDGET AND APPROPRIATIONS COMMITTEE HELD AT MINI CHAMBER, FIRST FLOOR, COUNTY HALL, PARLIAMENT BUILDINGS ON MONDAY, 21ST MARCH 2022, AT 2.00 P.M.

PRESENT:

1. Hon. Kanini Kega, CBS, M.P.- Chairperson
2. Hon. Benard Masaka Shinali, M.P.- Vice Chairperson
3. Hon. Emmanuel Wangwe, CBS, M.P.
4. Hon. Millie Odhiambo, CBS, M.P.
5. Hon. Alfred Kiptoo Keter, M.P.
6. Hon. (Dr.) Makali Mulu, M.P.
7. Hon. Fatuma Gedi Ali, CBS, M.P.
8. Hon. Wangari Mwaniki, OGW, M.P.
9. Hon. Josephine Naisula Lesuuda, OGW, M.P.
10. Hon. Paul Abuor, M.P.
11. Hon. (Eng.) Mark Nyamita, M.P.
12. Hon. Mercy Wanjiku Gakuya, M.P.
13. Hon. Samuel Atandi, M.P.
14. Hon. (CPA) Francis Kuria Kimani, M.P.
15. Hon. Joseph Manje, M.P.


ABSENT WITH APOLOGY:

1. Hon. (CPA) John Mbadi, EGH, CBS, M.P.
2. Hon. (CPA) Moses K. Lessonet, CBS, M.P.
3. Hon. Samwel Moroto, M.P.
4. Hon. Richard Onyonka, M.P.
5. Hon. Badi Twalib, M.P.
6. Hon. Jude Njomo, M.P.
7. Hon. Sarah Paulata Korere, M.P.
8. Hon. Sakwa Bunyasi, M.P.
9. Hon. Florence C. K. Bore, M.P.
10. Hon. James Gichuki Mugambi, MBS, M.P.
11. Hon. Danson Mwashako, M.P.
12. Hon. Masalino Arbelle, M.P.

PARLIAMENTARY BUDGET OFFICE

1. Mrs. Phyllis Makau, OGW
2. Dr. Martin M. Masinde
3. Ms. Julie M. Mwithiga
4. Dr. Abel Nyagwachi

Director
Senior Deputy Director
Fiscal Analyst I
Fiscal Analyst I

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 22 MAR 2022	DAY: <u>Tue</u>
TABLED BY:	Hon. Kanini Kega Chair, Budget Committee
MARKED FOR THE TABLE:	Moses Lessonet

COMMITTEE SECRETARIAT

- 1) Mr. Joseph Ndirangu
- 2) Mr. Danson Kachumbo
- 3) Mr. Ronald Walala
- 4) Mr. Benard Omondi
- 5) Ms. Pauline Wanjiru
- 6) Mr. Eugene Luteshi
- 7) Mr. George Mbaluka

Fiscal Analyst I/ Lead Clerk
Fiscal Analyst I
Legal Counsel
Seargent at Arms
Hansard Reporter
Audio Officer
Office Attendant

AGENDA

1. *Preliminaries & Confirmation of Agenda*
2. *Adoption of the report*
3. *Any Other Business (A.O.B)*

MIN. NO. NA/BAC/2022/94: PRELIMINARY

The Chairperson welcomed the committee members to the meeting and called the meeting to order at 2.30 p.m. Thereafter, the committee confirmed and adopted minutes in the following manner:

1. Minutes to the 8th sitting were proposed by Hon. Emmanuel Wangwe, CBS, M.P. and seconded by Hon. (Dr.) Makali Mulu, M.P.
2. Minutes to the 9th sitting were proposed by Hon. (Dr.) Makali Mulu, M.P. and seconded by Hon. Paul Abuor, M.P.
3. Minutes to the 10th sitting were proposed by Hon. Fatuma Gedi Ali, CBS, M.P. and seconded by Hon. Mercy Wanjiku Gakuya, M.P.
4. Minutes to the 11th sitting were proposed by Hon. Paul Abuor, M.P. and seconded by Hon. (Eng.) Mark Nyamita, M.P.
5. Minutes to the 12th sitting were proposed by Hon. Emmanuel Wangwe, CBS, M.P. and seconded by Hon. (Dr.) Makali Mulu, M.P.
6. Minutes to the 13th sitting were proposed by Hon. (Eng.) Mark Nyamita, M.P. and seconded by Hon. Wangari Mwaniki, OGW, M.P.
7. Minutes to the 14th sitting were proposed by Hon. Mercy Wanjiku Gakuya, M.P. and seconded by Hon. Wangari Mwaniki, OGW, M.P.
8. Minutes to the 15th sitting were proposed by Hon. Paul Abuor, M.P. and seconded by Hon. Joseph Manje, M.P.
9. Minutes to the 16th sitting were proposed by Hon. Emmanuel Wangwe, CBS, M.P. and seconded by Hon. Samuel Atandi, M.P.

MIN.NO.NA/BAC/2022/95: ADOPTION OF THE DRAFT REPORT ON THE SUPPLEMENTARY ESTIMATES 1 FOR FY 2021/22

The Parliamentary Budget office took members through the draft report. The report was proposed by Hon. Paul Abour, M.P. and seconded by Hon. Emmanuel Wangwe, CBS, M.P. After deliberations the report was **ADOPTED** as follows:

1.0 INTRODUCTION

1. The first supplementary budget for the financial year 2021/2022 has been prepared by the National Treasury at a time when the economy is experiencing a rebound in growth with revenue estimated to have performed above target by Ksh. 16.6 billion (June – December 2021). The supplementary budget seeks to adjust expenditure upwards by **Ksh. 126.3 billion**; mainly to provide additional funding for drought related interventions, security, COVID-19, pending bills, salary shortfall, 2022 elections and expansion of CBC infrastructure.
2. The upward adjustment of the budget is mostly on account of recurrent rather than development expenditure. The recurrent budget has increased by Ksh. 113.25 billion (8.9%) whereas the development budget has only increased by Ksh. 13 billion (1.9%). The Committee is concerned that if this trend continues, it could eventually crowd out ‘growth-enhancing’ expenditures under the development budget. Indeed, there is reported under-absorption of the development budget, most of which is attributed to foreign financed projects. Many donor funded projects are facing implementation challenges, mainly relating to low absorptive capacity by the recipient MDA or lack of GoK counterpart funding. The Committee notes that many donor funded projects are not aligned to the budget cycle and therefore face challenges being assimilated by the recipient MDA.
3. Article 223 of the Constitution provides the leeway for the National Government to spend monies that have not been appropriated by Parliament if the amount appropriated for any purpose under the Appropriation Act is insufficient or a need has arisen for expenditure for a purpose for which no amount has been appropriated by that Act; or money has been withdrawn from the Contingencies Fund. So far, the National Treasury has granted approvals under Article 223 of the Constitution amounting to Ksh. 75.366 billion; of which Ksh.40.264 billion is recurrent and Ksh.35.101 billion is development. Of this amount, only Ksh. 29.15 billion has been disbursed to the spending agencies. The Committee is of the opinion that the failure to disburse funds already approved under Article 223 of the Constitution implies that the expenditure items were probably not emergency in nature and should therefore not constitute an Article 223 expenditure.
4. The Committee notes with concern that failure to submit the full amount approved under Article 223 of the Constitution raises questions on whether the undisbursed expenditures were indeed emergency in nature. Indeed, the Committee observed that some of the Article 223 expenditures do not appear to meet the spirit of the Constitution. There are allocations cutting across various MDAs towards enhanced operations and maintenance as well as salary shortfalls which could’ve been reasonably provided for within the

prevailing budget constraints during the annual budget process and should ideally not constitute a supplementary budget. PFM regulation 40(4)(a) clarifies that the purpose for which approval is sought for a supplementary budget DOES NOT include expenditure that, although known when finalising the original budget estimates, **could not be accommodated within allocations.**

2.1 COMPLIANCE TO LEGAL PROVISIONS

9. The legal provisions underpinning the supplementary budget are contained in Article 223 of the Constitution, Section 44 of the Public Finance Management Act, 2012, Section 40 of PFM regulations, 2015 and National Assembly Standing Order 243. This includes information with regard to the basis, content and procedure of processing the supplementary estimates.
10. The Committee observed that the Supplementary budget has flouted two significant provisions. Firstly, contrary to PFM regulation 40(8), there are many new projects which have been introduced in the supplementary budget. To illustrate, there are 16 new projects in the State Department for Transport; and 50 new level III hospitals in the Ministry of Health. The State Department for crop development and the Ministry of Energy also have new projects. Secondly, some expenditure adjustments to programmes have exceeded 10%. These include programmes under State Department for Transport, Trade, Energy, and Finance among others. To this extent, the National Treasury has indicated that it is seeking special approval of these adjustments in line with regulation 40(9) of the PFM regulations, 2015.
11. The fiscal framework underpinning the 2021/2022 budget is grounded on fiscal consolidation with the aim of reducing the overall fiscal deficit over the medium term. This is also in line with the IMF performance benchmark for fiscal deficit under the 38 month IMF facility programme which the country entered into in 2021. The Committee observed that due to the significant increase in spending, the overall fiscal deficit level inclusive of grants is projected to increase from 7.5 percent to 8.1 per cent of GDP contrary to the fiscal consolidation path. Additional borrowing will therefore be required to plug the deficit. This is a concern given the constrained fiscal space with the country about to breach the legally binding Ksh. 9 trillion debt ceiling. It is further noted that most of the budgetary increases are in the recurrent budget which mostly comprises of 'non-core' as opposed to 'growth-enhancing' development expenditure.
12. The policy direction of the approved budget was anchored on the Big Four Agenda and the post-COVID-19 Economic Recovery Strategy (ERS). There is concern however that some of the deductions could potentially alter the policy direction of the budget. For instance there are deductions on expenditures relating to Economic Recovery Strategy as well as to Big four interventions under housing, under livestock management and coordination; and the development and coordination of the Blue Economy.

13. The Committee further observed that budget implementation appears to be skewed towards the National Government and indeed towards specific MDAs within the National government. As at December 2021, only 39.2% of the County Equitable Share (Ksh. 144.98 billion) had been disbursed to counties against the total amount of Ksh. 370 billion. Further, within the National Government, approximately 50 MDAs had received less than 50% of their total budget; with 9 MDAs receiving less than 30% of their total budget. This is a concern as it hinders effective budget implementation for these entities.
14. The Committee is concerned that despite major adjustments in the supplementary budget, an assessment of the fiscal impact of the proposed reductions and/or increases to various programmes has not been provided. Further, it is noted that some expenditure adjustments are not consistent with the targets which have remained the same despite the changes in budgetary allocation. For instance, in the Ministry of Defence, there are some budget cuts but no changes in the targets of the affected programmes. Similarly in the Ministry of Sports and Ministry of Finance, there are budget cuts under some programmes but the overall targets for the affected have remained the same.

2.0 STATE OF THE ECONOMY

15. The Supplementary Budget for FY 2021/22 has been prepared at a time when the economy is experiencing a rebound in growth following a period of economic underperformance brought about by the COVID-19 pandemic. The average growth for the first three quarters of 2021 is estimated at 7.9 percent. It is worth noting however that the base effect is a significant factor in the recorded growth. Most sectors were coming from negative growth rates experienced in 2020 and the full reopening of the economy led to the unusual spike in growth. Therefore, as much as the economy is in recovery, the recorded growth for 2021 is more of a 'statistical' than 'real' growth.
16. Going forward, there are still some inherent risks to the economic outlook which, if they materialize, could affect the outcome of budget implementation. These include the ongoing drought in some parts of the country, lingering COVID-19 pandemic effects, increasing public expenditure pressures and the impact of a heightened election mood on investment decisions. These risks have a potentially adverse effect on the economic growth outlook and therefore revenue collection which could impact negatively on budgetary spending in 2022.
17. Overall inflation has remained within the target threshold of 2.5 percent to 7.5 percent; declining steadily from 6.9 percent in September 2021 to 5.4 percent in January 2022. Going forward, the risks to inflation will largely emanate from higher food prices due to weather related shocks as well as the rise in global food prices. Fuel inflation is likely to remain stable due to the EPRA fuel subsidy but if the subsidy ends then fuel prices could increase rapidly.

18. Private Sector credit has been resilient but still faces some risks. As at December 2021, private sector credit stood at 8.6 percent - an increase from 7.8 percent in October 2021. The recovery in credit growth was mainly observed in the Transport and Communication sector, Manufacturing sector and Consumer Durables sector. In terms of the outlook however, private sector credit growth is likely to remain subdued on account of the risk profile, especially of the MSMEs due to non-performing loans. Delayed payments to suppliers and contractors by the government also limits their repayment ability.
19. The current account deficit has widened from an estimated 4.6 percent of GDP in 2020 to 5.4 percent in 2021. This is mainly attributed to a higher import bill, which more than offset increased receipts from horticulture, manufactured exports and diaspora remittances. Going forward, the government should re-think its export strategy, particularly addressing product competitiveness concerns. This includes putting in place measures to support export oriented MSMEs.

3.0 IMPLEMENTATION OF THE BUDGET AS APPROVED

20. The total approved budget for 2021/2022 (excluding CFS) was estimated at Ksh. 1.942 trillion; of which recurrent expenditure was estimated at Ksh. 1.274 trillion and development expenditure at Ksh. 668.378 billion. However, the supplementary budget has proposed major changes cutting across various Ministries, Departments and Agencies.
21. The Committee observed that there were several upward adjustments in the Operations and Maintenance budget of some MDAs. Ideally, a supplementary budget should constitute emergency and unforeseen expenditure. The practice of undertaking significant increases in O&M spending during the supplementary budget has the potential to be abused as there is usually no justification provided. Furthermore, given the resource constraints, higher O&M spending could 'crowd out' development related spending with adverse effects on economic growth outcome.
22. Pending bills continue to present a challenge. Despite the national government policy on pending bills to constitute a first charge (Treasury Circular No.7/2019), it appears that this has not been followed. Latest statistics indicate that as at 30th September 2021, pending bills amounted to Ksh. 423.2 billion. Of this amount, State Corporations accounted for 87.8% (Ksh. 371.5 billion) and MDAs accounted for 12.2% (Ksh. 51.6 billion). The Committee is concerned that some reductions in the development budget could potentially lead to further pending bills accumulation especially where commitments had already been undertaken or there are contractual obligations.
23. The management of the Contingencies fund is in question. The Committee observed that the fund has been allocated Ksh. 3.7 billion in the supplementary budget yet no amounts have been withdrawn and spent from the Fund. Ideally, any allocation of funds to the Contingencies Fund during a supplementary budget is supposed to be a reinstatement of monies withdrawn and spent from the fund. The purpose is to finance

unforeseen and unpredictable expenditures which were not budgeted for but must be incurred in the public interest before a supplementary budget is approved. Since no money was withdrawn from the fund, the arbitrary increase in allocation to the fund is not procedural.

24. Some donor funded projects appear to be facing implementation challenges. The Committee noted that the low implementation of the development budget is mainly due to disruptions in donor funded projects. There appears to be a challenge in how donor funded projects are conceived, structured and implemented which then leads to poor outcomes. A framework should be developed on how donor funded projects should be implemented. More importantly, this should be aligned to the budget cycle.
25. There are several drought mitigation interventions scattered across various MDAs. These include interventions in the State Department for social protection and senior citizens affairs; state department for livestock; State department for devolution; Ministry of Water, Sanitation and Irrigation as well as Regional Development Authorities in the Ministry of Defence. This fragmented approach may lead to duplication of efforts as well as possible pilferage of resources and failure to take responsibility. There is need for a centralized approach in order to effectively handle drought mitigation.

5.0 ADDENDUM TO THE SUPPLEMENTARY ESTIMATES NO.1 OF 2021/2022

26. On 18th of February 2022, the National Treasury submitted an addendum to the supplementary budget, proposing further changes to the 2021/2022 Budget Estimates. The addendum proposed to increase the supplementary budget further by Ksh. 3.768 billion. The recurrent budget was adjusted upwards by Ksh. 9.485 billion whereas the development budget was reduced by Ksh. 5.717 billion.
27. The committee noted with concern that a further reduction of the development budget could disrupt policy implementation and could also lead to further accumulation of pending bills. Additionally, the reduction of the development budget by Ksh. 5.717 billion has slightly reduced the share of the development estimates in the total revised budget from 32.9% to 32.6%. Given the risk of under-absorption of the development budget, the cumulative expenditure at the end of the financial year could fall below the 30% threshold. Indeed, the latest net exchequer issues indicate that as at December 2021, only 36.98% of development exchequer had been released compared to 47.7% of the recurrent budget.
28. The committee observed that the introduction of an addendum to the supplementary budget simply isn't good budget practice. Firstly, it presents a risk of abuse as it is typically brought at the tail end of the review process and therefore isn't subjected to adequate scrutiny. Secondly, the submission of two separate documents adjusting the budget can mask the real impact of the proposed expenditure adjustments. Thirdly, the practice suggests a certain level of unpreparedness on the part of the National Treasury with regard to the supplementary budget.

6.0 FINANCING OF THE SUPPLEMENTARY ESTIMATES NO. 1 OF 2021/2022

29. The total revenue and grants projection has increased by 3.95% from Ksh. 2,101 billion to Ksh. 2,184 billion; mainly due to an upward revision in Appropriations-in-Aid collection by 20.2% (Ksh. 53 billion). There are notable increases in Appropriations-in-Aid (A-in-A) estimation across a number of agencies including Universities; the Road Maintenance Levy Fund; Kenya Accreditation Service; Tourism Fund; Bomas of Kenya; Tourism Promotion Fund among others. The Committee observed that accurate estimation of A in A collection continues to be a challenge. According to the Parliamentary Budget Office, the higher revenue targets for both Appropriations in Aid and foreign grants may not be met. Should this materialize, then it implies that the actual fiscal deficit may be higher than what has been projected by the National Treasury.
30. Ordinary revenue collection is projected to increase by 1.4% (Ksh. 25 billion) from Ksh. 1,776 billion to Ksh. 1,801 billion. This is attributed to an increase in Excise duty by 7.7 % (Ksh. 19 billion) and other tax revenues by 17.1% (Ksh. 18 billion) respectively. Conversely, income tax collection has been revised downwards by 1.9% (Ksh. 16 billion) from Ksh 834 billion to Ksh. 819 billion. This is on account of underperformance of corporate tax and withholding tax at 94.5 percent which translated to a shortfall of Ksh. 10.9 billion in the first half of the 2021/2022 financial year. It is noted that Income tax accounts for approximately 50 percent of ordinary revenue collection.
31. The fiscal deficit is estimated to increase from 7.5% to 8.1% of GDP. The National Treasury projects that the additional deficit of Ksh. 88.6 billion will be financed from external sources. Specifically, the expanded deficit will be financed by programme loans and the use of IMF SDR allocation. The Committee is concerned that the National Treasury appears to be deviating from the fiscal consolidation path that underpinned the 2021/22 Medium Term Expenditure Framework.

7.0 CONSOLIDATED FUND SERVICES (CFS)

32. The Supplementary budget proposes a 2% reduction of the Consolidated Fund Services (CFS) expenditure (by Kshs 17.74 Billion); from Kshs. 1.327 trillion in the approved budget to Ksh 1.309 trillion. This reduction is mainly on account of a decrease in the debt servicing expenses by Kshs 17.87 billion, due to the Debt Service Suspension Initiative(DSSI) that has resulted in the suspension of external debt servicing expenditures by Kshs. 72.3 billion. Key development partners who have offered substantial debt service suspensions include the EXIM Bank of China, Japan, and Italy among others. On the other hand, a few creditors such as the Netherlands, China Development Bank and Spain will receive increased debt servicing payments.
33. Whereas the Committee appreciates the suspension of debt service, it is noted that there are no indications of a similar trend for the medium term. If DSSI agreements are negotiated on a long-term basis, it will provide consistency and predictability

during budgeting therefore minimizing DSSI variations during the Supplementary Estimates.

34. Despite the downward revision of the public debt service, it still constitutes the largest component of the CFS; accounting for 88 % (Kshs. 1.51 trillion) of total CFS expenditures. Of this amount, domestic debt service constitutes the largest expenditure item amounting to Kshs. 823.2 billion (or 71%). There is an increase in domestic debt servicing by Ksh. 54.5 billion which can be attributed to reorganization of domestic debt and reopening of infrastructural bonds. On the other hand, external debt servicing expenditures account for only Kshs. 328.1 billion (or 29%). The Committee observed that the prevailing borrowing strategy which favours the domestic market carries a greater refinancing risk and interest risk exposure arising from domestic debt servicing expenditures.
35. The supplementary CFS budget further proposes an increase of allowances for constitutional offices by Kshs. 136 Million. These are allowances for the various commissions and constitutional office holders. Major increases relate to the following: the Teachers Service Commission - increased from Kshs. 630,000 to Kshs. 34 million (5377%); Commission on administrative Justice – increased from Kshs. 250,000 to Kshs 25.7 Million (10,207%); Salaries and Remuneration Commission – increased from Kshs 6.6 Million to Kshs 38.8 Million (489%) among others. The Committee observed that there are no explanatory notes provided to explain or support the high variations of allowances during a period of fiscal constraint that requires rationalization of expenditure.

8.0 RECOMMENDATIONS BY THE BUDGET AND APPROPRIATIONS COMMITTEE

36. Arising from the above deliberations, the Committee recommends the following:
 - a. Policy Recommendations**
 - i. That, in the 13th Parliament, the Public Finance Management Act, 2012 and attendant Regulations should be reviewed to provide succinct guidelines on the budget items that should be funded under Article 223 of the Constitution.
 - ii. That, any funds withdrawn from Contingency Fund should be outlined on a separate schedule when supplementary estimates are tabled in the House.
 - iii. That, once a supplementary budget is submitted to the House, any addendum to the revised budget will NOT be accepted.
37. Additionally, reference should be made to the observations and policy recommendations from the Departmental Committees on the Supplementary Estimates No. 1. for Financial Year 2021/2022 attached in Annex 1 and relevant MDAs should take action.

b. Financial Recommendations

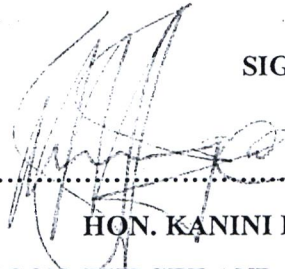
The Committee further recommends that this House approves;

- i. An increase of Ksh. 138,860,936,287 of which;
 - (i) Executive -Kshs.138,180,887,040
 - (ii) Judiciary- Kshs. 1,152,244,108
 - (iii) Parliament- Kshs. 527,805,139
- ii. That Schedule 1 and 2 form the basis for the finalization of the Supplementary Appropriations Bill ,2022

MIN.NO.NA/BAC/2022/96: ANY OTHER BUSINESS & ADJOURNMENT

There being no other matters to consider, the meeting was adjourned at 6.00 p.m. The next sitting will be communicated later.

SIGNED



HON. KANINI KEGA, CBS, M.P.

CHAIRPERSON, BUDGET AND APPROPRIATIONS COMMITTEE

27/3/2022

DATE