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REPUBLIC OF KENYA

THE NATIONAL ASSEMBLY

TWELFTH PARLIAMENT

FIFTH SESSION

REPORT OF THE BUDGET AND APPROPRIATIONS COMMITTEE ON THE BUDGET POLICY STATEMENT FOR 2021/2022 & THE MEDIUM TERM; AND THE MEDIUM TERM DEBT MANAGEMENT STRATEGY

MARCH, 2021

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CHAIRPERSON'S FOREWORD

Section 25(7) and Section 33(1) of the Public Finance Management Act 2012 as well as Standing Order 232(7); requires the Budget and Appropriations Committee to scrutinise the Budget policy Statement (BPS) and the Medium Term Debt Strategy Paper (MTDS). It is therefore my pleasant duty and honour to present to this House, the Committee's report on the two aforementioned policy documents for Financial Year (FY) 2021/2022 and the medium term.

The 2021 BPS and MTDS have been prepared at a time when the global economy is grappling with the adverse effects of the COVID-19 pandemic and the ensuing containment measures. Domestically, the Kenyan economy has experienced significant income and productivity losses arising from the pandemic. Indeed, by the end of the 3rd quarter of 2020, the KNBS estimates that over three million Kenyans were unemployed. These income and job losses were mostly in the informal sector, which employs approximately 80% of Kenyans.

The 2021 BPS has outlined priority pro-growth policy measures for the FY 2021/2022 budget that are aimed at stimulating economic recovery in the post-covid-19 period. This is in addition to the continued implementation of the MTP III projects as well as the Big Four agenda. The theme of the 2021 BPS is **"building back better: strategy for resilient and sustainable economic recovery."**

Procedure for review of the 2021 Budget Policy Statement and the Medium Term Debt Management Strategy

The 2021 Budget Policy Statement (BPS) and the Medium Term Debt Management Strategy (MTDS) 2021/22 – 2023/24 were submitted to Parliament and tabled on the floor of the House on the 11th of February 2021. Pursuant to Standing Order 232 (5) and (6), the BPS was promptly committed to the Budget and Appropriations Committee as well as the Departmental Committees who are required to deliberate on the document in line with their respective mandates and make recommendations to the Budget and Appropriations Committee. On the other hand, the Medium Term Debt Management Strategy paper was committed to the Budget and Appropriations Committee where it was examined and discussed.

The Committee held stakeholder consultations with the National Treasury, the Central Bank of Kenya (CBK) and the Commission on Revenue Allocation (CRA) to discuss critical aspects of the Budget Policy Statement in the context of the state of the economy. Further discussions were held with the Ministries of Health; Agriculture, Livestock and Cooperatives; and Industrialization, Trade and Enterprise Development to review the status of the big four projects. The Committee also held meetings with the Parliamentary Service Commission (PSC) and the Office of the Auditor General (OAG) to review their budgetary needs for the coming financial year.

Thereafter, the Budget and Appropriations Committee held fruitful deliberations with the Departmental Committees and received their recommendations on the Budget Policy Statement 2021. Further discussions were also held with the National Treasury before this report was finalized. The recommendations arising from these discussions are contained in this report.

Once approved by the House, the BPS recommendations will form the basis for the finalization of the 2021/2022 Budget pursuant to section 25(8) of the PFM Act, PFM regulation 27(4) and Standing Order 232(10). On the other hand, the Medium Term Debt Management Strategy is expected to inform the country's borrowing plans over the medium term.

Key Recommendations

Arising from these consultative engagements, the Committee has made the following recommendations:

a) Policy recommendations

The Committee recommends as follows:

1) That, the National Treasury develops a policy to enable the reduction of unproductive and non-targeted tax waivers and tax breaks in order to protect revenue. This should be submitted to Parliament alongside the FY 2021/2022 budget estimates by 30th April 2021.

2) That, the National Treasury reviews the compendium of government projects and considers deferment of new projects by one financial year while ensuring adequate counterpart funding and provision of funds for stalled projects before finalization of the budget estimates for FY 2021/2022.

3) That, during finalization of the budget estimates for FY 2021/2022, the National Treasury should take into account the pending bills and ensure that these are adequately provided for within the approved expenditure ceilings.

4) That, the National Treasury should restructure State Owned Enterprises (SoEs) especially the highly indebted ones who are unable to meet their operational costs with a view to privatizing some of them by end of FY 2021/2022 in order to put them on a sound economic footing.

5) That, during the finalization of the 2021/2022 budget estimates, the resources allocated for all international trade functions under the Ministry of Foreign Affairs be transferred to the State Department of Trade and Enterprise Development in order to be in line with assignment of functions as per the Executive Order No. 1 of 2020.

6) That, with regard to sectoral policy recommendations, this House approves the attached Annex 1 which provides a list of all policy recommendations drawn from Annex 2 (Summary of Departmental Committee Observations and Recommendations) that have been discussed and approved by the Committee.

b) Recommendations underpinning the Fiscal Framework

With regard to the Fiscal Framework underpinning the 2021/2022 and the Medium Term, the Committee recommends that:

1) That, the revenue target for 2021/22 be set at no less than **Kshs. 2,034 billion,** with ordinary revenue target being set **Kshs. 1,775.6 billion.**

2) That, the fiscal deficit (including grants) approved by Parliament for the FY 2021/22 is pegged at **Kshs. 930.0 billion** or **7.5% of GDP**, whichever is lower. Any increase of the Fiscal Deficit beyond what has been approved in the BPS for FY 2021/22 will **NOT** be approved by Parliament.

3) That, consistent with the debt mix that ensures there is low cost and minimizes risk, Net Foreign Financing be limited to **Kshs.530 billion**, while Net Domestic Financing be set at **Kshs.399.9 billion**.

c) Financial Recommendations

On the Expenditure Ceiling Proposals, the Committee Recommends as follows:

1) That, Ministerial Expenditure underpinning the programmes for 2021/22 be limited to no more than **Kshs.1,307,435.5 million** for recurrent expenditure and **Kshs.658,938.3 million** for development expenditure.

2) That the ceiling for Parliamentary Service Commission and Judiciary be set at **Kshs.37,882.7 million** and **Kshs.17,918.3 million**, respectively.

3) That, the expenditure ceilings for the 2021/2022 budget be approved as per the attached Schedule 2. These ceilings shall be binding and the National Treasury should prepare the budget estimates within these binding constraints.

4) That, having considered the unfunded requests from the Departmental Committees amounting to **Kshs.240 billion**, the Committee has identified critical expenditure needs that require urgent funding amounting to **Kshs.45.5 billion** as per the attached Schedule 1. More importantly, any revenue-raising measures contained in the 2021/22 Finance Bill **SHALL** be earmarked to fund the aforementioned priority areas.

5) **That**, county governments be allocated **Kshs. 409.88 billion** for FY 2021/2022 of which, the County Government Equitable share shall amount to **Kshs. 370 billion.**

6) **That,** the allocation to the Equalization Fund of **Kshs. 6.825 billion** be approved as provided in the Budget Policy Statement.

7) **That** once approved by this House, these recommendations together with Schedule 1 and 2 attached, **SHALL** form the basis of the FY 2021/2022 budget.

d) Recommendations on the Medium Term Debt Management Strategy Paper

On the Medium Term Debt Management Strategy, the Committee recommends as follows:

1) **That**, for the avoidance of doubt and after consultations with the National Treasury, the Committee has approved the debt mix ratio of 57:43 of domestic to external borrowing as provided for in the MTDS. This strategy provides the optimal debt and is also consistent with key provisions of Section 50 of the PFM Act. Specifically, the law requires that, the National Government shall ensure that its financing needs and payment obligations are met at the lowest possible cost in the market which is consistent with a prudent degree of risk, while ensuring that the overall level of public debt is sustainable.

2) **That,** the National Treasury should stick to its plan to reduce the stock of Treasury bills by Kshs.200 billion. In the next 30 days following the adoption of this Report, the National Treasury should report to the National Assembly how this has been achieved and report also on the progress on average time to maturity on domestic debt. Further, the National Treasury should also ensure the retirement of the overdraft facility at the Central Bank of Kenya at the end of any given Fiscal Year.

3) The Committee further recommends **that**, in future, the National Treasury must ensure that the borrowing strategy contained in the BPS and the MTDS are aligned in accordance with the provisions of section 33 of the PFM Act.

Acknowledgements

The Committee wishes to thank the Office of the Speaker and the Clerk of the National Assembly for the support extended in fulfilling this mandate. Our sincere gratitude is extended to all the Ministries, Departments and Agencies, the Commission on Revenue Allocation, the Central Bank of Kenya and the National Treasury for being a part of this critical process of reviewing the Budget Policy Statement by the Legislature. The Committee would also like to thank the Departmental Committees and all the Members of Parliament who participated in the process, for their commitment to ensure that Parliament is able to live up to its mandate.

Finally, the Committee would like to acknowledge the critical role of the Parliamentary Budget Office and the Clerks of the Departmental Committees in the review and processing of the 2021 Budget Policy Statement and the Medium Term Debt Management Strategy.

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

Signed

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Hon. Kanini Kega, CBS, M.P.

Chairperson, the Budget and Appropriations Committee

3rd/03/2021

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Date

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 04 MAR 2021 DAY

TABLED BY:

CLERK-AT THE-TABLE:

1.0.PREFACE

1.1.Establishment and Mandate of the Committee

1. **Mr. Speaker,** 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 among which is to **examine the Budget Policy Statement and make recommendations to the House**.

2. Other mandates of the Committee include the following:

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

1.2.Membership of the Committee

3. **Mr. Speaker,** 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
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.	Uriri	ODM
22. Hon. Paul Abuor, M.P	Rongo	ODM
23. Hon. Mercy Wanjiku Gakuya, M.P.	Kasarani	Jubilee
24. Hon. CPA Francis Kuria Kimani, M.P	Molo	Jubilee
25. Hon. Samuel Atandi, M.P	Alego Usonga	ODM
26. Hon. Joseph Manje, M.P	Kajiado North	Jubilee
27. Hon. Marselino Arbelle, M.P	Laisamis	Jubilee

1.3.Committee Secretariat

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

1.	Ms. Phyllis Makau, OGW	Director, Parliamentary Budget Office
2.	Mr. Martin Masinde	Senior Deputy Director, Parliamentary Budget Office
3.	Mr. Robert Nyaga	Deputy Director, Parliamentary Budget Office
4.	Ms. Lucy Makara	Deputy Director, Parliamentary Budget Office
5.	Ms. Millicent Makina	Fiscal Analyst I

6.	Dr. Abel Nyagwachi	Fiscal Analyst I
7.	Ms. Julie Mwithiga	Fiscal Analyst I
8.	Mr. Chacha Machage	Fiscal Analyst I
9.	Mr. Joseph Ndirangu	Fiscal Analyst I/ Clerk of the Budget and Appropriations Committee
10.	Mr. Danson Kachumbo	Fiscal Analyst I/ Clerk of the Budget and Appropriations Committee

2.0. REVIEW OF THE 2021 BUDGET POLICY STATEMENT

2.1. Introduction

5. The Budget Policy Statement (BPS) is a policy document that sets out the broad strategic priorities and policy goals that will guide the national and county governments in preparing their budgets for the financial year and over the medium term. The strategic direction of the BPS should be informed by the policies outlined in the various government policy documents, that is, the Vision 2030, Medium Term plans, Ministerial and Sectoral Strategic plans as well as the Big Four agenda.

6. The timeframe, structure and content of the BPS are anchored on the Constitution, the Public Finance Management Act, 2012, the Public Finance Management Regulations, 2015, and the National Assembly Standing Orders. The Committee observes that whereas the BPS contains pertinent information with regard to the current state of the economy, the growth strategy, revenue proposals and expenditure ceilings, there are some gaps in the information provided which have made it difficult to adequately exercise oversight.

7. For instance, the information provided on tax policies is scanty. Indeed, the proposed tax policies have not been quantified thereby making it difficult for the Committee to accurately estimate the resource envelope for 2021/2022. In addition, a list of contingent liabilities as well as pending bills has not been provided This House should note that the Committee raised these same concerns in the previous report on the BPS 2020 but it seems no action has been taken to remedy the situation.

2.2. Realism of the macro-framework of the BPS for 2021/2022 and the Medium Term

8. As earlier indicated, the year 2020 was extremely difficult for the global economy with the covid-19 pandemic having triggered a global financial crisis that has been termed as the worst since the great depression. Indeed, according to World Bank and IMF forecasts, the global economy plunged into recession in 2020 and full recovery is not

expected until 2025 and beyond. Domestically, the National Treasury has projected that the economy will grow by 0.6% in 2020, increasing to 7% in 2021 and approximately 6% in 2022 and over the medium term.

9. A review of the realism of economic growth projections is extremely important as it facilitates the determination of the overall resource envelope for the coming financial year. An accurate estimation of the available resources will ensure realistic expenditure prioritization and allocation thereby reducing the need for in-year budgetary revisions, which tend to distort the policy direction of the budget.

10. The Committee cautions that even though the economic growth projection of 7% in 2021 is plausible, it should be interpreted with caution. Indeed, the National Treasury has pointed out that this high growth will be explained, in part, by the fact that the economic growth in 2020 was unusually low. As such, this growth is not a 'true' growth and should therefore not be used as a basis to make unrealistic revenue projections that will only end up with a significant expansion of the fiscal deficit.

11. With regard to inflation, the Committee observes that even though inflation has broadly remained within the target range of 2.5% to 7.5% and is projected to continue this trend over the next financial year, there are prevailing risks particularly with regard to food and fuel prices. According to the IMF (WEO October 2020), global fuel prices may rise by 12% in 2021 while the overall food prices and maize prices are expected to rise by 4% and 8% respectively. Domestically, weather-related shocks, re-emergence of desert locusts and fall armyworms may drive up inflation through increased food prices.

12. With regard to Monetary policy, the Committee observes that measures adopted by the CBK during the pandemic such as the reduction in the cash reserve requirement from 5.25 to 4.25 and reduction of the CBK rate from 8.25% to 7% did not meet their objective of lowering the cost of borrowing for the private sector. The weighted average lending rate remained stable at around 12 per cent in 2020. Going forward, other policy measures addressing borrowing costs such as the proposed operationalization of the

Credit Guarantee Scheme for Micro Small and Medium-sized Enterprises (MSMEs) may help address the cost of borrowing for small businesses.

13. With regard to the External sector, the Committee observes that there was a significant improvement in the current account deficit, diaspora remittances and foreign reserve holdings in year 2020. This good performance was primarily as a result of a low import bill as the country's import demands declined significantly. Going forward, slow recovery in imports demand and low tourism arrivals may lead to a worsening of the current account deficit. Furthermore, the ensuing decline in forex reserves may contribute to further shilling depreciation.

2.3. Building back better: strategy for resilient and sustainable economic recovery

14. As earlier indicated, the 2021 BPS has outlined priority pro-growth policy measures for the 2021/2022 budget that are aimed at stimulating economic recovery in the post-covid-19 period. The government is targeting to roll out a post-covid economic recovery strategy with the following key pillars:
    i. A sound macroeconomic framework,
    ii. Accelerated growth in private sector investment;
    iii. Enhanced allocations to strengthen healthcare systems;
    iv. Supported recovery and growth of MSMEs;
    v. Full implementation of the Economic Stimulus Programme;
    vi. Up-scaled investment in ICT and digital infrastructure;
    vii. Facilitated clean, green and resilient growth;
    viii. Enhanced resilience of the economy to global supply chain shocks;
    ix. Better disaster preparedness and management; and
    x. Paying greater attention to economic governance, inequality, social cohesion, gender, youth, regional integration and international cooperation.

15. The Committee is concerned that even though the full implementation of the Economic Stimulus Programme (ESP) is a key pillar of the Post-Covid economic recovery strategy, projects under the ESP have been subjected to significant expenditure cuts in the 1st supplementary budget for 2020/2021 currently under consideration by the House.

The Committee also observes that the key policy interventions under the post-covid economic recovery strategy have been presented in a manner that is too broad and general thereby making it difficult to accurately demarcate the ERS projects in the provided schedule of outputs. It is the hope of the Committee that the National Treasury will provide a detailed document on the post-covid economic recovery strategy with clearly identified projects and expected outcomes when it submits the proposed budget estimates to the National Assembly in April 2021.

16. The Committee further notes that some ERS interventions such as in healthcare and agriculture will require significant collaboration between the national and county governments given that these are devolved functions. The need for national government intervention in these county functions is informed by the fact that these two sectors have struggled to a great extent, in terms of service delivery. There are significant challenges particularly with regard to health human resource management, provision of medical supplies, provision of agricultural inputs, hiring of agricultural extension workers and so on. The National Treasury should therefore provide a collaborative plan of action on how exactly the national government interventions will be implemented in the counties including whether there will be need for additional conditional grants.

2.4. Budget for FY 2021/2022 and the Medium Term

2.4.1. Expenditure projections

17. The indicative expenditure ceilings for the three arms of the government including equitable share to the county governments for the FY 2021/2022 are as follows: **(In Ksh. Millions)**

1. Executive	**Ksh. 1,887,777**
2. Parliament	**Ksh. 37,883**
3. Judiciary	**Ksh. 17,918**
4. Consolidated Fund Services	**Ksh. 697,623**
5. County Equitable Share	**Ksh. 370,000**

Total	**Ksh. 3,011,201**
6. Equalization Fund	**Ksh. 6,825**
7. Contingency Fund	**Ksh. 5,000**
Grand Total	**Ksh. 3,023,001**

18. As per the proposed expenditure ceilings provided in the BPS, the budget for 2021/2022 is projected to increase by 8.8% from the baseline which is the approved budget for FY 2020/2021. Recurrent expenditure is estimated at **Ksh. 1,986 billion** and capital expenditure **Ksh. 609.1 billion**. The Committee observes that the policies aimed at restricting growth in recurrent expenditures have not been successfully implemented. Between 2013/14 and 2018/19, recurrent expenditures as a share of GDP increased from 14.8% to 16%. The main driver of the growth in recurrent expenditure was the growth in interest payment on public debt. Interest payment on domestic debt as a share of tax revenue increased from about 14% in 2013/14 to 23% in 2019/20. Over the same period, interest payment on external debt increased from about 2% to 9% partially driven by higher borrowing costs as Kenya continued to borrow more commercial debt.

19. A review of sectoral expenditure allocations indicates that the bulk of expenditure allocations is geared towards the usual sectors namely; Education; Public Administration and International Relations; and Energy, Infrastructure and ICT sectors. A key sector such as the General Economic and Commercial Affairs sector which is a key player in the delivery of the 'Big Four' agenda has been subjected to significant expenditure reduction from its 2020/2021 allocation particularly under the industrial development & investments programme as well as the tourism development and promotion programme. The Committee is concerned that resource allocation may not be well aligned to the policy priorities of the national government.

20. It is observed that the increase in budgetary allocation for the Public Administration and International Relation sector is mainly on account of two new programs under the National Treasury, namely: Rail and Marine transport programmes. It is not clear why the National Treasury has been allocated two more programmes, which should typically be under Vote 1091: State Department for Infrastructure.

2.4.2. Revenue projections

21. The 2021 BPS is projecting that total revenue collection for the FY 2020/21 including appropriation-in-aid (A.I.A) will amount to Ksh. 2,033.9 billion (16.4 percent of GDP). Of this, Ordinary revenue in the next financial year is projected at Ksh.1,776 billion (14.3 percent of GDP). It is indicated that the revenue performance will be underpinned by ongoing reforms in tax policy and revenue administration; as well as economic recovery occasioned by the Economic Stimulus Programme and the planned Post Covid-19 Economic Recovery Strategy. Furthermore, the reversal of tax cut measures that had been implemented in April 2020 as one of the mitigation measures against the adverse effects of Covid-19 is expected to boost revenue collection.

22. The Committee observes that Tax revenue collection has not kept pace with economic growth over the last decade. Tax revenue as a share of GDP steadily declined from 18% in 2013/14 to 15% in 2018/19. It is noted that the proposed reforms in tax policy and revenue administration as highlighted in the BPS are not new and are similar to the proposals made in the previous BPSs.

23. The lack of progress evaluation and quantification of the expected impact of each policy measure by the National Treasury makes it difficult to infer to what extent these reforms will boost revenue collection. Indeed, reforms in revenue administration seem to have reached the apex and unless there is radically new thinking, revenue is likely to continue to underperform. Consequently, the projected tax revenue collection targets over the

medium term, which have been attributed to the successful implementation of the revenue enhancement measures are unlikely to be met.

2.4.3. Deficit Financing

24. The BPS 2021 projects that the fiscal deficit as a share of GDP will decline from 9% in 2020/21 to 4.5% in 2023/24. The Committee is concerned that given the existing expenditure pressures and that revenue enhancement measures included in the 2021 BPS are similar to those that have been unsuccessful in the past, the projected fiscal deficit path is unlikely to be achieved.

25. It is worth noting that there is a target within the EAC counties, to achieve a fiscal deficit of 3% of GDP by FY 2021/2022 in line with the EAC fiscal convergence criteria. However, given the negative economic outlook in 2020 and the need to support economic recovery over the medium term, extensive expenditure reductions in the next financial year may be counter-productive. To this extent, the Committee has undertaken expenditure reprioritization in order to ensure that high yield projects/programmes are adequately funded. The Committee urges the National Treasury to commit to strict adherence of the expenditure ceilings that will be approved in this report in order to avoid expanding the deficit while at the same time protecting the key growth sectors.

2.5. Vertical division of revenue for 2021/2022

26. Out of the total projected shareable revenue of **Kshs. 1,775.62 billion**, the National Treasury proposes an allocation of **Ksh. 409.88 billion** to the County Governments for FY 2021/22. This allocation amount comprises of the following:

County Equitable Share	Ksh. 370 billion
Leasing of Medical Equipment	Ksh. 7.205 billion
Supplement for construction of county HQs	Ksh. 332 million
Loans and Grants	Ksh. 32.344 billion
Equalization Fund	Ksh. 6.825 billion

27. It is noted that the County Equitable share is 27.3 percent of the audited and approved revenues which is within the requirements of Article 203(2) of the Constitution which provides that counties should be allocated not less than 15 percent of the last audited revenue raised nationally, as approved by the National Assembly. The Committee observes that the auditing and approval of revenues is still lagging behind as the vertical allocation for FY 2021/22 is based on the FY 2016/17 audited and approved revenues of Kshs.1,357.70 Billion. This is the same basis that was used in the previous year. Indeed, the 27.3 percent County Equitable Share would be lower if the basis was audited revenues for FY 2018/19. It is therefore upon this House to expedite the process of auditing and approval of revenues.

28. The Committee further observes that for the 2021/2022 financial year, four of the six conditional allocations previously disbursed by the National government have been converted into county equitable share, leaving only two conditional allocations, namely; the *Leasing of medical equipment and the Supplement for construction of county headquarters.* The Committee is concerned that whereas the conversion of these conditional allocations to Equitable Share is aimed at effective resource utilization and service delivery by county governments, it does not guarantee that these funds will be effectively applied to the appropriate sectors, namely, health (17%), education (18%) and roads (8%) in accordance with the third basis formula.

29. Indeed, the committee notes with concern that the conversion of the road maintenance levy funds to equitable share could be a violation of the Road Maintenance Levy Fund Act of 1993 which provides that resources allocated under this fund will only be used for road maintenance purposes and cannot be applied for any other use. The committee urges the National Treasury to resolve this matter before the Division of Revenue Bill is published.

30. Notably, the implementation of the two remaining conditional allocations has been marred with audit queries. For the MES, there are inconsistencies between the cost in the initial agreement and the amounts disbursed so far. Committees of Parliament mandated to oversight these resources have carried out inquiries on the matter but have not provided a way forward.

31. **There are differences between the proposed allocation in the BPS 2021 and the recommendations by CRA.** Article 216 (1)(a) of the Constitution mandates the Commission on Revenue Allocation (CRA) to make recommendations on the basis for equitable sharing of revenue raised by the national government between the national and county governments. The CRA recommended an Equitable share allocation of Kshs. 333.52 Billion and an additional allocation of Kshs. 36.48 which is to be transferred from the National Government's Ministries, Departments and Agencies (MDAs) that may be performing concurrent functions or devolved functions.

3.0.MEDIUM TERM DEBT MANAGEMENT STRATEGY (MTDS) FOR 2021/2022 AND THE MEDIUM TERM

32. The 2021/2022 MTDS has provided for the following borrowing strategy which is expected to minimize the costs and risks of public debt:

a) Gross external financing and Gross domestic financing ratio of - 27:73

b) Net external financing and net domestic financing ratio of - 57:43

33. External financing will be composed of:
    a) Concessional – 21%
    b) Semi-concessional – 26%
    c) Commercial – 10%

34. Domestic financing will be sourced mainly from medium to long-term instruments with net repayment of treasury bills during the medium term.

35. According to the MTDS, the development of the domestic debt market is a key goal for accelerating attainment of affordable and long term financing of public and private

entities. The Committee observed that the MTDS has always included reforms in the domestic market that are intended to support market liquidity, enhance efficiency of transactions, and increase transparency. However, little information has been provided on the progress of their implementation.

36. The benefits of the optimal financing strategy as highlighted in the BPS include:

a) Building of the domestic bond market liquidity and the benchmark yield curve eventually lowering the cost of debt.
b) Lowering the interest rate cost in the debt portfolio
c) Lengthening the maturity profile of debt and support bond market development

37. The Committee observes that the optimal debt strategy as chosen in the MTDS 2021/2022 deviates from the strategy that is indicated under the BPS, which provides for a ratio of 21:79 in net external and domestic borrowing and an average of 30:70 over the medium term. It is not clear therefore, which debt strategy will be pursued by the National Treasury.

4.0.SUBMISSIONS FROM DEPARTMENTAL COMMITTEES

38. This section highlights key submissions from the departmental Committees.

i. Defence and Foreign Relations

39. The Committee observed that there is no policy direction with regard to the sharing of AIA proceeds from e-citizen between the National Treasury and the Ministry of Foreign Affairs. Furthermore, the centralization policy on ICT funding is not effective as it is impossible to implement it in foreign missions. Other observations include lack of funds curtailing implementation of the assets acquisition plan; non-performance of the Kenya Ordinance Factories Corporation (KOFC); lack of an asset acquisition, maintenance and management policy, and persistent cases of Kenyans getting stranded abroad.

ii. Administration and National Security

40. **With regard to the State Department for Interior and Citizen Services, the following were the key observations:**

a) The BPS has prioritized operationalization of the newly gazetted Police Stations and sub-county headquarters but has not availed resources for actualizing this policy. There is a financing gap of Kshs. 500 million for operationalization of newly gazetted NGA offices and Ksh. 1 billion for police stations. There is also a financing gap of Ksh. 1.5 billion for the equipping of the forensic laboratory

b) Service delivery by NGA officers is compromised by lack of enough vehicles. The absence of a policy on equitable distribution of such vehicles across the various sub-counties may however inhibit the success of the policy initiative for acquisition of additional vehicles for National Government Administration (NGA) officers.

c) The policy for payment of house allowances is not effective given that security mishaps often occur at night when officers have left their stations for home. Making it difficult to mobilize them in response to a distress call.

41. **With regard to the State Department for Correctional Services, the Committee observed that** the state department is underfunded and the many projects related to prison enterprises which could have been completed to generate AIA have been subjected to budget cuts thereby inhibiting their completion.

42. **With regard to the State Department for Public Service,** the Committee observed that there is a need to increase the number of Huduma centres to 290 sub-counties in order to enhance service delivery.

43. **With regard to Public Service Commission,** the Committee observed that Public service recruitment and the internship programme tend to favour Nairobi residents. The Commission should target to conduct interviews in every region and ultimately every sub-county, possibly using the Constituency Innovation hubs.

44. **With regard to the National Police Service Commission, the Committee observed that** the National Police Service Officers are spread across the country making it difficult for them to access Commission services. Further, the Commission has not fully

taken its mandate of recruitment, Promotions, Transfers and discipline within the National Police Service.

iii. Justice and Legal Affairs

45. **With regard to the Judiciary and Judicial Service Commission, the Committee observed that** the Judiciary received only 51.1% of the total resource requirement for the FY 2021/22. The Judiciary's budget has stagnated at around Kshs 17 billion despite the fact that the needs and the size of the institution has grown. The Judicial Service Commission is also significantly underfunded.

46. With regard to the Office of the Attorney General and Department of Justice, the Committee also observed that the office is significantly underfunded. In addition, the Committee observed that there are suits against the government with financial risks to the tune of Kshs 1.2 trillion. In addition, the awards against the government that have not been paid stand at approximately Kshs 150 billion. These range from awards to victims of torture as well as business litigants against the State.

47. The Committee further observed that the Independent Electoral and Boundaries Commission, the Commission for Administrative Justice, the Witness Protection Agency, the Kenya Human Right Commission, the Ethics and Anti-Corruption Commission, the Office of the Director of Public Prosecution and the Registrar of Political Parties are significantly underfunded and this may hamper their operations.

iv. Sports, Culture and Tourism

48. **With regard to the State Department for Sports, the Committee observed that the development budget of the department** relies on the proceeds of the fund and therefore this exposes the department to risks emanating from factors that affect the performance of the fund. The Committee has also observed that the completion of some regional stadia such as Wote and Kamariny Stadiums are lagging behind mainly due to inability by the contractor to meet his obligation. The department has sought the opinion of the Attorney General on the cancellation of their contracts in order for the agency to engage a competent contractor to complete the works.

49. **With regard to the State Department of Culture and Heritage,** the Committee observed that the maintenance of monuments by the National Museums of Kenya (NMK) is encountering challenges emanating from limited funding and vandalism by the football fanatics. In addition, the funds allocated in FY 2020/21 for rehabilitation and upgrade of Maralal Kenyatta House and the Lokitaung Memorial has been slashed by 50% and this is likely to delay further the restoration of the Museums. The Committee further observed that the department is entitled to not more than 20% of the Sports, Arts and Social Development Fund yet the country's historical monuments are in dilapidated situation due to lack of proper maintenance and inadequate funding.

50. With regard to the State Department for Tourism, the Committee observed that the department is underfunded. Further, there have been ambiguities in the utilization of the Tourism Promotion Fund. The Construction of the Ronald Ngala Utalii College (TF) has been going on for too long and requires additional resources for completion. Further, the government should revamp and modernize the Kenya Utalii College as part of its post COVID 19 strategy because of its vital role in the sector.

v. Lands

51. **With regard to the Ministry of Lands and Physical Planning** , the Committee observed that the newly created State Department for Physical Planning has not been allocated a separate vote and continues to operate under the Physical Planning sub – programme. Furthermore, the Settlement of the Land project is significantly underfunded. Also, the Ministry's policies and procedures on the resettlement of the landless have not provided a solution to multiple allocation of land to individuals. It is also noted that the digitization process at the ministry has not been implemented on time with only Nairobi County Set for rollout in March 2021.
52. **With regard to the National Land Commission, the Committee observed that the commission** has not been allocated any budget for the development vote and needs to pursue an alternative financing mechanism such as Public Private Partnerships to supplement the increasing budget gap.

vi. Health

53. **With regard to the Ministry of Health, the Committee observed that** the policy shift where conditional grants meant for level 5 hospitals and the user foregone fees have been converted into equitable share, does not guarantee whether the areas of intervention previously supported by the grant will be fully addressed. Furthermore, there is no mention in the BPS 2021 regarding the acquisition and availability of vaccines for COVID 19 and whether it is one of the government priorities in 2021/22 and over the medium term as part of COVID 19 interventions. No resources have been provided for the acquisition of vaccines. The Committee also observed that there is no policy or investment towards alternative medicine solutions in response against the COVID 19. Also, Mathare referral hospital and the National referral hospitals are significantly underfunded with regard to upgrading of facilities and salaries shortfall respectively. The Committee further observed that reforms at the NHIF have not been adequate.

vii. Education and Research

54. **With regard to the Ministry of Education and the TSC, the Committee observed that there is significant underfunding which has inhibited service delivery in learning institutions a**nd other critical institutions such as Commission for University Education, National Research Fund, University Funding Board and Higher Education Loans Board. The country is currently experiencing serious teacher shortages currently estimated at 80,000. The current resource allocation to TSC only allows recruitment of 5,000 teachers in 2021/22. Further, the School feeding programme focuses only on ASAL areas and leaves out other deserving areas in the country such as the slums and other pockets of poverty.
55. The policy shift converting conditional grants meant for village polytechnics into equitable share means that the counties will not be obliged to support the village polytechnics.
56. Furthermore, there is a lot of discrepancies as regards university students' data/information which distorts proper planning, decision making and allocation of resources for higher education sub sector in the country.

viii. Transport, Public Works and Housing

57. The Committee observed that the distribution of development projects across Departments hardly reflects the face of the country. **With regard to the State Department for Infrastructure, the** Committee observed that conversion of the projected share of the Roads Maintenance levy to the Counties to equitable share means that counties will not be obliged to use the funds for road maintenance.

58. Further, the State Department for Infrastructure has accumulated pending bills amounting to Kshs. 75 billion as at December 2020 and this is projected to increase to Kshs. 85 billion by the end of the current financial year. The Committee also noted that Public Private Partnership engagements come with certain risks that include lack of adequate information on some large PPP projects.

59. **With regard to the State Department for Transport, the Committee observed that** the Standard gauge railway accounts for accumulation of the largest pending bills reported against a single project.

60. **With regard to the State Department for Housing and Urban Development, the** Committee observed that despite there being a policy on provision of house allowances for police officers, there are ongoing projects under Provision of Housing Units for National Police Service and Prisons. The Committee further notes that there are areas under constant security threats that require special consideration by providing decent housing units for police officers serving in those areas.

ix. Communication, Information and Innovation

61. **With regard to the State Department for ICT & Innovation,** the Committee observed that despite rapid adoption of ICT technology and advancement in innovations in the digital space, the policies and strategies on data protection are still inadequate to prevent misuse of personal data collected for specific intended purposes. The Committee further questioned the plausibility and sustainability of the programme of the digital literacy programme given the dynamic nature of technology and change in curriculum to Competency Based Curriculum (CBC). Further, there is noted a lack

of a robust policy on E-waste management to handle the disposal and recycling of the discarded electrical and electronic devices. It is also noted that most programmes, sub-programmes and projects lack monitoring and evaluation frameworks for assessment of the real impact on public service delivery.

62. **With regard to the State Department for Broadcasting and Telecommunication, the Committee observed that** there are huge pending bills amounting Ksh.1.2 billion owed to Postal Corporation of Kenya by the Ministry of Public Service for hosting Huduma Centres. It is noted that the business strategy of the Postal Corporation of Kenya is not effective and if not fixed shall necessitate reliance on exchequer for the financing of its operational costs among other costs. The Committee also observed some duplications and overlaps in some SAGAs such as between Kenya Film Commission and Kenya Film Classification Board. Further, there is an ongoing international arbitration on a case in London involving Kenya Broadcasting Corporation whose unfavourable outcome poses a huge financial risk to the corporation. Initially the case was determined at Ksh.40 Billion.

x. Energy

63. **With regard to the State Department for Energy, the Committee observed that the ministry is underfunded.** The Committee also observed that, there is increasing power generation currently at 3000 Mw without the corresponding demand which currently stands at approximately 1800 Mw. The deemed energy is also being incurred and is impacting negatively on cost of energy. Further, the energy subsidy for cheap connections provided by KPLC is proving untenable as the Government is not compensating KPLC appropriately, leading to its weak financial position. Other key observations include duplication of projects and activities undertaken by SAGAs by the Ministry of Energy; and inconsistency in provision of counter-part funding for key projects leading to delayed or withdrawal of the foreign financing component.

64. **With regard to the State Department of Petroleum, the Committee observed that** the National Oil Corporation was incorporated to implement and maintain strategic petroleum products reserve to the industry standards, but this is not being undertaken.

xi. Trade, Industry and Cooperatives

65. **With regard to the State Department for Industrialization, the Committee observed that the state department is underfunded.** Further, various agencies in the state department have similar mandate and carry out closely related functions.

66. **With regard to the State Department for Trade and Enterprise Development, the Committee observed significant underfunding.** Further, the Committee noted that Kenya is unacceptably underrepresented in the context of foreign trade representation as there are no commercial representatives in key export markets and potential markets. This hinders our country's ability to access foreign markets for our exports. There is need therefore to have a foreign trade representation (FTR) structure to blend business and diplomacy and thus adopt an FTR network that provides for setting up of foreign trade offices in key commercial centers that will be dedicated to focus on commercial/ trade issues . In addition, the Committee observed there is urgent need to review the Treaty Making and Ratification Act, 2012 to provide for an enhanced and full involvement of the National Assembly during the entire process of trade agreements negotiations. Further, there are structural and administrative overlaps on the mandate between the Agriculture and Livestock Ministry and State Department of Trade need to be well defined to avoid functional overlaps.

67. The Committee further noted that there are structural and administrative challenges with regard to the allocation of resources to international trade functions whereas the function is now domiciled in the State Department of Trade as per the executive order, the budgetary resources are still been controlled at the Ministry of Foreign Affairs. There is need therefore for the regularization of the budgetary allocations to reflect the respective mandate.

68. **With regard to the State Department for Cooperatives,** The Committee observes duplication of functions such as in the development and management of cooperatives; a devolved function which continues to be funded by the National Government even as County Governments allocate resources for the same functions.

xii. Finance and National Planning

69. **With regard to the National Treasury, the Committee observed that** two new programmes have been shifted from the State Department for Transport to the National Treasury i.e. Rail Transport and Marine Transport. It is hoped that during the Estimates for FY 2021/22, the programmes targets and Key Performance Indicators would be shifted here as well to allow effective oversight. Furthermore, implementation of the Equalization Fund was stopped around 2016 when the Statutory Instrument that was implementing the Fund was nullified by the High Court. Establishing another instrument seems to be taking unprecedentedly long. As such, there is a risk of the Fund lapsing without achieving its intended objective.

70. **With regard to the State Department for Devolution, the Committee noted that** the programme on Devolution Support for Results should receive additional allocation since the roll-out of phase 2 which is expected to start in November, 2021. Further, the budget for provision of relief food should be moved to this State Department so as to ensure swift response during food shortages.

71. **With regard to the Office of the Controller of Budget, the Committee observed that the CoB report** should contain both the financial and the non-financial performance. The reporting on the quarterly achievement of targets and key performance indicators would facilitate effective oversight of the budget by the legislatures in both levels of government.

72. **With regard to the Commission on Revenue Allocation,** the Committee noted that the Commission in conjunction with other relevant stakeholders should spearhead the ascertainment of revenue potential in all the counties. This should be the basis of Own Source Revenue projections by county governments so as to ensure realistic revenue forecasting.

73. **With regard to the Salaries and Remuneration Commission, the Committee observed that** despite the Commission's budget being increased, the wage bill sustainability remains a challenge.

xiii. Agriculture and Livestock

74. **With regard to the State Department for Livestock, the Committee noted that** the BPS has not addressed the issue of historical pending bills. The total historical pending bills of court awards in SDL stands at **Kshs. 4,025 Million**. Furthermore, Implementation of Capital Projects is a challenge. Projects take too long to complete because of the low budget allocations, frequent budget cuts, as well as inefficiencies in the utilization of the development budget allocations.

75. **With regard to the State Department for Crop Development and Agricultural Research, the Committee also observed that** implementation of Capital Projects is a challenge due to underfunding, budget cuts and inefficiencies in the utilization of the development budget allocations. Notably, the implementation of the e-voucher system is taking too long. Furthermore, many projects have not been funded such as **the** Nutrition Sensitive Programme Ksh.128Million; the Kenya Agricultural Data Management and Digitization Project Ksh.267Million; Fertilizer Pending Bills- Kshs. 8.008.55 Billion; and National Food Reserve Kshs 200 million.

76. **With regard to the State Department for Fisheries, Aquaculture, and Blue Economy, the Committee observed that** Implementation of Capital Projects is a challenge due to low budget allocations, frequent budget cuts, as well as inefficiencies in the utilization of the development budget allocations.

xiv. Labour and Social Welfare

77. **With regard to the State Department for Labour, the Committee noted a** delay in the signing of Bilateral Labour Agreements with several countries including Jordan, Kuwait, Canada, United Kingdom, Oman and Bahrain. **Further,** the Office of the Registrar of Trade Unions which has the mandate of inspecting books of accounts of Trade Unions and overseeing the management of Trade Unions has only **one** technical staff making it ineffective. **It is also noted that there is no** resource allocation for the establishment of the Occupational Disease Fund which was conceived as a response to the COVID 19 Pandemic. This is meant to protect workers directly affected through death or disability by occupational accidents and diseases.

78. **With regard to the State Department for Social Protection, the Committee noted that** the deficit of Kshs. 4.7 billion for the National Safety Net Program has not been addressed meaning that thousands of potential beneficiaries especially under the Cash Transfer for the Elderly will miss out on the stipend for another financial year. Also, the State Department has not yet operationalized The Social Assistance Act, 2013 thus the National Safety Net Program and the Hunger Safety Net Program will continue to operate without a substantive Act of Parliament. **Also,** Five priority projects under the Child Welfare Society of Kenya have remained unfunded throughout the current Financial Year. Some of the projects were nearing completion. These centers were to serve as emergency rescue centers for children. The centers are in Bungoma, Joska, Nanyuki, Isiolo and Muranga.

79. **With regard to the State Department for Youth Affairs, the Committee observed that** only 70 out of the targeted 290 Youth Empowerment Centers have been operationalized.

80. With regard to the **State Department for Gender, the Committee observed that** the eradication of FGM Policy which was recently adopted by the National Assembly needs resources for the Anti-FGM Board to create awareness through both mainstream and Social Media and community dialogues.

81. **With regard to the National Gender and Equality Commission, it is noted that** the Commission remains centralized in Nairobi with presence in only 4 other counties. This compromises its ability to fully perform its role as a National Commission.

82. **with regard to the State Department for Public Service,** the National Youth Service has over **Kshs. 15. 5 billion** shillings of historical pending Bills.

xv. Environment and Natural Resources

83. **With regard to the State Department for Mining, the Committee observed that** the mining sub-sector continues to be grossly underfunded, hence affecting its potential in contributing to the economy. The Kenyan mining sub sector is largely under-explored

with only less than 15% having been geologically mapped. This hinders the sector's potential to contribute to the GDP and employment creation. Lack of accessibility to updated Geological and mineral data and inadequate data and information on natural resources slows the potential investments in the sector.

84. **With regard to the State Department for Wildlife the Committee observed that** Human-Wildlife Conflicts continue to be a major challenge in the sub-sector.

85. **With regard to the Ministry of Environment and Forestry, the Committee noted that** the National Environmental Management Authority (NEMA) has faced chronic under-funding over the recent years leading to chronic operating deficits. Furthermore, it is noted that the Kenya Forest Service's (KFS) mature tree plantations are wasting away due to the moratorium on logging even as the sub-sector continues to face acute funding deficits. In addition, the Kenya Meteorological Department requires enhancement in capacity to be able to provide better services to mitigate disaster risk, and support productive capacities of life supporting activities.

5.0.RECOMMENDATIONS ON THE BUDGET POLICY STATEMENT AND THE MEDIUM TERM DEBT MANAGEMENT STRATEGY

5.1.Policy Recommendations

86. **On matters of policy, the Committee recommends as follows:**
87. **That,** the National Treasury develops a policy to enable the reduction of unproductive and non-targeted tax waivers and tax breaks in order to protect revenue. This should be submitted to Parliament alongside the 2021/2022 budget estimates by 30th April 2021.

88. **That,** the National Treasury reviews the compendium of government projects and considers deferment of new projects by one financial year while ensuring adequate counterpart funding and provision of funds for stalled projects before finalization of the budget estimates for 2021/2022.

89. **That,** during finalization of the budget estimates for 2021/2022, the National Treasury should take into account the pending bills and ensure that these are adequately provided for within the approved expenditure ceilings.

90. **That,** the National Treasury should restructure State Owned Enterprises (SoEs) especially the highly indebted ones who are unable to meet their operational costs with a view to privatizing some of them by end of FY 2021/2022 in order to put them on a sound economic footing.

91. **That,** during the finalization of the 2021/2022 budget estimates, the resources allocated for all international trade functions under the Ministry of Foreign Affairs be transferred to the State Department of Trade and Enterprise Development in order to be in line with assignment of functions as per the Executive Order No. 1 of 2020.

92. **That,** with regard to sectoral policy recommendations, this House approves the attached Annex 1 which provides a list of all policy recommendations drawn from Annex 2 (Summary of Departmental Committee Observations and Recommendations) that have been discussed and approved by the Committee.

5.2.Financial recommendations

93. On the Fiscal Framework, the Committee recommends as follows:

(i) That, the revenue target for 2021/22 be set at no less than **Kshs. 2,034 billion,** with ordinary revenue target being set **Kshs. 1,775.6 billion.**

(ii) That, the fiscal deficit (including grants) approved by Parliament for the FY 2021/22 is pegged at **Kshs. 930.0 billion** or **7.5% of GDP**, whichever is lower. Any increase of the Fiscal Deficit beyond what has been approved in the BPS for FY 2021/22 will **<u>NOT</u>** be approved by Parliament.

(iii) That, consistent with the debt mix that ensures there is low cost and minimizes risk, Net Foreign Financing be limited to **Kshs.530 billion**, while Net Domestic Financing be set at **Kshs.399.9 billion**.

94. On the expenditure ceiling proposals, the Committee recommends as follows:

(i) **That,** Ministerial Expenditure underpinning the programmes for 2021/22 be limited to no more than **Kshs.1,307,435.5 million** for recurrent expenditure and **Kshs.658,938.3 million** for development expenditure.

(ii) **That,** the ceiling for Parliamentary Service Commission and Judiciary be set at **Kshs.37882.7 million** and **Kshs.17918.3 million**, respectively.

(iii) **That,** the expenditure ceilings for the 2021/2022 budget be approved as per the attached Schedule 2. For the avoidance of doubt, these ceilings shall be binding and the National Treasury should prepare the budget estimates within these binding constraints.

(iv) **That,** having considered the unfunded requests from the Departmental Committees amounting to **Kshs. 240 billion**, the Committee has identified critical expenditure needs that require urgent funding amounting **to Kshs. 45.5 billion** as per the attached Schedule 1. More importantly, any revenue-raising measures contained in the 2021/22 Finance Bill **SHALL** be earmarked to fund the aforementioned priority areas.

(v) **That**, county governments be allocated **Kshs. 409.88 billion** for FY 2021/2022 of which, the County Government Equitable share shall amount to **Kshs. 370 billion.**

(vi) **That** the allocation to the Equalization Fund of **Kshs. 6.825 billion** be approved as provided in the Budget Policy Statement.

(vii) **That** once approved by this House, these recommendations together with Schedule 1 and 2 attached, **SHALL** form the basis of the 2021/2022 budget.

5.3.The Medium Term Debt Management Strategy

95. With regard to the Medium Term Debt Management Strategy for 2021/22 and the Medium term, the Committee recommends as follows:

(i) **That**, for the avoidance of doubt and after consultations with the National Treasury, the Committee has approved the debt mix ratio of 57:43 of domestic to external borrowing as provided for in the MTDS. This strategy provides the optimal debt and is also consistent with key provisions of Section 50 of the PFM Act, 2012. Specifically, the law requires that, the National Government shall ensure that its financing needs and payment obligations are met at the lowest possible cost in the market which is consistent with a prudent degree of risk, while ensuring that the overall level of public debt is sustainable.

(ii) **That**, the National Treasury should stick to its plan to reduce the stock of Treasury bills by Kshs. 200 billion. In the next 30 days following the adoption of this Report, the National Treasury should report to the National Assembly how this has been achieved and report also on the progress on average time to maturity on domestic debt. Further, the National Treasury should also ensure the retirement of overdraft facility at the Central Bank of Kenya at the end of any Fiscal Year.

(iii) The Committee further recommends **that**, in future, the National Treasury must ensure that the borrowing strategy contained in the BPS and the MTDS are aligned in accordance with the provisions of section 33 of the PFM Act, 2012.

ADOPTION SCHEDULE

Members attendance list

Budget and Appropriations Committee

Date…03.03.21… Time…2.30 Am… Sitting: …Afternoon…

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

THE NATIONAL ASSEMBLY
PAPERS LAID
DATE: 04 MAR 2021 DAY
TABLED BY:
CLERK-AT THE-TABLE:

Name		Signature
17.	The Hon. Sakwa Bunyasi, M.P.	
18.	The Hon. Florence C. K. Bore, M.P.	
19.	The Hon. James Gichuki Mugambi, 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........Danson Kachumbo........

Date........03. 03. 2021.........

Committee Clerk

Signed..............................

Date..............................

Director of Audit, Appropriations & Other Select Committees

SCHEDULE 1: UNFUNDED REQUESTS FROM THE DEPARTMENTAL COMMITTEES

2021 BPS FINANCIAL RECOMMENDATIONS						
			Departmental Committee			Comment
Vote	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	Reduction	Increase	Net Change	
REALLOCATIONS						
		TOTAL REALLOCATIONS	(7,660,140,000)	7,660,140,000	0	
	DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING		(7,660,140,000)	7,660,140,000	0	
1032	0	State Department for Devolution	0	5,779,600,000	5,779,600,000	Ksh. 4,600 million to enable implementation of phase 2 of capacity building and technical assistance programme. Ksh. 40 million for maarifa centre. Ksh 1,000 million for food relief. Ksh. 36.8 million for lease of vehicles. Ksh. 60 million for National Social Security Assistance Programme. Ksh. 17.8 million for salaries. Ksh. 25 million for verification and validation of assets and liabilities of 14 devolved functions in 21 counties.

2021 BPS FINANCIAL RECOMMENDATIONS						
			Departmental Committee			Comment
Vote	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	Reduction	Increase	Net Change	
REALLOCATIONS						
1071	0	The National Treasury	(7,660,140,000)	0	(7,660,140,000)	Reallocated to CRA ksh. 83 million. COB Ksh. 50 million. State Department for Devolution Ksh. 5, 779.6 million and Ksh. 1,747.54 million
1072	0	State Department for Planning	0	1747540000	0	Ksh. 42.3 million for HQ personnel emoluments. Ksh. 100 Million for KIPPRA staff recruitment.Ksh. 63 million for KIPPRA young professionals programme. Ksh. 121.6 million for NCPD. Ksh.81.6 million for Vision Delivery Secretariat. Ksh. 166.84 million for NEPAD. Ksh. 700 million for KNBS. Ksh. 50 million for macro to set up secretariat for the President. Ksh 144 million for Social Governance. Ksh. 105 million for Economic Empowerment programme. Ksh. 128.2 million for National Economic Planning and International Participation Programme.

2021 BPS FINANCIAL RECOMMENDATIONS						
Vote	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	Departmental Committee			Comment
			Reduction	Increase	Net Change	
REALLOCATIONS						
						Ksh. 30 million for National Integrated Monitoring and Evaluation. Ksh. 15 million for Social Policy and Research Programme.
2061		The Commission on Revenue Allocation	0	83,000,000	83,000,000	Ksh. 31 million asses County Government performance. Ksh. 17 million Comprehensive study of own source revenue. Ksh. 20 million mapping marginalized areas. Ksh. 15 million mortgage and car loan scheme.
2121	0	Office of the Controller of Budget	0	50,000,000	50,000,000	Facilitate budget implementation reporting to Parliament and legislative assemblies.
		TOTAL REALLOCATIONS	**(7,660,140,000)**	**7,660,140,000**	**0**	
ADDITIONAL REQUESTS						
		TOTAL ADDITIONAL REQUESTS	**0**	**240,137,280,000**	**240,137,280,000**	

2021 BPS FINANCIAL RECOMMENDATIONS						
Vote	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	Departmental Committee			Comment
			Reduction	Increase	Net Change	
REALLOCATIONS						
	ENVIRONMENT AND NATURAL RESOURCES		**0**	**3,453,000,000**	**3,453,000,000**	
1108		Ministry of Environment and Forestry	0	0	0	
1109		Ministry of Water, Sanitation and Irrigation	0	0	0	
1203		State Department for Wildlife	0	3,200,000,000	3,200,000,000	To cater for shortfall occasioned by Covid-19 related revenue shocks and operationalize the Wildlife Conservation Trust Fund. (Unfunded)
1192		State Department for Mining	0	253,000,000	253,000,000	Development budget for operationalization the provisions of Mining Act 2016 and formalization of artisanal mining operations.(Unfunded)
	DEPARTMENTAL COMMITTEE ON LANDS		**0**	**3,510,000,000**	**3,510,000,000**	
1112		Ministry of Lands and Physical Planning	0	2,910,000,000	2,910,000,000	Ksh. 1,950 million for State Department of Physical Planning. Ksh. 960 million for the settlement of landless programme. (Unfunded)
2021		National Land Commission	0	600,000,000	600,000,000	For vesting of land that was acquired compulsorily by the Government. (Unfunded)

2021 BPS FINANCIAL RECOMMENDATIONS						
			Departmental Committee			Comment
Vote	**Departmental Committee**	**VOTE/PROGRAMME CODES & TITLE**	**Reduction**	**Increase**	**Net Change**	
REALLOCATIONS						
	DEPARTMENTAL COMMITTEE ON AGRICULTURE AND LIVESTOCK		**0**	**6,892,000,000**	**6,892,000,000**	
1162		State Department for Livestock	0	4,325,000,000	4,325,000,000	Ksh. 4,000 Million for pending bills (court award to Halal Meat Products. Ksh. 25 million Court award to Exparte Associate Architects). Ksh 300 million GoK matching funds for development Livestock masterplan. (Unfunded)
1166		State Department for Fisheries, Aquaculture & the Blue Economy	0	0	0	
1169		State Department for Crop Development & Agricultural Research	0	2,567,000,000	2,567,000,000	Ksh. 2,142 million for National Value Chain Support Programme. Ksh. 425 million for Fall Army Worm Mitigation. (Unfunded)
0	**EDUCATION AND RESEARCH**		**0**	**58,150,000,000**	**58,150,000,000**	
1064		State Department for Vocational and Technical Training	0	0	0	

2021 BPS FINANCIAL RECOMMENDATIONS						
Vote	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	Departmental Committee			Comment
			Reduction	Increase	Net Change	
REALLOCATIONS						
1065		State Department for University Education	0	45,600,000,000	45600000000	Ksh. 37 billion for public universities personnel emoluments. Ks. 8.6 billion for HELB. (Unfunded)
1066		State Department for Early Learning & Basic Education	0	9,950,000,000	9,950,000,000	Ksh. 7.6 billion for free secondary education capitation. Ksh. 1.1 billion for school feeding. Ksh. 250 million for KNEC current grants. Ksh. 1 billion for construction of Mitihani House. (Unfunded)
1068		State Department for Post Training and Skills Development	0	0	0	
2091		Teachers Service Commission	0	2,600,000,000	2,600,000,000	Recruitment of 5,200 secondary school teachers. (Unfunded)
	DEPARTMENTAL COMMITTEE ON DEFENCE & FOREIGN RELATIONS		**0**	**0**	**0**	
1041		Ministry of Defence	0	0	0	
1052		Ministry of Foreign Affairs	0	0	0	
1221		State Department for East African Community	0	0	0	
1222		State Department for Regional & Northern Corridor Development	0	0	0	

2021 BPS FINANCIAL RECOMMENDATIONS						
			Departmental Committee			Comment
Vote	**Departmental Committee**	**VOTE/PROGRAMME CODES & TITLE**	**Reduction**	**Increase**	**Net Change**	
REALLOCATIONS						
1281		National Intelligence Service	0	0	0	
	DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING		**0**	**18,691,000,000**	**18,691,000,000**	
1072		State Department for Planning	0	18,691,000,000	18,691,000,000	Ksh. 18, 691 million for NG-CDF CDF (unfunded)
	DEPARTMENTAL COMMITTEE ON TRANSPORT, PUBLIC WORKS AND HOUSING		**0**	**75,000,000,000**	**75,000,000,000**	
1091		State Department of Infrastructure	0	75,000,000,000	75,000,000,000	To be financed through roads bond to be floated by the National Treasury. (Unfunded)
1092		State Department of Transport	0	0	0	
1093		State Department for Shipping and Maritime	0	0	0	
1094		State Department for Housing and Urban Development	0	0	0	
1095		State for Public Works	0	0	0	
	THE DEPARTMENTAL COMMITTEE ON JUSTICE AND LEGAL AFFAIRS		**0**	**3,643,600,000**	**3,643,600,000**	

2021 BPS FINANCIAL RECOMMENDATIONS						
Vote	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	Departmental Committee			Comment
			Reduction	Increase	Net Change	
REALLOCATIONS						
1252		State Law Office and Department of Justice	0	0	0	
1271		Ethics and Anti-Corruption Commission	0	106,000,000	106,000,000	Replace staff who have exited the Commission (Unfunded)
1291		Office of the Director of Public Prosecutions	0	300,000,000	300,000,000	Ksh. 50 million for medical insurance for new staff. Ksh. 150 million for prosecutors training institute. Ksh. 100 million for staff housing and mortgage scheme. (Unfunded)
1311		Office of the Registrar of Political Parties	0	227,400,000	227,400,000	Ksh. 39.4 million for 5 county offices. Ksh. 28 million monitoring campaigns. Ksh. 50 million Training of ORPP. Ksh. 20 million training political party officials. Ksh. 30 million political party agents. Ksh. 50 million printing. Ksh 10 million advertising. (Unfunded)
1321		Witness Protection Agency	0	98,200,000	98,200,000	Director/Chief Executive Officer gratuity Ksh. 11.5 million. Ksh. 56.7 million for the Witness protection programme. Ksh. 30 million for staff housing mortgage scheme. (Unfunded)

2021 BPS FINANCIAL RECOMMENDATIONS						
			Departmental Committee			Comment
Vote	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	Reduction	Increase	Net Change	
REALLOCATIONS						
2011		Kenya National Commission on Human Rights	0	100,000,000	100,000,000	For internet connections, staff training, equipment and computers (Unfunded)
2031		Independent Electoral and Boundaries Commission	0	1,500,000,000	1,500,000,000	Ksh. 1.5 billion for construction of proposed uchaguzi centre (Unfunded)
2131		Commission on Administrative Justice	0	110,000,000	110,000,000	Ksh. 50 million for recruitment of staff. Ksh. 10 million for African ombudsman & mediators association activities. Ksh. 10 million for public education awareness. Ksh. 20 million for two county offices. Ksh. 20 million for access to information activities. (Unfunded)
1261		The Judiciary	0	900,000,000	900,000,000	Ksh. 500 million for construction of courts. Ksh. 400 million to support ICT.

2021 BPS FINANCIAL RECOMMENDATIONS						
			Departmental Committee			Comment
Vote	**Departmental Committee**	**VOTE/PROGRAMME CODES & TITLE**	**Reduction**	**Increase**	**Net Change**	
REALLOCATIONS						
2051		Judicial Service Commission	0	302,000,000	302,000,000	Ksh. 57 million for implementation of approved organizational structure. Ksh. 30 million for recruitment for Judiciary and the tribunals. Ksh. 65 million infrastructure improvement. Ksh. 150 million Judiciary Training Institute.
	DEPARTMENTAL COMMITTEE ON COMMUNICATION, INFORMATION AND INNOVATION		**0**	**250,000,000**	**250,000,000**	
1122	0	State Department for Information Communication and Technology & Innovation	0	250,000,000	250,000,000	Ksh. 50 million for construction of Konza conference facilities. Ksh. 50 million for operationalization of the Office of Data Protection Services. Ksh. 150 million to facilitate construction of hotel facility to complement Konza Conference facility . (Unfunded)

2021 BPS FINANCIAL RECOMMENDATIONS						
Vote	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	Departmental Committee			Comment
			Reduction	Increase	Net Change	
REALLOCATIONS						
1123	0	State Department for Broadcasting & Telecommunications	0	0	0	
	DEPARTMENTAL COMMITTEE ON ADMINISTRATION & NATIONAL SECURITY		**0**	**165,000,000**	**165,000,000**	
1011		The Presidency	0	0	0	
1021		State Department for Interior	0	0	0	
1023		State Department for Correctional Services	0	0	0	
1213		State Department for Public Service	0	0	0	
2071		Public Service Commission	0	0	0	
2101		National Police Service Commission	0	165,000,000	165,000,000	Ksh. 65 million to facilitate decentralization of counselling services in Mombasa Nyeri and Kisumu. Ksh. 100 Million to facilitate decentralization of the Commission's regional HR Offices (Unfunded)
2151		Independent Policing Oversight Authority	0	0	0	

2021 BPS FINANCIAL RECOMMENDATIONS						
			Departmental Committee			Comment
Vote	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	Reduction	Increase	Net Change	
REALLOCATIONS						
	DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY AND COOPERATIVES		**0**	**0**	**0**	
1173		State Department for Cooperatives	0	0	0	
1174		State Department for Trade	0	0	0	
1175		State Department for Industrialisation	0	0	0	
	COMMITTEE ON HEALTH		**0**	**18,600,000,000**	**18,600,000,000**	

2021 BPS FINANCIAL RECOMMENDATIONS						
			Departmental Committee			Comment
Vote	**Departmental Committee**	**VOTE/PROGRAMME CODES & TITLE**	**Reduction**	**Increase**	**Net Change**	
REALLOCATIONS						
1081		Ministry of Health	0	18,600,000,000	18,600,000,000	Ksh. 9.1 billion for personnel emoluments in the following referral facilities (Ksh. 1 billion Kenyatta University Hospital Ksh. 600 million Matahre Referral hospital Ksh. 1.7 billion MTRH Ksh. 5.8 billion KNH.) Ksh. 4.5 billion for acquisition of COVID 19 vaccines. Ksh. 4 billion for procurement of HIV drugs. Ksh 1 billion to Pay a pending bills emanating from a court award (Unfunded)
	DEPARTMENTAL COMMITTEE ON ENERGY		**0**	**33,592,000,000**	**33,592,000,000**	

2021 BPS FINANCIAL RECOMMENDATIONS						
			Departmental Committee			**Comment**
Vote	**Departmental Committee**	**VOTE/PROGRAMME CODES & TITLE**	**Reduction**	**Increase**	**Net Change**	
REALLOCATIONS						
1152		State Department for Energy	0	33,592,000,000	33,592,000,000	Ksh. 3,270 million for Naivasha Industrial park. Ksh. 6 billion for Rural Electrification. Ksh. 3.7 billion for Last mile connectivity. Ksh. 3,387 million for Nairobi 220kV, Ring-Kumuka, Malaa SS, Athi River SS, Isunya SS. Ksh. 2,546 million for Gilgil Thika 400kV. Ksh. 5,372 million for Marsarbit Isiolo Transmission. Ksh. 1,012 Million for Dongo Kundu SEZ. Ksh. 8, 309 million for electrification of public facilities.
1193		State Department for Petroleum	0	0	0	0
	COMMITTEE ON LABOUR AND SOCIAL WELFARE		**0**	**5,100,000,000**	**5,100,000,000**	
1184		State Department for Labour	0	120,000,000	120,000,000	Ksh. 50 million for operationalization of Occupational Disease Fund. Ksh. 50 million for critical activity. Ksh. 20 million for the office of registrar of Trade Unions. (Unfunded)

2021 BPS FINANCIAL RECOMMENDATIONS						
			Departmental Committee			Comment
Vote	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	Reduction	Increase	Net Change	
REALLOCATIONS						
1185		State Department for Social Protection, Pensions & Senior Citizen Affairs	0	4,850,000,000	4,850,000,000	Ksh. 4.7 billion for National Safety Net Programme. Ksh. 150 million for persons living with disability. (Unfunded)
1212		State Department for Gender	0	30,000,000	30,000,000	For Anti-FGM Board. (unfunded)
1214		State Department for Youth	0	0	0	
2141		National Gender and Equality Commission	0	100,000,000	100,000,000	For NGEC to have a national presence. (Unfunded)
1035		State Department for Development of the ASAL	0	0	0	
	COMMITTEE ON SPORTS, CULTURE AND TOURISM REPORT		**0**	**1,500,000,000**	**1,500,000,000**	
1132		State Department for Sports	0	600,000,000	600,000,000	To finance the construction of regional stadia. (Unfunded)
1134		State Department for Heritage	0	300,000,000	300,000,000	Recruitment of additional staff for Kenya National Archives. (Unfunded)

2021 BPS FINANCIAL RECOMMENDATIONS						
			Departmental Committee			Comment
Vote	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	Reduction	Increase	Net Change	
REALLOCATIONS						
1202		State Department for Tourism	0	600,000,000	600,000,000	Ksh. 500 million for utalii college:(Ksh. 150 million Equipping individual training kitchen block. Ksh. 100 million renovation of students hostels. Ksh. 100 million for renovation of tuition block. Ksh. 150 million for ICT infrastructure). Ksh. 100 million for Ronald Ngala Utalii College. (Unfunded)
	BAC		**0**	**11,590,680,000**	**11,590,680,000**	
		Parliament	0	9,700,000,000	9,700,000,000	
2111		Auditor General	0	1,890,680,000	1,890,680,000	
		TOTAL ADDITIONAL REQUESTS	0	240,137,280,000	240,137,280,000	
		TOTAL CHANGE	(7,660,140,000)	247,797,420,000	240,137,280,000	

MDA	AMOUNT (Kshs.)	PROGRAM	DEV / REC	EXPLANATION
State department for Mining	125,000,000	Mineral Resources Management	Recurrent	Operationalization of Mining Act and formalization of artisanal mining operations in the Country
State Department for Crop development	500,000,000	Crop Development & Management	Recurrent	National Value Chain Support Program - for farmers to access inputs under the Economic Stimulus Project on E-Subsidy
State Department for Livestock	300,000,000	Livestock Resources Management & Development	Development	GoK Matching funds - For development of Livestock Master Plan in partnership with USAID and African Union IBAR (AU-IBAR) who have committed Kshs 150 Million and Kshs 30 Million, respectively.
State Department for Early Learning & Basic Education	600,000,000	Quality Assurance and Standards	Development	Mtihani House - completion of ongoing construction
Teachers Service Commission	2,600,000,000	Teacher Resource Management	Recurrent	Recruitment of 5,200 Sec. teachers
State Department for Planning	18,691,000,000	Economic Policy & National Planning	Development	To finance National Government - CDF. (Arrears)
Independent Electoral & Boundaries Commission	1,500,000,000	Management of Electoral Processes	Development	For Purchase of Building
The Judiciary	500,000,000	Dispensation of Justice	Development	Construction of courts
Registrar of Political Parties	100,000,000	Registration, Regulation and Funding of Political Parties	Recurrent	Kshs. 39 Million for 5 county offices, Kshs. 28 Million for monitoring compaigns, Kshs. 33 million for training of political party officials

MDA	AMOUNT (Kshs.)	PROGRAM	DEV / REC	EXPLANATION
National Police Service Commission	65,000,000	National Police Service Human Resource Management	Recurrent	Decentralization of counseling services
State Department for Industrialization	1,000,000,000	Standards & Business Incubation	Recurrent	To support B4A (Manufacturing) activities under undertaken by the Kenya Industrial Estates
	1,000,000,000		Development	KIRDI - Completion of Building
State Department for Energy	6,000,000,000	Power Transmission & Distribution	Development	Rural Electrification - under Rural Electrification and Renewable Energy Corporation (REREC)
	3,700,000,000		Development	To enhance coverage of the Last Mile connectivity
State Department for Social protection	4,850,000,000	National Safety Net Program	Recurrent	National Safety Net Program - to cover potential new beneficiaries under cash transfer for the Elderly
State Department for Gender	30,000,000	Gender Empowerment	Recurrent	For Anti FGM Board
National Gender & Equality Commission	100,000,000	Promotion of Gender Equality and Freedom from Discrimination	Recurrent	For NGEC to have national Presence
Parliament	1,200,000,000	Allocated to Votes 2041, 2042, 2043	Recurrent	As provided by submission by the PSC
Parliamentary Joint Services	3,800,000,000	General Administration Planning & Support Services	Development	For use in completion of on going projects i.e. installation of security system, completion of office block etc.

MDA	AMOUNT (Kshs.)	PROGRAM	DEV / REC	EXPLANATION
State department for Information Communication & Technology & Innovation	50,000,000	E-Government Services	Recurrent	Operationalization of Office of Data Protection Services
Ministry of Water & Sanitization & Irrigation	100,000,000	Irrigation & Land Reclamation	Development	National Expanded Irrigation Project for enhancing irrigation in the country
TOTAL	**46,811,000,000**	-	-	-

THE NATIONAL ASSEMBLY
PAPERS LAID
DATE: 04 MAR 2021 DAY
TABLED BY:
CLERK-AT THE-TABLE:

SCHEDULE 2: BUDGET POLICY CEILING FOR 2021/22

VOTE	MDA & PROGRAMME	CEILING FY 2021/22		
		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES
1011	**Executive Office of the President**	**25,190,400,000**	**9,616,000,000**	**34,806,400,000**
	0702000 Cabinet Affairs	1,243,600,000	225,100,000	1,468,700,000
	0703000 Government Advisory Services	617,600,000	86,000,000	703,600,000
	0704000 State House Affairs	3,904,300,000	67,300,000	3,971,a600,000
	0734000 Deputy President Services	1,384,800,000	17,600,000	1,402,400,000
	0745000 Nairobi Metropolitan Services	18,040,100,000	9,220,000,000	27,260,100,000
1021	**State Department for Interior and Citizen Services**	**131,137,100,000**	**6,966,000,000**	**138,103,100,000**
	0601000 Policing Services	99,648,800,000	2,125,000,000	101,773,800,000
	0629000 General Administration & Support Services	21,938,500,000	2,875,000,000	24,813,500,000
	0630000 Policy Coordination Services	878,800,000	50,000,000	928,800,000
	0603000 Government Printing Services	700,300,000	50,000,000	750,300,000
	0605000 Migration & Citizen Services Management	1,978,600,000	740,000,000	2,718,600,000
	0625000 Road Safety	2,287,800,000	100,000,000	2,387,800,000

VOTE	MDA & PROGRAMME	CEILING FY 2021/22		
		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES
	06256000 Population Management Services	3,704,300,000	1,026,000,000	4,730,300,000
1023	**State Department for Correctional Services**	**28,748,500,000**	**980,200,000**	**29,728,700,000**
	0623000 General Administration, Planning and Support Services	353,100,000	20,000,000	373,100,000
	Prisons Services	26,529,600,000	823,200,000	27,352,800,000
	Probation and After Care Services	1,865,800,000	137,000,000	2,002,800,000
1032	**State Department for Devolution**	**1,384,200,000**	**1,263,500,000**	**2,647,700,000**
	0712000 Devolution Services	659,700,000	1,263,500,000	1,923,200,000
	0732000 General Administration, Planning and Support Services	685,000,000	-	685,000,000
	0713000 Special Initiatives	39,500,000	-	39,500,000
1035	**State Department for Development of the ASAL**	**1,029,500,000**	**9,036,200,000**	**10,065,700,000**
	0733000 Accelerated ASAL Development	1,029,500,000	9,036,200,000	10,065,700,000
1041	**Ministry of Defence**	**114,483,500,000**	**13,080,000,000**	**127,563,500,000**
	0801000 Defence	112,107,000,000	13,080,000,000	125,187,000,000
	0802000 Civil Aid	200,000,000	-	200,000,000
	0803000 General Administration, Planning and Support Services	1,976,500,000	-	1,976,500,000

VOTE	MDA & PROGRAMME	CEILING FY 2021/22		
		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES
	0805000000 National Space Management	200,000,000	-	200,000,000
1052	**Ministry of Foreign Affairs**	**16,668,200,000**	**1,789,600,000**	**18,457,800,000**
	0714000 General Administration Planning and Support Services	1,907,000,000	104,600,000	2,011,600,000
	0715000 Foreign Relation and Diplomacy	14,562,500,000	1,535,000,000	16,097,500,000
	0741000 Economic and Commercial Diplomacy	48,700,000	-	48,700,000
	0742000 Foreign Policy Research, Capacity Development and Technical Cooperation	150,000,000	150,000,000	300,000,000
1064	**State Department for Vocational and Technical Training**	**18,827,000,000**	**4,528,400,000**	**23,355,400,000**
	0505000 Technical Vocational Education and Training	18,655,000,000	4,518,400,000	23,173,400,000
	0507000 Youth Training and Development	39,000,000	10,000,000	49,000,000
	0508000 General Administration, Planning and Support Services	133,000,000	-	133,000,000
1065	**State Department for University Education**	**95,408,000,000**	**4,571,600,000**	**99,979,600,000**
	0504000 University Education	94,288,000,000	4,360,600,000	98,648,600,000
	0506000 Research, Science, Technology and Innovation	894,000,000	211,000,000	1,105,000,000
	0508000 General Administration, Planning and Support Services	226,000,000	-	226,000,000
1066	**State Department for Early Learning & Basic Education**	**92,149,000,000**	**11,133,000,000**	**103,282,000,000**

VOTE	MDA & PROGRAMME	CEILING FY 2021/22		
		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES
	0501000 Primary Education	16,955,000,000	2,809,500,000	19,764,500,000
	0502000 Secondary Education	66,343,000,000	8,103,500,000	74,446,500,000
	0503000 Quality Assurance and Standards	4,145,000,000	150,000,000	4,295,000,000
	0508000 General Administration, Planning and Support Services	4,706,000,000	70,000,000	4,776,000,000
1068	**State Department for Post Training and Skills Development**	**268,000,000**	-	**268,000,000**
	0508000 General Administration, Planning and Support Services	137,000,000	-	137,000,000
	0512000 Work Place Readiness Services	81,000,000	-	81,000,000
	0513000 Post-Training Information Management	50,000,000	-	50,000,000
1071	**The National Treasury**	**85,925,100,000**	**97,839,300,000**	**183,764,400,000**
	0717000 General Administration Planning and Support Services	78,042,400,000	5,779,600,000	83,822,000,000
	0718000 Public Financial Management	6,252,300,000	34,573,000,000	40,825,300,000
	0719000 Economic and Financial Policy Formulation and Management	1,228,200,000	380,200,000	1,608,400,000
	0720000 Market Competition	346,000,000	30,000,000	376,000,000
	0740000 Government Clearing services	56,200,000	-	56,200,000
	0203000 Rail Transport	-	32,798,500,000	32,798,500,000

VOTE	MDA & PROGRAMME	CEILING FY 2021/22		
		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES
	0204000 Marine Transport	-	24,278,000,000	24,278,000,000
1072	**State Department for Planning**	**3,478,200,000**	**42,333,900,000**	**45,812,100,000**
	0706000 Economic Policy and National Planning	1,687,600,000	42,020,400,000	43,708,000,000
	0707000 National Statistical Information Services	1,317,600,000	231,200,000	1,548,800,000
	0708000 Monitoring and Evaluation Services	172,000,000	82,300,000	254,300,000
	0709000 General Administration Planning and Support Services	301,000,000	-	301,000,000
1081	**Ministry of Health**	**65,059,500,000**	**47,513,200,000**	**112,572,700,000**
	0401000 Preventive, Promotive & RMNCAH	4,149,000,000	14,884,000,000	19,033,000,000
	0402000 National Referral & Specialized Services	35,774,000,000	11,475,000,000	47,249,000,000
	0403000 Health Research and Development	9,684,500,000	588,000,000	10,272,500,000
	0404000 General Administration, Planning & Support Services	7,617,000,000	1,060,000,000	8,677,000,000
	0405000 Health Policy, Standards and Regulations	7,835,000,000	19,506,200,000	27,341,200,000
1091	**State Department of Infrastructure**	**57,169,900,000**	**134,806,000,000**	**191,975,900,000**
	0202000 Road Transport	57,169,900,000	134,806,000,000	191,975,900,000
1092	**State Department of Transport**	**9,468,000,000**	**1,706,000,000**	**11,174,000,000**

VOTE	MDA & PROGRAMME	CEILING FY 2021/22		
		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES
	0201000 General Administration, Planning and Support Services	281,000,000	70,000,000	351,000,000
	0203000 Rail Transport	-	-	-
	0204000 Marine Transport	801,000,000	687,000,000	1,488,000,000
	0205000 Air Transport	8,376,000,000	603,000,000	8,979,000,000
	0216000 Road Safety	10,000,000	346,000,000	356,000,000
1093	**State Department for Shipping and Maritime**	**2,236,000,000**	**750,200,000**	**2,986,200,000**
	0220000 Shipping and Maritime Affairs	2,236,000,000	750,200,000	2,986,200,000
1094	**State Department for Housing and Urban Development**	**1,233,000,000**	**11,955,600,000**	**13,188,600,000**
	0102000 Housing Development and Human Settlement	699,000,000	8,328,000,000	9,027,000,000
	0105000 Urban and Metropolitan Development	274,000,000	3,627,600,000	3,901,600,000
	0106000 General Administration Planning and Support Services	260,000,000	-	260,000,000
1095	**State for Public Works**	**3,111,000,000**	**1,127,800,000**	**4,238,800,000**
	0103000 Government Buildings	534,000,000	596,300,000	1,130,300,000
	0104000 Coastline Infrastructure and Pedestrian Access	160,000,000	160,500,000	320,500,000
	0106000 General Administration Planning and Support Services	289,000,000	14,000,000	303,000,000

VOTE	MDA & PROGRAMME	CEILING FY 2021/22		
		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES
	0218000 Regulation and Development of the Construction Industry	2,128,000,000	357,000,000	2,485,000,000
1108	**Ministry of Environment and Forestry**	**10,530,000,000**	**5,547,400,000**	**16,077,400,000**
	1002000 Environment Management and Protection	1,949,000,000	1,491,200,000	3,440,200,000
	1010000 General Administration, Planning and Support Services	421,000,000	-	421,000,000
	1012000 Meteorological Services	1,032,000,000	403,000,000	1,435,000,000
	1018000 Forests and Water Towers Conservation	7,128,000,000	3,653,200,000	10,781,200,000
	1008000 Resource Surveys and Remote Sensing	-	-	-
1109	**Ministry of Water, Sanitation and Irrigation**	**6,394,000,000**	**69,747,000,000**	**76,141,000,000**
	1001000 General Administration, Planning and Support Services	761,000,000	100,000,000	861,000,000
	1004000 Water Resources Management	1,664,000,000	15,077,000,000	16,741,000,000
	1017000 Water and Sewerage Infrastructure Development	3,227,000,000	35,714,000,000	38,941,000,000
	1014000 Irrigation and Land Reclamation	712,000,000	8,987,000,000	9,699,000,000
	1015000 Water Storage and Flood Control	-	8,259,000,000	8,259,000,000
	1022000 Water Harvesting and Storage for Irrigation	30,000,000	1,610,000,000	1,640,000,000
1112	**Ministry of Lands and Physical Planning**	**2,928,400,000**	**2,411,700,000**	**5,340,100,000**

VOTE	MDA & PROGRAMME	CEILING FY 2021/22		
		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES
	0101000 Land Policy and Planning	2,928,400,000	2,411,700,000	5,340,100,000
1122	**State Department for Information Communication and Technology & Innovation**	**1,653,000,000**	**22,159,600,000**	**23,812,600,000**
	0207000 General Administration Planning and Support Services	234,000,000	-	234,000,000
	0210000 ICT Infrastructure Development	535,000,000	20,676,600,000	21,211,600,000
	0217000 E-Government Services	884,000,000	1,483,000,000	2,367,000,000
1123	**State Department for Broadcasting & Telecommunications**	**5,916,500,000**	**450,900,000**	**6,367,400,000**
	0207000 General Administration Planning and Support Services	205,000,000	-	205,000,000
	0208000 Information and Communication Services	4,595,000,000	305,900,000	4,900,900,000
	0209000 Mass Media Skills Development	224,500,000	40,000,000	264,500,000
	0221000 Film Development Services Programme	892,000,000	105,000,000	997,000,000
1132	**State Department for Sports Development**	**1,338,600,000**	**15,144,600,000**	**16,483,200,000**
	0901000 Sports	1,338,600,000	15,144,600,000	16,483,200,000
1134	**State Department for Culture and Heritage**	**2,749,200,000**	**54,600,000**	**2,803,800,000**
	0902000 Culture / Heritage	1,699,600,000	43,600,000	1,743,200,000
	0903000 The Arts	142,200,000	-	142,200,000

VOTE	MDA & PROGRAMME	CEILING FY 2021/22		
		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES
	0904000 Library Services	773,300,000	11,000,000	784,300,000
	0905000 General Administration, Planning and Support Services	134,100,000	-	134,100,000
1152	**State Department for Energy**	**6,636,000,000**	**71,412,000,000**	**78,048,000,000**
	0211000 General Administration Planning and Support Services	404,000,000	130,000,000	534,000,000
	0212000 Power Generation	2,268,000,000	11,466,000,000	13,734,000,000
	0213000 Power Transmission and Distribution	3,743,000,000	57,144,000,000	60,887,000,000
	0214000 Alternative Energy Technologies	221,000,000	2,672,000,000	2,893,000,000
1162	**State Department for Livestock**	**3,297,400,000**	**4,391,700,000**	**7,689,100,000**
	0112000 Livestock Resources Management and Development	3,297,400,000	4,391,700,000	7,689,100,000
1166	**State Department for Fisheries, Aquaculture & the Blue Economy**	**2,105,400,000**	**7,956,200,000**	**10,061,600,000**
	0111000 Fisheries Development and Management	1,776,000,000	7,372,200,000	9,148,200,000
	0117000 General Administration, Planning and Support Services	135,000,000	-	135,000,000
	0118000 Development and Coordination of the Blue Economy	194,400,000	584,000,000	778,400,000
1169	**State Department for Crop Development & Agricultural Research**	**13,465,000,000**	**30,486,000,000**	**43,951,000,000**
	0107000 General Administration Planning and Support Services	4,755,000,000	1,213,000,000	5,968,000,000

VOTE	MDA & PROGRAMME	CEILING FY 2021/22		
		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES
	0108000 Crop Development and Management	2,926,000,000	26,528,000,000	29,454,000,000
	0109000 Agribusiness and Information Management	149,000,000	1,330,000,000	1,479,000,000
	0120000 Agricultural Research & Development	5,635,000,000	1,415,000,000	7,050,000,000
1173	**State Department for Cooperatives**	**1,193,300,000**	**374,600,000**	**1,567,900,000**
	0304000 Cooperative Development and Management	1,193,300,000	374,600,000	1,567,900,000
1174	**State Department for Trade and Enterprise Development**	**1,962,000,000**	**1,207,800,000**	**3,169,800,000**
	0307000 Trade Development and Promotion	1,962,000,000	1,207,800,000	3,169,800,000
1175	**State Department for Industrialization**	**2,945,000,000**	**3,822,900,000**	**6,767,900,000**
	0301000 General Administration Planning and Support Services	315,000,000	-	315,000,000
	0302000 Industrial Development and Investments	1,358,000,000	1,011,000,000	2,369,000,000
	0303000 Standards and Business Incubation	1,272,000,000	2,811,900,000	4,083,900,000
1184	**State Department for Labour**	**2,750,500,000**	**2,586,500,000**	**5,337,000,000**
	0910000 General Administration Planning and Support Services	446,500,000	-	446,500,000
	0906000 Promotion of the Best Labour Practice	691,100,000	87,000,000	778,100,000
	0907000 Manpower Development, Employment and Productivity Management	1,612,900,000	2,499,500,000	4,112,400,000

VOTE	MDA & PROGRAMME	CEILING FY 2021/22		
		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES
1185	**State Department for Social Protection, Pensions & Senior Citizen Affairs**	**30,236,200,000**	**3,036,600,000**	**33,272,800,000**
	0908000 Social Development and Children Services	3,586,200,000	217,300,000	3,803,500,000
	0909000 National Social Safety Net	26,444,300,000	2,819,300,000	29,263,600,000
	0914000 General Administration, Planning and Support Services	205,700,000	-	205,700,000
1192	**State Department for Mining**	**629,000,000**	**253,400,000**	**882,400,000**
	1007000 General Administration Planning and Support Services	275,000,000	-	275,000,000
	1009000 Mineral Resources Management	293,000,000	126,200,000	419,200,000
	1021000 Geological Surveys and Geoinformation	61,000,000	127,200,000	188,200,000
1193	**State Department for Petroleum**	**336,000,000**	**2,649,400,000**	**2,985,400,000**
	0215000 Exploration and Distribution of Oil and Gas	336,000,000	2,649,400,000	2,985,400,000
1202	**State Department for Tourism**	**8,594,000,000**	**500,000,000**	**9,094,000,000**
	0306000 Tourism Development and Promotion	8,594,000,000	500,000,000	9,094,000,000
1203	**State Department for Wildlife**	**9,103,000,000**	**633,000,000**	**9,736,000,000**
	1019000 Wildlife Conservation and Management	9,103,000,000	633,000,000	9,736,000,000
1212	**State Department for Gender**	**1,030,300,000**	**2,324,000,000**	**3,354,300,000**

VOTE	MDA & PROGRAMME	CEILING FY 2021/22		
		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES
	0911000 Community Development	-	2,130,000,000	2,130,000,000
	0912000 Gender Empowerment	723,100,000	194,000,000	917,100,000
	0913000 General Administration, Planning and Support Services	307,200,000	-	307,200,000
1213	**State Department for Public Service**	**17,423,000,000**	**1,155,200,000**	**18,578,200,000**
	0710000 Public Service Transformation	7,706,000,000	209,600,000	7,915,600,000
	0709000 General Administration Planning and Support Services	472,700,000	-	472,700,000
	07477000 National Youth Service	9,244,300,000	945,600,000	10,189,900,000
1214	**State Department for Youth Affairs**	**1,429,300,000**	**2,928,500,000**	**4,357,800,000**
	0711000 Youth Empowerment	1,429,300,000	2,928,500,000	4,357,800,000
1221	**State Department for East African Community**	**609,000,000**	**-**	**609,000,000**
	0305000 East African Affairs and Regional Integration	609,000,000	-	609,000,000
1222	**State Department for Regional & Northern Corridor Development**	**2,718,000,000**	**1,033,000,000**	**3,751,000,000**
	1013000 Integrated Regional Development	2,718,000,000	1,033,000,000	3,751,000,000
1252	**State Law Office and Department of Justice**	**4,977,500,000**	**123,500,000**	**5,101,000,000**
	0606000 Legal Services	2,455,200,000	-	2,455,200,000

VOTE	MDA & PROGRAMME	CEILING FY 2021/22		
		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES
	0607000 Governance, Legal Training and Constitutional Affairs	1,816,200,000	58,500,000	1,874,700,000
	0609000 General Administration, Planning and Support Services	706,100,000	65,000,000	771,100,000
1271	**Ethics and Anti-Corruption Commission**	**3,258,500,000**	**64,900,000**	**3,323,400,000**
	0611000 Ethics and Anti-Corruption	3,258,500,000	64,900,000	3,323,400,000
1281	**National Intelligence Service**	**42,451,000,000**	-	**42,451,000,000**
	0804000 National Security Intelligence	42,451,000,000	-	42,451,000,000
1291	**Office of the Director of Public Prosecutions**	**3,125,300,000**	**145,100,000**	**3,270,400,000**
	0612000 Public Prosecution Services	3,125,300,000	145,100,000	3,270,400,000
1311	**Office of the Registrar of Political Parties**	**1,346,500,000**	**-**	**1,346,500,000**
	0614000 Registration, Regulation and Funding of Political Parties	1,346,500,000	-	1,346,500,000
1321	**Witness Protection Agency**	**487,900,000**	-	**487,900,000**
	0615000 Witness Protection	487,900,000	-	487,900,000
2011	**Kenya National Commission on Human Rights**	**407,900,000**	-	**407,900,000**
	0616000 Protection and Promotion of Human Rights	407,900,000	-	407,900,000
2021	**National Land Commission**	**1,437,200,000**	-	**1,437,200,000**

VOTE	MDA & PROGRAMME	CEILING FY 2021/22		
		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES
	0116000 Land Administration and Management	1,437,200,000	-	1,437,200,000
2031	**Independent Electoral and Boundaries Commission**	**14,385,900,000**	**78,500,000**	**14,464,400,000**
	0617000 Management of Electoral Processes	14,283,900,000	78,500,000	14,362,400,000
	0618000 Delimitation of Electoral Bounderies	102,000,000	-	102,000,000
2061	**The Commission on Revenue Allocation**	**383,600,000**	-	**383,600,000**
	0737000 Inter-Governmental Transfers and Financial Matters	383,600,000	-	383,600,000
2071	**Public Service Commission**	**2,265,100,000**	**19,300,000**	**2,284,400,000**
	0725000 General Administration, Planning and Support Services	765,800,000	19,300,000	785,100,000
	0726000 Human Resource Management and Development	1,319,100,000	-	1,319,100,000
	0727000 Governance and National Values	145,800,000	-	145,800,000
	0744000 Performance and Productivity Management	34,400,000	-	34,400,000
2081	**Salaries and Remuneration Commission**	**621,400,000**	-	**621,400,000**
	0728000 Salaries and Remuneration Management	621,400,000	-	621,400,000
2091	**Teachers Service Commission**	**281,059,000,000**	**645,100,000**	**281,704,100,000**
	0509000 Teacher Resource Management	272,630,000,000	600,000,000	273,230,000,000

VOTE	MDA & PROGRAMME	CEILING FY 2021/22		
		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES
	0510000 Governance and Standards	1,020,000,000	-	1,020,000,000
	0511000 General Administration, Planning and Support Services	7,409,000,000	45,100,000	7,454,100,000
2101	**National Police Service Commission**	**722,200,000**	-	**722,200,000**
	0620000 National Police Service Human Resource Management	722,200,000	-	722,200,000
2111	**Auditor General**	**5,659,500,000**	**200,000,000**	**5,859,500,000**
	0729000 Audit Services	5,659,500,000	200,000,000	5,859,500,000
2121	**Office of the Controller of Budget**	**639,300,000**	-	**639,300,000**
	0730000 Control and Management of Public finances	639,300,000	-	639,300,000
2131	**Commission on Administrative Justice**	**527,900,000**	-	**527,900,000**
	0731000 Promotion of Administrative Justice	527,900,000	-	527,900,000
2141	**National Gender and Equality Commission**	**435,800,000**	-	**435,800,000**
	0621000 Promotion of Gender Equality and Freedom from Discrimination	435,800,000	-	435,800,000
2151	**Independent Policing Oversight Authority**	**914,200,000**	-	**914,200,000**
	0622000 Policing Oversight Services	914,200,000	-	914,200,000
Sub-Total: Budget Estimates for the Executive		**1,256,051,900,000**	**654,539,500,000**	**1,910,591,400,000**

VOTE	MDA & PROGRAMME	CEILING FY 2021/22		
		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES
1261	**The Judiciary**	**15,003,100,000**	**2,333,400,000**	**17,336,500,000**
	0610000 Dispensation of Justice	15,003,100,000	2,333,400,000	17,336,500,000
2051	**Judicial Service Commission**	**581,800,000**	-	**581,800,000**
	0619000 General Administration, Planning and Support Services	581,800,000	-	581,800,000
Sub-Total: Budget Estimates for the Judiciary		**15,584,900,000**	**2,333,400,000**	**17,918,300,000**
2041	**Parliamentary Service Commission**	**6,612,314,228**	-	**6,612,314,228**
	0722000 Senate Affairs	6,612,314,228	-	6,612,314,228
2042	**National Assembly**	**23,502,082,199**	-	**23,502,082,199**
	0721000 National Legislation, Representation and Oversight	23,502,082,199	-	23,502,082,199
2043	**Parliamentary Joint Services**	**5,702,753,573**	**2,065,550,000**	**7,768,303,573**
	0723000 General Administration, Planning and Support Services	5,544,772,323	2,065,550,000	**7,610,322,323**
	0746000 Legislative Training Research & Knowledge Management	157,981,250	-	**157,981,250**
Sub-Total: Budget Estimates for Parliament		**35,817,150,000**	**2,065,550,000**	**37,882,700,000**
GROSS BUDGET ESTIMATES FOR FY 2020/21		**1,307,453,950,000**	**658,938,450,000**	**1,966,392,400,000**

ANNEX 1: SECTORAL POLICY RECOMMENDATIONS

1) That, with regard to property acquisition in foreign missions and especially where renting is more expensive than ownership of the property, the National Treasury should allocate funds progressively to acquire the property in a cost-effective manner. In addition, the Ministry of Foreign Affairs should develop an asset acquisition, maintenance and management policy, which provides for uniform design and standards for its mission buildings, not later than 31st July 2021.

2) That, the CS National Treasury should exempt the Ministry of Foreign Affairs from the centralization policy on ICT funding as it is impossible to implement it in foreign missions. This should be effected from the 1st July, 2021.

3) That, by December 2021, Parliament should approve legislation to streamline functions that are currently carried out by Regional Development Authorities and to define which ones should be devolved and which ones should remain at the National Government. This will reduce the budget for the Regional Development Authorities.

4) That, the Cabinet Secretary for the State Department for Interior and the Inspector General of Police should take a phased approach to operationalization of sub-county headquarters and police stations, taking into consideration the security concerns of the area and the level of service delivery across the country.

5) That, the Cabinet Secretary for Interior should develop policy guidelines on the distribution of leased vehicles between the sub-counties with a view of enhancing efficiency in service delivery before finalizing the budget estimates for FY 2021/22.

6) That, the policy on recruitment in Public Service and internship programme should be decentralized by 31st December, 2021, to make it cost effective for interviewees who reside outside Nairobi.

7) That, in line with the House resolution in the Budget for FY 2020/21, the Judiciary should be allowed to collect AIA. Further, the National Treasury should operationalize the Judiciary Fund by 1st July, 2021, in line with Article 173 of the Constitution.

8) That, the Cabinet Secretary, Ministry of Lands and Physical Planning should develop a Land value index in the 18 Counties (Nairobi, Tana River, Kwale, Murang'a, Laikipia, Uasin Gishu, Trans Nzoia, Nyeri, Embu, Kirinyaga, Makueni, Kitui, Tharaka Nithi, Nakuru, Kiambu, Meru, Machakos and Nyandarua) to reduce the cost of acquisition of land by the Government for the development of infrastructural projects by July 2022.

9) That, the Cabinet Secretary, Ministry of Lands and Physical Planning should complete the development of an integrated digital revenue collection system by July 1st 2021, to eliminate revenue collection leakages and ensure that the Ministry meets its revenue collection targets.

10) That, the State Department of Trade be restructured to include the following 3 programmes; General Administration, Support Services and Planning; International Trade Promotion and Development; and Domestic Trade and Enterprise Development before finalization of the budget estimates 2021/22. This will ensure efficiency and effectiveness in achieving the State department's targets.

11) That, the State Department of Trade and Enterprise Development should restructure the external trade representation strategy and model of the country and submit the proposals to National Assembly by 15th April,2021

12) That, the State Department for Social Protection should fast track the ongoing effort to develop a policy and legal framework for the operation of the National Safety Net Program and ensure that it is finalized by 1st July 2021.

13) That, the State Department for Labour needs to streamline the The *Kazi Mtaani* project and align it to the national agenda, with the aim of creating skilled youth and ensure the vulnerable youth benefit from it.

14) That, the National Treasury should ensure immediate implementation of the Equalization Fund by expediting the process of publishing the requisite Statutory Instrument. The outstanding balances should be factored in the Estimates for the FY 2021/22 budget by 30th April, 2021.

15) That, by 31st December 2021, the State Department for Crop Development and Agricultural Research should have fully implemented the e-voucher system in order to allow farmers to access the subsidized agricultural inputs.

16) That, the prioritization of the blue economy should incorporate projects within the inland waters and not just along the ocean.

17) That, the Ministry of Education and the Teachers Service Commission should, within the next three months, submit to the National Assembly their plan of action and proposed strategy on provision of both teaching and infrastructure resources given the anticipated double intake in in secondary school in 2023 as a result of concurrent implementation of the CBC and the 8-4-4 curriculum.

18) That, the Ministry of Education should submit to the National Assembly quarterly reports on the distribution of school infrastructure funds. The report should include, among other things, the criteria used to identify the schools, the facility supported and the allocation provided. Further, the Ministry should quarterly publish in their website the names of the schools per county which have benefited for public scrutiny. Similarly, quarterly reports should be provided on the distribution of desks in learning institutions. Notably, there should be equity in distribution of school Infrastructure.

19) That, the Ministry of Education should prioritize soft issues notably those brought about by the covid pandemic such as the high rate of girls dropping out of school, mental health challenges and drug abuse among students due to the pandemic.

20) That, the functions of the Curriculum Development Assessment and Certification Council (CDACC) should not be transferred to the Kenya Institute of Curriculum Development (KICD) and Kenya National Examination Council (KNEC) before the relevant law is amended.

21) That, the higher education sub sector should establish and implement the university education data management information system, by December, 2021, to promote accountability and improve management of disbursed funds. This university data management system should also be linked to the National Education Management information systems (NEMIS) to create a pool of credible data for the whole education sector.

22) That, the Ministry of Education should align the university capacities with industrial needs in addition to developing a rightsizing policy by December, 2021.

23) That, to leverage ICT in the place of work as an overarching policy in the public sector, the State Department for ICT & Innovation should develop a Post Covid-19 ICT strategy by end of 2021.

24) That, the regulatory framework and policies on data protection and processing should be developed by the Office of Data Protection Commissioner for full operationalization of the office. The enactment of supportive legislations and policies should be fast tracked by the Committee for subsequent institutionalization and enactment before the end of 2021.

25) That, the Ministry of Energy should review the Independent Power Producers Agreements and come up with a plan to exit expensive contracts that do not meet the USD 5 cent/Kilowatt requirement in order to ensure cheaper energy by December, 2021. The legal implication of exiting these agreements should however be considered.

26) That, the National Government should develop measures to aid KPLC in debt collection related to accrued power charges owed to the institution in order to safeguard the financial integrity of the KPLC. These measures should be developed by June 2021.

27) That, the government should explore ways of procuring of transformers and other equipment in an efficient manner in order to reduce the cost of energy, with a view of increasing connectivity to public institutions in the Constituencies. This policy should be designed by December 2021.

28) That, the Energy Power Regulatory Authority (EPRA) should regularly review the lifeline charges of electricity in order to lower the cost of power.

29) That, within FY 2021/2022, the State Department of Mining should conclude the formalization of artisanal mining operations in the country to minimize haphazard operations that lead to conflicts among local communities. Additionally, during the finalization of the Budget Estimates 2021/2022, the Ministry should provide clear activities to be carried for the operationalization of the Mining Act 2016.

30) That, the State Department for Mining, in conjunction with relevant government agencies, should fast-track the National Airborne Geophysical Survey project and establishment of a

Geological Data Bank in order to update geological and mineral data to foster the potential of the sub-sector to contribute to the GDP and employment creation.

31) That, the Kenya Forest Service (KFS) should consider lifting the moratorium on forest logging within the 2021/22 FY in order to harvest mature trees which would help raise much needed revenues. Further, the KFS should withdraw from commercial plantations and gradually convert the 134,000 hectares of commercial plantation into natural forest by restoring the cleared land with indigenous trees.

32) That, within the FY 2021/2022, the State Department for Wildlife should adopt a prompt payment policy with regard to compensation on claims arising from human wildlife conflict which have increased recently due to the effects of climate change.

33) That, the Ministry of Health submits a report to the National Assembly on the progress made in undertaking reforms in the NHIF to transform it into a social health insurer for smooth implementation of UHC. This should be undertaken by 30th April 2021.

34) That, by 31st December 2021, the Ministry of Health should develop a policy on alternative medicine with a view to promoting the use of natural products for medicinal purposes.

ANNEX 1: SECTORAL POLICY RECOMMENDATIONS

7) **That,** with regard to property acquisition in foreign missions and especially where renting is more expensive than ownership of the property, the National Treasury should allocate funds progressively to acquire the property in a cost-effective manner. In addition, the Ministry of Foreign Affairs should develop an asset acquisition, maintenance and management policy, which provides for uniform design and standards for its mission buildings, not later than 31st July 2021.

8) **That,** the CS National Treasury should exempt the Ministry of Foreign Affairs from the centralization policy on ICT funding as it is impossible to implement it in foreign missions. This should be effected from the 1st July, 2021.

9) **That,** by December 2021, Parliament should approve legislation to streamline functions that are currently carried out by Regional Development Authorities and to define which ones should be devolved and which ones should remain at the National Government. This will reduce the budget for the Regional Development Authorities.

10) **That,** the Cabinet Secretary for the State Department for Interior and the Inspector General of Police should take a phased approach to operationalization of sub-county headquarters and police stations, taking into consideration the security concerns of the area and the level of service delivery across the country.

11) **That,** the Cabinet Secretary for Interior should develop policy guidelines on the distribution of leased vehicles between the sub-counties with a view of enhancing efficiency in service delivery before finalizing the budget estimates for FY 2021/22.

12) **That,** the policy on recruitment in Public Service and internship programme should be decentralized by 31st December, 2021, to make it cost effective for interviewees who reside outside Nairobi.

13) **That,** in line with the House resolution in the Budget for FY 2020/21, the Judiciary should be allowed to collect AIA. Further, the National Treasury should operationalize the Judiciary Fund by 1st July, 2021, in line with Article 173 of the Constitution.

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15) **That,** the Cabinet Secretary, Ministry of Lands and Physical Planning should complete the development of an integrated digital revenue collection system by July 1st 2021, to eliminate revenue collection leakages and ensure that the Ministry meets its revenue collection targets.

16) **That,** the State Department of Trade and Enterprise Development budgetary vote be restructured to include the following 3 programmes; General Administration, Support Services and Planning; International Trade Promotion and Development; and Domestic Trade and Enterprise Development before finalization of the budget estimates 2021/22. This will ensure efficiency and effectiveness in achieving the State department's targets and mandate.

17) **That,** the State Department of Trade and Enterprise Development should restructure the model of the foreign trade representatives (FTRs) network in order to improve the country's commercial/trade presence in commercial centers in existing and potential export markets with

an aim to provide for a more responsive foreign trade representation. The proposal should include and not limited to terms of engagements for the FTR's. The State Department should submit the proposals for approval to the National Assembly on or before 30th April, 2021.

18) **That,** the State Department for Social Protection should fast track the ongoing effort to develop a policy and legal framework for the operation of the National Safety Net Program and ensure that it is finalized by 1st July 2021.

19) **That**, the State Department for Labour needs to streamline the The *Kazi Mtaani* project and align it to the national agenda, with the aim of creating skilled youth and ensure the vulnerable youth benefit from it.

20) **That,** the National Treasury should ensure immediate implementation of the Equalization Fund by expediting the process of publishing the requisite Statutory Instrument. The outstanding balances should be factored in the Estimates for the FY 2021/22 budget by 30th April, 2021.

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30) **That,** the regulatory framework and policies on data protection and processing should be developed by the Office of Data Protection Commissioner for full operationalization of the office. The enactment of supportive legislations and policies should be fast tracked by the Committee for subsequent institutionalization and enactment before the end of 2021.

31) **That,** the Ministry of Energy should review the Independent Power Producers Agreements and come up with a plan to exit expensive contracts that do not meet the USD 5 cent/Kilowatt requirement in order to ensure cheaper energy by December, 2021. The legal implication of exiting these agreements should however be considered.

32) **That,** the National Government should develop measures to aid KPLC in debt collection related to accrued power charges owed to the institution in order to safeguard the financial integrity of the KPLC. These measures should be developed by June 2021.

33) **That,** the government should explore ways of procuring of transformers and other equipment in an efficient manner in order to reduce the cost of energy, with a view of increasing connectivity to public institutions in the Constituencies. This policy should be designed by December 2021.

34) **That,** the Energy Power Regulatory Authority (EPRA) should regularly review the lifeline charges of electricity in order to lower the cost of power.

35) **That,** within FY 2021/2022, the State Department of Mining should conclude the formalization of artisanal mining operations in the country to minimize haphazard operations that lead to conflicts among local communities. Additionally, during the finalization of the Budget Estimates 2021/2022, the Ministry should provide clear activities to be carried for the operationalization of the Mining Act 2016.

36) **That,** the State Department for Mining, in conjunction with relevant government agencies, should fast-track the National Airborne Geophysical Survey project and establishment of a Geological Data Bank in order to update geological and mineral data to foster the potential of the sub-sector to contribute to the GDP and employment creation.

37) **That,** the Kenya Forest Service (KFS) should consider lifting the moratorium on forest logging within the 2021/22 FY in order to harvest mature trees which would help raise much needed revenues. Further, the KFS should withdraw from commercial plantations and gradually convert the 134,000 hectares of commercial plantation into natural forest by restoring the cleared land with indigenous trees.

38) **That,** within the FY 2021/2022, the State Department for Wildlife should adopt a prompt payment policy with regard to compensation on claims arising from human wildlife conflict which have increased recently due to the effects of climate change.

39) **That,** the Ministry of Health submits a report to the National Assembly on the progress made in undertaking reforms in the NHIF to transform it into a social health insurer for smooth implementation of UHC. This should be undertaken by 30th April 2021.

40) **That,** by 31st December 2021, the Ministry of Health should develop a policy on alternative medicine with a view to promoting the use of natural products for medicinal purposes.

Annex 2: Summary of Departmental Committee Observations and Recommendations

No.	Departmental Committee	Observations	Policy Recommendations	Financial Recommendations
1.	**Defence and Foreign Relations**	(i). No policy direction on sharing of AIA proceeds from e-citizen between the National Treasury and the Ministry of Foreign Affairs. (ii). The centralization policy on ICT funding is not effective as it is impossible to implement it in foreign missions (iii). Lack of funds was curtailing the implementation of assets acquisition plan (iv). Non-performance of Kenya Ordnance Factories Corporation (KOFC) (v). Lack of asset acquisition, maintenance and management policy (vi). Persistent cases of Kenyans getting stranded abroad	(i). Enhance the budgetary allocation to Immigration attachés by similar amount (ii). The CS National Treasury to exempt the Ministry of Foreign Affairs from this policy and have their ICT budget for foreign missions embedded in the mission's budget by 1st July, 2021. iii). Allocate funds for assets acquisition in high rental missions progressively between July 1st 2021 to 30th June 2031 iv). Revamping of KOFC to be self-sustaining (v). Develop an asset acquisition, maintenance and management policy, which provides for uniform design and standards for its mission buildings, not later than 31st July 2021; vi). Development of a Diaspora policy	
2.	**Administration and National Security**	**State Department for Interior and Citizen Services** a) The BPS has prioritized operationalization of the newly gazetted Police Stations and sub-county headquarters. However, the resources for actualizing this policy priority has not been availed. Operationalization of newly gazetted NGA offices has been underfunded by Kshs. 500 million while that of police stations is underfunded by Kshs. 1 billion. The BPS has also	(i).In view of limited resources, it is recommended that the Cabinet Secretary for the State Department for Interior to take a phased approach to operationalization of sub-county headquarters taking into consideration the security concerns of the area, the level of service delivery required in addition to equitable operationalization across the country. It is also recommended that the Inspector General of Police undertake similar	(i).Enhance the ceiling of the National Police Service Commission by Kshs. 165 million. ▪ Kshs. 65 million will facilitate the decentralization of 3 counselling services in Mombasa, Nyeri and Kisumu. ▪ Kshs. 100 million to facilitate the decentralization of the

No.	Departmental Committee	Observations	Policy Recommendations	Financial Recommendations
		prioritized the equipping of the forensic laboratory which has been underfunded by Kshs. 1.5 billion b) It is emerging that service delivery by NGA officers is compromised by lack of enough vehicles. The BPS promises to accelerate government service delivery through acquisition of additional vehicles for National Government Administration (NGA) officers and acquire over 5,000 motor cycles for Chiefs and Assistant Chiefs. The absence of a policy on equitable distribution of such vehicles across the various sub-counties may however inhibit the success of the policy initiative. Currently the government has acquired 2,000 vehicles under the leasing programme yet most sub-counties do not have reasonable numbers for their operations. c)The government to continue expanding the housing units for the police service. It was however observed that the policy on payment of house allowances was not effective given the nature of security mishap which usually occur when officers leave their stations for home. Mobilization to respond to such distress call becomes difficult. There was therefore a need for policy review to tackle such emerging challenges. **State Department for Correctional Services**	approach when operationalizing police stations. (ii).The Cabinet Secretary to develop policy guidelines on the distribution of leased vehicles between the sub-counties with a view of enhancing efficiency in service delivery by 31st December 2021 (iii).The Cabinet Secretary for Interior jointly with the Inspector General of Police to undertake a review of policy on payment of housing allowance with a view of determining its impact on service delivery by the police. (iv).The Chairman, National Police Service Commission to begin the process of decentralizing its HR offices to ensure that NPSC services are taken closer to the Police Officers. In view of resource constraints, the Commission should adopt a phased approach to opening by targeting the 7 regional offices by 30th June 2022. (v).Further the National Police Service Commission to ensure that the counselling services are operationalized in Mombasa, Nyeri and Kisumu.	Commission's regional HR offices

No.	Departmental Committee	Observations	Policy Recommendations	Financial Recommendations
		The underfunding to the State Department was undermining the ability of the Prison Service to be self-reliant. Many projects related to prison enterprises which could have been completed to generate AIA were subjected to budget cuts inhibiting their completion. **State Department for Public Service** In line with the government policy of enhancing service delivery, the Huduma centres were still few to offer service delivery expected from government by the citizens. There was a need to increase the number of Huduma centres to 290 sub-counties. **Public Service Commission** The task of recruiting various cadres in the public service and the internship programme was observed to be highly centralized in Nairobi which was disadvantaging several youths who were bright and skilful but could not afford travelling to Nairobi. The was a need for the Commission to start conducting the interviews in every region and ultimately to every sub-county. The Commission could use the Constituency Innovation hubs for conducting such interviews. **National Police Service Commission** (i). The National Police Service Officers are spread across the country and it was observed that some of the officers who require Commission services were unable to access them due to long distance.		

No.	Departmental Committee	Observations	Policy Recommendations	Financial Recommendations
		ii). The Commission had not fully taken their mandate of recruitment, Promotions, Transfers and discipline within the National Police Service.		
3.	**Justice and Legal Affairs**	**Judiciary and Judicial Service Commission** (i). The Judiciary resource requirement in the FY 2021/2022 is Kshs 35.4 billion comprised of Kshs 28.3 billion for recurrent expenditure and Kshs 7.1 billion for development expenditure. However, the department was allocated Kshs. 17.3 billion comprised of Kshs 15.0 billion for recurrent expenditure and Kshs 2.3 billion for development expenditure leading to a shortfall of Kshs 18.1 billion which translates to 51.1% of the total resource requirement for the FY 2021/22. ii). The funding under the development vote of Kshs 2.3 billion comprising of Kshs 738.4 million for the World Bank funded projects and Kshs 1.6 billion for the G.O.K funded projects. A list of the Judiciary ongoing project is annexed to the report. ii). The committee has observed that the Judiciary's budget has stagnated at around Kshs 17 billion. However, the needs and the size of the institution has grown. In particular, the court of appeal stations have been decentralized to 6 region, high court stations have increased from 31 to 43,	**Judiciary and Judicial Service Commission** (i). The Committee recommends the National Treasury to operationalize Judiciary Fund in light of the fact that parliament has already enacted the relevant legislation. (ii). The Committee urges the National Treasury to stick with the cash plans submitted by the various departments and upload budgets on time and more importantly find lasting solutions to the challenges associated with IFMIS to enable the department to implement their budgets fully.	**Judiciary and Judicial Service Commission** (i).The committee recommends an additional allocation of Kshs 500 million in FY 2020/21 to facilitate the expansion of court constructions across the country. ii).The Committee recommends an additional allocation of Kshs 400 million to Judiciary to support its ICT department ii).The Committee further recommends an additional allocation Kshs 302 million to the Judicial Service Commission for implementation of the approved organizational structure for the Commission – Kshs 57 million, recruitment for the Judiciary and the tribunals – Kshs 30 million, infrastructure improvement at the Commission – Kshs 65 million, and Judiciary

No.	Departmental Committee	Observations	Policy Recommendations	Financial Recommendations
		magistrates and Kadhis Courts have increased from 119 in 2015 to 142 in 2021 and mobile courts have increased from 52 to 60. iv). The challenges faced by the Judiciary include insufficient financial resources, limitations of the IFMIS operations that disrupt implementation of planned activities, delays in release of exchequer and delays in processing title documents for lands belonging to the Judiciary. v). The Committee has also observed that in the 1st half of the year, over 204,733 cases were filled and 184,736 cases were resolved meaning the cases filled out number the cases resolved. This likely to worsen the backlog of cases in the country. vi). Judicial Service Commission was allocated Kshs 582 million against a resource requirement of Kshs 1,381 million in the Financial Year 2021/22. The following are the key unfunded areas; implementation of the approved organizational structure for the commission – Kshs 57 million, recruitment for the Judiciary and the tribunals – Kshs 30 million, infrastructure improvement at the Commission – Kshs 65 million, and Judiciary training institute – Kshs 150 million.		training institute – Kshs 150 million. Office of the Attorney General and Department of Justice The committee recommends the approval of the Commission's proposed budget ceiling of Kshs 5.1 billion for FY 2021/22 as submitted by the National Treasury. Independent Electoral and Boundaries Commission (i). The committee recommends the approval of the Commission's proposed budget ceiling of Kshs 14.5 billion for FY 2021/22 as submitted by the National Treasury. ii). The committee recommends an additional allocation of Kshs 1.5 billion for the construction of the proposed Uchaguzi centre ii). The Committee further recommends the Commission in close collaboration with the National Treasury to undertake

		Office of the Attorney General and Department of Justice (i). In the FY 2021/22, the office resource requirement is 6.7 billion composed of Kshs 6.3 billion for recurrent expenditure and Kshs 455 billion for development expenditure. However, the proposed ceiling for the department is Kshs 5.1 billion composed of Kshs 4.98 billion for recurrent expenditure and Kshs 0.12 billion for development expenditure. ii). The shortfall will affect the following areas; development of government legal documentation center – Kshs 110 million, acquisition of office space – Kshs 2.5 billion, conducting investigations into complaints against Advocates – Kshs 7 million, operationalization of the Business Registration Services – Kshs 178 million among other projects. ii). The Committee further observed that there are suits against the government with financial risks to the tune of Kshs 1.2 trillion. In addition, the awards against the government pending payment stand at approximately Kshs 150 billion and they are ranging from awards to victims of torture as well as business litigants against the State. iv). However, there have been positive steps taken in addressing the pending court awards through an inter-ministerial Committee chaired by the Solicitor General to address this perennial		thorough scrutiny and audit of the all the pending bills particularly the bills owed to the suppliers and settle them expeditiously. The committee is cognizant of the fact that the commission is likely to engage the same suppliers when procuring for the next election. Commission for Administrative Justice The Committee recommends an additional of Kshs 110 million for the following key areas; Recruitment of additional staff - Kshs 50 million, African ombudsman & mediators association activities – Kshs 10 million, public education and awareness Kshs 10 million, Establishment of two county offices - Kshs 20 million, and Access to information activities – Kshs 20 million. Witness Protection Agency The committee recommends increase in the agency's proposed ceiling by Kshs 98.2 million to cater for the following; Director/

No.	Departmental Committee	Observations	Policy Recommendations	Financial Recommendations
		challenge and the recommendations of the committee is awaiting cabinet consideration Independent Electoral and Boundaries Commission (i).The Commission resource requirement for the FY 2021/22 is estimated to be Kshs 26.1 billion comprised of Kshs 4.7 billion for normal operations and Kshs 21.5 billion for the 2022 general elections. However, the commission was allocated Kshs. 14.6 billion comprised of Kshs 2.6 billion for personnel emoluments, operations and maintenance – Kshs 1.8 billion, General elections – Kshs 10 billion and Development of Kshs 87 billion. ii).The following key areas are underfunded; Proposed Uchaguzi Centre (Kshs. 2.5 billion), preparation for the general elections – Kshs 10 billion and Kshs 3.1 billion to cater for pending bills for suppliers' goods and services including legal fees. ii).The committee noted with concern the commission has pending bills amounting to Kshs 3.1 billion of which non legal suppliers account for Kshs 1.1 billion and Kshs 2.0 billion account for legal fees. The committee stressed the need for the Commission to engage in-house lawyers to undertake some of the petitions.		Chief Executive Officer Gratuity – Kshs 11.5 million, witness protection programme – Kshs 56.7 million, and Kshs 30 million to operationalize the staff Housing mortgage scheme. Kenya Human Right Commission The Committee recommends an additional allocation of Kshs 192.1 million to the Commission's proposed budget ceiling for FY 2020/21 to cater for the following key areas; Internet connections; Printing of the annual report on the state of human rights in the country; Staff training on continuous professional education in the respective areas of expertise; Staff airtime; Motor vehicle fuel; Routine maintenance of office furniture, equipment and computers; and Office telephone and staff airtime. Ethics and Anti-Corruption Commission The Committee recommends an additional of Kshs 106 million for

No.	Departmental Committee	Observations	Policy Recommendations	Financial Recommendations
		iv).The committee noted there is need for the commission to undertake continuous voter registration to guarantee the citizens their right to participate in electoral processes. Commission for Administrative Justice (i).The Committee noted that the Commission's proposed ceiling for FY 2021/22 is Kshs 527.9 million out of which Kshs 334.1 million is for personal emolument and Kshs 193.8 million is for operations and maintenance against a resource requirement of Kshs 1.2 billion. ii).The Committee further observed that the Commission's budgetary shortfall will affect the following critical areas; recruitment of additional staff - Kshs 50 million, public education and awareness Kshs 10 million, Establishment of two county offices - Kshs 20 million, Access to information activities - Kshs 20 million, procurement of motor vehicles - Kshs 50 million, staff mortgage and car loan scheme – Kshs 25 million, monitoring and evaluation – Kshs 10 million, and African ombudsman & mediators association activities – Kshs 10 million. ii).The committee stressed the need for the commission to create awareness on its mandate particularly in ensuring the citizen right to quality		replacement of staff who have exited the Commission to address the acute staff shortage currently experienced by the Commission as well as promotion of existing staff. Office of the Director of Public Prosecution The Committee recommends an additional allocation of **Kshs 300 million** comprised of Kshs 50 million for provision of medical insurance for new staff, Kshs 150 million to operationalize the established Prosecutors Training Institute –and Kshs 100 million for provision of staff housing and mortgage scheme. Registrar of Political Parties The Committee recommends an additional of Kshs 227.4 million to cater for the following unfunded areas; recruitment of new staff – Kshs 39.4 million, establishment of 5 county offices – Kshs 28 million, monitoring campaigns and party primaries – Kshs 50 million, Training of ORPP staff – Kshs 20 million, training of

No.	Departmental Committee	Observations	Policy Recommendations	Financial Recommendations
		service both at the national and county level of government is not compromised. Witness Protection Agency (i).In the FY 2020/21, the agency's proposed budget ceiling is Kshs 487.9 million against a resource requirement of Kshs 631.9 million. The committee further observed that the witness protection programme which is the main mandate of the agency has consistently been unfunded despite the agency's critical role in the protection of witnesses in crucial cases. This has hampered the office ability to protect the witnesses under the programme. ii).The committee further acknowledges the critical role the office plays in the criminal justice system particularly in guaranteeing the safety and security of witnesses and further noted that the office has played crucial role in the prosecution of complex corruption and terrorism related cases in the recent past. Kenya Human Right Commission (i).The Commission was allocated a budget ceiling of Kshs. 407.9 million in the FY 2021/22 against a resource requirement of Kshs. 600.1 million by the		political party officials on general election matters – Kshs 30 million, political parties agents training – Kshs 50 million and printing and advertising services – Kshs 10 million

No.	Departmental Committee	Observations	Policy Recommendations	Financial Recommendations
		National Treasury. This leaves a resource gap of about Kshs. 192.1 million. ii).The committee further observed that the commission has critical areas that are underfunded. In particular the commission fleet has aged attracting high maintenance cost and therefore the commission needs to acquire new field vehicles, inadequate office space and lack of screening rooms for commission's witnesses Ethics and Anti-Corruption Commission (i).In the FY 2021/22 the Commission resource requirement is 7.5 billion comprising of Kshs 5.5 billion for recurrent expenditure and Kshs 2.0 billion for development expenditure. However, the proposed budget ceiling for the Commission is Kshs 3.113 billion comprised of esented a budget of Kshs. 5.7 billion but was allocated Kshs. 3.3 billion comprised of Kshs 3.26 billion for recurrent expenditure and Kshs. 0.072 billion for development expenditure. The shortfall is likely to impact the commission's ability to effectively discharge its prescribed mandate. In particular, the commission has a shortfall in the following key areas; personnel emolument – Kshs 106 million, operations and maintenance – Kshs – 360 million,		

No.	Departmental Committee	Observations	Policy Recommendations	Financial Recommendations
		refurbishment and extension of EACC Headquarters – Kshs 295 million and automation of EACC business processes – 580 million. ii).The committee observed that the commission plays a critical role in the Big Four Agenda since it will be useful in abetting corruption as the government undertakes the big four projects. ii).The committee also observed there is need for the commission to devolve to all counties to aid against the rampant that has been witnessed at the county level so as to aid against the misuse of devolved funds. Office of the Director of Public Prosecution (i).The Office of Director of Public Prosecutions budgetary requirement in FY 2020/21 is Kshs. 4.95 billion against an allocation of Kshs 3.28 leading a deficit of Kshs 1.67 billion. The allocation is comprised of Kshs 3.125 billion for recurrent expenditure and Kshs 157 million for development expenditure. ii).The Office requires an additional allocation of Kshs. 1.1billion to adequately fund the following key areas; ▪ Funding for the ongoing anti-corruption and counter terrorism initiatives – Kshs 300 million		

No.	Departmental Committee	Observations	Policy Recommendations	Financial Recommendations
		▪ ICT networking and implementation of a case management system – Kshs 100 million ▪ Operationalization of the Prosecutors Training Institute – Kshs 200 million ▪ Witness facilitation – Kshs 50 million ▪ Medical insurance for new staff – Kshs 50 million ▪ Additional provision for staff housing and car loan scheme – Kshs 100 million ▪ Construction of Prosecution Training Institute – Kshs 300 million ii).The committee further observed that the Office is a key player towards improving the national security, strengthening good governance and fight against corruption and requires increase in resource allocation to enable the Office execute its mandate Registrar of Political Parties (i).The Office had requested Kshs. 5.6 billion out of which Kshs 965.6 million was to cater for the Agency's operations, Kshs 4.5 billion for the political parties' fund and Kshs 103.2 million for the Political Parties Liaison Committee. ii).The 2021 Budget policy statement has proposed a budget ceiling of Kshs 1.35 billion in FY 2021/22, out of which Kshs 356.2 million will cater for the Office Operations, Kshs 975.3 million for the		

No.	Departmental Committee	Observations	Policy Recommendations	Financial Recommendations
		Political Parties Fund and Kshs 14.99 million for Political Parties Liaison Committee. ii).Further the committee has observed that the allocation to the Political Parties Fund is not in compliance with the provision of the section 24 of the Registrar of political parties act as well as the ruling of Justice Aburili on the implementation of the section 24 of the Act. iv).The Committee has also observed that the Office of the Registrar of Political Parties is frequently enjoined in matters filed in courts and in the Political Parties Dispute Tribunal (PPDT) arising from intra and inters political parties' wrangles. This affects the office in terms of legal fees and time used in defending cases. v).The office has requested an additional of Kshs 677.7 million to cater for the following unfunded areas; recruitment of new staff – Kshs 39.4 million, establishment of 5 county offices – Kshs 28 million, monitoring campaigns and party primaries – Kshs 155.3 million, Training of ORPP staff – Kshs 63 million, training of political party officials on general election matters – Kshs 85 million, political parties agents training – Kshs 105 million and printing and advertising services – Kshs 25.6 million		
4.	**Sports, Culture and Tourism**	**State Department for Sports**	**State Department for Sports**	**State department for Sports**

No.	Departmental Committee	Observations	Policy Recommendations	Financial Recommendations
		(i)The proposed budget ceiling for the department in FY 2021/22 is **Kshs 16,483.2 million** comprised of **Kshs 1,338.6 million** for recurrent expenditure and **Kshs 15,144.6 million** for development expenditure. The department allocation has increased by Kshs 1,086.1 million in FY 2021/22 comprised of **Kshs 97.1 million** for recurrent expenditure and **Kshs 989 million** for development expenditure representing a percentage growth 7.8% and 7.0% respectively. (ii)In FY 2020/21, the projected estimate for the Sports, Arts and Social Development is 15,000 million. This translates to a growth of 7% from its projected estimate of Kshs 14,000 million for FY 2020/21. It is also observed that the department development budget heavily relies on the proceeds of the fund and therefore this exposes the department to risks emanating from factors that affect the performance of the fund. iii)The Committee has also observed that the completion of some regional stadia such as Wote and Kamariny Stadiums are lagging behind mainly due to inability by the contractor to meet his obligation. The department has sought the opinion of the Attorney General on the cancellation of their contracts in order for the agency to engage a competent contractor to complete the works.	The Committee recommends that the state department of sports should engage the services of the National Youth Services to Fast-track the completion of some regional stadia such as Wote and Kamariny Stadiums which are lagging behind mainly due to inability by the contractor to meet his obligation. The department has sought the opinion of the Attorney General on the cancellation of their contracts in order for the agency to engage the national youth service to complete the works. State Department for Tourism The Committee has also observed that the Countries all over the world are focusing on improving and revamping their tourism infrastructure during this period in preparation for post COVID 19 recovery. In particular, the Committee felt there is need for the government to revamp and modernize the Kenya Utalii College as part of its post COVID 19 strategy because of its vital role in the sector. Therefore, the committee felt there is need for increasing the ceiling of the department to address these emerging challenges. State Department of Culture and Heritage The Committee has also observed that the state department for culture and Heritage is faced with	Increase the proposed ceiling for the programme of Sports by Kshs 600 million to finance the construction of the regional stadia to complement the proceeds from the sports, arts and social development fund for the construction of regional stadias. **State department for Culture and Heritage** The Committee recommends increasing the budget ceiling for the Department in FY 202/22 by Kshs. 300 Million to allow the department recruits additional staff for Kenya National Archives. The agency is faced with inadequate Human capital due to slow pace in succession management coupled with ageing workforce. For instance, seventy percent of the National Archives employees are retiring with the regional offices such as Kisumu offices operating on skeleton staff yet the government has no plans to recruit new staff and manage the passage of skills and knowledge

No.	Departmental Committee	Observations	Policy Recommendations	Financial Recommendations
		v)The Department intends to establish thirty (30) satellite academies in the FY 2021/22. The department has informed the Committee that the construction will be done in phases of ten (10) projects subject to availability of funds; and v)There has been increasing number of athletes that have been banned from international competitions due the use of prohibited substances. The department has not been able to address the issue due to difficulties and delays in the timely detection of the prohibited substances and advanced methods of doping resulting from technological advancements. However, it is expected that the newly Anti-doping Act, 2020 will address some of this challenge. State Department of Culture and Heritage (i)The proposed ceiling for the State Department for Culture and Heritage is **Kshs 2,803.8 million**. Out of this amount, **Kshs 2,749.2 million** is for recurrent expenditure while **Kshs 54.6 million** is for development expenditure. In comparison, the department was allocated **Kshs 2,722.8 million** in FY 2020/21 comprised of **Kshs 2,679.7 million** for recurrent expenditure and **Kshs 43.1 million** for development expenditure. This represents an increase of **Kshs 81 million** in budgetary provision. The department's increase in budgetary	inadequate Human capital due to slow pace in succession management coupled with ageing workforce particularly in the Kenya National Archives. For instance, seventy percent of the National Archives employees are retiring with the regional offices such as Kisumu offices operating on skeleton staff yet the government has no plans to recruit new staff and manage the passage of skills and knowledge. Therefore, the public service commission should undertake some urgent measures to ensure the passage of skills and knowledge is managed in that docket.	**State department for Tourism** (i)Increase the proposed ceiling of Kenya Utalii College for FY 2021/22 to enable the agency implement the following key development initiatives; Equipping the Individual Training Kitchen Block – Kshs 150 million, renovation of college Tuition Block (ii)Kshs 100 million, renovation of student hostel – Kshs 100 million and modernization of ICT Infrastructure and Digital E-learning – Kshs 150 million (iii)Increase the proposed Budget ceiling for the Ronald Ngala Utalii College so as to fast-track the project which has been ongoing since the FY 2013/14. This will allow the government to realize value for the monies already committed into the project.

No.	Departmental Committee	Observations	Policy Recommendations	Financial Recommendations
		provision in FY 2021/22 is due to increase in recurrent expenditure of **Kshs 69.5 million** and **Kshs 11.5 million** in development expenditure. (ii)The Committee has also the National Museums of Kenya (NMK) is charged with the mandate of maintenance of monuments. The maintenance of monuments has challenges such as limited funding and vandalism by the football fanatics' i.e Tom Mboya monument. In addition, the funds allocated in FY 2020/21 for rehabilitation and upgrade of Maralal Kenyatta House and the Lokitaung Memorial has been slashed by 50% and this is likely to delay further the restoration of the Museums. (iii)In addition, the Committee has also observed that the department is faced by inadequate Human capital due to slow pace in succession management coupled with ageing workforce. For instance, seventy percent of the National Archives employees are retiring with the regional offices such as Kisumu offices operating on skeleton staff yet the government has no plans to recruit new staff and manage the passage of skills and knowledge. (iv)The Committee has also observed that the department is entitled to not more than 20% of the Sports, Arts and Social Development Fund yet the country's historical monuments are in dilapidated		

No.	Departmental Committee	Observations	Policy Recommendations	Financial Recommendations
		situation due to lack of proper maintenance and adequate funding for the agencies mandated to take care of the historical sites. However, the challenge has been due to lack of proper funding from the Sports Fund. State Department for Tourism (i) In the financial year 2021/22, the department has been allocated **Kshs 9,094.0 million** which is composed of **Kshs 8,594.0 million** for recurrent expenditure while **Kshs 500.0** is for development expenditure. The amount allocated is significantly lower than the Department's resource requirement of Kshs. 23,484.7 million comprised of Kshs. 10,746.2 million for recurrent expenditure and Kshs. 12,738.5 million for development expenditure leading to a shortfall of Kshs. 14,390.7 million. The shortfall will affect significantly the Department's development budget which has a variation of Kshs. 12,238.5 million (96.1%) when compared to its resource requirements. (ii) Tourism Promotion Fund – In the FY 2019/20, the Department collected Kshs 2.0 billion and a further Kshs 2.4 billion is projected to be collected in FY 2020/21. However, there have been ambiguities on the utilization of the funds in the fund and the projects funded and their status.		

No.	Departmental Committee	Observations	Policy Recommendations	Financial Recommendations
		(iii) Construction of Ronald Ngala Utalii College (TF) – the project was commenced in FY 2013/14 and the estimated project was **Kshs 4,923 million.** The actual expenditure of the project as at 31st of December 2018 was **Kshs 2,803 million** and the outstanding project cost was Kshs 2,120 million. The project was allocated an additional Kshs 385 million in FY 2019/20 and a further **Kshs 100 million** in FY 2020/21. However, given the substantial resources committed to the project thus far, it is important that the department fast-tracks the completion of the project in order for the government to realize value for funds already incurred. (iv) The Committee has also observed that the Countries all over the world are focusing on improving and revamping their tourism infrastructure during this period in preparation for post COVID 19 recovery. In particular, the Committee felt there is need for the government to revamp and modernize the Kenya Utalii College as part of its post COVID 19 strategy because of its vital role in the sector. Therefore, the committee felt there is need for increasing the ceiling of the department to address these emerging challenges.		

No.	Departmental Committee	Observations	Policy Recommendations	Financial Recommendations
5.	**Lands**	**Ministry of Lands and Physical Planning** (i)The newly created State Department for Physical Planning had not been allocated a separate vote and continued to operate with a budget of Kshs 60 million under the Physical Planning sub - programme against a resource requirement Kshs 1,950 million in the 2021/2022 Financial year. Therefore, the State Department needs to have a vote and budgetary allocation to facilitate oversight of physical planning in the country through the implementation of the proposed National Sectoral Spatial Programme (NSSP) and the County Spatial Support Programme (CSSP). (ii)The Ministry of Lands and Physical Planning had not concluded the development of a land index in all the 47 Counties pursuant to the Land Value Act 2021 and reported that the project was only 37% complete. Thus, leading to the government to continue incurring huge cost in the acquisition of land for the development of infrastructural projects. (iii)Although the Ministry of Lands and Physical Planning had registered a revenue collection of Kshs 6.7 billion against Kshs. 6.6 billion in the first half of the 2020/2021 FY. This was mainly from stamp duty collection while other revenue sources continued to register low figures partly due the covid pandemic and the manual revenue collection	(i)The Cabinet Secretary, Ministry of Lands and Physical Planning should develop a Land value index in the 18 Counties to reduce the cost of acquisition of land by the Government for the development of infrastructural projects by July 2022. (ii)The Cabinet Secretary, Ministry of Lands and Physical Planning should complete the development of an integrated digital revenue collection system by July 1st 2021 to eliminate revenue collection leakages and ensure that the Ministry meets its revenue collection targets. (iii)The Ministry of Lands and Physical Planning should develop a data bank of all Settlement Scheme beneficiaries to ensure that each beneficiary is only allocated one parcel of land on a "one parcel one person" basis to address multiple allocation of land to squatters. (iv)The National Land Commission should pursue an alternative financing mechanism such as Public Private Partnerships to supplement the increasing budget gap. (v)The acquiring entities should avail vesting funds to the National Land Commission to facilitate the vesting of compulsorily acquired land by the Government.	(i)The National Treasury should allocate a vote and a budget of Kshs 1,950 million in the 2021/2022 Financial Year to the State Department of Physical Planning to facilitate the implementation of the proposed National Sectoral Spatial Programme (NSSP) and the County Spatial Support Programme (CSSP). (ii)The Ministry of Lands and Physical Planning should prioritize and allocate Kshs 940 million for the Settlement of the Landless project in the 2021/2022 Financial Year to facilitate pending acquisition of land for the settlement of the landless such as the land belonging to the Taita Taveta Teachers Investment Company in Kisauni Constituency. (iii)The National Treasury should allocate a total of Kshs. 600 million to the National Land Commission to facilitate vesting of public land compulsorily

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		system used by the Ministry that is highly susceptible to leakages. iv)The Ministry of Lands and Physical Planning has not prioritized the Settlement of the Land project as demonstrated by an allocation of Ksh 180 million in the 2020/2021 and Kshs. 240 million in the 2021/2022 FY. However, the said project was allocated Kshs. 600 million in the Supplementary Estimates for the 2019/2020 Financial Year and was set to receive an additional Kshs. 700 million in the 2020/2021 FY This has made the implementation of the project unpredictable. v)The Ministry's policies and procedures in the resettlement of the landless have not provided a solution to multiple allocation of land to individuals. Multiple allocation of land to individual beneficiaries can be largely attributed to weaknesses in capturing the data of beneficiaries. vi)The digitization process at the ministry which is key to the unlocking of critical sector services is not implemented on time with only Nairobi County Set for rollout in March 2021. **National Land Commission** (i)The National Land Commission has not been allocated any budget for the development vote and needs to pursue an alternative financing		acquired for government infrastructure projects.

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		mechanism such as Public Private Partnerships to supplement the increasing budget gap. (ii)The National Land Commission had not vested public land compulsorily acquired for government infrastructure projects due to inadequate funds making the acquired land susceptible to grabbing.		
6.	**Health**	**Ministry of Health** (i)That, there is a policy shift where conditional grants meant for level 5 hospitals and the user foregone fees are being converted into equitable share. This implies that the counties will not be obliged to support these areas. Though the Committee supports this policy, the question arises whether the areas of interventions supported by the grant have been fully addressed and whether a mechanism has been put in place between the national Government and the county governments for a smooth transition. (ii)That, there is no mention in the BPS 2021 regarding the acquisition and availability of vaccines for COVID 19 and whether it is one of the government priorities in 2021/22 and over the medium term as part of COVID 19 interventions. Further, no resources have been provided for the acquisition of vaccines. (iii)That, there is no policy or investment towards alternative medicine solutions in response against	**Ministry of Health** (i) That within the next sixty (60) days, the Ministry of Health submits to the National Assembly a report enumerating the progress made in undertaking reforms in the NHIF to transform it into a social health insurer for smooth implementation of UHC. (ii) That the Ministry of Health should consider bringing on board the contributory pension schemes in terms of providing medical scheme through the NHIF platform to cover the post-retirement period to expand the pool of resources available for UHC; (iii) That the Ministry of Health re-organizes its budget and ensure that personnel emoluments requirements for the referral hospitals are fully provided for and given priority in the 2021/22 financial year to avert industrial action. (iv) That the Ministry of Health invests in research and policy formulation on the use of alternative (herbal) medicine to complement conventional	**Ministry of Health** (i)The Committee noted the following critical areas that have financial gaps and request the Budget and Appropriation Committee to review the Ministry of Health ceiling by **Kshs 17.6 Billion** to cater to these vital areas: (ii)Kshs 9.1 Billion to cater for personnel emoluments in the following referral facilities: ▪ Kenyatta University Hospital- Kshs 1 Billion ▪ Mathare Referral hospital- Kshs 600 Million ▪ MTRH- Kshs 1.7 Billion ▪ KNH- Kshs 5.8 Billion (iii)Kshs 4.5 Billion towards the acquisition of COVID 19 vaccines;

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		the COVID 19. There is a need to invest in research and policy formulation using alternative (herbal) medicine to complement conventional drugs in dealing with COVID 19 and other diseases. This is a key component of the natural products initiative outlined in vision 2030. The initiative advocates for investment in building capacity for value and the country's enormous biodiversity estimated to have high medicinal, cosmetic and nutritional value. (iv)That, since 2018, the Ministry has prioritised legal, structural, and administrative reforms at NHIF to transform it into a social health insurer to smooth UHC implementation. However, since 2018, no tangible reforms have been undertaken in this critical institution as envisaged. (v)That, there is a change in UHC policy as the flagship programme moves to phase 4 of implementation, where the emphasis will be on the provision of social insurance rather than strengthening primary health systems previously done through the provision of HPTs. (vi)That, the government policy is towards marshalling up resources towards UHC, as a policy, the Government should consider bringing on board the contributory pension schemes through the NHIF platform to cover the post-	drugs in dealing with COVID 19 and other diseases in line with Vision 2030. Vision 2030 advocates for investment in building capacity for value addition to the enormous biodiversity in the country which has medicinal, cosmetic and nutritional value. (v) That in the financial year 2021/22, all national referral facilities should make provision for personnel emoluments costs for registrars seconded to these facilities while the county governments are allowed to temporarily replace these doctors for the period of secondment. (vi) Within the next six months, the Ministry of Health should submit to the National Assembly a framework for supporting the provision of health services at the county level through targeted interventions.	(iv)Kshs 4 Billion for procurement of HIV drugs as the country transition towards self-reliance on the management of HIV (v)Kshs. 1 Billion for the payment of pending bill arising from a court award. The Ministry undertook to pay this pending bill in this financial year so that the suppliers are able to waive the interest accrued as agreed by the Ministry. However, the Ministry was not allocated funds in the current financial year to save the Ministry unnecessary litigations and penalties.

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		retirement period. This will expand the pool of resources available for UHC; (vii)That, the Government plans to transform the Mathare referral hospital into a modern facility for mental health as the Government prioritizes mental health. However, there are no resources directed towards this goal to ensure that the hospital facilities are upgraded. (viii)That, the issue of salaries shortfalls in National Referral Hospitals keeps cropping during the consideration of both supplementary budgets and the Budget Policy Statement. The issue of salaries is a sensitive matter in the health sector. It should be adequately provided for through proper planning. (ix)That, the postgraduate trainees(registrars) in referral hospitals are being paid by the county governments while offering services to the referral facilities. Further, the counties cannot employ/recruit new doctors to replace the registrars seconded to the referral facilities, affecting provision of health services at the county level. (x)That, the Ministry of Health has a pending bill amounting to Kshs. 1 Billion emanating from a court award. The Ministry undertook to pay this pending in this financial year so that the suppliers are able to waive the interest accrued as agreed by		

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		the Ministry. However, the Ministry was no allocated funds in the current financial year to settle this pending bill and it is important it is prioritized in the next financial year to save the Ministry unnecessary litigations and penalties.		
7.	**Education and Research**	**Ministry of Education and the TSC** (i)That the sector proposed 2021/22 resource ceiling is Kshs 508.5 Billion. The proposed ceiling for recurrent spending is Kshs 487.7 Billion (95%) whereas Kshs 20.8 Billion (5%) is the proposed ceiling for development spending. Through this allocation, the Ministry and its various Agencies will be implementing a total of 12 programmes. (ii)That the proposed 2021/22 budget ceiling for the sector is less compared to the resource requirement for the sector which stood at Kshs 657 Billion in 2021/22. This calls for efficient utilization of available resources to ensure that the key programmes are prioritized to ensure strategic objectives of the sector and key targets are achieved within the sector. (iii)That the country is currently experiencing serious teacher shortages currently estimated at 80,000. This situation is made worse on account of the 100% transition policy which has increased the number of learners transiting to secondary school.	**Ministry of Education and the TSC** (i)That the Ministry of Education and the Teachers Service Commission to within the next three months submit to the National Assembly their plan of action and proposed strategy on provision of both teaching and infrastructure resources given the anticipated double intake in in secondary school in 2023 as a result of concurrent implementation of the CBC as well as the 8-4-4 curriculum. (ii)That the Ministry of Education should submit to the National Assembly quarterly reports on the distribution of school infrastructure funds every three months. The report should include among other things the criteria used to identify the schools, the facility supported and the allocation provided. Further, the Ministry should quarterly publish in their website the names of the schools per county which have benefited for public scrutiny. Similarly, quarterly reports should be	(i)Recruitment of additional 5,200 secondary school teachers at a cost of Kshs. 2.6 Billion to support the 100% transition policy as well as begin preparing for the double anticipated in 2023. (ii)Public Universities and Constituent Colleges: - Additional Kshs. 37. Billion is required in the 2021/2022 financial year to support the public universities in terms of personnel emoluments as well as other statutory expenditures. (iii)Higher Education Loans Board: - HELB is not adequately funded to carry out its mandate of financing higher education as the number of students in recent past as continued rise and the need for

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		The situation will be worse given that in 2023 there will be double intake in secondary school. The first CBC class (currently grade 4) will be transiting to junior secondary school and the 8-4-4 curriculum learners (currently standard 6) will be joining form 1 in 2023. This will to higher enrolment hence straining the available teachers in secondary schools. The current allocation to TSC only allows recruitment of 5,000 teachers in 2021/22. (iv)That all the State Departments in the Ministry of Education and the Teachers Service Commission will be implementing the ongoing projects and no new government supported project has been introduced to be implemented in 2021/22 and over the medium term. This is commendable since only ongoing projects have been prioritized. (v)That the School feeding programme is a critical programme aimed at retaining learners in primary schools in ASAL areas. The Committee is concerned that this programme only covers the ASAL areas thus leaving out other deserving areas in the country such as the slums and other pockets of poverty across the country hence the need to review the policy on identification of the beneficiaries. (vi)That in every financial year, resources have been provided towards infrastructure improvement in both primary and secondary schools. However,	provided on the distribution of desks in learning institutions. ii)That in the next six months the Ministry of Education reviews through stakeholders' engagements the capitation provided for both public primary and secondary school learners and propose adjustments to these capitations to be in tandem with the prevailing economic situation. v)That the Ministry of Education engages with the county governments on the continued funding of the village polytechnics given the transfer of the mandate to counties, particularly with regard to the provision of capitation to students. This is because the counties are not obliged to continue supporting the village polytechnics under the new arrangement. v)That the functions of Curriculum Development Assessment and Certification Council (CDACC) should not be transferred to Kenya Institute of Curriculum Development (KICD) and Kenya National Examination Council (KNEC) before the relevant law is amended to give it full force of law give that CDACC is established through an act of parliament. vi)That within the next six months, the higher education sub sector should establish and implement the university education data	new students to acquire laptops to ensure they are able to undertake virtual learning. The Board requires an additional Kshs. 8.6 billion to support students with educational loans. (iv)Free Day Secondary Education (100% transition): - The programme requires Kshs. 7.6 billion this is because the enrolment of learners has increased due to the government initiative to achieve 100% transition to secondary schools. The current enrolment in public secondary schools is 3,146,242 students. The cost per child is **Kshs. 22,244** therefore translating to a total requirement of **Kshs. 69.985 billion** in 2021/22 FY. A growth of 6% on enrolment is projected and, therefore the current grant of Kshs. 62.422 billion is inadequate to efficiently provide the capitation to all learners. (v)The government initiative of 100% transition from primary to

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		there are still infrastructural challenges in many public schools evidenced by many public schools missing basic educational facilities especially with the 100% transition policy and response to COVID 19 pandemic. This is an indication that the process of identification of schools to benefit from infrastructural support does not adequately address equity issues. (vii)That the current capitation to both primary and secondary school learners in public schools is not sensitive to the prevailing economic circumstances. This puts financial strain to these institutions hence cannot meet their daily operations and maintenance needs especially during this COVID 19 period. The current capitation stands at Kshs 22,224 in secondary schools and Kshs 1,420 in primary schools and has remained unrevised for almost 10 years. viii)That there is a policy shift where conditional grants meant for village polytechnics is being converted into equitable share. This implies that the counties will not be obliged to support the village polytechnics. The question that arises is whether the areas of interventions which were being supported by the grant have been fully addressed and whether a transition mechanism has been put in place to transfer of the mandate to counties, particularly with regard to the provision of	management information system to promote accountability and improve management of disbursed funds. This university data management systems should also be linked to National Education Management information systems (NEMIS) to create a pool of credible data for the whole education sector. vii)That the Ministry of Education to annually present report to the National Assembly on the number of students in TVET institutions per county that have received the capitation grant of Kshs 30,000. viii)That the Ministry of Education within the next six months submit to the National Assembly a policy on reforms in public universities as well as relevant legislations which are required to support the envisaged reforms.	secondary education has increased the target enrolment of school learners hence the need to expand infrastructural facilities to reduce congestion in public schools. In addition, the extra infrastructure will provide for necessary facilities to deal with congestion through provision of toilets and classrooms to ensure social distancing in public schools is observed in line with the Post Covid-19 measures. Further, infrastructural facilities will be provided to schools affected by flooding disasters experienced in specific areas. The BPS provides for Primary and Secondary infrastructure as well as desks 2021/22 FY. However, allocation to the two outer years in the MTEF period is not provided for. Additional requirement of Kshs. 1.2 billion and Kshs. 3.0 billion for primary and secondary schools' infrastructure respectively is required.

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		capitation to students. Further, the support towards Technical training is inadequate especially on capitation and this allocation should have been retained in the Department to fund technical institutions and national polytechnics. (ix)That Infrastructure allocation seems to be the normal incremental despite the COVID 19 risks to learners where more resources need to be provided towards infrastructure support to ensure that COVID 19 protocols are observed in schools. The proposed allocation towards infrastructure is Kshs 2.6 Billion in 2021/22 which is an increase of only Kshs 600 Million compared to the current financial year. (x)That the CBA agreement between the TSC and the teacher's unions is coming to end in 30th June 2021 and that the Commission is engaging with the relevant government agencies for a new CBA for the teaching service. (xi)That the P1 certificate for primary school teachers have been phased out effective May 2021 and will be replaced by a three-year Diploma. The question that arises is on the transition mechanism and whether the TSC will continue to recruit primary schools' teachers with P1 certificates acquired before this policy comes to force and what happens to the current students in TTC undertaking the P1 certificate.		(vi)School Feeding Programme: - Additional funding of Kshs. 1.1 billion is required to feed 151 days school calendar year. In addition, there is need to cater for the urban slums school ongoing children by providing food. In addition, after the COVID – 19 pandemic there will be more nutritional requirements by children hence the need to provide sufficient food to schools. (vii)Assessment of Grade Five Learners: - The Kenya National examination Council is expected to develop instruments for assessment for the grade five learners that will form part of the formative assessment to inform the transition to the Junior Secondary school. The assessment activities and expanded ICT infrastructure translates to a requirement of **Kshs.250 Million.** viii)Construction of mitihani House – This is a project which has stalled

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		(xii)That the functions of Curriculum Development Assessment and Certification Council (CDACC) are proposed to be transferred to Kenya Institute of Curriculum Development (KICD) and Kenya National Examination Council (KNEC) following a directive from the head of civil service yet the CDACC is established under an act of Parliament which is yet to be amended. xiii)That is there is a lot of discrepancies as regards university students' data/information which distorts proper planning, decision making and allocation of resources for higher education sub sector in the country. This has resulted into some universities missing out of their fair share of resources in terms of capitation. Further reforms in the higher education sub-sector in terms of amendments to the Universities Act has never been realized. xiv)That critical institutions within the higher education sub sector which are not well funded hence crippling their operations and hence not fully supporting the goals of the higher education sub sector. These institutions are Commission for University Education, National Research Fund, University Funding Board and Higher Education Loans Board.		for almost 40 years and it is in the interest of the KNEC to complete the project. This is critical because with the rollout of the CBC curriculum and the numerous continuous assessment tests which are envisaged, KNEC requires a secure installation to ensure safe custody of learners' records. The current rented premises cannot guarantee secure recording keeping. The project requires Kshs 400 Million to cater for the pending bills and Kshs 600 Million to complete the project.

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8.	**Transport, Public Works and Housing**	**General Observation** The Committee observed that the distribution of development projects across Departments hardly reflects the face of the country. **State Department for Infrastructure** (i)The Committee observed that the projected share of the Roads Maintenance levy to the Counties will form part of the equal share and not as a conditional grant as it used to be. The Committee notes with concern that the Roads Maintenance levy is, by law, purposed for road maintenance and if it is transferred to the counties unconditionally as part of the equal share it may not be applied to the intended objective of maintaining county roads. (ii)The Committee observed that the State Department for Infrastructure has accumulated pending bills amounting to Kshs. 75 billion as at December 2020. This amount is projected to increase to Kshs. 85 billion by the end of the current financial year, and will have negative impact on the implementation of the proposed Budget Policy Statement ceilings for the 2021/22 financial year. (iii)The Committee observed that the State Department for Infrastructure engages the Private sector through Public Private Partnership (PPP) arrangements. The Committee notes that the	**General Observation** That all the State Departments under the purview of Transport Committee ensure that there is equity as much as possible in the distribution of projects starting with the 2021/22 annual estimates. **State Department for Infrastructure** (i)That the policy shift converting the legislated 15% share of the roads maintenance levy to the county governments be reversed and retained as a conditional grant as it is currently. (ii)That, within seven days of adoption of this report, the National Treasury adjusts the ceilings for the State Department for Infrastructure to accommodate Kshs.75 billion to be financed through roads bond to be floated by the National Treasury before end of June, 2021. (iii)That, the National Treasury, by end of April every FY, submits information on large Public Private Partnerships (PPP) projects to Parliament. **State Department for Transport** The National Treasury provides adequate allocations to the Standard Gauge Railway project during the annual budget estimates to avoid the huge budgetary allocations during supplementary budgets, as is currently observed.	**State Department for Infrastructure** Ceiling be adjusted to Kshs 266,976 million comprising of Kshs. 57,170 million for current and Kshs. 209,806 million for Capital

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		Public Private Partnership engagements come with certain risks that include lack of adequate information on some large PPP projects. **State Department for Transport** The committee noted that the financial health of the Standard gauge railway has always been a challenge where its operational cost is often settled through mid –year budget reviews. The project also accounts for accumulation of the largest pending bills always reported against a single project. **State Department for Housing and Urban Development** The Committee observed that despite there being a policy on provision of house allowances for police officers, there are ongoing projects under Provision of Housing Units for National Police Service and Prisons. The Committee further notes that there are areas under constant security threats that require special consideration by providing decent housing units for police officers serving in those areas.	**State Department for Housing and Urban Development** That the National Treasury puts the Policy on Police housing into context and give consideration in allocating resources to ongoing projects and to provide for construction of good housing units in areas under constant security threats in the budget estimates for 2021/22.	
9.	**Communication, Information and Innovation**	**State Department for ICT & Innovation** (i).There is a huge funding gap estimated at Ksh.17.5 billion as reflected by the difference between the resource requirement and the proposed ceilings, a matter that calls for reprioritization of programmes and projects to	**State Department on ICT & Innovation** (i). The State department for ICT & Innovation to develop a Post Covid 19 strategy on how to leverage on ICT technology in work delivery in the public sector. The Strategy to be established by end of the 2021 with an aim of	(i).That the Programme of ICT infrastructure Development (sub-programme ICT Business Process Outsourcing Development) be allocated additional Ksh.50 Million to cater for construction of the Konza conference facilities

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		minimize missed opportunities in public service delivery. (ii).There is rapid adoption of ICT technology and advancement in innovations in the digital space within the country and globally. With the full rollout and operationalization of Huduma number for expanded E-Government services, the reliance on ICT shall even go higher. However, the policies and strategies on data protection are still inadequate to prevent misuse of personal data collected for specific intended purposes. (iii).Unlike the private sector that has leveraged on the ICT technology to mitigate the effects of Covid 19 while ensuring office work are undertaken virtually, the public sector has not optimized the leverage on ICT technology in work performance. (iv).The digital literacy programme has stuck to its targets premised on key performance indicator of purchase and distribution of digital devices and appliances to public primary schools. The plausibility and sustainability of the programme given the dynamic nature of technology and change in curriculum to Competency Based Curriculum (CBC) is questionable. The success rate of the programme since its inception remain	alleviating operational costs in the public sector workplaces. ii). The State Department for ICT & Innovation in collaboration with Natural Environment Authority (NEMA) to enhance its E-Waste Management Strategy and report to the Committee on the institutionalized enhanced strategy by end of September 2021. ii). The regulatory framework and policies on data protection and processing to be developed by the Office of Data Protection Commissioner for full operationalization of the office. The enactment of supportive legislations and policies to be fast tracked by the Committee for subsequent institutionalization and enactment before the end this year (2021). iv). In the programme of ICT infrastructure development, there exists projects such as Konza Conference facilities that are almost complete and require to be fast tracked for realization of the envisaged public services. v). There is no hotel facility to complement the conference facility project; this will make the Konza conference facility to operate below optimum level. **State Department for Broadcasting & Telecommunication**	(ii).That the programme of E-Government Service be allocated an additional Ksh.50 Million to enhance operationalization of the Office of Data Protection Services. (iii).The programme of ICT Infrastructure development under the State Department of ICT & Innovation to be allocated Ksh.150 Million to facilitate the construction of hotel facility to complement Konza Conference facility.

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		low an indication of the need to change of strategy. (v).Despite the rapid upsurge in usage of electronic and digital appliances, there is lack of a robust policy on E-waste management to handle the disposal and recycling of the discarded electrical and electronic devices. (vi).The targets set at the budget formulation stages are impressive and even subsequent reports on achievement status of the targets are oftentimes appealing. However, most programmes, sub-programmes and projects lack monitoring and evaluation frameworks for assessment of the real impact on public service delivery. **State Department for Broadcasting & Telecommunication** (i).There is a thin line among the responsibilities and mandates of the SAGAs within the State Department leading to duplication and overlaps in programmes and activities of the SAGAs. Such overlaps are noted in the film regulation such as between Kenya Film Commission and Kenya Film Classification Board. ii).There is a weak policy and strategy to tackle issue of hate speech. This does not auger well given the imminent heightened political season in the country.	(i).The State Department for Broadcasting in collaboration with the Government Advertising Agency (GAAs) to develop and institutionalize a monitoring and evaluation framework that facilitates GAA's public expenditure impact analysis before deliberation on budget estimates for the year 2021/22 between the department and this committee on ICT & Innovation begins. (ii).There is need for the National Treasury to establish and enforce before the end of this financial year 2020/21 a framework on settlement of existing outstanding bills among the public entities to prevent the prevailing laxity in this area. (iii).The State Department in collaboration with the National Cohesion and Integration Commission (NCIC) and relevant enforcement agencies such as state department for Interior to come up with a strategy on how to address the issue of hate speech more so in the imminent heightened political seasons. This strategy is to be presented to the Committee by end of March 2021. (iv).The State Department for Broadcasting & Telecommunication to re-evaluate the mandates and roles of SAGAs in the film industry (Kenya Film Classification Board,	

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		ii).The business strategy of Postal Corporation of Kenya is not effective and if not fixed shall necessitate reliance on exchequer for the financing of its operational costs among other costs. iv).There is an ongoing international arbitration on a case in London involving Kenya Broadcasting Corporation whose unfavourable outcome poses a huge financial risk to the corporation. Initially the case was determined at Ksh.40 Billion. v).Despite the impressive report on the realization of various targets when evaluated on the respective Key Performance indicators, the impacts of the met targets are not being felt on the ground. These were noted in areas such as Studio Mashinani and in the Ajira Programmes. vi).There are huge pending bills amounting Ksh.1.2 billion owed to Postal Corporation of Kenya owed by Ministry of Public Service for hosting Huduma Centres.	Kenya Film Commission) in order to come up with a strategy of merging SAGAs with overlapping roles and SAGAs whose functions do not warrant standalone. The Department to fast track this for conclusion by December 2021.	
10.	**Energy**	**State Department for Energy** (i).The total ceiling allocations for the State Department in 2021 Budget Policy Statement is Kshs. 78,048. The Recurrent ceiling increase of 12% is as a result of increase in collection of Local Appropriation in Aid (AIA) while under Development vote the increase of 7% is an increase in allocation of foreign financing.	**State Department for Energy** (i).That both the ministry and the state department take into consideration impact of pending bills and other incidentals that might affect the ceiling allocation under the 2021 BPS during the finalization of the budget estimates in order to reduce impact on resource availability in the FY 2021/22;	

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		(ii).The programmes under the Ministry have been underfunded as follows- Power Generation by Kshs. 6.7 Billion; Power Transmission and Distribution's by Kshs. 78.5 Billion; Alternative Energy Technologies by Kshs. 476 Million and the General Administration, Planning and Support Services by Kshs. 764 Million. (iii).The underfunded projects total a shortfall is Kshs. 33 Billion and includes - the Naivasha Industrial Park; Rural Electrification Scheme shortfall; Last mile Connectivity shortfall; Ring-Kimuka ,Malaa SS, Athi River SS, Isinya SS; Gilgil Thika Konza 400KV, Technopolis complex; Marsabit –Isiolo Transmission line; Dongo Kundu SEZ; and Electrification of Public Facilities. (iv).The Special Audit Report on Loiyangalani-Suswa Transmission Line as recommended by the House, is yet to be tabled for consideration by the relevant Committee. (v).There is increasing power generation currently at 3000 Mw without the corresponding demand which currently stands at approximately 1800 Mw. The deemed energy is also being incurred and is impacting negatively on cost of energy. (vi).The Kenya Power / IPPs agreements are not tenable since this affects the energy generation mix and the cost of electricity.	ii).The Special Audit Report on Loiyangalani-Suswa Transmission Line as resolved by the House is yet to be tabled. There is need to review the timelines for submission of Special Audit Reports to the House in-order to facilitate Committee decision-making i.e. within a financial year; ii).Given that electricity supply (currently at 3000 Mw) outstrip demand (approximately 1800 Mw), medium term resource allocation should focus on enhancing energy evacuation; iv).The Ministry should review the Independent Power Producers Agreements and cease further engagements that do not meet the USD 5 cent/Kilowatt requirement; v).There need for consistency in resource allocation to the Big Four Agenda projects and enablers. The resources for Big Four Agenda should be ring-fenced within the medium term; vi).The National Treasury should settle all energy subsidy costs owed to KPLC within the financial year that they occur in order not to jeopardize KPLC financial position; ii).Energy Power Regulatory Authority (EPRA) should review the lifeline charges of electricity quarterly in order to lower the cost of power; ii).The State Department of Energy should divest itself of projects and activities, expertise that	

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		(vii).On the Big Four Agenda, the Government's priorities are not clear since they funded under the budget estimates but then reduced during the supplementary estimates. (viii).The energy subsidy for cheap connections provided by KPLC is proving untenable as the Government is not compensating KPLC appropriately, leading to its weak financial position. (ix).There is no relief to electricity consumers owing to high power charges and requiring more consideration from EPRA to review the cost of power. (x).Ministry of Energy is undertaking projects and activities that can be done by its respective SAGAs under their purview. (xi).There is inconsistency in provision of counter-part funding for key projects leading delayed or withdrawal of the foreign financing component. **State Department of Petroleum** (i). The State Department of Petroleum procures LPG cylinders under the Petroleum Downstream, while the National Oil Corporation fills and distributes the cylinder. (ii). The National Oil Corporation was incorporated to implement and maintain strategic petroleum	can be undertaken by its respective SAGAs, in order to increase efficiency of service delivery; and, (x).Counterpart funding for projects should be ring-fenced within a given financial year in order to safeguard access to foreign financing and prevent delay of completion of projects.	

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		products reserve to the industry standards, but this is not being undertaken.		
11.	**Trade, Industry and Cooperatives**	**State Department for Industrialization** (i)The committee notes that the state department receives around 0.4 % share of the total ministerial expenditure, the underfunding has direct impact on the full realization of the set programme priorities and will affect project completion. The State Department requires **Kshs 21.6 billion** to fund critical priorities and to ensure timely completion of ongoing programmes and projects. (ii)The Committee observes that they are various agencies in the state department that have similar mandate and carry out closely related functions. **State Department for Trade and Enterprise Development** (i)The Committee notes that the state department continues to be highly underfunded, in this regard the State department for trade and enterprise development is a total sum of Kshs. 3,009.4 Million to implement 50 % of its mandate and functions. (ii)The Committee observes that there is urgent need to review the Treaty Making and Ratification Act, 2012 to provide for an enhanced and full involvement of the National Assembly during the entire process of trade agreements negotiations.	**State Department for Trade and Enterprise Development** (i)**That,** the Budget and Appropriations Committee to consider enhancing allocations to the General Economic and Commercial Sector to at least 3%, 3.5% and 4% of the total ministerial expenditure in FY's 2021/22,2022/23, 2023/24 respectively and in particular for the State Departments of Industrialization and Trade and Enterprise Development. (ii) **That,** the Budget and Appropriations Committee approves for the creation of the following programmes for the State Department of Trade; General Administration, Support Services and Planning, International Trade Promotion and Development, and Domestic Trade and Enterprise Development. (iii)**That,** the Budget and Appropriations Committee amend the Budget Allocations for FY 2021/22 for the ministry of foreign affairs to transfer the international trade resources to the relevant state department of trade and enterprise development. (iv)**That,** the State Department of Trade and Enterprise Development to restructure the	

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		(iii)The Committee observes that to increase efficiency and clarity in the development of key outputs as well as to align the budget to the State Department Strategic Plan, the State Department requires the following three budgetary programmes; General Administration, Support Services and Planning, International Trade Development and Promotion, and Domestic Trade and Enterprise Development. (iv)The Committee observes that Kenya is unacceptably underrepresented in the foreign trade representation as there are no commercial representatives in key export markets. This hinders our country's ability to access foreign market. There is need therefore to restructure our foreign trade representation and adopt a model that is effective. (v)The Committee notes that there are structural and administrative overlaps on the mandate between the Agriculture and Livestock Ministry and State Department of Trade need to be well defined to avoid functional overlaps. In this regard, the Agricultural ministry should concentrate with agricultural production while the licensing of traders/ exporters and marketing should be left to be managed by the Trade State Department, this will enhance efficiency and reduce duplication of	external trade representation strategy and model of the country and submit the proposals to National Assembly by 15th April,2021. **General Policy Recommendations** (i)**That,** for the urgent implementation of the report of the Presidential Taskforce on Parastatal Reforms be implemented and should inform the budgetary allocations for the parastatals in FY 2021/22. (ii)**That,** an urgent evaluation lead by the Parliamentary Budget Office be done to find out the extent of implementation for devolved functions by the National Government, duplication and overlaps between and among ministries. The evaluation report should be submitted in the National Assembly by 30th March, 2021 and should inform the budget allocations to ministries. (iii)**That,** the Medium-Term Expenditure Framework process in regard to budget formulation requires urgent reforms to provide for a transparent mechanism and criteria for budgetary resources allocations among ministries.	

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		functions and thus lead to efficient utilization of the limited resources. (vi)The Committee notes that there are structural and administrative challenges in regard to the allocation of resources to international trade functions whereas the function is now domiciled in the State Department of Trade as per the executive order, the budgetary resources are still been controlled at the Ministry of Foreign Affairs. There is need therefore for the regularization of the budgetary allocations to reflect the respective mandate. **State Department for Cooperatives** (i)The Committee observes there is likelihood of duplication of functions and thus leading to wastage of public resources between the National and County Governments. For example, the development and management of cooperatives is devolved functions which continue to be funded by the National Government while County Governments are also funding the same functions. (ii)The Committee notes that even though most of the functions for the State Department are devolved, there are critical ongoing programmes and projects require resources to a tune of Kshs. 2,159.8 million shillings to be completed.		

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12.	**Finance and National Planning**	**The National Treasury** (i). The Budget Policy Statement projects the total revenue in FY 2021/22 at Kshs. 2,033.9 billion (16.4% of the GDP). Ordinary Revenue is projected at Kshs. 1,775.6 billion (14.3% of the GDP) compared to Kshs. 1,594.0 billion (14.3% of the GDP) projected in the current financial year, 2020/21.This, coupled with increased expenditure pressures would potentially exacerbate the challenge of keeping fiscal deficit in check. This would occasion liquidity problems which may also strain vertical sharing of resources between the two levels of government, ultimately causing debt sustainability problems. Again, some of the recently reversed tax incentives have a significant implication on the performance of the economy. ii). The National Treasury was overoptimistic in their revenue projection and this may open room for more borrowing. ii). The National Treasury should identify more creative ways of raising revenue such as divestiture of the state-owned enterprises who continue to be funded from the exchequer. v). Two new programmes have been shifted from the State Department for Transport to the National Treasury i.e. Rail Transport and Marine	**The National Treasury** (i). Reduce the projected revenue from the current Kshs. 1.775 trillion to the current financial year level at Kshs. 1.594 trillion, in view of the reduced base which has already been affected by the revenue underperformance in the first half of the current financial year. This would ensure realistic revenue projection which has an implication on fiscal deficit and division of revenue. ii). The National Treasury should ensure immediate implementation of the Equalization Fund by expediting the process of publishing the requisite Statutory Instrument. The outstanding balances should be factored in the Estimates for the FY 2021/22 budget. **State Department for Devolution** (i). The ceiling for the programme on Devolution Support for Results should be enhanced by about Kshs. 4.6 billion since negotiations for roll-out of phase 2 are on-going. ii). The budget for provision of relief food should be moved to the State Department of Devolution so as to ensure swift response during food shortages since some populace	i). The ceiling for the programme on Devolution Support for Results should be enhanced by about Kshs. 4.6 billion since negotiations for roll-out of phase 2 are on-going. ii). The budget for provision of Kshs. 1 Billion for relief food should be moved to the State Department for Devolution so as to ensure swift response during food shortages since some populace depend on this food not as an emergency but a common occurrence for them. ii). The ceiling for the Office should be enhanced by Kshs. 50 million so as to facilitate Budget Implementation reporting to Parliament and the legislative assemblies in county governments, to contain both the financial and the non-financial performance. The reporting on the quarterly achievement of targets and key performance indicators would facilitate effective oversight of

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		Transport. It is hoped that during the Estimates for FY 2021/22, the programmes targets and Key Performance Indicators would be shifted here as well to allow effective oversight. (v). Implementation of Equalization Fund was stopped around 2016 when the Statutory Instrument that was implementing the Fund was nullified by the High Court. Establishing another instrument seems to be taking unprecedentedly long. There is a risk of the Fund lapsing without achieving its intended objective. **State Department for Devolution** (i). The ceiling for the programme on Devolution Support for Results should be enhanced since the roll-out of phase 2 is expected to start in November, 2021. (ii). The budget for provision of relief food should be moved to this State Department so as to ensure swift response during food shortages since some populace depend on this food not as an emergency but a common occurrence for them. **The Office of the Controller of Budget** The Controller of Budget is required, by law, to report to Parliament and the legislative assemblies in county governments, the budget implementation status. Nevertheless, the report ought to contain both	depend on this food not as an emergency but as a common occurrence. **The Office of the Controller of Budget** The ceiling for the Office should be enhanced by Kshs. 50 million so as to facilitate Budget Implementation reporting to Parliament and the legislative assemblies in county governments, to contain both the financial and the non-financial performance. The reporting on the quarterly achievement of targets and key performance indicators would facilitate effective oversight of the budget by the legislatures in both levels of government. **The Commission on Revenue Allocation.** To ensure realistic revenue projections by the County Governments, the Commission's ceiling should be enhanced by Kshs. 83 million so as to facilitate the establishment of revenue potential in all the counties and development of the 3rd Policy on Marginalisation.	the budget by the legislatures in both levels of government. v). To ensure realistic revenue projections by the County Governments, the Commission's ceiling should be enhanced by Kshs. 83 million so as to facilitate the establishment of revenue potential in all the counties and development of the 3rd Policy on Marginalisation.

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		the financial and the non-financial performance. The reporting on the quarterly achievement of targets and key performance indicators would facilitate effective oversight of the budget by the legislatures in both levels of government. **The Commission on Revenue Allocation.** The Commission on Revenue Allocation in conjunction with other relevant stakeholders should spearhead the ascertainment of revenue potential in all the counties. This should be the basis of Own Source Revenue projections by county governments so as to ensure realistic revenue forecasting. **Salaries and Remuneration Commission** Despite the Commission's budget being increased, the wage bill sustainability remains a challenge.		
13.	**Agriculture and Livestock**	**State Department for Livestock** (i).The National Treasury has been subjecting loans revenue, AIA and grants to MTEF ceilings which has greatly affected the implementation of key programmes. For example, tied credit facilities such as Government of Poland and GoK project on Livestock Value Chain Support Project. (ii).The BPS has not addressed the issue of historical pending bills. The total historical pending bills of court awards in SDL stands at **Kshs. 4,025 Million**. The amount of **Kshs. 4,000 Million** is	(i). The state department for Crop Development and Agricultural Research to hasten the implementation of the e-voucher system to allow farmers access the subsidized agricultural inputs the soonest. (ii). The sector is already having numerous ongoing and stalled projects and therefore there is a need for the state departments to prioritize on near completion and the ongoing projects as oppose to initiating new projects. Unless there are justifiable reasons,	**State Department for Livestock** (i). **Kshs. 4,025 million** for historical pending bills. The amount of Kshs. 4,000 Million is a court award to Halal Meat Products Limited while Kshs. 25 Million is a court award to Exparte Associate Architects Limited. (ii).Request for GoK matching funds of Kshs 300 Million in

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		a court award to Halal Meat Products Limited while **Kshs. 25 Million** is a court award to **Exparte Associate Architects Limited.** (iii).The ceilings are below the submissions and risks in slowing major projects such as the Common Effluent Treatment Plant at the Leather Industrial Park (iv).Request for GoK matching funds of **Kshs 300 Million** in furtherance of development of Livestock Master Plan in partnership with USAID and African Union IBAR (AU-IBAR) who have committed **Kshs 150 Million** and **Kshs 30 Million** respectively to this process costing **Kshs 600 Million** to guide investment in the Livestock Sector. (v).The department's resource requirement in 2021/22 is Kshs. 11,501 million against a proposed ceiling of Kshs. 7,689 million indicating a funding gap of Kshs. 3,812 million. (vi).Implementation of Capital Projects is a challenge. Projects take too long to complete because of the low budget allocations, frequent budget cuts, as well as inefficiencies in the utilization of the development budget allocations. **State Department for Crop Development and Agricultural Research**	no new project should be initiated when there are numerous underfunded projects. (iii). The National Treasury to provide additional funding to reduce the funding gap on the budget to the state departments. The policies under the sector are direct drivers in the achievement of the Big Four Agenda. In addition, the sector is the mainstay of the economy contributing approximately 60% (directly 33% and indirectly 27%) to GDP. (iv). The state department for Crop Development and Agricultural Research to hasten the implementation of the e-voucher system to allow farmers access the subsidized agricultural inputs the soonest. (v). The state departments to improve on the efficiency of utilization of the development budget allocations while adhering to relevant laws so as to ensure that projects are completed within the planned duration and that expected returns and services are achieved the soonest.	furtherance of development of Livestock Master Plan in partnership with USAID and African Union IBAR (AU-IBAR) who have committed Kshs 150 Million and Kshs 30 Million respectively to this process costing Kshs 600 Million to guide investment in the Livestock Sector. **State Department for Crop Development and Agricultural Research:** (i). **Kshs. 2,142 million** for National Value Chain Support Programme. This will ensure that the target of 200,000 smallholder farmers accessing inputs is achieved and that the Economic Stimulus Project on E-Subsidy is implemented. The resources meant for the programme was reduced significantly in 2020/21. (ii). **Kshs. 425 million** for Fall Army Worm Mitigation. This will ensure provision of adequate funding to enhance

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		(i). Implementation of Capital Projects is a challenge. Projects take too long to complete because of the low budget allocations, frequent budget cuts, as well as inefficiencies in the utilization of the development budget allocations. ii). The implementation of the e-voucher system is taking too long. The National Value Chain Support Programme was not implemented in 2019/20 and therefor farmers did not benefit from subsidized inputs through the project. ii). The following projects have not been funded: ▪ Nutrition Sensitive Programme Ksh.128Million. ▪ Kenya Agricultural Data Management and Digitization Project Ksh.267Million. ▪ Fertilizer Pending Bills- Kshs. 8.008.55 Billion- There was a Cabinet directive CAB(18)71 that directed the National Treasury to provide additional funding of Kshs.8 billion to settle all outstanding debt to suppliers, service providers and NCPB. ▪ National Food Reserve- Kshs 200 million- Function transferred to NCPB from the Ministry as part of the SFR Reforms as recommended by the Maize Taskforce National Food Reserve Division (NFR) will deal with all matters of Strategic Food		the effort to mitigate and control pest occurrence.

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		Reserve including market intelligence and price monitoring **State Department for Fisheries, Aquaculture, and Blue Economy** Implementation of Capital Projects is a challenge. Projects take too long to complete because of the low budget allocations, frequent budget cuts, as well as inefficiencies in the utilization of the development budget allocations.		
14.	**Labour and Social Welfare**	**State Department for Labour** (i). Despite its critical role in the promotion of foreign employment and creation of opportunities for the youth as a way of combating unemployment, the State Department continues to receive inadequate funding. This has delayed the signing of Bilateral Labour Agreements with several countries including Jordan, Kuwait, Oman and Bahrain. (ii). In addition, the State Department is not able to explore other labour markets such as Canada, the United Kingdom and Australia. With remittances having overtaken tradition foreign exchange earners such as tea and coffee to become the leading source, with proper resourcing and aggressive promotion, Kenya has the potential of creating thousands of jobs	(i).The State Department for Labour should develop policy guidelines towards the promotion of foreign employment as a Panacea to the problem of youth unemployment. New frontiers should be explored to secure professional and technical jobs for Kenyans in ICT, banking, accounting, medical fields etc. in Australia, Canada and Europe. The State Department should fast track the development of both the Labour Migration Policy and the proposed Labour Migration management Bill. (ii).The State Department for Labour should within the current Financial Year develop the policy guidelines towards the establishment of the Occupational Disease Fund. The policy should outline the role of each of the Social	

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		abroad for its citizens. The International Labour Organization, places Kenya at third in place in the continent after Nigeria and Ghana in terms remittance recipient countries. (iii). The Office of the Registrar of Trade Unions which has the mandate of inspecting books of accounts of Trade Unions and overseeing the management of Trade Unions has only **one** technical staff making it ineffective. (iv). No resources have been allocated for the establishment of the Occupational Disease Fund which was conceived as a response to the COVID 19 Pandemic. This is meant to protect workers directly affected through death or disability by occupational accidents and diseases. **State Department for Social Protection** (i).The deficit of Kshs. 4.7 billion for the National Safety Net Program has not been addressed meaning that thousands of potential beneficiaries especially under the Cash Transfer for the Elderly will miss out on the stipend for another financial year. Due to this shortfall, the Ministry has not been able to enroll close to 400,000 new beneficiaries and replacements to those who might have exited because of natural attrition. (ii).The National Safety Net Program covering the Cash Transfers for the Elderly, Orphans and	partners which includes the Government, the workers, and the employers. (iii).The State Department for Social Protection should fast track the ongoing effort to develop the policy and legal framework for the operation of the National Safety Net Program. (iv).The State Department for Housing and Urban Development should develop a comprehensive policy to guide the National Hygiene Program, *Kazi Mtaani*, to ensure the youth participating in the program transition to either the existing affirmative action initiatives such as Youth Fund, Uwezo Fund and Women Fund, or access training opportunities to attain self-reliance. (v).The *Kazi Mtaani* Program must be revamped through a policy framework that seeks for a meaningful output while at the same time providing the daily wages to reduce the vulnerability of the targeted youth. This includes providing labour services in key government initiatives such as the attainment of food security, manufacturing and housing projects.	

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		Vulnerable Children and Persons with Severe Disabilities in addition to the Hunger Safety Net Program continue to operate without a substantive Act of Parliament. The State Department has not yet operationalized The Social Assistance Act, 2013. (iii).Education assistance, infrastructure and equipment, and support to initiate income generating activities for Persons Living with Disabilities under the State Department has been jeopardized as a result of inadequate resource allocation. (iv).Five priority projects under the Child Welfare Society of Kenya have remained unfunded throughout the current Financial Year. Some of the projects were nearing completion. These centers were to serve as emergency rescue centers for children. The centers are in Bungoma, Joska, Nanyuki, Isiolo and Muranga. **State Department for Youth Affairs** (i). Due to the COVID-19 Pandemic, most of the youth owned enterprises were adversely affected. These businesses are mostly in entertainment, outside catering, events organization, horticulture and poultry keeping. This has further worsened the unemployment situation in the country.		

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		ii). Youth Empowerment Center were conceived as focal point infrastructure for implementation of Kenya Youth Development Policy. Despite the important role these centers play by providing a platform for the youth to access one stop shop for labour market information, business opportunities, ICT services, counselling, and entertainment, only 70 out of the targeted 290 have been operationalized. **State Department for Gender** The eradication of FGM Policy which was recently adopted by the National Assembly needs to resource for the Anti-FGM Board to create awareness through both mainstream and Social Media and community dialogues. **National Gender and Equality Commission** The Commission remains centralized in Nairobi with presence in only 4 other counties. This compromises its ability to fully perform its role as a National Commission. **State Department for Housing** Kazi Mtaani Program has created temporary employment for over 278,736 youth as at 31st January 2021 in 1160 informal settlements spread across the entire country. The program has provided a mechanism for the Government to provide social protection for workers through an inclusive programme.		

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		State Department for Public Service The National Youth Service has over **Kshs. 15. 5 billion** shillings of historical pending Bills. This is a huge amount of money which if pumped into the economy could have positive ripple effects and spur growth. Cases have reported of suppliers who have been driven into abject poverty through non-payment of these Bills.		
15.	**Environment and Natural Resources**	**State Department for Mining** (i).The mining sub-sector has the potential for self-sustenance through royalties and other fees if well-coordinated. The sector continues to be grossly underfunded, hence affecting its potential in contributing to the economy. (ii).Kenya is strewn with numerous varied mineral deposits where artisanal mining is largely practiced. There should be formalization of these mining to minimize haphazard operations that lead to conflicts among local communities. (iii).The Kenyan mining sub sector is largely under-explored with only less than 15% having been geologically mapped. This hinders the sector's potential to contribute to the GDP and employment creation. The sub-sector currently contributes less than 1% of Kenya's GDP but has potential capacity to contribute 4% to 10%.[1]	**State Department for Mining** (i). The National Treasury should double the allocation of Development Projects to **Kshs. 506 Million** in the Mining sector, (ii). to enhance its capacity in contributing to the economy through mineral resources. (iii). The Department should endeavour to fully operationalize the provisions of the Mining Act, 2016 within the 2021/22 FY especially with respect to royalties and benefit sharing to ensure the sub-sector is not only self-sustaining but also beneficial to host communities. (iv). The Department should conclude the formalization of artisanal mining operations in the country to minimize haphazard operations that lead to conflicts among local communities.	**State Department for Mining** The National Treasury should burst the ceiling by providing **Kshs. 253 Million** Development budget in the 2021/22 FY to cater for full operationalization the provisions of the Mining Act, 2016 within the 2021/22 FY and the formalization of artisanal mining operations in the country. **State Department for Wildlife** The National Treasury should burst the ceiling by providing **Kshs. 3.2 Billion** in the medium term to cater for shortfall occasioned by Covid-19 related revenue collection shocks and operationalize the Wildlife Conservation Trust Fund.

[1] Kenya Mining Investment Handbook, 2016

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		(iv). Lack of accessibility to updated Geological and mineral data and inadequate data and information on natural resources slows the potential investments in the sector. **State Department for Wildlife** (i). The Wildlife sub-sector has been disrupted by COVID-19 pandemic especially on revenue collection from wildlife enterprises and wildlife sanctuaries. (ii). Human-Wildlife Conflicts continue to be a major challenge in the sub-sector. They not only disrupt the lives and livelihoods of host communities, but also endanger the very existence and survival of the wildlife. **Ministry of Environment and Forestry** (i). Use of wood fuel as a source of energy leads to negative impacts on climate change and land degradation. This is a great threat to forest cover and the afforestation programme. (ii). The National Environmental Management Authority (NEMA) has faced chronic under-funding over recent the years leading to chronic operating deficits. This has hampered optimal operation and delivery of its mandate. (iii). The Kenya Forest Service's (KFS) mature tree plantations were wasting away due to the moratorium on logging while the sub-sector faced acute funding deficits.	(v). The Department, in conjunction with relevant government agencies, should fast-track the National Airborne Geophysical Survey project and establishment of a Geological Data Bank in order update geological and mineral data to foster the potential of the sub-sector to contribute to the GDP and employment creation. **State Department for Wildlife** (i). The National Treasury should provide Kshs. **3.2 Billion** in the medium term to cater for shortfall occasioned by Covid-19 related revenue collection shocks and operationalize the Wildlife Conservation Trust Fund. (ii). The State Department should, within the 2021/22 FY initiate a comprehensive implementation of the Wildlife Policy by spearheading the establishment of a national strategy for mitigating human wildlife conflict mainstream human-wildlife conflict into county spatial planning processes; support the development and implementation of ecosystem-based management plans for key wildlife landscapes; build capacity of local communities to manage problem animals; establish and maintain a human wildlife conflict database; establish a sustainable financing scheme for	

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		(iv). Kenya Meteorological Department is critical in providing accurate weather, climate, air quality information and tsunami Warnings. The Department is domiciled under the Ministry of Environment and Forestry. Due to increase in the world population, and extension of settlements and life supporting activities, the department requires enhancement in capacity to provide better services to mitigate disaster risk, and support productive capacities of life supporting activities. **Ministry of Water, Sanitation and Irrigation** (i). Despite huge allocations in the water sub-sector and the government policy to provide water for all by 2030, access to clean and safe water for socio-economic development remains a challenge. Further, going with the current trends, the 2030 target seems a mirage. (ii). The water sector is home to several semi-autonomous government agencies which continue to drain resources as a result of overhead costs and other administrative costs. (iii). The water, sanitation and irrigation subsector is heavily reliant on development partners' budget support.	compensating against wildlife-caused deaths, injuries and damage to property; and promote human wildlife co-existence. **Ministry of Environment and Forestry** (i). The National Treasury should consider further tax exemptions for all equipment meant to provide clean energy sources like solar, biogas in order to discourage use of wood fuel which has negative impacts on climate change and land degradation and forest cover. (ii). The National Treasury should foster NEMA's resource mobilization through the re-introduction of EIA fees which would enhance the collection of AIA to meet operational deficits. (iii). The Kenya Forest Service (KFS) should consider lifting the moratorium on forest logging within the 2021/22 FY in order to harvest mature resources which would help raise much needed revenues. Further, the KFS should withdraw from commercial plantations and gradually convert the 134,000 hectares of commercial plantation into natural forest by restoring the cleared land with indigenous trees. (iv). The Ministry of Environment and Forestry should fast-track the policy document and	

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			legislative framework to establish the Kenya Meteorological Department as a full-fledged SAGA for effectiveness and efficiency in its service delivery. **Ministry of Water, Sanitation and Irrigation** (i). The Ministry should fast-track completion of ongoing projects within the 2021/22 FY, where feasible, before embarking on new ones to ensure actual supply of water to Kenyans instead of having multiple ongoing projects that hardly meet water supply expectations. (ii). The Department should endeavour, within the medium term to rationalize the numerous semi-autonomous government agencies in the water sub-sector which drain resources through overhead and other administrative costs.	