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REPUBLIC OF KENYA

THE NATIONAL ASSEMBLY

TWELFTH PARLIAMENT

FIFTH SESSION

THE BUDGET AND APPROPRIATIONS COMMITTEE REPORT ON THE  
APPROPRIATION BILL (NATIONAL ASSEMBLY BILL NO. 31 OF 2021)

THE NATIONAL ASSEMBLY PAPERS LAID	
JUNE, 2021	
DATE: 22 JUN 2021	DAY: TUESDAY
TABLED BY:	CHAIR, BAC
CLERK-AT THE TABLE:	 HTO

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## **CHAIRPERSON'S FOREWORD**

On behalf of the Members of the Budget and Appropriations Committee and as mandated by Article 221 of the Constitution, section 39 of the Public Finance Management Act and Standing Orders 240 (b) it is my pleasure to present to this House, the Committee's report on the Appropriations Bill (National Assembly Bill No.31 of 2021).

Through the Committee of Supply, the House - by a resolution passed on Thursday, 17<sup>th</sup> June 2021, approved the expenditure estimates for Financial Year 2021/2022. Pursuant to the provisions of National Assembly Standing Order 240 B (2), upon approval of the budget estimates, the Chairperson of the Budget and Appropriations Committee shall introduce an Appropriation Bill.

### **Consideration of the Appropriations Bill (National Assembly Bill No.31 of 2021)**

In reviewing the Bill, the Committee held one (1) Sitting where extensive deliberations were held. Arising from these deliberations, the committee made the following observations:

1. The total sum of Kshs. 1.495 Trillion to be issued out of the Consolidated Fund for the services and purposes for the year ending 30th June, 2022 while the Appropriations in Aid will account for Kshs. 446.2 Billion.
2. The allocations for public hearings domiciled in the National Treasury be moved to the respective implementing Ministries as well as allocation of Kshs. 25 Million to the New KPCU that was wrongly placed that need to be moved to the KNTC. In this regard, I would like to inform the House that I will be moving the amendments at the Committee of the Whole House.
3. Despite the Cabinet Secretary directive during his public pronouncement of the Budget policy highlights and revenue raising measures for the national government, that all pending bills by government agencies be cleared immediately, they continue to present a significant challenge in almost all sectors of the budget. This has a negative impact to the economy as most of the businesses are having challenges settling their debt obligations. In fact most of the businesses that used to do business with the Government have been closed.

4. The total cost of stalled projects is Ksh. 9 trillion. This is a worrying trend as it indicates that there is no adherence to the project guidelines issued by the National Treasury. A policy must be implemented to ensure enforcement of PFM and Treasury guidelines. Going forward, no new projects should be introduced before the completion of the ongoing projects.
5. For a long period, the mode of binding for resources has been based on historical allocations to MDA's within the various budgetary sectors and thus this has an effect of producing an incremental budget year in, year out without regard to outputs or emerging need of the country and this budget framework has led to MDA's in the productive sector of the economy to continue to get meagre resources yet they are expected to be the drivers of economic growth. The case of the State Department for Trade that is expected to support export growth.
6. The 2021/2022 budget has been prepared against the background of significant resource constraints due to the adverse effects of the covid-19 pandemic on the economy. There is a limited resource envelope on account of economic underperformance, and this has resulted in severe budget constraints. Now, more than ever, the country must tighten its belt and limit its spending to high priority.

### **Committee recommendations**

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

1. That this House approves the proposed amendments to the Bill as contained in the report.
2. That, the National Treasury finalizes the required budget documents as per the Public Finance Management Act on the detailed estimates.

## Acknowledgements

The Budget and Appropriations Committee is grateful to the Office of the Speaker of the National Assembly, the Office of the Clerk of the National Assembly and the Parliamentary Budget Office for the steadfast support received as it discharged its mandate of reviewing the Appropriation Bill, 2021.

It is therefore my humble duty and privilege, on behalf of the Budget and Appropriations Committee, to table the Committee's Report on the Appropriation Bill, 2021. Further, I would like to inform the House that I shall be moving amendments to the Bill at the Committee of the whole House.



Signed:

Hon. Kanini Kega, CBS, M.P.

Chairperson, the Budget and Appropriations Committee

Date:

22/JUNE 2021

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## A. PREFACE

### 1.1: Establishment and Mandate of the Committee

Article 221 (4 and 5) of the Constitution of Kenya 2010 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. Pursuant to this constitutional provision, Standing Order 207 established the Budget and Appropriations Committee with specific mandates among which is to:

- i. Investigate, inquire into and report on all matters relating to coordination, control, and monitoring of the national budget.
- ii. Discuss and review the Estimates and make recommendations to the House.
- iii. Examine the Budget Policy Statement, the Medium-Term Debt Strategy Paper, and the Division of Revenue Bill (DoRB) presented to the House.
- iv. Examine Bills related to the national budget, including the Appropriations Bill; and
- v. Evaluate tax estimates, economic and budgetary policies, and programmes with direct budget outlays.

### 1.2. Membership of the Committee

The Budget and Appropriations Committee as currently constituted comprises of the following Honourable Members of Parliament:

<b>Member</b>	<b>Constituency</b>	<b>Party</b>
1. <b>Hon. Kanini Kega, CBS, M.P. – Chairperson</b>	Kieni	Jubilee
2. <b>Hon. Benard Masaka Shinali, M.P. – Vice Chairperson</b>	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. CPA Moses K. Lessonet, CBS, M.P.	Eldama Ravine	Jubilee
6. Hon. Samwel Moroto, M.P.	Kapenguria	Jubilee
7. Hon. Millie Odhiambo, M.P.	Suba North	ODM
8. Hon. Alfred Kiptoo Keter, M.P.	Nandi Hills	Jubilee
9. Hon. Richard Onyonka, M.P.	Kitutu Chache South	Ford Kenya
10. Hon. (Dr.) Makali Mulu Benson, M.P.	Kitui Central	Wiper
11. Hon. Twalib Bady, M.P.	Jomvu	ODM
12. Hon. Jude Njomo, M.P.	Kiambu Town	Jubilee
13. Hon. Sarah Paulata Korere, M.P.	Laikipia North	Jubilee
14. Hon. Josephine Naisula Lesuuda, OGW, M.P.	Samburu West	KANU

15. Hon. Fatuma Gedi Ali, CBS, M.P.	Wajir County	PDR
16. Hon. Wangari Mwaniki, OGW, M.P.	Kigumo	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, MBS, 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 Parliamentary Budget Office and Committee Secretariat**

**The Committee is facilitated by the following officers from the Parliamentary Budget Office:**

1. Dr. Martin Masinde	Senior Deputy Director, Parliamentary Budget Office
2. Ms. Lucy Makara	Deputy Director, Parliamentary Budget Office
3. Mr. Fredrick Muthengi	Chief Fiscal Analyst
4. Dr. Benjamin Ng'imor	Senior Fiscal Analyst

**The Committee Secretariat comprises of the following officers:**

1. Mr. Joseph Ndirangu	Fiscal Analyst I/ Clerk of the Budget and Appropriations Committee
2. Mr. Danson Kachumbo	Fiscal Analyst I/ Clerk of the Budget and Appropriations Committee
3. Ms. Winfred Kizia	Media Relations
4. Mr. Abdi Salat	Serjeant-at-arms
5. Mr. Eugene Luteshi	Audio Officer
6. Mr. George Mbaluka	Office Assistant

## **A. INTRODUCTION**

1. The Appropriation Bill is prepared in accordance with the resolution made by the National Assembly as provided for in Article 221 (6) of the constitution of Kenya 2010. The Bill was published on Monday, 21<sup>st</sup> June 2021. It was read a first time in the National Assembly on Tuesday, 22<sup>nd</sup> June 2021 and was committed to the Budget and Appropriation Committee. In accordance with the provision of the National Assembly Standing Order 127(6)(b), the Committee examined and reviewed the Bill and has made recommendations, which are contained in this report.

### **Contents of the Appropriations Bill, 2021**

2. The Appropriation Bill, 2021 reflects the contents of the approved report of the Budget and Appropriations Committee on the Estimates of Expenditure for FY 2021/2022. The report approved issuance of Kshs. 1,942 billion of which Kshs. 1,273.6 billion is for recurrent and Kshs. 668.3 billion is for development expenditures. The budget allocation for the Parliament and Judiciary for FY 2021/2022 is Ksh. 37,882,700,000 and Ksh. 17,833,200,000 respectively.
3. The 2021/2022 budget has been prepared against the background of significant resource constraints due to the adverse effects of the covid-19 pandemic on the economy. There is a limited resource envelope on account of economic underperformance, and this has resulted in severe budget constraints. Now, more than ever, the country must tighten its belt and limit its spending to high priority areas in order to ensure that the citizen's most urgent needs are being met in an efficient and cost-effective manner.



**CONSIDERATION OF AMENDMENTS UNDER THE APPROPRIATION BILL,  
(NATIONAL ASSEMBLY BILL NO. 31 OF 2021)**

4. The Committee did consider and approve the following amendments after it held consultations with the relevant Chairpersons of the Departmental Committees.

**A. D1021 STATE DEPARTMENT FOR INTERIOR AND CITIZEN  
SERVICES**

**Programme 0601000 Policing Services**

**That**, the proposed allocation under the programme in respect of Development Supply Estimates, Kshs. 1,649,000,000 be deleted and substituted thereof with the figure, **Kshs. 1,669,000,000.**

**Programme 0629000 General Administration and Support Services**

**That**, the proposed allocation under the programme in respect of Development Supply Estimates, Kshs. 2,995,537,400 be deleted and substituted thereof with the figure, **Kshs. 3,015,537,400.**

**That**, the proposed allocation under the Vote D1021 (State Department for Interior and Citizen Services) in respect of total Development Supply Estimates, Kshs. 7,131,244,676 be deleted and substituted thereof with the figure, **Kshs. 7,171,244,676.**

**That**, the consequential amendment be effected in the relevant Class Sub Totals and the Cluster Sub-Totals

## **B. D1032 STATE DEPARTMENT FOR DEVOLUTION**

### **Programme 0712000 Devolution Services**

**That**, the proposed allocation under the programme in respect of Development Supply Estimates, Kshs. 1,123,957,480 be deleted and substituted thereof with the figure, **Kshs. 1,153,957,480.**

**That**, the proposed allocation under the Vote D1032 (State Department for Devolutuon) in respect of total Development Supply Estimates, Kshs. 1,228,957,480 be deleted and substituted thereof with the figure, **Kshs. 1,258,957,480.**

**That**, the consequential amendment be effected in the relevant Class Sub Totals and the Cluster Sub-Totals

## **C. D1064 STATE DEPARTMENT FOR VOCATIONAL & TECHNICAL TRAINING**

### **Programme 0505000 Technical Vocational Education and Training**

**That**, the proposed allocation under the programme in respect of Development Supply Estimates, Kshs. 2,208,436,000 be deleted and substituted thereof with the figure, **Kshs. 2,238,436,000.**

**That**, the proposed allocation under the Vote D1064 (State Department for Vocational & Technical Training) in respect of total Development Supply Estimates, Kshs. 2,218,436,000 be deleted and substituted thereof with the figure, **Kshs. 2,248,436,000.**

**That**, the consequential amendment be effected in the relevant Class Sub Totals and the Cluster Sub-Totals

**D. D1066 STATE DEPARTMENT FOR EARLY LEARNING & BASIC  
EDUCATION**

**Programme 0501000 Primary Education**

**That**, the proposed allocation under the programme in respect of Development Supply Estimates, Kshs. 1,841,200,000 be deleted and substituted thereof with the figure, **Kshs. 1,871,200,000.**

**That**, the proposed allocation under the Vote D1066 (State Department for Early Learning & Basic Education) in respect of total Development Supply Estimates, Kshs. 11,396,600,000 be deleted and substituted thereof with the figure, **Kshs. 11,426,600,000.**

**That**, the consequential amendment be effected in the relevant Class Sub Totals and the Cluster Sub-Totals

**E. D1071 THE NATIONAL TREASURY**

**Programme 0718000 Public Finance Management**

**That**, the proposed allocation under the programme in respect of Development Supply Estimates, Kshs. 19,311,325,738 be deleted and substituted thereof with the figure, **Kshs. 17,131,325,738.**

**That**, the proposed allocation under Vote D1071 (The National Treasury) in respect of total Development Supply Estimates, Kshs. 48,727,971,738 be deleted and substituted thereof with the figure, **Kshs. 46,547,971,738.**

**That**, the consequential amendment be effected in the relevant Class Sub Totals and the Cluster Sub-Total.

## **F. D1091 STATE DEPARTMENT FOR INFRASTRUCTURE**

### **Programme 0202000 Road Transport**

**That**, the proposed allocation under the programme in respect of Development Supply Estimates, Kshs. 57,992,390,000 be deleted and substituted thereof with the figure, **Kshs. 59,905,890,000.**

**That**, the proposed allocation under the Vote D1091 (State Department for Infrastructure) in respect of total Development Supply Estimates, Kshs. 57,992,390,000 be deleted and substituted thereof with the figure, **Kshs. 59,905,890,000.**

**That**, the consequential amendment be affected in the relevant Class Sub Totals and the Cluster Sub-Totals.

## **G. D1109 MINISTRY OF WATER, SANITATION & IRRIGATION**

### **Programme 1017000 Water and Sewerage Infrastructure Development**

**That**, the proposed allocation under the programme in respect of Development Supply Estimates, Kshs. 16,861,000,000 be deleted and substituted thereof with the figure, **Kshs. 16,996,500,000.**

**That**, the proposed allocation under the Vote D1109 (State Department for Water, Sanitation & Irrigation) in respect of total Development Supply Estimates, Kshs. 33,570,000,000 be deleted and substituted thereof with the figure, **Kshs. 33,705,500,000.**

**That**, the consequential amendment be effected in the relevant Class Sub Totals and the Cluster Sub-Totals.

## **H. D1152 MINISTRY OF ENERGY**

### **Programme 0213000 Power Transmission and Distribution**

**That**, the proposed allocation under the programme in respect of Development Supply Estimates, Kshs. 15,767,000,000 be deleted and substituted thereof with the figure, **Kshs. 15,768,000,000.**

**That**, the proposed allocation under the Vote D1032 (State Department for Devolution) in respect of total Development Supply Estimates, Kshs. 22,389,000,000 be deleted and substituted thereof with the figure, **Kshs. 22,390,000,000.**

**That**, the consequential amendment be effected in the relevant Class Sub Totals and the Cluster Sub-Totals.

### **B. COMMITTEE OBSERVATIONS**

The committee made the following observations:

1. The total sum of Kshs. 1.495 Trillion to be issued out of the Consolidated Fund for the services and purposes for the year ending 30th June, 2022 while the Appropriations in Aid will account for Kshs. 446.2 Billion.
2. The allocations for public hearings domiciled in the National Treasury be moved to the respective implementing Ministries as well as allocation of Kshs. 25 Million to the New KPCU that was wrongly placed that need to be moved to the KNTC. In this regard, I would like to inform the House that I will be moving the amendments at the Committee of the Whole House.
3. Despite the Cabinet Secretary directive during his public pronouncement of the Budget policy highlights and revenue raising measures for the national government, that all pending bills by government agencies be cleared immediately, they continue to present a significant challenge in almost all sectors of the budget. This has a negative impact to the economy as most of the businesses are having challenges settling their debt obligations. In fact most of the businesses that used to do business with the Government have been closed.

4. The total cost of stalled projects is Ksh. 9 trillion. This is a worrying trend as it indicates that there is no adherence to the project guidelines issued by the National Treasury. A policy must be implemented to ensure enforcement of PFM and Treasury guidelines. Going forward, no new projects should be introduced before the completion of the ongoing projects.
5. For a long period, the mode of binding for resources has been based on historical allocations to MDA's within the various budgetary sectors and thus this has an effect of producing an incremental budget year in, year out without regard to outputs or emerging need of the country and this budget framework has led to MDA's in the productive sector of the economy to continue to get meagre resources yet they are expected to be the drivers of economic growth. The case of the State Department for Trade that is expected to support export growth.
6. The 2021/2022 budget has been prepared against the background of significant resource constraints due to the adverse effects of the covid-19 pandemic on the economy. There is a limited resource envelope on account of economic underperformance, and this has resulted in severe budget constraints. Now, more than ever, the country must tighten its belt and limit its spending to high priority.

## **COMMITTEE RECOMMENDATION**

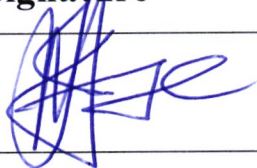




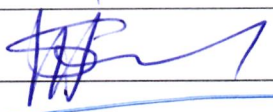

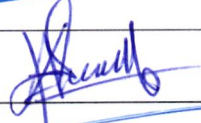

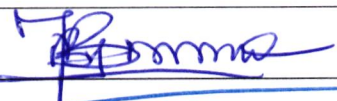

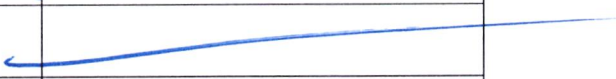
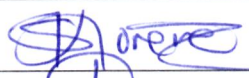
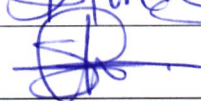
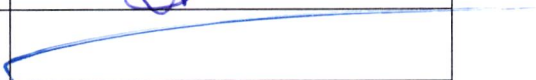
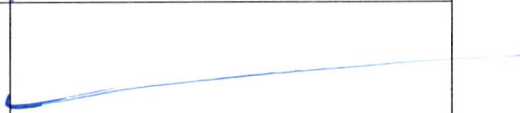
The Committee recommends:

1. Approve schedules attached in the Appropriation Bill 2021/2022.
2. That, the National Treasury finalizes the required budget documents as per the Public Finance Management Act on the detailed estimates.

**Members' attendance list**

**Budget and Appropriations Committee**

**Date 22.06.21. Time 10:00AM Sitting: .....**

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



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

Signed... DANSON KACHUMBO 

Date... 22.06.21.

Committee Clerk

Signed.....

Date.....

Director of Audit, Appropriations & Other Select Committees

**MINUTES OF THE 36<sup>th</sup> SITTING OF THE BUDGET AND APPROPRIATIONS COMMITTEE HELD AT BOMA INN, SOUTH C, NDOVU CONFERENCE HALL ON TUESDAY, 22<sup>ND</sup> JUNE 2021, AT 10.00 A.M.**

**PRESENT:**

- 1. Hon. Kanini Kega, CBS, M.P.- Chairperson**
2. Hon. (CPA) John Mbadi, EGH, CBS, M.P.
3. Hon. Emmanuel Wangwe, CBS, M.P.
4. Hon. (CPA) Moses K. Lessonet, CBS, M.P.
5. Hon. Samwel Moroto, M.P.
6. Hon. Alfred Kiptoo Keter, M.P.
7. Hon. (Dr.) Makali Mulu, M.P.
8. Hon. Sarah Paulata Korere, M.P.
9. Hon. Fatuma Gedi Ali, CBS, M.P.
10. Hon. (Eng.) Mark Nyamita, M.P.
11. Hon. Sakwa Bunyasi, M.P.
12. Hon. Paul Abuor, M.P.
13. Hon. Mercy Wanjiku Gakuya, M.P.
14. Hon. Joseph Manje, M.P.
15. Hon. Masalino Arbelle, M.P.

**ABSENT WITH APOLOGY:**

- 1. Hon. Benard Masaka Shinali, M.P.- Vice Chairperson**
2. Hon. Millie Odhiambo, M.P.
3. Hon. Richard Onyonka, M.P.
4. Hon. Jude Njomo, M.P.
5. Hon. Badi Twalib, M.P.
6. Hon. Samuel Atandi, M.P.
7. Hon. Josephine Naisula Lesuuda, OGW, M.P.
8. Hon. Danson Mwashako, M.P.
9. Hon. Wangari Mwaniki, OGW, M.P.
10. Hon. James Gichuki Mugambi, MBS, M.P.
11. Hon. Florence C. K. Bore, M.P.
12. Hon. (CPA) Francis Kuria Kimani, M.P.

**PARLIAMENTARY BUDGET OFFICE**

- |                         |                             |
|-------------------------|-----------------------------|
| 1) Dr. Martin Masinde   | Senior Deputy Director, PBO |
| 2) Mrs. Lucy Makara     | Deputy Director             |
| 3) Dr. Benjamin Ng'imor | Senior Fiscal Analyst       |
| 4) Ms. Millicent Makina | Fiscal Analyst              |

## COMMITTEE SECRETARIAT

- |                        |                          |
|------------------------|--------------------------|
| 1) Mr. Joseph Ndirangu | Fiscal Analyst I & Clerk |
| 2) Mr. Danson Kachumbo | Fiscal Analyst I         |
| 3) Mr. Abdi Salat      | Sergeant at Arms         |
| 4) Ms. Winfred Kizia   | Media Relations Officer  |
| 5) Mr. Eugene Luteshi  | Audio Office             |
| 6) Mr. George Mbaluka  | Office Attendant         |

## AGENDA

1. Preliminaries & Confirmation of Agenda
2. ***Consideration and Adoption of the draft Report on the Appropriation Bill (National Assembly No. 31 of 2021)***
3. Any Other Business (A.O.B)

### MIN.NO.NA/BAC/2021/370: PRELIMINARY

The Chairperson welcomed the committee members to the meeting and called the meeting to order at 10.30 a.m. Thereafter, a prayer was said.

### MIN.NO.NA/BAC/2021/371: CONSIDERATION AND ADOPTION OF THE DRAFT REPORT ON THE APPROPRIATION BILL (NATIONAL ASSEMBLY NO. 31 OF 2021)

The Chairperson welcomed the clerk of Budget and Appropriations Committee to consider the Appropriations Bill (National Assembly Bill No. 31 of 2021). The Bill was proposed by Hon. Paul Abour, M.P. and seconded by Hon. Mercy Gakuya, M.P. After deliberations, the Committee adopted the report of the Appropriations Bill (National Assembly Bill No. 31 of 2021) with the following observations and recommendations.

#### A. INTRODUCTION

1. The Appropriation Bill is prepared in accordance with the resolution made by the National Assembly as provided for in Article 221 (6) of the constitution of Kenya 2010. The Bill was published on Monday, 21<sup>st</sup> June 2021. It was read a first time in the National Assembly on Tuesday, 22<sup>nd</sup> June 2021 and was committed to the Budget and Appropriation Committee. In accordance with the provision of the National Assembly Standing Order 127(6)(b), the Committee examined and reviewed the Bill and has made recommendations, which are contained in this report.

## **Contents of the Appropriations Bill, 2021**

2. The Appropriation Bill, 2021 reflects the contents of the approved report of the Budget and Appropriations Committee on the Estimates of Expenditure for FY 2021/2022. The report approved issuance of Kshs. 1,942 billion of which Kshs. 1,273.6 billion is for recurrent and Kshs. 668.3 billion is for development expenditures. The budget allocation for the Parliament and Judiciary for FY 2021/2022 is Ksh. 37,882,700,000 and Ksh. 17,833,200,000 respectively.
3. The 2021/2022 budget has been prepared against the background of significant resource constraints due to the adverse effects of the covid-19 pandemic on the economy. There is a limited resource envelope on account of economic underperformance, and this has resulted in severe budget constraints. Now, more than ever, the country must tighten its belt and limit its spending to high priority areas in order to ensure that the citizen's most urgent needs are being met in an efficient and cost-effective manner.

### **CONSIDERATION OF AMENDMENTS UNDER THE APPROPRIATION BILL, (NATIONAL ASSEMBLY BILL NO. 31 OF 2021)**

4. The Committee did consider and approve the following amendments after it held consultations with the relevant Chairpersons of the Departmental Committees.

#### **A. D1021 STATE DEPARTMENT FOR INTERIOR AND CITIZEN SERVICES**

##### **Programme 0601000 Policing Services**

**That**, the proposed allocation under the programme in respect of Development Supply Estimates, Kshs. 1,649,000,000 be deleted and substituted thereof with the figure, **Kshs. 1,669,000,000.**

### **Programme 0629000 General Administration and Support Services**

**That**, the proposed allocation under the programme in respect of Development Supply Estimates, Kshs. 2,995,537,400 be deleted and substituted thereof with the figure, **Kshs. 3,015,537,400.**

**That**, the proposed allocation under the Vote D1021 (State Department for Interior and Citizen Services) in respect of total Development Supply Estimates, Kshs. 7,131,244,676 be deleted and substituted thereof with the figure, **Kshs. 7,171,244,676.**

**That**, the consequential amendment be effected in the relevant Class Sub Totals and the Cluster Sub-Totals.

### **B. D1032 STATE DEPARTMENT FOR DEVOLUTION**

#### **Programme 0712000 Devolution Services**

**That**, the proposed allocation under the programme in respect of Development Supply Estimates, Kshs. 1,123,957,480 be deleted and substituted thereof with the figure, **Kshs. 1,153,957,480.**

**That**, the proposed allocation under the Vote D1032 (State Department for Devolutuon) in respect of total Development Supply Estimates, Kshs. 1,228,957,480 be deleted and substituted thereof with the figure, **Kshs. 1,258,957,480.**

**That**, the consequential amendment be effected in the relevant Class Sub Totals and the Cluster Sub-Totals

### **C. D1064 STATE DEPARTMENT FOR VOCATIONAL & TECHNICAL TRAINING**

#### **Programme 0505000 Technical Vocational Education and Training**

**That**, the proposed allocation under the programme in respect of Development Supply Estimates, Kshs. 2,208,436,000 be deleted and substituted thereof with the figure, **Kshs. 2,238,436,000.**

**That**, the proposed allocation under the Vote D1064 (State Department for Vocational & Technical Training) in respect of total Development Supply Estimates, Kshs. 2,218,436,000 be deleted and substituted thereof with the figure, **Kshs. 2,248,436,000.**

**That**, the consequential amendment be effected in the relevant Class Sub Totals and the Cluster Sub-Totals

**D. D1066 STATE DEPARTMENT FOR EARLY LEARNING & BASIC EDUCATION**

**Programme 0501000 Primary Education**

**That**, the proposed allocation under the programme in respect of Development Supply Estimates, Kshs. 1,841,200,000 be deleted and substituted thereof with the figure, **Kshs. 1,871,200,000.**

**That**, the proposed allocation under the Vote D1066 (State Department for Early Learning & Basic Education) in respect of total Development Supply Estimates, Kshs. 11,396,600,000 be deleted and substituted thereof with the figure, **Kshs. 11,426,600,000.**

**That**, the consequential amendment be effected in the relevant Class Sub Totals and the Cluster Sub-Totals

**E. D1071 THE NATIONAL TREASURY**

**Programme 0718000 Public Finance Management**

**That**, the proposed allocation under the programme in respect of Development Supply Estimates, Kshs. 19,311,325,738 be deleted and substituted thereof with the figure, **Kshs. 17,131,325,738.**

**That**, the proposed allocation under Vote D1071 (The National Treasury) in respect of total Development Supply Estimates, Kshs. 48,727,971,738 be deleted and substituted thereof with the figure, **Kshs. 46,547,971,738.**

**That**, the consequential amendment be effected in the relevant Class Sub Totals and the Cluster Sub-Total.

## **F. D1091 STATE DEPARTMENT FOR INFRASTRUCTURE**

### **Programme 0202000 Road Transport**

**That**, the proposed allocation under the programme in respect of Development Supply Estimates, Kshs. 57,992,390,000 be deleted and substituted thereof with the figure, **Kshs. 59,905,890,000.**

**That**, the proposed allocation under the Vote D1091 (State Department for Infrastructure) in respect of total Development Supply Estimates, Kshs. 57,992,390,000 be deleted and substituted thereof with the figure, **Kshs. 59,905,890,000.**

**That**, the consequential amendment be effected in the relevant Class Sub Totals and the Cluster Sub-Totals

## **G. D1109 MINISTRY OF WATER, SANITATION & IRRIGATION**

### **Programme 1017000 Water and Sewerage Infrastructure Development**

**That**, the proposed allocation under the programme in respect of Development Supply Estimates, Kshs. 16,861,000,000 be deleted and substituted thereof with the figure, **Kshs. 16,996,500,000.**

**That**, the proposed allocation under the Vote D1109 (State Department for Water, Sanitation & Irrigation) in respect of total Development Supply Estimates, Kshs. 33,570,000,000 be deleted and substituted thereof with the figure, **Kshs. 33,705,500,000.**

**That**, the consequential amendment be effected in the relevant Class Sub Totals and the Cluster Sub-Totals

## **H. D1152 MINISTRY OF ENERGY**

### **Programme 0213000 Power Transmission and Distribution**

**That**, the proposed allocation under the programme in respect of Development Supply Estimates, Kshs. 15,767,000,000 be deleted and substituted thereof with the figure, **Kshs. 15,768,000,000.**

**That**, the proposed allocation under the Vote D1032 (State Department for Devolutuon) in respect of total Development Supply Estimates, Kshs. 22,389,000,000 be deleted and substituted thereof with the figure, **Kshs. 22,390,000,000.**

**That**, the consequential amendment be effected in the relevant Class Sub Totals and the Cluster Sub-Totals

## **B. COMMITTEE OBSERVATIONS**

The committee made the following observations:

1. The total sum of Kshs. 1.495 Trillion to be issued out of the Consolidated Fund for the services and purposes for the year ending 30th June, 2022 while the Appropriations in Aid will account for Kshs. 446.2 Billion.
2. The allocations for public hearings domiciled in the National Treasury be moved to the respective implementing Ministries as well as allocation of Kshs. 25 Million to the New KPCU that was wrongly placed that need to be moved to the KNTC. In this regard, I would like to inform the House that I will be moving the amendments at the Committee of the Whole House.
3. Despite the Cabinet Secretary directive during his public pronouncement of the Budget policy highlights and revenue raising measures for the national government, that all pending bills by government agencies be cleared immediately, they continue to present a significant challenge in almost all sectors of the budget. This has a negative impact to the economy as most of the businesses are having challenges settling their debt obligations. In fact most of the businesses that used to do business with the Government have been closed.
4. The total cost of stalled projects is Ksh. 9 trillion. This is a worrying trend as it indicates that there is no adherence to the project guidelines issued by the National Treasury. A policy must be implemented to ensure enforcement of PFM and Treasury guidelines. Going forward, no new projects should be introduced before the completion of the ongoing projects.
5. For a long period, the mode of binding for resources has been based on historical allocations to MDA's within the various budgetary sectors and thus this has an effect of producing an incremental budget year in, year out without



regard to outputs or emerging need of the country and this budget framework has led to MDA's in the productive sector of the economy to continue to get meagre resources yet they are expected to be the drivers of economic growth. The case of the State Department for Trade that is expected to support export growth.

6. The 2021/2022 budget has been prepared against the background of significant resource constraints due to the adverse effects of the covid-19 pandemic on the economy. There is a limited resource envelope on account of economic underperformance, and this has resulted in severe budget constraints. Now, more than ever, the country must tighten its belt and limit its spending to high priority.

### **C. COMMITTEE RECOMMENDATION**

The Committee recommends:

1. Approve schedules attached in the Appropriation Bill 2021/2022.
2. That, the National Treasury finalizes the required budget documents as per the Public Finance Management Act on the detailed estimates.

### **MIN.NO.NA/BAC/2021/372: ANY OTHER BUSINESS & ADJOURNMENT**

There being no other matters to consider, the meeting was adjourned at 12.00 p.m.

**SIGNED**



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

22/6/2024

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**DATE**