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REPUBLIC OF KENYA

THE NATIONAL ASSEMBLY
THIRTEENTH PARLIAMENT – THIRD SESSION

TABLED BY:	Hon. Mburki Karekei <i>CS</i> Chairperson, Tourism & Wildlife
CLERK-AT THE TABLE:	A. Shubuko

DEPARTMENTAL COMMITTEE ON TOURISM AND WILDLIFE

**REPORT ON THE BUDGET IMPLEMENTATION MONITORING FOR FY 2022/23
AND HALF YEAR 2023/2024:**

State Department for Tourism
State Department for Wildlife

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ABBREVIATIONS

A-I-A	-	Appropriations in Aid
FY	-	Financial or Fiscal Year
HQ	-	Headquarters
KSh.	-	Kenya Shilling
KICC	-	Kenyatta International Convention Centre
KTB	-	Kenya Tourism Board
KUC	-	Kenya Utalii College
KWS	-	Kenya Wildlife Service
MDAs	-	Ministries, Departments and Agencies
MICE	-	Meetings Incentives Conferences and Exhibitions
SAGAs	-	Semi-Autonomous Government Agencies
SGR	-	Standard Gauge Railway
SO	-	Standing Orders
TF	-	Tourism Fund
TPF	-	Tourism Promotion Fund
TRA	-	Tourism Regulatory Authority
TRI	-	Tourism Research Institute
WCK	-	Wildlife Clubs of Kenya
WRTI	-	Wildlife Research and Training Institute

PART I:

1.1 INTRODUCTION

2 This report is an outcome of interactions with the Ministry, Departments, and Agencies (MDAs) under the Ministry of Tourism and Wildlife during the budget implementation monitoring exercise for Financial Year 2022/2023 and the first half of Financial Year 2023/2024. The budget implementation exercise aligns with the committee's responsibility of overseeing and reporting on the execution of the national budget, as outlined in Standing Order 216(5)(ba) and 245A(2)(c).

2.1 Mandate of the Committee

1. The Departmental Committee on Tourism and Wildlife is one of the twenty (20) Departmental Committees of the National Assembly established under **Standing Order 216** whose mandates pursuant to the **Standing Order 216 (5)** are as follows:

- i. *To investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned ministries and departments;*
- ii. ***To study the programme and policy objectives of Ministries and departments and the effectiveness of their implementation;***
- iii. *To study and review all the legislation referred to it;*
- iv. *To study, access and analyze the relative success of the Ministries and departments as measured by the results obtained as compared with their stated objectives;*
- v. *To investigate and inquire into all matters relating to the assigned Ministries and departments as they may deem necessary, and as may be referred to them by the House;*
- vi. *To vet and report on all appointments where the Constitution or any law requires the National Assembly to approve, except those under Standing Order No.204 (Committee on appointments);*
- vii. *To examine treaties, agreements and conventions;*
- viii. *To make reports and recommendations to the House as often as possible, including recommendation of proposed legislation;*
- ix. *To consider reports of Commissions and Independent Offices submitted to the House pursuant to the provisions of Article 254 of the Constitution; and*
- x. *To examine any questions raised by Members on a matter within its mandate.*

2. In executing its mandate, the Committee oversees the following Government Ministries and Departments:

- i. State Department for Tourism
- ii. State Department for Wildlife

2.2 Committee Membership

3. The Departmental Committee on Tourism and Wildlife was constituted by the House on 27th October 2022 and comprises of the following members:

Chairperson

Hon. Mbiuki Japhet Miriti Kareke, CBS MP
Maara Constituency

UDA Party

Vice-Chairperson

Hon. Wanjiku John Njuguna, MP
Kiambaa Constituency

UDA Party

Members

Hon. Obo, Ruweida Mohamed, MP
Lamu East Constituency

Jubilee Party

Hon. Abubakar Talib Ahmed, MP
Nominated Member

Wiper Party

Hon. Kiprono, Mutai Alfred, MP
Kuresoi North Constituency

UDA Party

Hon. Mugabe Innocent Maino, MP
Likuyani Constituency

ODM Party

Hon. Gichuki, Edwin Mugo, MP
Mathioya Constituency

UDA Party

Hon. Karambu Elizabeth, MP
Meru (CWR) Constituency

UDA Party

Hon. Chebor Paul Kibet, MP
Rongai Constituency

UDA Party

Hon. Kilel Richard Cheruiyot, MP
Bomet Central Constituency

UDA Party

Hon. Bedzimba Rashid Juma, MP
Kisauni Constituency

Orange Democratic Party

Hon. Abdi Ali, MP
Ijara Constituency

NAP-K Party

Hon. Ruku, Geoffrey Kariuki Kiringa, MP
Mbeere North Constituency

DP Party

Hon. Shake, Peter Mbogho, MP
Mwatate Constituency

JP Party

Hon. Abdi, Khamis Chome, MP
Voi Constituency

WDM-K Party

2.3 Committee Secretariat

4. The Committee is facilitated by the following secretariat:

Ms. Mary Lemerelle
Clerk Assistant I, Head of Secretariat

Ms. Violet Ouma
Clerk Assistant III

Ms. Terry Ondiko
Fiscal Analyst III

Mr. Peter Mwaura
Principal Legal Counsel

Mr. Oscar Onsongo
Research Officer III

Mr. Yakub Ahmed
Media Relations Officer

Mr. Bonface Mushila
Serjeant-at-Arms

Mr. Rodgers Kilungya
Audio Officer III

Mr. Amos Tindi
Hansard Reporter

PART II

2.0 SUBMISSIONS BY THE STATE DEPARTMENT FOR TOURISM, STATE DEPARTMENT FOR WILDLIFE, AND MDAs ON THE BUDGET IMPLEMENTATION FOR FY 2022/2023 AND HALF YEAR 2023/2024

2.1 SUBMISSION BY THE STATE DEPARTMENT FOR TOURISM

1. The Committee received both oral and written submissions on various dates (26th, 27th, 28th and 29th March, 2024, and 18th April, 2024), from the Ministry of Tourism and Wildlife, and the Development Agencies under its purview. In total, the Committee received eight (8) submissions from the State Department of Tourism and three (3) submissions from the State Department of Wildlife. The submissions received and the manner in which they were considered is summarized below:-
2. **Mr. John Ololtuaa, CBS, the Principal Secretary, State Department for Tourism,** appeared before the Committee on **26th March, 2024 at 10.00am** and made presentations on the budget implementation information on fiscal years 2022/23 and half year of 2023/24, based on the Committee letter dated 19th March, 2024 as follows:-
3. The State Department for Tourism its mandate from the Executive Order No. 2 of 2023 on the Organization of the Government of the Republic of Kenya. The Functions of the State Department are:
 - i) Tourism Policy and Standards;
 - ii) Development and Promotion of Tourism;
 - iii) Training on Tourism Services;
 - iv) Tourism Finance;
 - v) Tourism Research and Monitoring;
 - vi) Protection of Tourism and Regulation;
 - vii) Positioning and Marketing of Kenya to local and international Tourists.
4. The state department has Seven (7) Semi-Autonomous Agencies that are in charge with the following mandates;
 - i. **Kenya Tourism Board:** Develop co-ordinate and market Kenya locally and internationally as a premier tourist destination.
 - ii. **Kenyatta International Convention Centre (KICC):** Spearhead the Meetings, Incentive travel, and Conference and Exhibitions (MICE) industry and promote Kenya as a MICE destination.
 - iii. **Tourism Regulatory Authority:** Regulate the tourism sector
 - iv. **Tourism Research Institute:** Undertake and coordinate tourism research and analysis through generating data and research information to inform decision-making.
 - v. **Kenya Utalii College:** Undertake tourism and hospitality training, and capacity building for the tourism sector.
 - vi. **Tourism Fund:** Mobilize resources to finance the development of a sustainable tourism industry in Kenya through innovation, service excellence and stakeholder engagements.
 - vii. **Tourism Promotion Fund:** Finance tourism development, promotion and branding by tourism implementing agencies in the country.

2.2 FINANCIAL PERFORMANCE BY VOTE AND PROGRAMME FOR THE PERIOD UNDER REVIEW

5. The approved budget for the FY 2022/2023 was **Kshs.10.114 Billion**. Comprising of **KShs. 10,055 Million** Recurrent and **KShs. 59 Million** Development.

a) **Actual revenue receipts: exchequer issues and appropriations in aid (AIA) Table**

1: Recurrent for FY2022/2023

RECEIPTS	APPROVED BUDGET FY2022/23	ACTUAL RECEIPTS FY2022/23	BUDGET UTILISATION DIFFERENCE	ABSORPTION RATE- (%)
Exchequer	1,209,575,593	1,169,442,972	(40,132,621)	97%
AIA	8,845,395,007	8,037,818,890	(807,700,313)	91%
TOTAL RECEIPTS	10,054,970,600	9,207,261,862	(847,832,934)	92%

6. The total Exchequer of **Kshs.1. 209Billion** comprises of;

(i). **KShs 397.33Million** to state department of which **Kshs.194.37Million** for compensation to employees and **KShs.202.96Million** for operations and maintenance.

(ii). **Kshs.812.25Million** Net transfer to Agencies of which:

- **TRA KShs 167.6Million**
- **TRI Kshs.56.96Million**
- **Bomas of Kenya Kshs.179.43Million**
- **KTB Kshs.306.99Million; and**
- **KUC Kshs.101.27M**

7. The total AIA of **Kshs.8, 845Million** comprises of collection from the following Agencies

Table 2.AIA Analysis

INSTITUTION	APPROVED BUDGET FY2022/23 (Million)	ACTUAL RECEIPTS FY2022/23 (Million)	VARIANCE
TRA	215,000,000	205,144,711	(9,855,289)
KTB	153,000,000	155,444,691	2,444,691.00
KUC	376,000,000	351,676,434	(24,323,566)
TF	3,838,800,000	4,050,108,682	211,308,682.20
TPF	3,015,227,000	2,339,508,000	(675,719,000)
KICC	1,000,648,007	933,358,372	(67,289,635)
TFC	241,720,000	0	(241,720,000)
SDT	5,000,000	2,578,000	(2,422,000)
TOTAL	8,845,395,007	8,037,818,890	(807,576,117)

Table 3: Development for FY2022/2023

RECEIPTS	APPROVED BUDGET FY2022/23	ACTUAL RECEIPTS FY2022/23	BUDGET UTILISATION DIFFERENCE	ABSORPTION RATE- (%)
Exchequer releases	34,010,000	12,609,866	21,400,134	37%
AIA	25,000,000	-	25,000,000	0%
TOTAL RECEIPTS	59,010,000	12,609,866	46,400,134	21%

8. The total development budget of **Kshs.59Million** comprises of **Kshs.34Million** for Open Space Office Modelling and Security System Fitting project and Kshs.25M for National Tourism Digital Service Platform.
9. The under-utilization on Open Space Office Modelling and Security System Fitting project was due to non-receipt of certificate from public works to initiate payment process whereas for the National Tourism Digital Service Platform project was as a result of late approval of supplementary 11 budget hence delay in procurement process.

2.1.1 Tourism Promotion Fund (TPF)

Mr. Stephen Kinyanjui, the CEO for Tourism Promotion Fund, appeared before the Committee on 27th March, 2023 at 10.00am and made presentations on the following submissions:-

10. The Tourism Promotion Fund derives its mandate from the Legal Notice No 24, dated 12th April, 2019 on the Public Finance Management (Tourism Promotion Fund) Regulations, 2019. The Legal Notice mandates the Fund to “**Provide funds to support development, promotion and branding of tourism sector**”. TPF provides funds to finance projects/ programmes to tourism Implementing entities (Ministries /Departments /Agencies) in the government.
11. The TPF Regulations 2019 provide that, the Fund shall have an oversight board led by the Cabinet Secretary for Tourism and Wildlife and administered by a chief executive officer (CEO), with a designate a secretariat to support the operations of the Fund which shall be headed by the Chief Executive Officer.

Tourism Source of Funds include:-

- a) Proceeds realized under section 3 of the Air Passengers Service Charge Act;
 - b) Moneys appropriated by the National Assembly for the purpose of the Fund;
 - c) Income from investments of any surplus funds in the Fund;
 - d) Interest accruing to the Fund;
 - e) Grants, donations or other bequests made to the Fund;
 - f) Moneys paid into the Fund from any other source as may from time to
 - g) time be approved by the Cabinet Secretary; and
 - h) Any other moneys as may be provided for in an Act of Parliament.
12. During the FY 2022/2023, the **approved budget** was **Ksh.3.04Billion** while the **actual revenue** realized was **Ksh.3. 11Billion**.
 13. In the FY 2023/2024, the **approved budget** is **Ksh.4.70 Billion** while the **revenue retained** and realized as **at Quarter 2 FY 2023/2024** is **Ksh.3. 99Billion**.
 14. The projects funded by the Tourism Promotion Fund is annex 3.

2.1.2 Tourism Fund (TF)

Mr. David Mwangi, the Ag. Chief Executive Officer (CEO), Tourism Fund appeared before the Committee on 27th March, 2024 at 12.30pm and made presentations on the following submissions:-

15. Tourism Fund is a body corporate established by the Tourism Act 2011 Laws of Kenya which came into operation on 1st September, 2012 vide a special issue Kenya Gazette Supplement No. 93 of 24th August, 2012.
16. The Fund's mandate as prescribed by the Act are as follows:-
 - a) Finance the development of Tourism Products and Services;
 - b) Finance the marketing of Kenya as a tourist destination through the Kenya Tourism Board;
 - c) Finance the activities of the Protection Service;
 - d) Finance the Tourism Research, Tourism Intelligence and the National Tourism Information Management System;
 - e) Finance the activities of the Tourism Sector Safety, Communication and Crisis Management Centre to be established and managed by the Ministry;
 - f) Finance training and capacity development activities of the College and of such other tourism hospitality training institutions as may be established under this Act; and
 - g) Mobilize resources to support tourism-related activities.
17. The RNUC Project has received funding from Tourism Fund, Tourism Promotion Fund and National Treasury of **KSH 12.119.90Billion** as itemized as follows;

Table 1: Project Funding as at 2nd April, 2024

FY	SOURCE OF FUNDS			TOTAL DISBURSED
	TOURISM FUND	NATIONAL TREASURY	TOURISM PROMOTION FUND	
2011/12	-	233,000,000.00		233,000,000.00
2012/13	29,628,460.00	80,000,000.00		109,628,460.00
2013/14	283,375,986.00	547,975,000.00		831,350,986.00
2014/15	276,208,186.99	786,422,211.00		1,062,630,397.99
2015/16	525,701,860.00	500,000,000.00		1,025,701,860.00
2016/17	608,651,807.00	562,000,000.00		1,170,651,807.00
2017/18	528,795,651.40	93,750,000.00		622,545,651.40
2018/19	576,165,249.50	200,000,000.00		776,165,249.50
2019/20	254,191,107.73	300,000,000.00		554,191,107.73
2020/21	54,114,840.00	50,000,000.00	800,000,000.00	904,114,840.00
2021/22	596,320,000.00	130,000,000.00	700,000,000.00	1,426,320,000.00
2022/23	1,170,000,000.00	58,600,000.00	500,000,000.00	1,728,600,000.00
2023/24	1,525,000,000.00		150,000,000.00	1,675,000,000.00
TOTALS	6,428,153,148.62	3,541,747,211.00	2,150,000,000.00	12,119,900,359.62

Source: Tourism Fund

18. The payments made of to the contractors and consultants is KES 11,980,109,624.64
 19. The current outstanding balance of claims is KES. 755,787,950.92 itemized as follows;

Table 2: Pending Bills as at 31st December 2023

A	DATE	RNUC CONSULTANTS	DETAILS	AMOUNT (KSHS)
1	21.08.2020	Baseline Architects	Contract Architectural services-RNUC	521,963,469
2	02.07.2018	Ujenzi Consultants	Quantity surveying-RNUC	112,355,214
3	03.08.2018	Armitech Consulting	Civil and structural Engi. services-RNUC	35,445,025
4	28.06.2021	West Consult	Electrical & IT Engineering services-RNUC	152,240,047
		SUB-TOTAL	TOTAL	822,003,755
		RNUC CONTRACTORS - MAIN CONTRACTOR		
1	31.12.2023	Mulji Devraj & Brothers	Main Contractor-Certificate No. 57	199,552,560
2	31.12.2023	Mulji Devraj & Brothers	Main Contractor-Certificate No. 58	226,624,540
		SUB-TOTAL	TOTAL	426,177,100
		RNUC SUB-CONTRACTOR		
1	31.12.2022	Master Power Systems Limited	Certificate No.57	13,089,456
2	31.12.2022	Nyali Air Conditioning Limited	Certificate No.57	9,030,353
3	31.12.2022	M/S AQUACHEM TECH. LTD	Certificate No.57	17,483,276
		SUB-TOTAL	TOTAL	39,603,084
		TOTAL FOR RNUC		1,287,783,939
B		TF OFFICE BLOCK CONTRACTORS		
1	14.02.2021	Cementers Ltd	Main Contractor	8,064,074
2	17.02.2021	Contemporary Electricals	Construction for the CCTV, Access control	8,633,323
3	31.05.2023	Aqua Plumbing	Plumbing & Drainage	4,785,489
		Unidata Systems		255,331
		SUB-TOTAL		21,738,217
		TF OFFICE BLOCK CONSULTANTS		
1	21.04.2017	Masterbill Intergrated	Quantity surveying	2,574,015
		SUB-TOTAL		2,574,015
		TOTAL FOR TF OFFICE BLOCK		
		OTHERS - CONSULTANTS		
1	31.05.2023	Donn Consultants	Partitioning Regional Offices (Eldoret & Nyeri), Generator Repair & Meter Separation	775,800
		SUB-TOTAL		775,800

		TOTAL FOR OTHERS		775,800
		TOTAL PENDING BILLS		
1	A	RNUC		1,287,783,939
2	B	TF OFFICE BLOCK		24,312,232
3	C	OTHERS		775,800
			TOTAL	1,312,871,971
PENDING BILLS SUMMARY INCLUSIVE OF OTHER CREDITORS				
	Details		Amt. Kshs.	
1	Contractors		487,518,401.01	
2	Consultants		825,353,570.08	
	Total Pending Bills		1,312,871,971.09	

Source: Tourism Fund

**Table 3: Financial Performance by Vote and Program
Revenue Receipts**

	LATEST BUDGET ESTIMATES	ACTUAL	VARIANCE	VARIANCE %	NOTES
Description	FY2022 / 2023	FY2022 / 2023	FY2022 / 2023	FY2022 / 2023	
	Kshs	Kshs	Kshs	%	
Revenue					
RNUC GoK Grants	58,600,000	58,600,000	-	0%	
RNUC TPF Grants	500,000,000	500,000,000	-	0%	
Levy income	3,793,561,639	4,037,776,274	244,214,635	6%	(i)
Total Revenue from non-exchange transaction	4,352,161,639	4,596,376,274	244,214,635	6%	
Rental Income	49,401,763	78,053,059	28,651,296	58%	(ii)
Interest on Staff Loans	2,100,000	608,717	(1,491,283)	(71%)	(iii)
Disposal Income	1,000,000	4,000	(996,000)	(100%)	
Total Revenue from exchange transaction	52,501,763	78,665,776	26,164,013	50%	
Total Revenue	4,404,663,402	4,675,042,050	270,378,648	6%	

20. The levy income was surpassed by 6% as a result of improvements of ERP systems by TPF.

21. Tourism Fund in the FY.2022/2023 funded the construction of the ongoing Ronald Ngala Utalii College Flagship Project at Kshs.1.848.676Billion itemized as follows;

Agency	Amount in Kshs.
Tourism Fund	1.346.257Billion
Tourism Promotion Fund	443.819Billion
National Treasury	58.600Billion

22. During the half year for Financial Year 2023/2024 under review, the Fund recorded Tourism Levy collection of 20% above the target.

Actual Target	Revenue
Kshs.2.Billion	Kshs.2.390.538Billion

2.1.3 Kenyatta International Convention Centre (KICC)

Mr. James Mwaura, the CEO, Kenyatta International Convention Centre (KICC) appeared before the Committee on **28th March, 2024 at 10.00am** and made the following submissions:-

23. The Kenyatta International Convention Centre (KICC) under the Tourism Act. No. 28 of 2011 that came into operation on 1st September 2012, with the objective and purpose of promoting business of Meetings, Incentive travel, Conferences and exhibitions (MICE). The following are mandates of the Kenyatta International Convention Centre;

- a) To organize and host meetings and provide incentives for conferences and exhibitions at the Convention Centre;
- b) To develop and implement the national meetings, incentives for conferences and exhibitions strategy, in collaboration with the Tourism Board upon consultation with the relevant stakeholders;
- c) To market the Convention Centre, in collaboration with the Tourism Board; and
- d) To perform any other functions that are ancillary to the object and purpose for which the Convention Centre is established.

Table 4: Actual Revenue Receipts Vs Expenditure 2022/2023

SOURCE OF REVENUE	REVENUE TARGET FOR FY2022/23	ACTUAL RECEIPTS FOR FY2022/23	ACTUAL EXPENDITURE FOR FY2022/23	DIFFERENCE	ABSOPTION RATE %
GOK(TF)	12,000,000.00	12,000,000.00	12,000,000	-	100%
AIA	1,000,648,007.19	933,358,371.92	844,494,061.91	88,864,310.01	90%
DONOR					
TOTAL	1,012,648,007.19	945,358,371.92	856,494,061.91	88,864,310.01	91%

Table 5: Actual Revenue Receipts Vs Expenditure 2023/2024

SOURCE OF REVENUE	REVENUE TARGET FOR FY2023/24	ACTUAL RECEIPTS FOR FY2023/24	ACTUAL EXPENDITURE FOR FY2023/24	DIFFERENCE	ABSOPTION RATE %
GOK(TF)					
AIA	1,090,472,836	1,238,130,677	1,091,057,986	147,072,690	88%
DONOR					
TOTAL	1,090,472,836	1,238,130,677	1,091,057,986	147,072,690	88%

Table 6: Recurrent Vote Expenditure By Economic Classification

ECONOMIC CLASSIFICATION	APPROVED BUDGET FOR FY 2022/23 Kshs. (000) Million	ACTUAL EXPENDITURE FOR FY 2022/23 in Kshs. (000) Millions	DIFFERENCE	APSORPTION RATE %	REMARKS
Compensation to Employees	342,523,432	247,349,463	95,173,969	72%	i. The under absorption resulted from recategorization that was approved by the Head of public

Table 6: Recurrent Vote Expenditure By Economic Classification

ECONOMIC CLASSIFICATION	APPROVED BUDGET FOR FY 2022/23 Kshs. (000) Million	ACTUAL EXPENDITURE FOR FY 2022/23 in Kshs. (000) Millions	DIFFERENCE	APPORTION RATE %	REMARKS
					service but yet to be implemented ii. Also freezing of recruitment of new employees by the National Treasury under budget implementation circular.
Use of Goods and Services	260,592,094	236,525,466	24,066,628	91%	These expenses relates directly to events held, the under absorption resulted from low volume of events held
Other Operating Activities	369,521,975	372,619,133	(3,097,158)	101%	The variance is due to increase on some fixed costs like electricity and water.
Transfer to Other State Agency			-		
TOTAL	972,637,501	856,494,062	116,143,439		

Actual vs the set targets in the PBB for 2022/2023

24. The Corporation during the Financial Year under review surpassed its nonfinancial targets as per the Program Based Budget for 2022/2023. These included the number of delegates (Local and International) and the number of conferences hosted (Local and International). Project implementation target was also achieved. See the table below:-

Table 7: Non-Financial Performance in FY 2022/2023

Programme	Key Output	Key Performance Indicators	Target	Actual	Remarks
			2022/23	2022/23	
S.P. Niche Tourism Product Development and Diversification	Increased Number of international conferences	Number of international conferences held	321	896	There MICE subsector has recorded a steady rise in the last three years. This can be attributed to the fact that the subsector has fully recovered from the Covid-19 pandemic. During the period under review, the planned target was achieved and surpassed. The number of both local and international conferences hosted was higher during the FY 2022/23 compared to 2021/22 FY
		Number of local conferences and events held	9,335	9,662	
	Increased No. of conferences & delegates	Number of international delegates hosted	10,002	23,105	
		Number of local delegates hosted	189,667	615,373	
	Modernized & Refurbished of KICC Facility	% completion	35.71	37.82	
			37.82		

Programme	Key Output	Key Performance Indicators	Target	Actual	Remarks
			2022/23	2022/23	
					Amphitheatre, renovation of executive meeting rooms on the 1 st floor and repairs of parking sheds. These were completed as scheduled. The project was done through internally generated funds

25. The Corporation has one ongoing project which is implemented in phases where different project components are prioritized and implemented. During the period under review, KICC completion of the rehabilitation of the Amphitheatre roof, modernization of the 1st floor meeting rooms, repairs of the parking sheds and renovations of Amphitheatre interior. These were done using internally generated funds. The Modernization of KICC project however, received a major boost in the current FY 2023/2024 in terms of financial allocation from the Tourism Promotion Fund (TPF) and also technical assistance from the Ministry of Defence.
26. The corporation have executed 64.14% of the modernization and refurbishment project with, among others, the following key components being completed during the financial year 2023/24.
- i. Rehabilitation of the fountain
 - ii. Modernization of the Tsavo ballroom
 - iii. Rehabilitation of the borehole
 - iv. Refurbishment of Amphi theatre
 - v. Refurbishment of toilets from lower ground floor to 6th floor
27. KICC transferred the procuring responsibilities to Ministry of Defence who are implementing the project on their behalf. All the funds received from Tourism Promotion Fund have been transferred to Ministry of Defence.
28. The Convention had put up a request on renovation of the building (ground floor up to the 6th floor) which costed Kshs 400Million, as the initial cost for renovation. The CEO apprised the Committee that initial contractors were paid Kshs 200M and later terminated the contract following a letter form the former Cabinet Secretary for Tourism and Wildlife, Hon. Peninah Malonza on 25th July, 2023. (Annexed).
29. That KICC allowed the Ministry of Defense to progress with renovations after requesting for Kshs 1.9Billion from Tourism Promotion Fund on a letter dated 7th August, 2023. The letter stopping the initial contractors is annexed.
30. KICC also implements the Meetings Incentive Conferences and Exhibitions (MICE) marketing program whose objective is to promote and Market MICE locally and internationally. The Corporation undertook various marketing initiatives including participation in four (4) international MICE expos as well as international media campaigns.
- 31. Pending bills of Kshs 1.143.44Billion is owed to KICC while the pending bills from the suppliers had accrued to Kshs 1.855.784.948.Billion.**

2.1.4 Kenya Utalii College (KUC)

Mr. Anthony Mbehelo, the Ag. Principal/Chief Executive Officer (CEO), Kenya Utalii College appeared before the Committee on 28th March, 2024 at 11:30 am and made presentations on the following submissions:

32. For the Financial Year 2022/23;

Revenue from TF	Kshs 360Million
Grants from GOK	Kshs 101.27Million
AIA	Kshs 376Million

33. Non-financial performance report for FY 2022/23 included:

- a. Tourism Training and capacity building Received grants for equipping after the end of the financial year leading to delay in procurement.
- b. Research consultancy and collaborations- the unmet targets was a result of austerity measures.
- c. Student enrollment- more students were admitted and more students attended refresher and MDP programmes

34. Capital Transfer of Kshs 250M from Tourism Promotion Fund to equip the Individual Training Kitchen (ITK).

35. Budget performance for FY 2023/2024 as at 29th February, 2024:

Revenue from Tourism Levy	Kshs 400Million
Grants from GOK	Kshs 67.5Million
Development Grants from TPF	Kshs 271.33Million

2.1.5 Tourism Regulatory Authority (TRA)

Mr. Nobert Talam, Director General, Tourism Regulatory Authority (TRA), appeared before the Committee on 28th March, 2024 at 12.30pm and made presentations on the following submissions:

36. The Authority received a total of **Kshs. 421,292,211Million** for the **FY 2022/23**

Grants from GOK	Kshs 167.6Million
Grants from development TPF partners	Kshs 48.548Million
AIA (License Fees),	Kshs 205.145Million

37. During the period under review the expenditure on the budget was as follows:

Actual Recurrent Expenditure

Compensation to Employees	Kshs.199.248 Million
Board Expenses	Kshs. 10.656 Million
Repair and Maintenance	Kshs. 4.801 Million
Use of Goods and Services	Kshs. 31.146 Million

Contracted Services	Kshs. 17.408 Million
Insurance and Medical	Kshs. 30.303Million
Rent & Rates	Kshs. 41. 619Million
Administrative Expenses	Kshs. 51.419Million
Total	Kshs.386.601Million

38. The total **Actual Development Expenditure** for **FY 2022/2023** was **Kshs. 24.481Million**, while for **FY 2023/24** as of 22nd March 2024 was **Kshs. 94Million** for Accreditation and Classification.
39. The Authority is currently implementing the project under “Accreditation, classification, and grading of hospitality (class A & B) enterprises.” The project is informed by the implementation of the National Classification Program under the East African Community.
40. Classification Scheme for tourist accommodation and catering (Class A & B) enterprises undertaken in the FY 2015/2016 & FY 2016/2017. The project requires a total of Kshs. 194Million and the source of funding is the Tourism Promotion Fund.
41. The project started on 7th March 2023 and is expected to be completed in three years. The Tourism Promotion Fund (TPF) confirmed funding of the Kshs. 100,000,000Million with the balance to be confirmed under FY 2024/2025.
42. The Authority continues to face the challenge of inadequate resources for its programmes and activities. The allocation from the National Government has been reduced. In FY 2022/2023 Kshs. 23Million was cut.

2.1.6 Kenya Tourism Board (KTB)

Mr. John Chirchir, the Ag. Chief Executive Officer (CEO), Kenya Tourism Board (KTB) appeared before the Committee on 28th March, 2024 at 2.30pm and made presentations on the following submissions:-

43. The KTB approved budget was KShs 859.99Million, comprising the Recurrent grant KShs 306.99Million.

Tourism Fund Grant	Kshs 300Million
TPF Grants for destination PR and Digital Communication project	Kshs 100Million
AIA	Kshs 153Million

44. Development grant originally approved at KShs 50.2M was cut (100%) during Supplementary 1 budget. This led to a budget deficit of KShs 50.2M.

45. The marketing budget estimates was used to implement various marketing programmes including the following:-

- a) Marketing Campaigns in Priority Markets
- b) Business Development & County Engagements
- c) Public Relations and Communications
- d) Global Digital Marketing Campaigns
- e) Exhibitions and Events (Kenya and international)
- f) Strategic partnerships and customer relationship management programs Research & Strategy
- g) Tactical Marketing campaigns

46. KTB's main programme is to effectively market Kenya's tourism products in order to achieve four (4) outputs. The annual target for the outputs and the key performance indicators (KPIs) and achievements as follows:-

- a) International Arrivals- The source markets demonstrated steady growth in the financial year post-recovery from the Covid-19 Pandemic. Notably, markets like China, which had remained closed for an extended period, reopened. KTB's initiatives, such as the Real Deal campaign, played a pivotal role in boosting international arrivals during this period
- b) Tourism Receipts- The increased international arrivals boosted the revenues. The period registered relatively longer stay for travelers which increased the spending.
- c) Domestic Bed Nights- The country registered a steady growth of the bed nights .The change in the school calendar; Easter Holidays being within the school impacted negatively on the bed nights. The early period of the year was affected by public demonstrations following the election, this restricted movement for about 3 months which may have impacted negatively on the numbers.
- d) Brand Awareness- The brand awareness was supported with the various marketing initiatives conducted over the period including marketing campaigns, joint marketing initiatives, as well as strategic partnerships.

47. KTB has one main project that was approved by National Treasury in 2015.
48. The project 'Developing & Sustaining Target Markets & Sitting Booths in Tourism
49. Target markets' was approved at a total cost of KShs 6.669Bn and was to be funded in 5 years (July 2015- June 2020). The disbursements as at 30th June 2023 was KShs 2.997Bn (45%). The timeline is likely to be extended until the project is fully funded.
50. The original budget allocation for the project in FY 2022/23 was KShs 50.2Million
51. Every financial year, the Board approves a number of projects to be implemented within the main project. In the financial year under review, KTB was undertaking only one project- Magical Kenya Travel Expo (MKTE) under the development budget due to the limited budget. During the year, there was no allocation for capital expenditure.
52. Magical Kenya Travel Exhibition (MKTE) took place in October 2022.
53. The budget was however cut (100%) during Supplementary 1 budget. By the time the budget cut was communicated, the activity had already been committed and the expenditure had been incurred.
54. KTB had a pending bill of KShs 62,317,706, being a provision for tax assessment. The amount related to interest and penalties on withholding tax assessment. The assessment was issued in June 2017 following tax review of expenditure for the period between July 2012 and October 2016.
55. In July 2022, KTB paid the total principal tax of KShs 120M in July 2022. KTB applied for full amnesty of interest and penalties totaling KShs 62,317,706 as per Finance Act 2023; the approval of the waiver was awaited as at 30th June 2023. KRA granted the amnesty in February 2024, KTB therefore do not have any pending bills.

2.1.7 Tourism Research Institute (TRI)

Mr. David Gitonga, the Ag. Chief Executive Officer (CEO), Tourism Research Institute (TRI) appeared before the Committee on **28th March, 2024** at **3.30 pm** and made presentations on the following submissions:-

56. The Institute was established through the Tourism Act No. 28 of 2011 and started its operations in the year 2018. It has the following core functions: Collect & analyze information relating to; tourism products & services, tourism trends, processes & activities with impact on tourism, tourism statistics.
57. The object and purpose of TRI are stated in Tourism Act No. 28 of 2011. The Act states that; TRI will undertake and co-ordinate tourism research and analysis in accordance with its provisions. This will ensure that the research and knowledge gaps that exist in the sector are adequately addressed in line with the mandate of the Institute. TRI will therefore be a principal reference point for generating data and research information to inform decision making by the government and private sector on tourism matters.
58. From 1st July, 2022-30th June 2023, the Approved Budget FY 2022/2023 (Kshs) 57Million – 50.222Million was used for other goods and services while Kshs 1.498,191 was used for compensation of employees.

Table 8: Non- Financial Performance FY2022/2023

SUB-PROGRAMME	Delivery Unit	Key Output	Key Performance Indicator	Annual Target (s)	Actual as 30th June 2023	Variance	Remarks
Tourism Promotion	Tourism Research Institute	Tourism Research Report	No. research studies conducted 1.2023 Tourist exit Survey 2.Level of preparedness among international travellers from high-income countries to Kenya against travel-related illness. 3. Conducted research on the development of priority tourism products 4. Conducted an audit of attractions and assessed bed capacity.	2	4	+2	The studies were completed

59. **Study of the Impact of Climate on Tourism, Adaptation and Mitigation:** The project which cost 43.8Million was slated to be implemented in the FY 2022/2023 however the funding from TPF was received in June 2023 thereby making its implementation to happen in the current year 2023/2024.

60. Alignment of estimates to Bottom up Economic Transformation Agenda (BETA): The Institute has prioritized the following studies that are in line with the Kenya Kwanza Transformation Agenda:

- a) Country wide work force survey and skills audit and gaps analysis.
- b) Domestic tourism survey to inform the improvement of tourism product offering and experience for Kenyans.
- c) Impact of events on tourism and economic performance
- d) Study on impact of climate change on tourism and sustainable practice
- e) Survey on the private citizens perception on tourism development.

61. Challenges

- i. Budget cuts. The institute's budget for the 2022/2023 was reduced by 50% which severely affected the performance of the institute.
- ii. Low budgetary allocation. This impedes the performance of the institute.
- iii. Lack of adequate staff to fully execute the institute's mandate

- iv. Board appointment- the Institute does not have independent board members, therefore meetings cannot take place.

62. Way Forward for Tourism Research Institute

- i. **Invest in Talent and Expertise:** Recruit and retain skilled young researchers with expertise in tourism, economics, sustainability, and related fields.
- ii. **Enhance Data Collection and Analysis Capabilities:** Invest in robust data collection methods and analytical tools to gather comprehensive insights into tourism trends, visitor behavior, market dynamics, and economic impacts
- iii. **Focus on Innovation and Technology:** Embrace innovative technologies such as big data analytics, artificial intelligence, and geographic information systems (GIS) to enhance research capabilities and develop cutting-edge solutions for the tourism industry's challenges.
- iv. **Address Emerging Issues and Trends:** Stay abreast of emerging issues and trends in the tourism sector, such as sustainable tourism practices, digital transformation, over tourism, and crisis management.
- v. **Monitor and Evaluate Impact:** Regularly assess the impact of research initiatives in terms of policy influence, industry innovation, knowledge dissemination, and societal benefits.

2.3 SUBMISSION BY THE STATE DEPARTMENT FOR WILDLIFE

2.2.1 Submission by the Principal Secretary, State Department of Wildlife State Department of Wildlife Ms. Silvia Museiya Kihoro, CBS, Principal Secretary, State Department of Wildlife, appeared before the Committee 18th April, 2024 to presentations on budget implementation on fiscal years 2022/2023. The presentations by the Principal Secretary's presentations had been deferred until a time she was available.

64. The State Department for Wildlife was created through Executive Order No. 1 of January 2023 and oversees three agencies:

- i. Kenya Wildlife Service (KWS)
- ii. Wildlife Research and Training Institute (WRTI) and
- iii. Collaborates with Wildlife Clubs of Kenya

65. During the Financial Year 2022/23, under the performance-based budgeting system, the State Department of Wildlife under Vote 1203 implemented one (1) budget programme and three (3) sub-programmes as listed below:

Programme 1: Wildlife Conservation and Management

Sub Programmes:

- a) Wildlife Security, Conservation and Management
- b) Wildlife Research and Developments
- c) Administrative Services

66. In the FY 2022/23, VOTE 1203 had a gross approved budget Estimates of **Ksh. 9,733 million** comprising Ksh. **9,364 million** Recurrent expenditure and **Ksh. 369 million** Development expenditure; With this allocation the State Department realized absorption of **Ksh. 9,389 million** comprising **Ksh. 9,218 million** recurrent expenditures and **Ksh. 171 million** development expenditure representing **96%** absorption rate.

BUDGET PERFORMANCE BY VOTE AND PROGRAM

a) Actual revenue Receipts: Exchequer issue, Donor and Appropriation in Aid (AIA)

STATE DEPARTMENT FOR WILDLIFE						
FINANCIAL PERFORMANCE BY VOTE AND PROGRAM						
ACTUAL REVENUE PERFORMANCE						
CURRENT BUDGET PERFORMANCE						
For the FY 2022/2023 (as of 30th June 2023)						
Name of Programme and Sub programme		Approved Estimate FY 22/23	Revenue/Receipts (Kshs)			
			Exchequer issue (GoK)	AIA	Total	% Absorption
Wildlife Conservation and Management						
S.P 1	Wildlife Security, Conservation and Management	8,459	3,170	5,256	8,426	99
S.P 2	Wildlife Research and Development	665	507	158	665	100

S.P 3	Administrative Services	240	230	-	230	96
	Total	9,364	3,907	5,414	9,321	99

CAPITAL BUDGET PERFORMANCE

Name of Programme and Sub programme	Approved Estimate s FY 22/23	RECEIPTS/Revenue (Kshs)				
		Exchequer issue (GoK)	Donor		Total	
			Grant Revenue	AIA		
Wildlife Conservation and Management						
S.P 1	Wildlife Security, Conservation and Management	369	50	101	20	171
S.P 2	Wildlife Research and Development	-	-	-	-	-
S.P 3	Administrative Services	-	-	-	-	-
	Total	369	50	101	20	171

b) ACTUAL EXPENDITURE BY VOTE AND PROGRAM

Vote: 1203	Approved Estimates FY 2022/23	Cumulative Expenditure as at 30th June 2023	%Absorption	Remarks
Gross Recurrent	9,364	9,218	98	
AIA	5,443	5,311	98	Gross expenditures from collected AIA absorbed as Ksh.1,345M salaries and Ksh.3,966M O &M
GOK/NET	3,921	3,907	100	Recurrent Exchequer released for salaries
Gross Development	369	171	46	
Grants	182	121	67	Absorption of budgeted donor funds 69M USAID and 52M UNDP.
GOK/NET	187	50	26	Absorption of capital GoK funds. This low absorption was due to non-release of exchequer
Total Vote	9,733	9,389	96	

a) ACTUAL EXPENDITURE BY VOTE, PROGRAM AND ECONOMIC CLASSIFICATION

VOTE: 1203

PROGRAM: Wildlife Conservation and Management

Economic Classification	Approved Estimates FY 2022/23)	Cumulative Expenditure as at 30th June 2023	%Absorption	Remarks
Current Expenditure	9,364	9,218	98	
Compensation to Employees	112	122	109	Salaries for SDW staff. The over expenditure was due to reduction in supplementary 2 after the expenditure on car grant had already been incurred.
Use of goods and Services	1,215	1,193	98	O&M expenditures
Current Transfers to SAGAs	8,004	7,872	98	KWS, WRTI & WCK gross expenditure
Other Recurrent	25	23	91	Purchases of furniture & fittings, ICT equipment, overhaul of motor vehicles and tree seedlings.
Social Contributions	8	8	100	Gratuity payments to 2 PS's and CS advisor of Wildlife
Capital Expenditure	369	171	46	

Economic Classification	Approved Estimates FY 2022/23)	Cumulative Expenditure as at 30th June 2023	%Absorption	Remarks
Capital Transfers to SAGAs	242	79	33	Expenditure for WCK and donor for combating wildlife crime in Kenya USAID program. GoK funds due to KWS and WRTI were not released.
Acquisition of Non-Financial Assets	0	0	0	Fund for refurbishment of NSSF building reduced to zero in supplementary budget
Other capital	127	92	72	Other expenditure relating to UNDP funded project and plastic ban
Gross Total	9,733	9,388	96	

AIA ANALYSIS FY 2022/23

67. Under FY 2022/23 the State Department for Wildlife did not have AIA allocation to support its operations.

AIA ANALYSIS OF BUDGET AND EXPENDITURE AS AT 30TH JUNE 2023					
	Economic Classification	APPROVED BUDGET ALLOCATION (KSH. MILLIONS)	ACTUAL EXPENDITURE (KSH. MILLIONS)	REMARKS	
		2022/23	2022/23		
	Economic Classification				
Kenya Wildlife Service				Actual realized 2022/23	AIA in Ksh

(KWS)	AIA	5,269	5,269	5,330 M (un Audited) against a projection of Ksh 5,269 million. This due to recovery of tourism industry from post Covid -19 effects. The increase in AIA provided the much-needed funding for operations and the initial shortfall on salaries and allowances
Wildlife Research and Training	AIA	158	103	Internal revenue from student tuition fees, research permits,
Institute (WRTI)				conferencing, accommodation and world safari rally facilitation.
Wildlife Clubs of Kenya (WCK)	AIA	15	15	AIA collection to sustain O&M
	Total	5442	5,387	

AIA ANALYSIS FY 2023/2024

68. In the FY 2023/24 the State Department for Wildlife did not have AIA allocation to support its operations.

AIA ANALYSIS OF BUDGET AND EXPENDITURE AS AT 30TH JUNE 2023				
	Economic Classification	APPROVED BUDGET ALLOCATION (KSH. MILLIONS)	ACTUAL EXPENDITURE (KSH. MILLIONS)	REMARKS
		2023/24	2023/24	
	Economic Classification			
Kenya Wildlife Service (KWS)	AIA	5,335	5,896	KWS Actual AIA realized as of 31 st March 2024 was Ksh 5,896 above the approved budget of Ksh 5,335 . Kws has proposed to revise their AIA Budget under supplementary 2 to Ksh. 7,529M . The AIA was used to pay salaries and support park operations on anti-
				poaching and HWC
Wildlife Research and Training				WRTI has collected Ksh. 136M of its full year allocation

Institute (WRTI)	AIA	197	136	of Ksh. 197M from student tuition fees, research permits, conferencing, accommodation to support O&M
Wildlife Clubs of Kenya (WCK)	AIA	20	16	WCK has realized AIA collection of Ksh.16M of its full year allocation of Ksh 20M which has been used to sustain O&M
Total		5,552	6,048	

69. Implementation of road infrastructure in Community Wildlife Conservancies in various parts of the country and protected areas by Kenya Rural Roads Authority (KeRRA).
70. The SDW received **Ksh.235, 000, 000** in financial year 2023/2024 from the National Treasury towards improving the road infrastructure in Community Conservancies.

No.	Institution/Association	Location	Length (Km.)	Cost (Ksh.)
1.	Baringo County Conservancies Association	Ruko Conservancy, Ruko-Chepkawagh-Makutano road)	20	55,000,000
2.	South Rift Association of Landowners	Mount Suswa Conservancy Trust, Olgum-Kisharu Road	19	40,000,000
3.	Taita Taveta Conservancies Association	Kasigau-Choke Conservancy-Kutima ranch road	25	50,000,000
4.	Laikipia Conservancies Association	Sangaa-Lorangai road, Il Ngwesi conservancy	19	35,000,000
		Tassia-Nandunguro Road, Lekuruki conservancy	15	25,000,000
5.	Samburu Wildlife Conservancies	Namunyak	20	30,000,000

Totals	235,000,000
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71. That the SDW requested KeRRA for support in implementing the activities through their regional engineers. The activity has been implemented in most of the project areas and the projects are between 85%-100% completion rate in various sites.
72. SDW also received Ksh.100, 000,000 from Tourism Promotion Fund (TPF) for the construction of roads in Community Conservancies and Protected Areas.

73. Non-Financial Performance: Analysis of actual outputs achieved relative to set targets FY 2022/23:
 Non-Financial performance for the FY 2023/24 has been provided as ANNEX 1.

74. Funds reallocation FY 2022/2023

Supplementary II	Kshs 85Million as broken down below
	Kshs 35Million from drought mitigation fund to cater for mandatory conference hosting costs under LATF agreement
	Kshs 50Million from human wildlife compensation claims to cater for temporary committee costs.

75. The State Department did not have pending payments in the FY 2022/23 other than Human Wildlife Compensation claims.

2.2.2 Kenya Wildlife Service (KWS)

Dr. Erustus Kanga, the **Director General, Kenya Wildlife Service (KWS)**, appeared before the Committee on **29th March, 2024** at **10.00am** and made presentations on the following submissions:-

63. The total allocation to the Service in the FY 2022/2023 Printed Estimates was Ksh 5.626Million

Funding Source	Allocation (Ksh. million)
Printed Estimates Recurrent Allocation	5,046
Printed Estimates Development Allocation	580
Supplementary I AIA Revision	4,003
Supplementary II AIA Revision	5,269
GoK Support for Fire Management	65
Additional AIA Generated	-
Supplementary I Recurrent Allocation	711
Supplementary II Recurrent Allocation	2,042
Printed Estimates Development Allocation (GoK)	465
Printed Estimates Development Allocation (Donor Grants)	115

64. The Service also received funding from the following agencies and stakeholders for the implementation of specific activities in the FY 2022/2023.

Table 9: Summary of Donors

No	Donor	Ksh Million	Purpose
1.	Kenya Roads Board (KRB)	638	roads maintenance, rehabilitation, and development of a 2575 km road network of classified access roads within the National Parks and reserves.
2.	State Department for Social Services	98	Drought Mitigation funds for countering effects of drought in parks through, supplementation of foliage, water trucking, construction of check dams and water pans and fuel for pumping boreholes.

No	Donor	Ksh Million	Purpose
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4.	Maasai Wilderness Conservation Trust	95	The Service to conserve the Chyullu and Tsavo ecosystems received Ksh 94.7 million as carbon credits under the REDD+ program
5.	Tourism Promotion Fund	135	<ul style="list-style-type: none"> i. Construction of Kasala Gate and associated ranger houses and community borehole (ksh.41million) ii. Construction of PWD compliant abolition blocks.(Nairobi, Amboseli and Tsavo East and West ksh.15m) iii. Rehabilitation of Bandas and Campsites (Aberdare, Amboseli, Meru, Shimba, Mt. Elgon and Ruma Ksh.19m) iv. Nairobi Safari Walk refurbishment(kshs.32m) <p><i>KWS received kshs.108 million which constitutes the actual awards</i></p>
	Total	966	

2.2.3 Wildlife Research Training Institute (WRTI)

Dr. Patrick Omondi, the Director/ CEO of Wildlife Research and Training Institute (WRTI), appeared before the Committee on **29th March, 2024 at 4.30pm** and made presentations on the following submissions:

65. The Wildlife Research and Training Institute (WRTI) is a State Corporation established under Section 50 of the Wildlife Conservation and Management Act 2013.

66. **Priority Projects for Wildlife Research and Training Institute for:**
a. Financial year 2023/2024

Project/Activity	Funding (Ksh. million)
Reinstatement of Project Funds	-
- Rehabilitation of Research and Training Facilities at HQs and Field Centres	20
- Construction of Malindi Research Centre	25
Support towards Phase I of National Wildlife Census	50
- Aerial count in Greater Masai Mara ecosystem and Amboseli-Magadi Ecosystem	-
- Helicopter census in Solio Ranch, Lake Nakuru National Park, Ruma National Park, and Mwea National Research	-
Additional Funds Required for Phase I	250

b. Financial year 2024/2025

- i. Expansion of WRTI revenue generation streams to support Wildlife Research and Training Expansion of the Institute’s revenue streams is key for sustainability and continuity of its operations. The location of WRTI Headquarters in Naivasha gives it an upper edge in terms of conferencing due to its proximity to Nairobi and the readily available expansive land for use.
- ii. Rehabilitation of students museum, construction of additional class rooms for students, construction of 2 additional 100 pax conference halls , removal and reroofing of asbestos at the headquarter in Naivasha and field centres.
- iii. To increase Appropriation in Aid from Ksh 196 Million in the FY 2023/24 to Ksh 401 Million by 2027.
- iv. To enhance wildlife research in order to achieve our mandate
- v. To increase student enrolment

67. The proposed activities for this projects includes:

- i. Rehabilitation of research and training facilities- Removal and replacement of asbestos in remaining staff houses in Hqs and Masaai mara research station, rehabilitation of Museum, guest rooms and swimming pool.
- ii. Construction of Conference facilities, lecture hall, computer and science Lab in Naivasha to cater for guest & students. Rehabilitation of guest houses and guest rooms
- iii. National census –phase 1

68. The total cost of the project is Ksh. 450,000,000.00 as tabulated below;

Table 10: Priority Projects Budget

NO	ACTIVITY	COST(Ksh.)000
1.	Rehabilitation of research and training facilities- Removal and replacement of asbestos in remaining staff houses in Hqs and Masaai Mara Research station, rehabilitation of Students musuem, guest rooms and swimming pool.	150,000,000.00
2.	Construction of 2 additional Conference facilities, and 10 lecture halls Naivasha to cater for guest & students.	200,000,000.00
	TOTAL COST	450,000,000.00

2.2.4 Wildlife Clubs of Kenya (WCK)

Dr. Margaret Otieno, the Chief Executive Officer (CEO), Wildlife Clubs of Kenya (WCK)

appeared before the Committee on **29th March, 2027 at 5.30pm** and made presentations on the following submissions:-

69. The approved budget estimates for the Club for **FY 2022/23:**

Budget Component	Approved (Ksh. Million)	Actual Expenditure (Ksh. million)
Recurrent Expenditure	44	44.05
Development Expenditure	19	9.5 (Actual received reduced by 50%)
Total	63	53.55

AIA Collection	Approved (Ksh. Million)	Actual Expenditure (Ksh. million)
Nakuru Wildlife Resource Centre	15	15.05

70. For FY 2023/24, the club has a **Cumulative Expenditure** of **Kshs.36.47 million** against a Budget of **Kshs.68 million** comprising of **Kshs.33.37 million Recurrent** and **Kshs.3.1 million Development Expenditure** and this translates to 54% overall absorption rate.
71. The Club requests financial support in the development of the five newly earmarked Wildlife Resource Centres in Maasai Mara, Amboseli, Tsavo, Samburu, and Saiwa that target the key wildlife hotspots in the country. These centres will help more learners to be reached and educated on wildlife conservation and management.

PART III

3.0 COMMITTEE OBSERVATIONS AND RECOMMENDATIONS

3.1 STATE DEPARTMENT FOR TOURISM

After considering the written and oral submissions by the State Department for Tourism on the Budget Implementation for FY 2022/23 and Half Year FY 2023/24, the Committee observed that:

3.1.0 State Department for Tourism

1. The State Department for Tourism was operating without a strategic plan against the requirements of Section 3 of the Tourism Act 2011 and therefore is not able to fully realize its operations and mandate. However, the Committee noted that the preparation of the same is ongoing.
2. The Committee has observed that the State Department for Tourism has not been disclosing schedules on Appropriations in Aid (AiA) for approval during the Committee engagements on the Budget processes (Budget Policy Statement, Main Budget Estimates, Supplementary Estimates); the Committee has only been receiving only exchequer funding schedules.

3.1.1 Tourism Promotion Fund (TPF)

1. The Oversight Board of the Tourism Promotion Fund is chaired by the Cabinet Secretary in charge of Tourism, with the Principal Secretary for Tourism serving as chair in the Cabinet Secretary's absence, as per **Regulation 14** of the **Public Finance Management (Tourism Promotion Fund) Regulations, 2019**. However, concerns have been raised regarding potential conflicts of interest, as the oversight authority also holds policymaking responsibilities.
2. The Tourism Promotion Fund, is established as a national government entity, under Schedule IV, section 4 (1) of the Public Finance Management Act, 2012, and regulation 211 of the Public Finance Management (National Government) Regulations, 2015. The Fund was established by the Cabinet Secretary for National Treasury and Planning, under his delegated powers from the National government, through PFM Act 2012 section 24(4).
3. In 2019, the Tourism Promotion Fund (TPF) Regulations underwent a rigorous development process, led by a task force committee appointed by the Cabinet Secretary for National Treasury and Planning. This process included extensive public participation. Subsequently, the regulations received endorsement from the National Assembly departmental committee on delegated legislation before final approval and publication by the Cabinet Secretary for National Treasury.
4. As provided by PFM Act 2012 section 4 (11), the regulations shall provide for the establishment, management, operation or winding-up of national public funds. Under the TPF Regulations 2019, section 34. (1) The Cabinet Secretary may wind-up the Fund with the approval of the National Assembly where the Cabinet Secretary National Treasury and Planning considers that the Fund (TPF) has successfully completed the specific objectives for which it was established.

5. TPF made disbursements of Kshs 1.328.83Billion by to various Tourism Implementing Agencies in the Financial Year 2022/23:

Agency	Disbursement (KSh. million)
Tourism Fund	500
Tourism Research Institute	43.83
Tourism Regulatory Authority	48.55
Kenyatta International Convention Centre (KICC)	200
Wildlife Research Training Institute (WRTI)	59.72
Kenya Utalii College (KUC)	250
Kenya Wildlife Service (KWS)	41.74
Bomas of Kenya	184.99

6. In the Financial Year 2023/24, TPF is funding **45 projects** as in Annex 3. As at 15th March, 2024, **KSh. 2,363.23 million** had been disbursed to 32 projects. The following were the key projects which were of concern to the Committee:

- i. The Committee observed that in the Financial Year 2023/2024, Tourism Fund received **KSh. 288 million on 21st March, 2024** to fund the Establishment of Coastal Circuit, Entertainment Niche Product project whose objective is to provide street lighting and entertainment hubs in the coastal region. The Committee further noted that the transfer was not done procedurally since:-

- a. The disbursement of funds for the Malindi project lacked proper documentation to ensure adherence to due process. There was no evidence of completing the procurement process before the funds were released, which violates Regulation 18 of the Public Finance Management (Tourism Promotion Fund) Regulations 2019. This regulation emphasizes transparent and structured procedures for payments from the fund. The disbursement took place in less than a month, further raising concerns about transparency and accountability in the process.
- b. The decision to finance the street lighting project in Malindi was deemed inappropriate as it contradicted Regulation 9 of the Public Finance Management (Tourism Promotion Fund) Regulations 2029, which outlines eligibility criteria for funding aligned with tourism promotion objectives. This decision lacked alignment with the primary goal of promoting tourism activities and failed to demonstrate value for money. Moreover, the project duplicated existing infrastructure managed by the County Government and the Ministry of Energy and Petroleum. This departure from established standards for eligible projects underscores the necessity of adhering to regulations to ensure that funded activities effectively contribute to the advancement of the tourism sector.
- c. The Committee observed that it is crucial for such funds to be managed in accordance with regulations to prevent misuse or mismanagement.

7. In the FY 2023/24, the Tourism Promotion Fund (TPF) earmarked KSh. 350 million for the State Department for Wildlife to facilitate infrastructure projects such as access roads and water provision within conservancies. Despite this allocation, there exists a notable absence of explicit guidelines regarding the allocation of public funds to support infrastructure development within private conservancies.
8. This scenario underscores the need for clearer directives or guidelines outlining the parameters and criteria for investing public funds into privately owned conservancies. Establishing such guidelines would ensure transparency, accountability, and alignment with broader conservation and tourism objectives. Moreover, it would mitigate the risk of misappropriation or inefficiencies in resource allocation, ultimately safeguarding the prudent utilization of public funds for wildlife and tourism development initiatives.
9. In the FY 2023/24, the Kenya Utalii College has been allocated KSh. 50 million from the Tourism Promotion Fund for the construction of a premier Utalii College in Narok County. The Committee noted that a concept paper for the project was submitted which provides for an overview of the proposed project including its objectives, scope, and anticipated outcomes.
10. Moving forward, it is imperative to ensure that funding allocations are based on comprehensive evaluations of project proposals, supported by thorough documentation and due diligence processes. This will enhance transparency, accountability, and the effective utilization of public funds for projects aimed at advancing the tourism sector's development goals.
11. The Committee noted Projects earmarked to receive funding in the financial year 2023/2024 that deviate from core tourism activities include:
12. a. Construction of a perimeter wall around Wajir Museum – KSh. 50 million b. Construction of PWD (Persons With Disabilities) abolition blocks at Hyrax Hill and Kariandusi Museum - KSh. 50 million c. National Utamaduni celebration events – KSh. 35 million d. Development of a cultural center at Marsabit - KSh. 50 million
13. The Committee acknowledged the necessity of conducting on-site visits to these projects to ensure the utilization of funds aligns with the expected outcomes and provides value for money.

3.1.2 Tourism Fund (TF)

14. Tourism Fund is a State Corporation and a body corporate established under section 66 of the Tourism Act, 2011. The Fund is the legal successor to Catering and Tourism Development Levy Trustees. Catering and Tourism Development Levy Trustees has been in existence since 1972 and operated under the umbrella of the Hotel and Restaurant Act, Cap 494, Laws of Kenya. The Act was repealed when the Tourism Act came into effect.
15. The Fund is the legal successor to Catering and Tourism Development Levy Trustees. Catering and Tourism Development Levy Trustees has been in existence since 1972 and operated under the umbrella of the Hotel and Restaurant Act, Cap 494, Laws of Kenya. The Act was repealed when the Tourism Act came into effect.
16. In the FY 2022/23, Tourism Fund received KSh. 500 million from the TPF for funding of the Ronald Ngala Utalii College whose completion rate of the Phase I was at 81.65% as at 29th February 2024.
17. In the FY 2023/24, Tourism Fund received a total funding of KSh. 588 million for the following projects:
 - a. KSh. 300 million on 26th March 2023 and on 23rd October, 2023 to fund the Ronald Ngala Utalii College
 - b. KSh. 288 million on 21st March, 2024 to fund the Establishment of Coastal Circuit Entertainment Niche Product project whose objective is to provide street lighting and entertainment hubs in the coastal region
18. As at 28th March, 2024, the Ronald Ngala Utalii College had received a total funding of KSh. 12,119.9 million from three sources; Tourism Fund – KSh. 6,428.15 million, Tourism Promotion Fund – KSh. 3,541.75 million and The National Treasury – KSh. 2,150 million since the financial year 2011/12.
19. The outstanding bills owed to contractors and consultants of the Ronald Ngala Utalii College amounted to KSh. 487.52 million and KSh. 825.35 million respectively, resulting in a combined total of KSh. 1,312.87 million in pending bills.

3.1.3 Kenya Utalii College (KUC)

- In the FY 2022/23, the Kenya Utalii College received a funding of KSh. 250 million from the Tourism Promotion Fund for purchase of equipment for the New Individual Training Kitchen (ITK) Training block. In the FY 2023/24, the project received KSh. 47 million on 26th January, 2024 from the Tourism Promotion Fund leading to overall funding of **KSh. 297 million** in the two financial years.
20. In the FY 2023/24, the Kenya Utalii College has been allocated KSh. 50 million from the Tourism Promotion Fund for construction of a premier Utalii College in Narok County-KUC Ildolisho campus. The fund has not yet been disbursed pending finalization of the requisite application procedures.

21. The estimated value of the Individual Training Kitchen (ITK) Training block project that began on 3rd February, 2020 was KSh. 104.63 million. However, the total funding the project had received was KSh. 225 million as at 30th June, 2023 and is at 88% complete. The Committee will inspect the ongoing kitchen construction facility at Kenya Utalii College to achieve several objectives:

- i. Gain a thorough understanding of the facility's operations upon completion.
- ii. Identify the equipment and technology employed to enhance student learning.
- iii. Assess infrastructure upgrades to ensure high-quality training and practical experience for students.
- iv. Determine if the emphasis on hands-on learning adequately prepares students for the culinary industry's demands.

3.1.4 Kenya Tourism Board (KTB)

22. The Kenya Tourism Board (KTB) is currently in the process of finalizing its marketing strategy, a pivotal step in its efforts to promote Kenya as a premier tourism destination. The Committee recognizes the importance of the Kenya Tourism Board (KTB) finalizing its marketing strategy to position Kenya as a premier tourism destination. To support this endeavor, the Committee will engage in consultative discussions with KTB to provide input and insights, ensuring that the marketing strategy aligns effectively with KTB's objective of promoting Kenya as a leading tourism destination.

23. The KTB registered tourists arrival of 1.12 million tourists by 31st December, 2023 surpassing the midyear target by 129,500 tourists.

3.1.5 Kenyatta International Convention Centre (KICC)

24. The Kenyatta International Convention Centre (KICC) is currently engaged in the development of a comprehensive strategy focused on Meetings, Incentives, Conferences, and Exhibitions (MICE). This strategic initiative reflects KICC's commitment to enhancing its role as a leading venue for hosting international events, conferences, exhibitions, and business gatherings.

25. A substantial amount of pending bills is owed to the Kenya International Convention Centre (KICC) and its suppliers. The committee observed that KICC is owed Kshs 1.143.44 billion, while the outstanding bills from suppliers total Kshs 1.855.784.948 billion. This situation poses significant implications for the financial stability and operational efficiency of both KICC and its suppliers. It is imperative for the concerned parties to promptly address these outstanding bills to maintain smooth business operations and ensure financial stability.

26. The Kenyatta International Convention Centre (KICC) has delegated procurement responsibilities to the Ministry of Defence for the implementation of a renovation project. All funds from the Tourism Promotion Fund have been transferred accordingly.

27. During a Committee session, the CEO of KICC disclosed that initial renovation estimates were at 400 million Ksh, with 200 million Ksh already paid to the initial contractors. However, the contract was terminated following a letter from former Cabinet Secretary, Hon. Peninah Malonza, dated 25th July, 2023.

28. Subsequently, the Ministry of Defence, undertaking the renovation role at KICC, requested 1.9 billion Ksh in their Bill of Quantities (BQs) for funding, as evidenced in a letter dated 7th August, 2023.
29. To date, Ksh 1,250million has been transferred to the Ministry of Defence.
30. In light of this information, the Committee invited the Principal Secretary of the Ministry of Defence to a meeting vide a letters dated 5th April, 2024 and 23rd April, 2024 (annexed) to provide updates on the renovation status, expenditure, services procured, and budget utilization.
31. Appearing before the Committee on 30th April, 2024, the Principal Secretary, Ministry of defence made the following submissions:
 - ii. The Convention Center was chosen to host the Africa Climate Summit and Africa Climate Week from September 4th to 8th, 2023.
 - iii. Due to the urgency and disciplined nature of the Ministry of Defence, a Presidential directive was issued to transfer renovations at the KICC to the Ministry.
 - iv. Renovation areas included the Amphitheatre and external water fountains, among others, with an estimated expenditure of Kshs 950 million. Kshs 1.034.473.027Billion is yet to be disbursed.
 - v. The awarded company, MS China Wu Yi, has a history of contracts with the Ministry of Defence and is currently employing local subcontractors for the KICC renovations. There is a defined plan for subcontractor payments.
32. The Committee made the following observations arising from the submissions:
 - vi. Reports of working defects and poor workmanship have surfaced, notably leakages at the Amphitheatre and on the glass boundaries in Lenana and Aberdare Halls, as highlighted by the Principal Secretary.
 - vii. The scope of work did not involve KICC management, who are typically responsible for accounting for the resources allocated to projects, as stipulated by the Public Procurement and Regulatory Authority (PRRA).
 - viii. There's a lack of documentation regarding the contracts for the renovations at KICC, raising concerns about transparency and accountability.
 - ix. The Principal Secretary has committed to addressing the leakages at the amphitheater, attributing them to insufficient time for proper curing of materials, ensuring steps are taken to rectify the issue promptly.
 - x. A list of pending bills has been meticulously prepared, demonstrating a commitment to settling financial obligations once the project reaches a satisfactory completion stage.
 - xi. Concerns have been raised regarding the exorbitant figures projected for certain aspects of the work, such as the estimated costs of cleaning *cabro* and windows, which were appraised at 28 million and 10 million respectively.

3.1.6 Tourism Regulatory Authority (TRA)

33. The absence of standardized criteria for regulating tourism entities poses a significant challenge within the industry. This lack of uniformity in regulatory thresholds leads to inconsistencies and ambiguities, which in turn hinder effective oversight and governance of tourism operations.
34. The Authority had applied for funding of critical projects which have never been funded. These include:
 - c. Accreditation of class A & B tourism enterprises at KSh. 194Million, the remaining amount being 53Million.

- d. Automation of TRA services at KSh. 158Million.
- e. Training of EAC classification assessors at KSh. 108Million.
- f. Tourism and Hospitality Sector workforce, regeneration and capacity building at for 74.5Million
- g. Countrywide stakeholder engagement on the roll out of the tourism standards and regulations at KSh. 250Million.
- h. National classification of hotels and restaurant countrywide at KSh. 600Million

3.1.7 Tourism Research Institute

- 35. In the FY 2022/23, the TRI budget of KSh. 56.3 million was reduced by 50% heavily affecting the performance of the Institute.
- 36. The institute had applied for the following critical projects in FY 2022/2023 which have never been funded:-
 - xii. National Tourism Database at Kshs 300 Million
 - j. Updating Tourism Satelite Account at Kshs 100 Million.
 - k. Tourism work force and National Skills Audit and Domestic Tourism Survey at Kshs 50Million.
- 37. The Institute faced challenges stemming from the absence of an independent board membership, which had implications for its meeting schedules and operational efficiency

COMMITTEE RECOMMENDATIONS

After scrutinizing the Budget implementation submissions for FY 2022/23 and for Half Year 2023/24 for the State Department for Tourism and State Department for Wildlife, the Committee makes the following recommendations. THAT:

3.1.0 State Department for Tourism

38. The State Department for Tourism together with all its Semi-Autonomous Government Agencies (SAGAs) to submit their respective Strategic Plans by 30th May, 2024. This is to ensure synchronization of budgetary allocations with the National Tourism Strategy.
39. The committee recommends that starting from the next budget review, the Ministry of Tourism and Wildlife should fully disclose their Appropriations in Aid schedules for Supplementary II FY 2023/2024 and the budget estimates FY 2024/2025. This disclosure should be presented for consideration and approval by the House.

3.1.1 Tourism Promotion Fund (TPF)

40. The Tourism Promotion Fund (TPF) is directed to halt disbursement of any other funds to Kenyatta International Conference Center (KICC) until such a time the Ministry of Defence has submitted requisite documentation approved by the Committee. Additionally, KICC should immediately cease transferring funds to Ministry of Defence (MOD).
41. TPF is directed to undertake a comprehensive revision of the Public Finance Management (Tourism Promotion Fund) Regulations of 2019 with twelve months to establish an independent Oversight Board for the Tourism Promotion Fund. The creation of this Oversight Board will significantly bolster governance and oversight mechanisms, thereby ensuring the efficient and accountable management of funds allocated to various tourism promotion initiatives.
42. The Tourism Promotion Fund (TPF) is directed to ensure the allocation of resources towards activities, projects and programs are in accordance with the guidelines outlined in the Public Finance Management (Tourism Promotion Fund) Regulations, 2019. Further, TPF is directed to ensure that funds are disbursed only after the procurement process has been completed by the implementing agencies, ensuring transparency and accountability.
43. A thorough review of the Public Financial Management Regulations, 2019 should be undertaken within the next 6 months to ensure timely adaptation to emerging trends. This timeline allows for adequate analysis, stakeholder consultation, and implementation planning.
44. The Tourism Promotion Fund (TPF) is advised to adopt a procedural shift, wherein all proposed projects slated for financing must be submitted to the Committee for concurrence before funds are disbursed for project implementation. This procedural adjustment will enhance scrutiny and oversight, ensuring that funded projects align with strategic objectives and deliver optimal outcomes for tourism promotion efforts.

3.1.2 Tourism Fund (TF)

45. The Committee recommends that the funding allocated, amounting to KSh. 288 million, for the Coastal Circuit Entertainment Niche Product project be returned to the Tourism Promotion Fund (TPF). Instead, the street lighting project should be carried out in collaboration with the Ministry of Energy, and a Memorandum of Understanding (MoU) outlining the maintenance responsibilities should be submitted to the Committee by the County Government of Kilifi. This reallocation of funds and collaborative approach will allow the TPF to concentrate on its primary mandate of funding tourism activities.

3.1.3 Kenya Utalii College (KUC)

46. The Committee is focused on advancing and maintaining RNUC, aiming for its launch by FY 2023/2024. Additionally, it advocates for establishing a Narok branch of KUC due to the absence of a public institution showcasing Kenya's tourism potential, notably the Masai Mara.
47. The Committee acknowledges the strategic location of the Ildolisho campus, which borders three counties (Migori, Kisii, and Bomet) and serves as a pivotal point for road networks connecting these regions. However, the Committee advises against establishing any additional satellite branches of KUC by the conclusion of FY 2023/24.

48. The CEO of Kenya Utalii College should create a detailed roadmap for transforming the institution from a conventional training center into a recognized accreditor for the tourism sector, known as a "finishing school." This transition aims to improve the College's financial stability by enhancing revenue generation and thereby amplifying its impact on the tourism sector economy.

3.1.4 Kenya Tourism Board (KTB)

49. The Kenya Tourism Board (KTB) submits its finalized marketing strategy to the Committee no later than April 30, 2024. This will ensure timely review and facilitate appropriate allocation of funds to key priority areas identified in the strategy.

50. The Committee emphasizes the critical importance of the Kenya Tourism Board (KTB) finalizing its marketing strategy to elevate Kenya as a premier tourism destination. To bolster this effort, the Committee recommends engaging in consultative discussions with KTB to offer input and insights. This collaborative approach will ensure that the marketing strategy is effectively aligned with KTB's objective of positioning Kenya as a leading tourism destination.

3.1.5 Kenyatta International Convention Centre (KICC)

51. The Kenya International Convention Centre (KICC) should prioritize the development and launch of its Meetings, Incentives, Conferences, and Exhibitions (MICE) strategy by 30th June, 2024.

52. The Kenya International Convention Centre (KICC) should prioritize the development and launch of its Meetings, Incentives, Conferences, and Exhibitions (MICE) strategy by June 30, 2024. This strategy is crucial for enhancing KICC's competitiveness in the global MICE market and maximizing its potential as a premier venue for such events. A clear and comprehensive MICE strategy will not only attract more international events but also contribute significantly to the growth of Kenya's tourism and hospitality sectors.

53. The KICC should initiate mechanisms to address the settlement of pending bills owed to suppliers, including negotiations with private companies on payment terms. Currently, the outstanding amount owed by KICC stands at Kshs 1.143.44 billion, while the cumulative pending bills from suppliers have reached Kshs 1.855.784.948 billion.

54. The Ministry of Defence is advised to collaborate with KICC management to ensure that renovations are certified at both technical and management levels before proceeding with the payment of pending bills.

55. The Ministry of Defence is requested to furnish the Committee with the necessary documents pertaining to the contracts by the 7th of May, 2024, to facilitate thorough review and transparency in the process.

3.1.6 Tourism Regulatory Authority (TRA)

56. The TRA standardized criteria for regulating tourism entities be established to address the significant challenge posed by the absence of uniform regulatory thresholds. This initiative will enhance consistency, transparency, and effectiveness in oversight and governance of tourism operations.

3.2 STATE DEPARTMENT FOR WILDLIFE COMMITTEE OBSERVATIONS

After considering the written and oral submissions by the State Department for Wildlife on the Budget Implementation for FY 2022/23 and Half Year FY 2023/24, the Committee observed that:

3.2.1 State Department for Wildlife

57. The State Department for Wildlife was operating without a strategic plan against the requirements of Section 5 of the Wildlife Conservation and Management Act, 2013 and therefore is not able to fully realize its operations and mandate. However, the Committee noted that processing of the same is ongoing.
58. The Committee has observed that the State Department for Wildlife has not been disclosing schedules on Appropriations in Aid (AiA) for approval during the Committee engagements on the Budget processes (Budget Policy Statement, Main Budget Estimates, Supplementary Estimates); the Committee has only been receiving only exchequer funding schedules.
59. In the FY 2022/2023, the State Department of Wildlife applied for funding from the Tourism Promotion Fund (TPF) but did not receive approval, despite submitting the required applications. The Committee noted that the approval of funds depended solely on the discretion of the Chairperson of the Tourism Promotion Fund. The Committee highlighted a concerning conflict of interest, as the Chairperson of the TPF, responsible for funding approvals, also holds policymaking authority, potentially compromising impartial decision-making.
60. The State Department for Wildlife has received a total allocation of Kshs 55 million for the ongoing development of the transition strategy for Amboseli National Park to the county government of Kajiado. As at 30th January, 2024, the Tourism Promotion Fund (TPF) has disbursed KSh. 5 million out of the allocated KSh. 55 million.
61. The Committee observed discrepancies in funding allocations for maintenance of access roads and airstrips in parks and conservancies. Despite the Committee's directive that projects facing budget cuts in the Supplementary I FY 2023/2024 be funded by the Tourism Promotion Fund, there was double funding from both the National Treasury and the Tourism Promotion Fund for these projects. Additionally, the Committee's approval for funding maintenance in parks in the FY 2023/2024 Budget Estimates was altered against their recommendations, with funds diverted to private conservancies.
62. The Committee noted a lack of harmonization in project implementation within the State Department for Wildlife, which led to instances of double funding allocations.
63. The Kenya Rural Roads Authority (KeRRA) was assigned by the State Department for Wildlife to oversee the procurement and execution of road infrastructure improvement projects in Community Wildlife Conservancies, totaling KSh. 235 million. The designated conservancies included:
 - a. Baringo County Conservancies Association – Ruko Conservancy, Ruko-Chepkawagh- Makutano road, 20 kms at a cost of KSh. 55 million
 - b. South Rift Association of Landowners – Mount Suswa Conservancy Trust, OLGUM- Kisharu Road, 19 kms at a cost of KSh. 40 million
 - c. Taita Taveta – Kasiigau-Choke Conservancy-Kutima Ranch Road, 25 kms at a cost of KSh. 50 million

million

- d. Laikipia Conservancies Association –
 - i. Sangaa-Lorangai Road, II Ngwesi Conservancy, 19 kms at a cost of KSh. 35 million
 - ii. Tassia- Nandunguro road, Lekuruki conservancies, 15 kms at a cost KSh. 25 million
 - e. Samburu Wildlife Conservancies – As shall be advise by Samburu Wildlife Conservancies, 20 kms at a cost of KSh. 30 million.
64. The Committee has observed that transferring funds to the Kenya Rural Roads Authority (KeRRA) presents challenges in overseeing resource utilization, as KeRRA does not report to the committee on matters related to Tourism and Wildlife. This situation creates accountability challenges in monitoring the allocation of resources, particularly concerning whether they are directed towards public use or allocated to private conservancies.

3.2.2 Kenya Wildlife Service

62. The existing Wildlife Conservation and Management Act, 2013 while instrumental in governing wildlife conservation efforts, currently only addresses the establishment of the Wildlife Conservation Trust Fund and not the establishment of the Wildlife Endowment Fund, which is critical for the financial sustainability of Kenya Wildlife Service (KWS).

3.2.3 Wildlife Research Training Institute (WRTI)

63. The WRTI has planned to set up a convention centre in Naivasha at an estimated cost of KSh. 1,055.57 million with no budgetary allocation.
64. The authorized staff capacity for the Wildlife Research and Training Institute (WRTI) is set at 298 employees. However, the current workforce falls significantly short of this capacity, with only 219 individuals currently employed.

3.2.4 Wildlife Clubs of Kenya (WCK)

65. The Wildlife Clubs of Kenya (WCK) has identified five (5) strategic locations for the establishment of Wildlife Resource Centres. These areas encompass Maasai Mara, Amboseli, Tsavo, Samburu, and Saiwa which are the key wildlife hotspot areas in the country.

COMMITTEE RECOMMENDATIONS

After scrutinizing the Budget implementation submissions for FY 2022/23 and for Half Year 2023/24 for the State Department for Wildlife, the Committee makes the following recommendations. THAT:

3.2.1 State Department for Wildlife

66. The State Department Wildlife and its State Agencies and Government Agencies (SAGAs) should submit their respective Strategic Plans to the Committee by 30th May, 2024. This directive aims to ensure that budget allocations are in line with the objectives set forth in the National Wildlife Conservation Strategy.
67. The State Department for Wildlife submits a comprehensive report detailing the process of transfer of the management of the Amboseli National Park to County Government of Kajiado, citing relevant statutory Articles supporting the transfer process, by 30th May, 2024. The report should contain a detailed breakdown backed by a legal mechanism of how the Kshs 55M allocated by the Tourism Promotion Fund will be utilized.
68. The State Department for Wildlife should establish a centralized project management system with clear guidelines for project planning, budgeting, and execution, alongside regular monitoring and evaluation mechanisms to ensure transparency and accountability. This system aims to prevent instances of double funding. Additionally, the department should conduct regular coordination meetings among relevant departments and stakeholders to enhance communication and align project goals and activities effectively.
69. The committee recommends that beginning with the next budget review, the Ministry of Tourism and Wildlife should fully disclose their Appropriations in Aid schedules for Supplementary II FY 2023/2024 and the budget estimates FY 2024/2025. This disclosure should be presented for consideration and subsequent approval by the House.

3.2.2 Kenya Wildlife Service

70. The State Department for Wildlife to draft a comprehensive proposal to amend the Wildlife Conservation and Management Act of 2013, by 30th May, 2024. These amendments will enable the establishment of the Wildlife Endowment Fund by the Kenya Wildlife Service, aiming to create a sustainable financial mechanism supporting wildlife conservation efforts in Kenya.
71. Infrastructure projects in national parks and community conservancies should be implemented through the Kenya Wildlife Service (KWS), as it is the overseeing body responsible for establishing wildlife conservancies. KWS possesses the necessary technical capacity to handle infrastructure projects in conservation areas and has a better understanding of wildlife habitats, migratory corridors, and dispersal areas.

3.2.3 Wildlife Research Training Institute (WRTI)

72. Given the focus of WRTI in promoting wildlife research, conservation, and training in Kenya, the Committee recommends the establishment of a convention center in Naivasha. Moreover, investing in training programs for aspiring conservationists and researchers would help build capacity within Kenya's conservation sector, thereby advancing WRTI's mission in a significant and effective manner.

SIGNED: DATE.....


HON. MBIUKI KAREKE JAPHET, CBS, M.P.
(CHAIRPERSON, DEPARTMENTAL COMMITTEE ON TOURISM AND WILDLIFE)

Annexures

Annex 1: Adoption List

Annex 2: PBO Brief on Budget Implementation for FY 2022/23 and Half Year 2023/24

Annex 3: MDA's submissions

Annex 3: Projects Funded in the FY 2023/2024 (Amount in Kshs.)

No.	Funding Objective	Project Name	Project Concept	TIA	Amount Funded Ksh'000'	Amount Disbursed Ksh'000'	Date of Disbursement
State Department for Tourism and its Agencies							
1	Development, promotion and branding programmes and initiatives in relation to tourism products including tourism niche products	National mapping and Development of Tourism Niche products along tourism circuits	National mapping, Mapping beach operators, develop code of conduct for the operators, zoning of the beaches and development of amenities at the beach, Review of the National Tourism policy and Tourism Act 2011	SDT	50,000	50,000	31/01/2024
2		Coastal Beach Management Programme			30,000	30,000	08/02/2024
3		Tourism Policy development and Capacity building			20,000	0	-
4		Implementation and Support of Lifeguards at the Coastal Beach			16,000	-	-
5		Design, development and implementation of the National Tourism Service Digital Platform			25,000	-	-
6	Standards development and	Construction of Kenya Utalii College, Narok County	Construction of a premier Utalii college at Narok County	KUC	50,000	0	-

No.	Funding Objective	Project Name	Project Concept	TIA	Amount Funded Ksh'000'	Amount Disbursed Ksh'000'	Date of Disbursement
7	capacity building in the tourism sector	Equipping and installation of ITK Kitchen	Equipping of the Individual Training kitchen		47,000	47,000	26/01/2024
8	Marketing, promotion and branding of Kenya in specific local, regional and international market segments	Destination PR & Digital Communication	Destination marketing and endorsements, Media engagement and Digital PR, Social media marketing	KTB	100,000	42,831	30/10/2023 26/01/2024
9		Marketing Exhibitions for Marketing Magical Kenya	Maintain the MKTE and Magical Kenya brand positioning, International Tourism Bourse (ITB) Berlin, IMEX Frankfurt, Meetings Africa, Outbound Travel Markets (OTM), Cruise Forums - Sea Trade Global Miami , Kilifair, Bride & Groom & POATE		24,000	24,000	01/03/2024
10		Domestic, Regional and International Marketing campaigns	Marketing activities in the source markets to increase tourism numbers and revenue		200,000	200,000	01/03/2024
11	Funding of plugging projects which contribute to development, promotion and branding of tourism sector	Modernization and rehabilitation of KICC	Modernization and refurbishment of various meeting rooms, theaters and associated works at KICC	KICC	1,050,000	950,000	Funds disbursed by 14/02/2024
12	Standards development and capacity building in the tourism sector	Ongoing construction of Ronald Ngala Utalii College	Completion of the Main buildings, ancillary buildings, Hostel block, and staff accommodation	TF	300,000	300,000	23/10/2023 26/03/2023
13	Development, promotion and branding programmes and	Establishment of Coastal Circuit Entertainment Niche Product	Develop the Coastal Circuit Entertainment Niche Product, Entertainment hubs, street lighting and marketing		288,000	288,000	21/03/2024

No.	Funding Objective	Project Name	Project Concept	TIA	Amount Funded Ksh'000'	Amount Disbursed Ksh'000'	Date of Disbursement
	initiatives in relation to tourism products including tourism niche products and tourism events						
14	Standards development and capacity building in the tourism sector	Accreditation, Classification and grading of Class A and B enterprises (Phase II)	undertake assessment for classification of at least 500 Class A and B enterprises countrywide	TRA	92,000	44,511	14/03/2024

State Department for Wildlife and its Agencies

15	Funding of plugging projects which contribute to	Provision of permanent water source in the National Parks	Construction of water pans distilling of dams and drilling of boreholes	SDW	100,000	90,289	10/11/2023
16	development, promotion and branding of tourism sector	Rehabilitation and modernization of Ministry administrative offices	Renovation of the offices and Acquisition of office equipment		56,300	0	-
17	Financing programmes and initiatives geared towards	Development of Integrated Conservancy Policy	A national conservation policy that will guide the overall conservation practice in Kenya.		50,000	25,000	30/01/2024
18	intelligence and information gathering for purposes of developing,	Implementation of Multilateral Environmental Treaties in the Wildlife and Tourism Sector	Multilateral Environmental Treaties in the Wildlife and Tourism Sector		16,000	0	-
19	promoting and branding tourism in Kenya	The development of transition strategy of Amboseli National Park	A seamless transition of Amboseli National Park to the county government of Kajiado		55,000	5,000	30/01/2024
20	Financing development of tourism facilities & establishments in areas where the private sector is unable or unwilling to develop, but with a high potential for	Infrastructure development in conservancies and National Park	Infrastructure development in conservancies (Access roads and water provision)		350,000	0	-

	tourism promotion and branding						
21	Development, promotion and branding programmes and initiatives in relation to tourism products including tourism niche products and tourism events	Cultural event and promotion of the culture of the Minority and Marginalized communities during the United Nations Day of Minorities	World minority rights day dedicated to promoting awareness about the importance to help various minorities overcome the challenges they face	SDW	12,000	12,000	14/12/2023
22		Program on Wildlife events, activities and development and implementation of the beach niche protection strategy	Program on Wildlife events, activities and development and implementation of the beach niche protection strategy		64,000	64,000	14/02/2024
23		Construction of PWD toilets and general abolition blocks at the Tourism circuits	PWD abolition blocks at various tourism hotspots and stop overs		60,000	00	-
24	Development of tourism facilities and establishments in areas where the private sector is unable or unwilling to develop, but with a high potential for tourism promotion and branding	Refurbishment of Guest house/ Bandas at the KWS parks	Improvement of Interior decorations, exterior decorations, kitchen upgrade furniture and replacement of beddings	KWS	20,000	19,442	19/12/2023
25		Construction of PWDs compliant toilets at the parks	5 PWD abolition blocks at NPK Tsavo East and West National parks and Amboseli		15,000	14,628	4/09/2023
26	Development, promotion and branding programmes	Development and rehabilitation of Nairobi safari Walk	Rehabilitation of the existing infrastructure within NSW to a modern visitor friendly facility		50,000	32,298	21/02/2024

27	and initiatives in relation to tourism products including tourism niche products and tourism events;	Establishment of Aberdare National Park Salient Rhino Sanctuary	Establishment of Aberdare National Park Salient Rhino Sanctuary		139,500	00	-
28	Programmes and initiatives for tourism safety and security geared towards development,	Construction of Wildlife Electric Fences in Conflict hotspots	Construction of fences in conflict areas to reduce Human wildlife conflicts		300,000	201,946	21/02/2024
29	promotion, and branding of tourism sector	Rehabilitation and modernization of the KWS Aircrafts at KWS Airwing	Enhance the safety features of the aircraft to facilitate quick response		50,000	50,000	14/03/2024
30	Development of tourism facilities and establishments in areas where the private sector is unable or unwilling to develop, but with a high potential for tourism promotion and branding	Refurbishment and equipping of the Guest houses at WRTI HQ	Refurbishment and furnishing of the Guest house and installation of a solar energy system	WRTI	20,000	20,000	14/03/2024
31		Construction of one Fabricated Conference Room	Fabricated Conference Room		12,000	00	-
32		Installation of Water Reticulation and Plumbing System at the Annex	Provision of a water system at the Annex		22,000	00	-
33	Tourism data capture, analysis and dissemination of the same and any other related research which may include deployment of	Identification and labelling of Flora in the Wildlife Heritage Sites	labelling of Flora in the Wildlife Heritage Sites	WRTI	15,000	15,000	01/03/2024
					50,000	00	-

	technology-based applications						
34	Development, promotion and branding programmes and initiatives in relation to tourism products including tourism niche products	Establishment of an Aquarium at the Coastal Region	Aquarium at the Coastal Region for tourism and research purpose				
State Department for Culture and its Agencies							
35	Financing development, promotion and branding programmes and initiatives in relation to tourism products including tourism niche products	Construction of a perimeter Wall around Wajir Museum	Construction of boundary wall interpretation centre, education hall and ablution block at Wajir museum	NMK	50,000	49,299	29/08/2023
36		Automation, Signage and construction of lavatories /PWDs compliant toilets at Fort Jesus Heritage site	Automation, Signage and construction of lavatories /PWDs compliant toilets at Fort Jesus Heritage site		50,000	38,985	04/09/2023
37		Construction of Nomiya Museum in Siaya County	Development of a visitor information centre/ Exhibition Hall		40,000	40,000	14/02/2024
38		Construction of PWD Abolition blocks at Hyrax Hill and Kariandusi Museums	PWD Abolition blocks at Hyrax Hill and Kariandusi Museums		50,000	50,000	21/03/2024

39	Funding programmes and initiatives for tourism safety and security geared towards development, promotion, and branding of tourism sector	Construction of a perimeter wall around the National Museums of Kenya headquarters in Nairobi City County.	A perimeter wall around the NMK to improve the security of the Museum		5,000	5,000	21/03/2024
40	Financing development of innovations and inventions which promote tourism development, promotion and branding;	Construction of Narok Ushanga Products Exhibition & Curio Mall at Sekenani Gate (Phase I)	Construction of an Exhibition Hall for the Ushanga initiative	SDC	41,000	00	-
41		Development of the Language Policy	Development of the Language Policy		20,000	00	-
42	Financing development, promotion and branding programmes and initiatives in relation to tourism products including tourism niche products and tourism events	Cultural event and promotion of the culture of the Minority and Marginalized communities during the of United Nations Day of Minorities	World minority rights day dedicated to promote awareness about the importance to help various minorities overcome the challenges they face	BoK	12,000	12,000	14/12/2023
43		Development of a Cultural Centre at Marsabit county	Cultural Centre at Marsabit County to promote cultural tourism		50,000	50,000	14/03/2024
		National Utamaduni celebrations events	A national day to celebrate the various cultures in Kenya		35,000	35,000	06/10/2023

44	Financing development of innovations and inventions which promote tourism development, promotion and branding;	Design and Development of Cultural tourism promotion digital Sanaa Application	Development of Cultural tourism promotion digital Sanaa Application		50,000	50,000	14/03/2024
45	Funding programmes and initiatives for tourism safety and security geared towards development, promotion, and branding of tourism sector	Modernization and expansion of the Tourism Police Unit	Modernize and expand TPU by renovating, equipping the offices at the headquarters and at the Coast region; and Capacity building	Tourism Police Unit	15,000	00	