



PARLIAMENT OF KENYA LIBRARY



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22/2/24

THIRTEENTH PARLIAMENT – THIRD SESSION – 2024

DIRECTORATE OF DEPARTMENTAL COMMITTEES
DEPARTMENTAL COMMITTEE ON AGRICULTURE AND LIVESTOCK

REPORT ON:

BUDGET IMPLEMENTATION FOR THE FINANCIAL YEAR 2022/23 FOR:

VOTE 1162: STATE DEPARTMENT FOR LIVESTOCK DEVELOPMENT; AND

VOTE 1169: STATE DEPARTMENT FOR CROP DEVELOPMENT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 22 FEB 2024

DAY:

Tues

TABLED BY:

Hon. (Dr.) John Mutunga, MP
Chairperson, Agriculture & Livestock

AT THE TABLE:

A. Shuboko

CLERKS CHAMBERS

DIRECTORATE OF DEPARTMENTAL COMMITTEES

PARLIAMENT BUILDINGS

NAIROBI

FEBRUARY 2024

LIST OF ABBREVIATIONS AND ACRONYMS

| | | |
|----------|---|--|
| MP | - | Member of Parliament |
| PhD | - | Doctor of Philosophy |
| UDA | - | United Democratic Alliance |
| CBS | - | Chief of the Burning Spear |
| ODM | - | Orange Democratic Movement |
| DAP-K | - | Democratic Alliance Party, Kenya |
| NOPEU | - | National Ordinary People Empowerment Union |
| S.O. | - | Standing Order |
| No. | - | Number |
| Ref. | - | Reference |
| NA | - | National Assembly |
| DDC | - | Directorate of Departmental Committees |
| A&L | - | Agriculture and Livestock |
| CPA | - | Certified Public Accountant |
| KSh. | - | Kenya Shilling |
| FY | - | Financial Year/Fiscal Year |
| SAGAs | - | Semi-Autonomous Government Agencies |
| A-i-A | - | Appropriation in Aid |
| GMP | - | Good Manufacturing Practice |
| KEVEVAPI | - | Kenya Veterinary Vaccines Production Unit |
| AHITI | - | Animal Health and Industry Training Institute |
| PRA | - | Participatory Rural Appraisal |
| KAGRC | - | Kenya Animal Genetics Resource Centre |
| TLUs | - | Tropical Livestock Units |
| ET | - | Embryo Transfer |
| RVILs | - | Regional Veterinary Investigation Laboratories |
| NCPB | - | National Cereals and Produce Board |
| KCB | - | Kenya Commercial Bank |
| ETC | - | Export Trading Company |
| SFR | - | Strategic Food Reserve |
| PCPB | - | Pest Control Products Board |
| BETA | - | Bottom-up Economic Transformation Agenda |
| KSA | - | Kenya School of Agriculture |
| KENTTEC | - | Kenya Tsetse and Trypanosomiasis Eradication Council |
| AFA | - | Agriculture and Food Authority |
| KPIs | - | Key Performance Indicators |
| MT | - | Metric Tonnes |
| PPE | - | Personal Protective Equipment |
| Lts. | - | Litres |
| ASALs | - | Arid and Semi-Arid Lands |
| Ha. | - | Hectare |
| Hq | - | Headquarter |
| ToT | - | Trainer of Trainers |
| SMEs | - | Small and Medium-Sized Enterprises |
| ATDC | - | Agricultural Technology Development Centre |
| TIMPs | - | Technology Innovations and Management Practices |
| NGO | - | Non-Governmental Organisation |
| CGA | - | Cereal Growers' Association |

| | | |
|-------|---|--|
| AGRA | - | Alliance for a Green Revolution in Africa |
| SHEP | - | Smallholder Empowerment & Agribusiness Promotion |
| MSMEs | - | Micro, Small and Medium-Sized Enterprises |
| FAW | - | Fall Army Worm |
| LTI | - | Leather Training Institute |
| ISO | - | International Organisation for Standardisation |
| IEC | - | International Electrotechnical Commission |
| GoK | - | Government of Kenya |
| CVL | - | Central Veterinary Laboratory |
| FMD | - | Foot and Mouth Disease |
| BIPs | - | Border Inspection Points |
| KDB | - | Kenya Dairy Board |
| CIGs | - | Common Interest Groups |
| VMGs | - | Vulnerable and Marginalised Groups |
| NARIP | - | National Agricultural and Rural Industry Project |
| AI | - | Artificial Insemination |
| CETP | - | Common Effluent Treatment Plant |
| CMF | - | Common Manufacturing Facility |
| RVF | - | Rift Valley Fever |
| Q1 | - | First Quarter |
| Q2 | - | Second Quarter |
| Q3 | - | Third Quarter |
| Q4 | - | Fourth Quarter |
| ADC | - | Agricultural Development Corporation |
| CTUs | - | Cane Testing Units |
| USAID | - | United States Agency for International Development |

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CHAIRPERSON'S FOREWORD

This report contains proceedings of the Departmental Committee on Agriculture and Livestock on the budget implementation for the State Department for Livestock Development and the State Department for Crop Development for the FY 2022/23.

Article 95 (4) (b) and (c) of the Constitution mandates the National Assembly to appropriate funds for expenditure by the National Government and other national State organs and to exercise oversight over national revenue and its expenditure.

Standing Order No. 245A (2) requires each Departmental Committee to: review the quarterly reports submitted by the Cabinet Secretary responsible for finance pursuant to the Public Finance Management Act; review reports submitted by the Controller of Budget on matters relating to implementation of the Budget by the National Government; examine and report on the expenditures and non-financial performance of the budget of the National Government; and examine the conformity of the implementation process with the principles and values of public finance as set out in Article 201 of the Constitution.

Additionally, Standing Order 216 (5) (ba) directs Departmental Committees to monitor and report on the implementation of the National Government budget in their respective mandates on a quarterly basis.

Pursuant to the above legal provisions, the Clerk of the National Assembly wrote a letter, Ref. No. NNA/DDC/A&L/2023/043 dated 31st July 2023 (*annex 3*) to the State Departments for Livestock Development and Crop Development requesting them to submit reports on budget implementation for FY 2022/23. The State Departments submitted the reports which were examined by Members of the Departmental Committee on Agriculture and Livestock.

The State Departments were invited for meetings via letter, Ref. No. NA/DDC/A&L/2023/059 dated 12th October 2023 (*annex 4*) to respond to the observations that had been made by Members of the Committee on the reports that were submitted by the State Departments.

The Committee also conducted field visits to the following projects to ascertain their status: the Kenya Seed Company HQ, ADC farms in Kitale, Adungosi Farmers' Cooperative in Busia County, Marani Vegetable Aggregation Centre in Kisii County, Cane Testing Unit at the Kwale International Sugar Company Limited and the Kenya Meat Commission in Kibarani.

From the reports, meetings and field visits conducted by the Committee, Members observed that there was over-expenditure on some programmes mainly because of budget cuts. The State Departments were not able to absorb their budgets mainly due to late exchequer releases or lack of funds. The Maize Flour Subsidy Programme funds that were approved by the National Treasury under Article 223 of the Constitution were not regularised by the National Assembly leading to an over-expenditure of KSh. 4 billion in the State Department for Crop Development.

It was also observed that there were pending bills for subsidy programmes that had been undertaken by the State Department for Crop Development i.e. the Fertilizer Subsidy Programme for FY 2017/18, the Maize Subsidy Programme for FY 2017/18 and the Maize Flour Subsidy Programme for FY 2022/23. The State Department for Livestock Development had a historical pending bill of KSh. 4.025 billion that it had not shown interest in paying.

Further, eleven (11) CTUs had been installed in sugar companies (both public and private) but they were yet to be operationalised. The ADC farms in Kitale had mainly been used for growing maize seed and some of it leased to private farmers. On the other hand, the Kenya Seed Company had no land to grow seeds and therefore relied on ADC to grow seeds for them.

The Kenya Meat Commission had done a lot of work in modernising their Kibarani Branch and there was prudent use of the funds that had been allocated to the Commission for development. Members were concerned about the many projects in the State Departments that had been ongoing for many years and were still far from completion.

The Committee recommended that when revising the budget, the National Treasury should ensure that proposed reductions are not below the actual expenditure to avoid cases of pending bills. Additionally, the State Departments should put modalities in place to ensure that all pending bills, particularly historical pending bills are paid to avoid increasing government expenditure through interest accrued on the debts, penalties and court charges.

The Committee is grateful to the Offices of the Speaker and Clerk of the National Assembly for the logistical and technical support accorded to it during its sittings. The Committee further wishes to thank the State Departments for Livestock Development and Crop development for providing the information that was used to prepare this report. Finally, I wish to express my appreciation to Members of the Committee and the Committee Secretariat who made useful contributions towards the production and preparation of this report.

On behalf of the Departmental Committee on Agriculture and Livestock and pursuant to provisions of Standing Order 216 (5) (ba), it is my pleasant privilege and honour to present to this House the Report of the Committee on the budget implementation for FY 2022/23 for the State Departments for Livestock Development and Crop Development.

Hon. (Dr.) John K. Mutunga, PhD, M.P.
Chairperson, Departmental Committee on Agriculture and Livestock

CHAPTER ONE

1 PREFACE

1.1 ESTABLISHMENT OF THE COMMITTEE

1. The Departmental Committee on Agriculture and Livestock is one of the twenty Departmental Committees of the National Assembly established under **Standing Order 216** whose mandate under **Standing Order 216 (5)** is 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. On a quarterly basis, monitor and report on the implementation of the national budget in respect of its mandate;*
- iv. To study and review all the legislation referred to it;*
- v. To study, assess and analyse the relative success of the Ministries and departments as measured by the results obtained as compared with their stated objectives;*
- vi. 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;*
- vii. To vet and report on all appointments where the Constitution or any law requires the National Assembly to approve, except those under Standing Order 204 (Committee on Appointments);*
- viii. To examine treaties, agreements and conventions;*
- ix. To make reports and recommendations to the House as often as possible, including recommendation of proposed legislation;*
- x. To consider reports of Commissions and Independent Offices submitted to the House pursuant to the provisions of Article 254 of the Constitution; and*
- xi. To examine any questions raised by Members on a matter within its mandate.*

1.2 MANDATE OF THE COMMITTEE

2. In accordance with the Second Schedule to the Standing Orders, the Committee is mandated to consider, agriculture, livestock, food production and marketing.
3. In executing its mandate, the Committee oversees the Ministry of Agriculture and Livestock Development.

1.3 COMMITTEE MEMBERSHIP

4. The Departmental Committee on Agriculture and Livestock was constituted by the House on 27th October 2022 and comprises the following Members:

Chairperson

Hon. (Dr.) John Kanyuithia Mutunga, PhD, MP
Tigania West Constituency

UDA Party

Vice-Chairperson

Hon. Brighton Leonard Yegon, MP
Konoin Constituency

UDA Party

Hon. Sabina Wanjiru Chege, CBS, MP
Kitutu Chache North Constituency

Jubilee Party

Hon. Ferdinand Kevin Wanyonyi, MP
Kwanza Constituency

Ford Kenya Party

Hon. Geoffrey Makokha Odanga, MP
Matayos Constituency

ODM Party

Hon. Justice Kipsang Kemei, MP
Sigowet/Soin Constituency

UDA Party

Hon. Jared Okello Odoyo, MP
Nyando Constituency

ODM Party

Hon. Lawrence Mpuru Aburi, MP
Tigania East Constituency

NOPEU Party

Hon. David Kiplagat, MP
Soi Constituency

UDA Party

Hon. Gabriel Gathuka Kagombe, MP
Gatundu South Constituency

UDA Party

Hon. Monicah Muthoni Marubu, MP
Lamu County

Independent Member

Hon. Pamela Njoki Njeru, MP
Embu County

UDA Party

Hon. Patrick Kibagendi Osero, MP
Borabu Constituency

ODM Party

Hon. Peter Kalerwa Salasya, MP
Mumias East Constituency

DAP-K Party

Hon. Yussuf Mohamed Farah, MP
Wajir West Constituency

ODM Party

1.4 COMMITTEE SECRETARIAT

5. The Committee is facilitated by the following Secretariat:

Ms. Laureen Omusa Wesonga
Clerk Assistant I/Head of Secretariat

Mr. Victor Kanda Kilimo
Clerk Assistant III

CPA. Robert Ng'etich
Fiscal Analyst II

Ms. Sheila Chebotibin
Senior Serjeant-At-Arms

Ms. Noelle Chelagat
Media Relations Officer II

Ms. Lilian Aluga
Protocol Officer III

Mr. Meldrick Sakani
Audio Officer III

Ms. Brigitta Mati
Legal Counsel I

Mr. David Ng'eno
Research Officer II

Mr. Gerald Kadede
Legal Counsel II

Mr. Muhumed Shillow
Research Officer III

Mr. Richard Sang
Serjeant-At-Arms

CHAPTER TWO

2 BUDGET IMPLEMENTATION

2.1 INTRODUCTION

6. Article 95 (4) (b) and (c) of the Constitution of Kenya mandates the National Assembly not only to appropriate funds for expenditure by the National Government and other national State organs but also to exercise oversight over national revenue and its expenditure.
7. In addition, Standing Order No. 245A (2) requires each Departmental Committee to:
 - a. review the quarterly reports submitted by the Cabinet Secretary responsible for finance pursuant to the Public Finance Management Act;
 - b. review reports submitted by the Controller of Budget on matters relating to implementation of the Budget by the National Government;
 - c. examine and report on the expenditures and non-financial performance of the budget of the National Government; and
 - d. examine the conformity of the implementation process with the principles and values of public finance as set out in Article 201 of the Constitution.
8. Standing Order 216 (5) (ba) directs Departmental Committees to monitor and report on quarterly basis the implementation of the National Government budget in respective of their mandates.
9. In this regard, the National Assembly is not only mandated to appropriate funds for expenditure by the National Government and other national state organs but also to oversight on how voted public resources are being applied in order to deliver public goods and services. The Committee is therefore required to monitor progress in implementing the approved budget.
10. The Departmental Committee on Agriculture and Livestock was not able to comply with the timelines as required by S.O. No. 216 (5) (ba) because of delayed submission of information to the Committee by the State Departments hence the decision to prepare the budget implementation report for FY 2022/23.
11. In preparing this report, the Committee wrote a letter Ref. No. NA/DDC/A&L/2023/043 dated 31st July 2023 (*annex 3*) requesting the State Departments to submit reports on budget implementation for FY 2022/23. The Committee also invited the State Departments for meetings via letter, Ref. No. NA/DDC/A&L/2023/059 (*annex 4*). The meetings took place on 27th October 2023. The Committee also undertook field visits to some projects to ascertain their status of implementation.

2.2 BRIEFING BY THE PARLIAMENTARY BUDGET OFFICE

The Committee was briefed on the budget implementation for the State Departments for Livestock Development and Crop Development for FY 2022/23 by CPA. Robert Ngetich, Fiscal Analyst. Mr. Ng'etich informed the Committee that (*annex 5*):

2.2.1 STATE DEPARTMENT FOR LIVESTOCK DEVELOPMENT

12. The total approved budget for the State Department for Livestock Development was KSh. 8.777 billion comprising of KSh. 4.407 billion for recurrent expenditure and KSh. 4.37 billion for development expenditure.
13. The actual expenditure according by the State Department was KSh. 7.528 billion comprising of KSh. 4.337 billion recurrent expenditure and KSh. 3.191 billion development expenditure. The table below shows the approved budget for FY 2022/23 versus the actual expenditure.

Table 1: Approved budget versus actual expenditure

| Item | Approved budget | Actual expenditure | % Absorption |
|--------------|-----------------|--------------------|--------------|
| Current | 4,407 | 4,337 | 98 |
| Capital | 4,370 | 3,191 | 73 |
| Total | 8,777 | 7,528 | 86 |

14. The absorption rate for the recurrent expenditure versus the approved budget was 98%. The 2% under-expenditure was on account of underperformance of A-i-A from SAGAs. SAGAs had budgeted to collect KSh. 2.053 billion but managed to collect KSh. 2.012 billion resulting in an underperformance of KSh. 41 million. The table below shows a breakdown of the recurrent expenditure.

Table 2: Breakdown of recurrent expenditure

| Item | Approved Budget | Actual expenditure | Variance |
|-------------------------------------|----------------------|----------------------|-------------------|
| Compensation to Employees | 1,404,000,000 | 1,403,814,108 | 185,892 |
| Use of Goods and Services | 521,495,477 | 503,040,621 | 18,454,856 |
| Grants | 2,422,446,000 | 2,381,540,000 | 40,906,000 |
| Social Benefits | 3,764,524 | 3,374,076 | 390,448 |
| Acquisition of Non-Financial Assets | 55,572,413 | 45,596,668 | 9,975,745 |
| Gross Expenditure | 4,407,278,414 | 4,337,365,473 | 69,912,941 |

15. The absorption rate for capital expenditure was 73% following an expenditure of KSh. 3.191 billion against an approved budget of KSh. 4.37 billion. The non-utilization of 27% of the development budget was mainly because of the relatively low absorption on donor funded projects.

2.2.2 STATE DEPARTMENT FOR CROP DEVELOPMENT

16. The total approved budget for the State Department was KSh. 49.419 billion consisting of KSh. 14.189 billion for recurrent expenditure and KSh. 35.229 billion for capital expenditure.
17. The State Department's actual expenditure was KSh. 44.698 billion with the actual recurrent expenditure of **KSh. 15.447 billion** and **KSh. 29.251 billion** development expenditure.

Table 3: Shows the Approved budget versus the actual expenditure for FY 2022/23

| Item | Approved Budget | Actual Expenditure | % absorption |
|--------------|-----------------------|-----------------------|--------------|
| Current | 14,189,135,038 | 15,447,122,836 | 109 |
| Capital | 35,229,872,021 | 29,251,460,372 | 83 |
| Total | 49,419,007,059 | 44,698,583,208 | 90 |

18. The actual recurrent expenditure of KSh. 15.447 billion exceeded the approved allocation of KSh. 14.189 billion by KSh. 1.257 billion, an expenditure of 109% of the approved budget. The over expenditure was on: Use of Goods and Services where KSh. 193 million was spent against an allocation of KSh. 160 million; and on Acquisition of Non-Financial Assets where KSh. 527 million was spent against an approved budget of KSh. 5.9 million, an over expenditure of 9006% of the approved budget.
19. The State Department made a payment of KSh. 3.366 billion on Maize Flour Subsidy Programmes through Article 223 which was not approved by the National Assembly.

Table 4: Breakdown of actual and approved recurrent expenditure

| Item | Approved Budget | Actual expenditure | Variance | % absorption |
|-------------------------------------|-----------------------|-----------------------|----------------------|--------------|
| Compensation to Employees | 805,100,000 | 734,082,972 | 71,017,028 | 91 |
| Use of Goods and Services | 160,108,095 | 193,803,932 | -33,695,837 | 121 |
| Subsidies | 0 | 3,366,999,497 | -3,366,999,497 | |
| Grants | 13,199,623,650 | 10,597,855,513 | 2,601,768,137 | 80 |
| Social Benefits | 18,377,352 | 20,711,489 | -2,334,137 | 113 |
| Acquisition of Non-Financial Assets | 5,925,941 | 533,669,430 | -527,743,489 | 9006 |
| Gross Expenditure | 14,189,135,038 | 15,447,122,833 | 1,257,987,795 | 109 |

20. The absorption rate for development expenditure was 83% following an expenditure of KSh. 29.251 billion against an approved budget of KSh. 35.229 billion. KSh. 5.978 billion which is 17% of the development budget was not utilized. The overall absorption for the State Department was 90%.
21. The State Department was implementing four Programmes namely: General Administration, Planning and Support Services; Crop Development and Management; Agribusiness and Information Management; and Agricultural Research & Development. The State Department had an over-

expenditure of KSh. 3.347 billion (58%) on the Agricultural Research & Development programme. The following table shows the actual expenditures versus the approved allocations for each Programme.

Table 5: Actual expenditure versus approved allocation for the Programmes

| Programme | FY 2022/23 (KSh. Millions) | | | |
|---|----------------------------|--------------------|--------------|---------------|
| | Approved Budget | Actual Expenditure | Variance | % Absorption |
| General administration, planning and support services | 8,240 | 6,243 | 1,996 | 75.77% |
| Crop development and management | 33,295 | 27,405 | 5,890 | 82.31% |
| Agribusiness and Information Management | 2,137 | 1,824 | 313 | 85.34% |
| Agricultural Research & Development | 5,745 | 9,092 | -3,347 | 158.27% |
| TOTAL | 49,419 | 44,566 | 4,852 | 90.18% |

2.3 SUBMISSION BY THE STATE DEPARTMENT FOR LIVESTOCK DEVELOPMENT

In a letter, Ref No. MLD/FM/VOL. 20/251 dated 8th August 2023 (*annex 6*), the Principal Secretary, Hon. Jonathan Mueke, CBS, informed the Committee that:

2.3.1 FINANCIAL PERFORMANCE

22. The State Department for Livestock Development received a total of KSh. 2,324,675,473 recurrent budget and KSh. 3,181,421,788 for development budget in the FY 2022/23. The table below illustrates this information.

Table 6: Actual revenue receipts for FY 2022/23

| Category | Q1 | Q2 | Q3 | Q4 | TOTAL |
|---|-----------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| ACTUAL RECURRENT REVENUE RECEIPTS FOR FY 2022/23 | | | | | |
| Exchequer Issues | 564,458,500.00 | 659,096,767.00 | 261,052,767.00 | 825,452,716.00 | 2,310,060,750.00 |
| A-i-A | 968,861.00 | 1,572,691.00 | 5,815,200.00 | 6,257,971.00 | 14,614,723.00 |
| TOTAL | 565,427,361.00 | 660,669,458.00 | 266,867,967.00 | 831,710,687.00 | 2,324,675,473.00 |
| ACTUAL DEVELOPMENT REVENUE RECEIPTS FOR FY 2022/23 | | | | | |
| Exchequer Issues | - | 255,556,460.00 | 6,000,000.00 | 249,227,788.00 | 510,784,248.00 |
| Donor | 174,635,141.00 | - | 379,214,131.00 | 666,788,268.00 | 1,220,637,540.00 |
| Loan A-i-A | - | - | - | 1,450,000,000.00 | 1,450,000,000.00 |
| TOTAL | 174,635,141.00 | 255,556,460.00 | 385,214,131.00 | 2,366,016,056.00 | 3,181,421,788.00 |

23. The approved recurrent budget for the State Department was KSh. 6,517,617,635 while the actual expenditure for the State Department was KSh. 5,370,618,684. The table below shows this information

Table 7: Actual Recurrent Expenditure by Economic Classification

| Sub-Programme | Description | Approved Budget | Q1 Actual Expenditure | Q2 Actual Expenditure | Q3 Actual Expenditure | Q4 Actual Expenditure |
|---------------|-------------------------------------|-------------------------|-----------------------|-------------------------|-------------------------|-------------------------|
| 2100000 | Compensation of Employees | 4,091,125,000.00 | 340,238,961.00 | 690,564,737.00 | 1,035,098,247.00 | 1,403,814,108.00 |
| 2200000 | Use of Goods and Services | 1,432,235,257.00 | 62,229,828.00 | 151,789,901.00 | 259,144,133.00 | 503,040,621.00 |
| 2600000 | Grants | 793,000,000.00 | 74,772,000.00 | 146,975,000.00 | 202,400,000.00 | 368,850,000.00 |
| 2700000 | Social Benefits | 6,587,917.00 | - | 1,147,025.00 | - | 3,374,076 |
| 3100000 | Acquisition of Non-Financial Assets | 194,669,461.00 | 22,239,703.00 | 24,741,324.00 | 35,599,353.00 | 45,596,668.00 |
| TOTAL | | 6,517,617,635.00 | 499,483,492.00 | 1,014,217,986.00 | 1,532,241,733.00 | 2,324,675,473.00 |

24. The approved development budget for the State Department was KSh. 6,178,745,608 while the actual expenditure for the State Department was KSh. 3,496,480,716. This information is illustrated in the table below:

Table 8: Actual Development Expenditure by Economic Classification

| Sub-Programme | Description | Approved Budget | 1 st Half Expenditure | 2 nd Half Expenditure | Balance |
|---------------|-------------------------------------|------------------|----------------------------------|----------------------------------|------------------|
| 2100000 | Compensation of Employees | 143,425,000.00 | 39,091,184.00 | 95,815,202.00 | 8,518,614.00 |
| 2200000 | Use of Goods and Services | 1,970,191,453.00 | 87,512,140.00 | 873,658,147.00 | 1,009,021,166.00 |
| 2600000 | Grants | 2,473,704,028.00 | 110,975,000.00 | 2,070,695,558.00 | 292,033,470.00 |
| 3100000 | Acquisition of Non-Financial Assets | 1,591,425,127.00 | 77,480,605 | 141,252,881.00 | 1,372,691,641.00 |

| | | | | |
|--------------|-------------------------|-----------------------|-------------------------|-------------------------|
| TOTAL | 6,178,745,608.00 | 315,058,929.00 | 3,181,421,788.00 | 2,682,264,891.00 |
|--------------|-------------------------|-----------------------|-------------------------|-------------------------|

2.3.2 NON-FINANCIAL PERFORMANCE

25. The table below show the non-financial performance for the State Department for Livestock development for FY 2022/23.

Table 9: Non-Financial Performance

| Sub-Programme | Delivery Unit | Key Output | Key Performance Indicator | Annual Target (s) | Actual as at 30 th June 2023 | Variance | Remarks |
|--|---|---|--------------------------------|-------------------|---|----------|--|
| Livestock Policy Development and Capacity Building Programme | Regional Pastoral Resource Centre, Narok and Isiolo | Livestock keepers trained | Number of pastoralists trained | 1,260 | 1,134 | 126 | |
| | Dairy Training Institute | Student population enrolled at the Institute | Number of students maintained | 267 | 265 | 2 | Students in session during the period. |
| | | Graduates from the Institute | No. of graduates | 267 | 267 | - | Graduation was done in June 2023 |
| | Livestock Training Institute, Wajir | Student population enrolled at the Institute | Number of students maintained | 44 | 38 | 6 | The Institute has bed capacity of 186 students. 165 students will be admitted in Q1 of FY 2023/24. |
| | | Graduates from the Institute | No. of graduates | 22 | 17 | 5 | Certificates in animal health had 10 students. 7 students had upgraded to Diploma in Animal Health and Production. |
| National Beekeeping Institute | | Stakeholders trained on demand courses at the Institute | Number of stakeholders | 450 | 556 | (106) | The training is to build capacity of bee value chain actors. |

| Sub-Programme | Delivery Unit | Key Output | Key Performance Indicator | Annual Target (s) | Actual as at 30 th June 2023 | Variance | Remarks |
|---------------|--------------------------------------|--|--|-------------------|---|----------|---|
| | Finance and procurement services | Financial services | Number of quarterly expenditure reports | 4 | 4 | - | |
| | Human Resource and Development | Animal health interns mentored | Number of animal health interns | 1,000 | 1,000 | - | Achievement reflects placement for qualified applicants |
| | Central planning and monitoring unit | Economic planning services | Number of performance contracts evaluated | 4 | 4 | - | Quarterly evaluation reports prepared and submitted to the Performance Management and Contracting Department |
| | 116002104 Kenya Veterinary Board | Well-regulated and licensed veterinary practices | Number of inspected and approved veterinary laboratories | 8 | 5 | 3 | |
| | | | Number of registered graduates | 1,035 | 731 | 304 | 75 practitioners were registered (26 veterinary surgeons, 18 veterinary technologists, 11 veterinary technologists and 20 veterinary technicians) |
| | | | Number of inspected and | 2,447 | 665 | 1,782 | 20 agrovet and 1 clinical centre were inspected by the |

| Sub-Programme | Delivery Unit | Key Output | Key Performance Indicator | Annual Target (s) | Actual as at 30 th June 2023 | Variance | Remarks |
|-------------------------------------|--|---|--|-------------------|---|----------|---|
| | | | licensed practitioners | | | | Board. Performance was affected by understaffing. |
| | | | Number of veterinary interns registered | 1,220 | 1,071 | 149 | Delay in advertisement for the internship programme affected registration. The overall target was achieved in Q1. |
| | | Percentage of completion of the equipping and furnishing of the Resource Centre | Equipping percentage completion | 100 | 100 | - | The Resource Centre at Kabete was completed and is operational. |
| | Veterinary Medicines Directorate | Well-regulated and licensed veterinary medicines and drugs environment | Well-regulated and licensed veterinary medicines and drugs environment | 450 | 566 | (116) | |
| | | | Number of retained registered veterinary products | 1,300 | 1,655 | (355) | |
| | | | Number of GMP audits conducted | 20 | 21 | (1) | |
| | | | Number of sheep and goats availed to farmers | 400 | 145 | 255 | The low number was as a result of drought. |
| Livestock Production and Management | 116200500 Sheep and goats breeding farms 116200800 Breeding and | Livestock genetic conservation services | Number of livestock | 4,623 | 4,412 | 211 | Herd size was affected by drought. |

| Sub-Programme | Delivery Unit | Key Output | Key Performance Indicator | Annual Target (s) | Actual as at 30 th June 2023 | Variance | Remarks |
|---------------|---|---|--|-------------------|---|----------|---|
| | livestock research farm | | maintained in livestock genetic conservation farms | | | | |
| | 1162001800 Livestock breeding and laboratory services (livestock recording centres) | Milk analysis for breeding value | No. of milk samples tested | 7,500 | 4,141 | 3,359 | Variance caused by late disbursement of funds and limited funding levels. |
| | Livestock Production Big Four Interventions | Animal breeding services | No. of breeding piglets availed to farmers | 600 | 200 | 400 | 200 piglets availed to farmers during the period |
| | | Feedlots and pastures development supported | No. of breeding rabbits availed to farmers | 1,000 | 545 | 455 | Sales depended on farmers' demand |
| | | | No. of feedlot operators' capacity built | 10 | 0 | 10 | No training done in Q4 due to lack of exchequer. |
| | | | Chemogoch model feedlot completion percentage | 100 | 100 | - | Model feedlot completed at Chemogoch |
| | | | No. of pasture bales harvested | 336,000 | 102,000 | 234,000 | Hay bales harvested in Mogotio and Chemogoch |
| | | Increased bee colonies | Number of bee colonies distributed | 2,000 | 0 | 2,000 | No distribution done in Q4 due to financial constraints /budget cuts |
| | 1162100600 Kenya Livestock Insurance Project | Livestock insured against drought | No. of TLUs insured | 50,000 | 50,000 | - | 74,552 pastoralists registered and paid the premium under the DRIVE Project |

| Sub-Programme | Delivery Unit | Key Output | Key Performance Indicator | Annual Target (s) | Actual as at 30 th June 2023 | Variance | Remarks |
|--|--|---|---|-------------------|---|----------|---|
| | 1162104700 Kenya Livestock Commercialisation Project (KELCOP) | Commercialised livestock enterprises | Number of persons receiving services promoted or supported by the project | 3,750 | 4,850 | (1,100) | The actual number of persons reached was through PRA process through which Community Action Plans were developed. |
| | | | Households provided with targeted support to improve their nutrition | 200 | - | 200 | In Q3 and Q4 activities were centred on community mobilisation through PRA where community action plans were developed. |
| | | Training of pastoral field schools | Households accessing water infrastructure | 100 | - | 100 | |
| | | | No. of participants trained | 250 | 765 | (515) | 12 PFS groups formed and on farm training is ongoing. |
| 1162104800 Towards Ending Drought Emergencies (TWEENDE) | | Pastoral community institutions supported | No. of community institutions (groups) trained on rangeland management | 44 | 46 | (2) | Rangeland management activity successfully being implemented |
| | | Reseeded rangeland | Acres of reseeded rangeland | 600 | 600 | - | 1,340 Kgs of grass seed distributed for rehabilitation work and establishment of grass seed banks. |

| Sub-Programme | Delivery Unit | Key Output | Key Performance Indicator | Annual Target (s) | Actual as at 30 th June 2023 | Variance | Remarks |
|---------------|--|---|--|-------------------|---|----------|--|
| | | Soil and water conservation structures established | No. of structures | 4 | 0 | 4 | Preliminary activities on-going for the establishment of soil and water conservation structures |
| | 1162002200 Animal Breeding and Reproductive Regulatory Services | Livestock breeds improved | No. of semen distribution premises inspected and licensed Percentage of semen evaluated for import and export | 20 100% | 22 100% | (2) - | Two new genetic producing facilities were inspected and licensed 100% requests processed 149 samples evaluated from consignments of 514,289 doses of semen processed. |
| | | | Litres of liquid nitrogen produced and distributed | 350,000 | 268,672 | 81,328 | Kirinyanga plant was not operational and the Sotik plant production was below 20 litres per hour. |
| | Establishment of liquid nitrogen plants – KAGRC | Improved animal breeds and artificial insemination services | No. of semen doses produced and distributed | 1,100,000 | 803,964 | 296,036 | Target was not met due to halting of semen production to allow for laboratory renovations and the depletion of semen packaging straws |
| | | | Percentage completion of | 100% | 100% | - | Complete awaiting commissioning |

| Sub-Programme | Delivery Unit | Key Output | Key Performance Indicator | Annual Target (s) | Actual as at 30 th June 2023 | Variance | Remarks |
|---------------|---|---|--|-------------------|---|----------|--|
| | | | dairy goat A.I. centres | | | | |
| | | | Number of breeding sires recruited into the stud | 12 | 12 | - | |
| | Embryo Transfer and Sexed Semen Project - KAGRC | Improved animal breeds and AI services | Percentage completion of Embryo Transfer Centre | 100 | 55 | 45 | Construction of the ET laboratory was at an advanced stage awaiting delivery of embryos. The semen sexing machine was expected to be acquired by December 2023 |
| | | | Percentage completion level | 85% | 90% | (5%) | Overarching due to efficient project implementation |
| | Kenya Leather Development Council | Common Effluent Treatment Plant (CETP) for Leather Park - Kenania | Percentage completion level | 75% | 75% | - | Target achieved |
| | | Leather industrial warehouses and administration complex | Percentage completion level | 75% | 75% | - | Target achieved |
| | Leather industry MSMEs capacity built | | Number of flayers and traders trained | 250 | 242 | 8 | Under achievement due to exchequer delay |
| | | | Number of MSMEs trained | 150 | 170 | (20) | Overachievement because most activities were done as budgeted |

| Sub-Programme | Delivery Unit | Key Output | Key Performance Indicator | Annual Target (s) | Actual as at 30 th June 2023 | Variance | Remarks |
|--------------------------------|-------------------|--|---|-------------------|---|----------|--|
| | | | Number of leather goods machine operators trained | 50 | 50 | - | Done |
| | | M SMEs utilising Common Manufacturing Facilities (CMF) | Number of MSMEs utilising CMF | 330 | 350 | (20) | High turnout due to operationalisation of CMF |
| | Kenya Dairy Board | Improve compliance to quality and safety requirements of marketed dairy | No. of milk handling premise inspections done | 5,500 | 7,228 | (1,728) | Target achieved |
| | | Enhance manufacturing through increased consumption of value-added dairy produce | No. of milk quality and safety tests conducted | 60,000 | 60,233 | (233) | Target achieved |
| | | National Dairy Regulatory Laboratory established and equipped (KDB) | Volume of formal milk intake in million litres | 979 | 897 | 82 | Variance as a result of the prolonged drought that affected local production and intake in the formal sector |
| | | Honey quality assurance | %completion of the Laboratory | 95% | 95% | - | Target achieved |
| 0112040 Food Safety and Animal | National Bee | | Number of honey samples analysed | 300 | 139 | 161 | Honey samples are analysed for quality assurance |

| Sub-Programme | Delivery Unit | Key Output | Key Performance Indicator | Annual Target (s) | Actual as at 30 th June 2023 | Variance | Remarks | |
|----------------------|---|---|---|-------------------|---|----------|--|--|
| Products Development | Keeping Institute, Lenana | Veterinary health services strengthened | No. of residue monitoring plans in foods of animal origin implemented | 3 | 3 | - | Residue monitoring plans for milk, meat and honey undertaken in Q1, Q2 and Q3. It wasn't done in Q4 due to breakdown of analysis equipment | |
| | | Leather Training Institute constructed and equipped | Percentage of completion of construction and equipping of LTI | 10 | 0 | 10 | Underachievement was due to lack of funds | |
| | Hides and skins export permits processed | Stakeholder capacity strengthened | No. of stakeholders trained | 250 | 344 | (94) | Capacity building done in collaboration with Kiambu and Nairobi Counties | |
| | | Hides and skins export permits processed | No. of export permits processed and registered | 250 | 366 | (116) | Done on request | |
| | 1162002500 veterinary public health, hides and skins and leather quality control | Enhanced safety of food of animal origin | No. of export milk processing plants inspected and licensed | 8 | 8 | - | Activity completed as planned in Q1. Monitoring was done in subsequent quarters | |
| | | | No. of export slaughter houses inspected and licensed | 11 | 11 | - | Inspection and licensing completed in Q3. Monitoring continued in Q4 | |
| | | | No. of animal feed processing | 11 | 11 | - | Inspection and licensing completed | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

| Sub-Programme | Delivery Unit | Key Output | Key Performance Indicator | Annual Target (s) | Actual as at 30 th June 2023 | Variance | Remarks |
|--|----------------------------|--|---|-------------------|---|-------------------------------|--|
| 0112050 Livestock Disease Management and Control | | | plants inspected and licensed | | | | and monitored throughout the FY |
| | | | Honey facilities inspected and licensed | 2 | 2 | - | Completed as planned |
| | | Veterinary and drugs chemical residues in foods tested | No. of milk samples | 350 | 247 | 103 | Activity not done in Q4 due to breakdown of equipment for analysis |
| | | | No. of meat samples | 300 | 233 | 67 | |
| | | | No. of honey samples | 250 | 135 | 115 | |
| | | Import/export foods inspected and certified | 100% | 100% | - | Done as per requests received | |
| | | Enhanced disease surveillance | | 3 | 3 | - | RVF and PPR surveillance done in Garissa, Isiolo, Marsabit and Baringo |
| Disease free zones established to facilitate access to markets | 11620037 disease free zone | | 20% | 0 | SDL was exploring modalities to complete and operationalise the facility. This wasn't done because of unavailability of funds | | |

| Sub-Programme | Delivery Unit | Key Output | Key Performance Indicator | Annual Target (s) | Actual as at 30 th June 2023 | Variance | Remarks |
|---------------|--|--|---|-------------------|---|----------|---|
| | | Regional laboratories rehabilitated and equipped | No. of laboratories rehabilitated and equipped | 8 | 8 | - | The 6 RVILs and two satellite vet labs were at various stages of rehabilitation and equipping. Most works were delayed due to delays in exchequer release |
| | 1162003300 RVILs (Kericho, Mariakani, Eldoret, Nakuru, Karatina, Garissa, Witu and Ukunda) | Reduced animal disease incidences | % of disease outbreaks investigated | 100% | 100% | - | All reported disease outbreaks were investigated |
| | | | No. of samples of animal diseases analysed | 61,000 | 37,736 | 23,264 | Samples received, processed and reported and advise relayed back to the clients. Unavailability of funds delayed supply of laboratory reagents and consumables in laboratories that affected some sample sampling |
| | | | No. of disease risk surveillance missions carried out | 2 | 2 | - | Activity completed as planned |
| | | Laboratories audited on ISO 17025 | No. of laboratories audited | 6 | 8 | (2) | ISO/IEC 17025:2017 internal audits were carried out in 6 laboratories (NVL-Karatina, |

| Sub-Programme | Delivery Unit | Key Output | Key Performance Indicator | Annual Target (s) | Actual as at 30 th June 2023 | Variance | Remarks |
|---------------|---|---|--|-------------------|---|----------|--|
| | | | | | | | Garissa, Mariakani, Nakuru, Eldoret and Kericho) as well as reference labs (CVL and FMD) |
| | 1162003400 Veterinary Diagnostics and Efficacy Trial Centres | Reduced animal disease incidences | Percentage of testing of animal health inputs (drugs and vaccines) | 100% | 100% | - | All requests for testing done |
| | | | Number of animals maintained for efficacy trials | 1,600 | 1,845 | (245) | Animals maintained the five efficacy trial centres (Maseno, Kabete, Ngong, Machakos and Kiboko. Other laboratory animals are kept at Kabete and are used and disposed as need arises |
| | 1162003500 Central Veterinary Laboratory, Kabete | BSL3 laboratory at Kabete | % Completion | 100% | 82% | 0 | Activities not done because of unavailability of funds |
| | | Reduced animal disease incidences | No. of samples of animal diseases analysed | 17,500 | 17,184 | 316 | All samples processed as received |
| | 1162002700 Vector Regulatory and Zoological Services | Sentinel bee colonies established and monitored | No. of sentinel bee colonies established /monitored | 6 | 6 | - | Completed |

| Sub-Programme | Delivery Unit | Key Output | Key Performance Indicator | Annual Target (s) | Actual as at 30 th June 2023 | Variance | Remarks |
|---|---------------|--|--|-------------------|---|----------|---|
| | | National risk maps for bee diseases and pests developed | No. of diseases maps/pests developed | 4 | 2 | 2 | Activity was ongoing and was expected to be completed in FY 2024/25 |
| | | | Number of acaricides tested for registration | 4 | 2 | 2 | Done on request |
| | | | % refurbishment and equipping of Kiboko Zoological Centre | 70% | 10% | 1 | Process was delayed due to delay in release of funds. Water reticulation and partial construction of eatery was done. |
| 1162003600 Foot and mouth disease laboratory | | Tick vectors and tick-borne diseases surveyed and mapped | No. of counties surveyed and tick vectors and tick-borne diseases mapped | 1 | 2 | (1) | Two surveys on acaricide resistance were done in Nakuru and Nandi Counties. |
| | | Reduced incidences of FMD | No. of samples analysed | 7,000 | 1,468 | 5,532 | Samples processed as received |
| | | FMD vaccines lost tested for efficacy | Number of lots tested | 13 | 12 | 1 | All vaccine lots tested as received from KEVEVAPI |
| 1162003800 Ports of entry and post veterinary inspection services | | Sanitary and phytosanitary standards manned and strengthened | No. of border /entry points of entry manned and strengthened | 13 | 13 | - | All border inspection points (BIPs) are operational |
| 1162105000 Establishment of Livestock Pre- | | Livestock pre-sones | Completion level (%) of quarantine station at | 50 | - | 50 | Delays occasioned by delays in completion of |

| Sub-Programme | Delivery Unit | Key Output | Key Performance Indicator | Annual Target (s) | Actual as at 30 th June 2023 | Variance | Remarks |
|---------------|-------------------|---|---|-------------------|---|----------|--|
| | Export Zone, Lamu | facilities developed | Bargoni holding ground | | | | construction designs, bills of quantities and budget cuts. However, some assorted equipment were procured for Mariakani and Garissa Regional Veterinary Laboratories |
| | | | Completion level (%) of the marshalling yards and related infrastructure at Lamu Port | 50 | - | 50 | |
| | | | Completion level (%) of construction of Witu Veterinary Laboratory | 50 | - | 50 | |
| | | | Completion level (%) and equipping of 4 investigation laboratories | 50 | - | 50 | |
| | Training section | Animal health interns mentored | No. of animal health interns | 1,000 | 982 | 18 | All applicants placed were monitored |
| | | Students maintained at AHITI Kabete, Nyahururu and Ndomba | Number of students maintained | 1,500 | 1,226 | 274 | 569,275 and 382 students at AHITI Kabete, Nyahururu and Ndomba respectively |
| | KEVEVAPI | Production of assorted quality livestock vaccines | Doses of vaccines produced for animal disease control and export (millions) | 38 | 25 | 13 | Quarter targets achieved |

| Sub-Programme | Delivery Unit | Key Output | Key Performance Indicator | Annual Target (s) | Actual as at 30 th June 2023 | Variance | Remarks |
|---------------|--|---------------------------------------|--|-------------------|---|----------|--|
| | 1169107600 sustainable Tsetse and Trypanosomiasis free areas in Kenya, KENTTEC | Tsetse and trypanosomiasis control | No. of tsetse control belts covered | 6 | 6 | - | The Council is working in all the six tsetse belts concurrently. The funds available were not enough to sustain the already controlled areas in the belts and move to new areas. |
| | | Tsetse and trypanosomiasis controlled | % improvement for operational efficiency in tsetse control belts | 70 | 70 | - | |

2.3.3 LIST OF PROJECTS

26. The State Department was implementing thirty-one (31) projects in the FY 2022/23 which were in various stages of completion. The list of projects, allocations, actual expenditures and absorption levels is as shown in the following table:

Table 10: List of Projects in the State Department

| Project Name | Start Date | Expected Duration | Source of Funds | Estimated Project Value (KSh.) | Total Funding FY 2022/23 | Actual Expenditure as at 30 th June 2023 | Percentage of Completion |
|--|------------|-------------------|-----------------|--------------------------------|--------------------------|---|--------------------------|
| Kenya Livestock Insurance Scheme Project | 1.7.2014 | 11 years | GoK | 2,000,000,000 | 2,759,501 | 2,758,901 | 75% |
| Livestock Production 'Big Four' interventions | 1.7.2018 | 8 years | GoK | 2,211,000,000 | 131,810,159 | 125,779,756 | 31% |
| Modernise FMD Laboratory for GMP Standards, KEVEVAPI | 1.7.2014 | 12 years | GoK | 1,750,000,000 | 17,500,000 | 17,500,000 | 70% |
| Construction and Equipping of National Dairy Laboratory Complex | 1.7.2015 | 11 years | GoK | 857,000,000 | 18,975,000 | - | 55% |
| Construction of Kenya Veterinary Board (KVB) Headquarter Offices | 1.7.2017 | 6 years | GoK | 344,000,000 | 24,000,000 | 18,000,000 | 98% |

| Project Name | Start Date | Expected Duration | Source of Funds | Estimated Project Value (KSh.) | Total Funding FY 2022/23 | Actual Expenditure as at 30 th June 2023 | Percentage of Completion |
|---|------------|-------------------|-----------------|--------------------------------|--------------------------|---|--------------------------|
| Construction and Refurbishment of Infrastructure at AHITI Kabete | 7.7.2012 | 12 years | GoK | 266,000,000 | 18,013,817 | 18,013,817 | 83% |
| Construction of Learning Facilities (New Site) at AHITI Nyahururu | 7.7.2012 | 12 years | GoK | 360,000,000 | 10,250,000 | 10,250,000 | 78% |
| Construction and Refurbishment of Infrastructure at AHITI Ndomba | 12.8.2012 | 12 years | GoK | 249,000,000 | - | - | 72% |
| National Bee Keeping Institute | 15.8.2013 | 11 years | GoK | 150,000,000 | 9,500,000 | 8,904,900 | 93% |
| Construction & refurbishing of facilities at the Meat Training Institute Athi River | 20.9.2012 | 12 years | GoK | 160,000,000 | 3,750,000 | 3,750,000 | 82% |
| Regional Pastoral Training Centre - Narok | 11.11.2012 | 12 years | GoK | 80,000,000 | 3,000,000 | 3,000,000 | 63% |
| Construction and Dairy refurbishment at Dairy Training Institute - Naivasha | 9.8.2013 | 12 years | GoK | 307,000,000 | 22,550,000 | 22,000,000 | 40% |
| Farm Development - Sheep and Goats Breeding Farms | 10.10.2012 | 11 years | GoK | 395,000,000 | 20,250,000 | 20,250,000 | 90% |
| Bee Health Project - Vector Regulatory and Zoological Services | 1.7.2014 | 9 years | GoK | 120,000,000 | 8,232,614 | 16,606,359 | 70% |
| Bee Bulking Project - Apiculture and Emerging Livestock Services | 8.8.2014 | 12 years | GoK | 382,000,000 | 17,080,000 | 17,488,648 | 24% |
| Farm development at Livestock Breeding Research Farms | 15.12.2012 | 11 years | GoK | 279,000,000 | 15,000,000 | 15,000,000 | 93% |

| Project Name | Start Date | Expected Duration | Source of Funds | Estimated Project Value (KSh.) | Total Funding FY 2022/23 | Actual Expenditure as at 30 th June 2023 | Percentage of Completion |
|--|------------|-------------------|-------------------|--------------------------------|--------------------------|---|--------------------------|
| Farm development - Veterinary Diagnostic and Efficacy Trial Centres | 20.1.2014 | 10 years | GoK | 335,000,000 | 13,250,000 | 13,250,000 | 85% |
| Construction & Refurbishment of the Foot & Mouth Disease National Reference Lab | 15.07.2011 | 13 years | GoK | 254,000,000 | 8,000,000 | 7,925,025 | 89% |
| Construction & equipping of the Bio-safety Level 3 Laboratory at Kabete | 25.05.2012 | 13 years | GoK | 830,000,000 | 28,680,900 | 28,680,900 | 72% |
| Construction & Refurbishment of Regional Veterinary Investigation Laboratories (RVILs) | 18.08.2011 | 14 years | GoK | 706,000,000 | 12,500,000 | 12,500,000 | 79% |
| Modernization of Kiboko Zoological and Efficacy Trial Centre | 15.08.2014 | 10 years | GoK | 138,500,000 | 10,000,000 | 10,000,000 | 53% |
| Construction and refurbishment of the Leather Science Institute | 15.08.2013 | 13 years | GoK | 626,000,000 | 16,784,292 | 15,808,605 | 54% |
| Construction & Refurbishment of Facilities at the Livestock Institute Wajir | 01.05.2019 | 6 years | GoK | 300,000,000 | 22,250,000 | 22,250,000 | 47% |
| Establishment of Livestock Export Zone - Lamu | 01.07.2021 | 5 years | GoK | 5,500,000,000 | 59,300,296 | 59,110,582 | 5% |
| Towards Ending Drought Emergencies in Kenya | 01.10.2021 | 6 years | GoK/Green Climate | 1,338,200,000 | 121,729,028 | 95,733,640 | 24% |
| Kenya Livestock Commercialization Programme | 10.03.2021 | 6 years | GoK/IFAD | 6,200,000,000 | 953,030,000 | 577,066,680 | 9% |
| Development of Leather Industrial Park - Kenanie | 01.07.2016 | 10 years | GoK | 4,809,000,000 | 62,500,000 | 62,500,000 | 52% |
| Embryo Transfer Project | 01.07.2020 | 6 years | GoK | 1,000,000,000 | 10,000,000 | 10,000,000 | 0% |

| Project Name | Start Date | Expected Duration | Source of Funds | Estimated Project Value (KSh.) | Total Funding FY 2022/23 | Actual Expenditure as at 30 th June 2023 | Percentage of Completion |
|---|------------|-------------------|-----------------|--------------------------------|--------------------------|---|--------------------------|
| De-Risking, Inclusion and Value Enhancement of Pastoral Economies | 02.05.2022 | 6 years | | 16,000,000,000 | 2,200,000,000 | 1,966,543,975 | 13% |
| Establishment of Liquid Nitrogen Plants - KAGRC | 01.07.2015 | 10 years | GoK | 1,150,000,000 | 10,750,000 | 10,750,000 | Ongoing |
| Livestock Value Chain Support Project | 01.07.2023 | 6 years | GoK | 8,300,000,000 | 500,000,000 | - | Ongoing at 0% |
| Sustainable Tsetse and Trypanosomiasis free areas in Kenya, KENTTEC | 01.08.2014 | 12 years | GoK | 1,960,000,000 | 18,750,000 | - | - |
| TOTAL | | | | 59,356,700,000 | 4,370,195,607 | 3,191,421,788 | |



2.3.4 PENDING BILLS

27. The State Department had pending bills relating to FY 2021/22 amounting to KSh. 32.2 million on development expenditure.
28. In addition, the State Department had historical pending bills amounting to KSh. 4.025 billion on account of court awards to Halal Meat Products Limited, KSh. 4 billion and Expert Associate Architects, KSh. 25 million.

2.3.5 RESPONSE TO COMMITTEE OBSERVATIONS ON THE STATE DEPARTMENT'S BUDGET PERFORMANCE REPORT

29. After going through the report submitted by the State Department for Livestock Development on their FY 2022/23 budget performance, Members of the Committee made observations that needed to be responded to by the State Department. The Principal Secretary, Hon. Jonathan Mueke, CBS appeared before the Committee on Friday, 27th October 2023 and responded as follows to the Committee's observations (*annex 7*):

Over-expenditure on the Bee Health - Vector Regulatory and Zoological Services

30. There was over-expenditure of KSh. 9,405,575 under the Project. The Project had an allocation of KSh. 41 million in FY 2022/23. The State Department processed payments totalling KSh. 17,638,189 in the First Half of the Financial Year. However, the allocation for the Project was reduced by KSh. 32,767,386 through the Supplementary Estimates No. 1 leaving it with an allocation of KSh. 8,232,614.
31. The over-expenditure was realised because payments had been finalised before the budget cut and the National Treasury did not make provision to offset the negative balance under the Project during Supplementary Budget No. 2.

Over-expenditure on the Bee Bulking Project

32. The Project had an allocation of KSh. 21 million which was reduced by KSh. 3.92 million through Supplementary Estimates No. 1. The reduction was done after the State Department had finalised processing payments totalling KSh. 17,371,888 leading to an over-expenditure of KSh. 291,888.

2.4 SUBMISSION BY THE STATE DEPARTMENT FOR CROP DEVELOPMENT

In a letter Ref. No. MOA/FIN/27 dated 18th August 2023 (*annex 8*), Hon. Mithika Linturi, Cabinet Secretary, Ministry of Agriculture and Livestock Development, informed the Committee that:

2.4.1 FINANCIAL PERFORMANCE

33. The approved recurrent budget for FY 2022/23 was KSh. 14,027,154,283 and the total receipts for were KSh. 15,447,126,536.05. The table below illustrates the above information.

Table 11: Approved Recurrent Budget and Actual Expenditure

| Item | Approved Budget (KSh.) | Actual Quarter 1 (KSh.) | Actual Quarter 2 (KSh.) | Actual Quarter 3 (KSh.) | Actual Quarter 4 (KSh.) |
|---|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| RECEIPTS | | | | | |
| Tax Receipts | 0 | 0 | 0 | 0 | 0 |
| Social Security Contribution | 0 | 0 | 0 | 0 | 0 |
| Proceeds from domestic and foreign grants | 0 | 0 | 0 | 0 | 0 |
| Exchequer releases | 0 | 6,155,094,104.75 | 7,443,431,991.75 | 9,243,317,157.15 | 11,540,000,489.55 |
| Transfers from other Government Entities | 0 | 0 | 0 | 0 | 0 |
| Proceeds from domestic borrowings | 0 | 0 | 0 | 0 | 0 |
| Proceeds from foreign borrowings | 0 | 0 | 0 | 0 | 0 |
| Proceeds from sale of assets | 6,457,630,000 | 0 | 0 | 0 | 3,907,126,046.50 |
| Reimbursements and refunds | 0 | 0 | 0 | 0 | 0 |
| Returns of equity holdings | 0 | 0 | 0 | 0 | 0 |
| Other receipts | 0 | 0 | 0 | 0 | 0 |

| Item | Approved Budget (KSh.) | Actual Quarter 1 (KSh.) | Actual Quarter 2 (KSh.) | Actual Quarter 3 (KSh.) | Actual Quarter 4 (KSh.) |
|--|------------------------|-------------------------|-------------------------|-------------------------|--------------------------|
| TOTAL | 6,457,630,000 | 6,155,094,104.75 | 7,443,431,991.75 | 9,243,317,157.15 | 15,447,126,536.05 |
| PAYMENTS | | | | | |
| Compensation of employees | 816,355,171 | 196,411,533.55 | 376,885,752.35 | 551,637,175.85 | 734,082,972.65 |
| Use of goods and services | 154,302,169 | 119,059,759.15 | 138,051,250.05 | 169,018,999.55 | 193,803,932.35 |
| Subsidies | 0 | 3,366,999,497.95 | 3,366,999,497.95 | 3,366,999,497.95 | 3,366,999,497.95 |
| Transfers to other government units | 13,004,430,000 | 1,713,249,999.65 | 3,426,499,999.50 | 4,834,058,330.95 | 10,595,414,601.65 |
| Other grants and transfers | 9,763,650 | 2,440,912 | 2,440,912 | 2,440,912 | 2,440,912 |
| Social security benefits | 36,377,352 | 18,874,459.95 | 19,757,353.20 | 20,711,489.40 | 20,711,489.40 |
| Acquisition of assets | 5,925,941 | 491,418,151.60 | 491,915,310.60 | 533,401,230.00 | 533,669,430.00 |
| Finance costs, including loan interest | 0 | 0 | 0 | 0 | 0 |
| Repayment of principal on domestic and foreign borrowing | 0 | 0 | 0 | 0 | 0 |
| Other payments | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 14,027,154,283 | 5,908,454,313.85 | 7,822,550,075.65 | 9,478,267,635.70 | 15,447,122,836.00 |

34. The approved development budget for FY 2022/23 was KSh. 35,229,872,021 and the expenditure was KSh. 29,119,460,379. The table below shows the above information.

Table 12: Approved Development Budget and Actual Expenditure

| Item | Final approved estimates (KSh.) | Actual Expenditure Q1 (KSh.) | Actual Expenditure Q2 (KSh.) | Actual Expenditure Q3 (KSh.) | Actual Expenditure Q4 (KSh.) |
|---|---------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| RECEIPTS | | | | | |
| Tax receipts | 0 | 0 | 0 | 0 | 0 |
| Social security contribution | 0 | 0 | 0 | 0 | 0 |
| Proceeds from domestic and foreign grants | 1,242,827,000.00 | 23,973,835.40 | 259,055,424.95 | 379,314,918.30 | 1,075,624,539.45 |
| Exchequer releases | 0 | 927,559,815.80 | 7,230,506,885.75 | 17,141,552,631.95 | 26,556,609,403.60 |
| Transfer from other government entities | 0 | 0 | 0 | 0 | 0 |
| Proceeds from domestic borrowings | 0 | 0 | 0 | 0 | 0 |
| Proceeds from foreign borrowings | 1,907,714,309.00 | 155,153,698.20 | 407,738,788.30 | 915,536,369.50 | 1,525,291,496.85 |
| Proceeds from sales of assets | 0 | 0 | 0 | 0 | 0 |
| Reimbursements and refunds | 0 | 0 | 0 | 0 | 0 |
| Returns of equity holdings | 0 | 0 | 0 | 0 | 0 |
| Other receipts | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 3,150,541,309.00 | 1,106,687,349.40 | 7,897,301,099.00 | 18,436,403,919.75 | 29,157,525,439.90 |

| Item | Final approved estimates (KSh.) | Actual Expenditure Q1 (KSh.) | Actual Expenditure Q2 (KSh.) | Actual Expenditure Q3 (KSh.) | Actual Expenditure Q4 (KSh.) |
|--|---------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| PAYMENTS | | | | | |
| Compensation of employees | 229,780,000.00 | 1,300,000.00 | 20,306,197.30 | 101,506,197.30 | 201,569,489.00 |
| Use of goods and services | 7,223,009,380.00 | 76,479,837.20 | 731,230,197.45 | 3,108,226,929.10 | 6,045,357,892.50 |
| Subsidies | 1,514,480,000.00 | 337,500,000.00 | 634,035,000.00 | 803,570,225.00 | 886,176,179.90 |
| Transfers to other government units | 22,483,604,474.00 | 1,197,179,145.20 | 5,814,600,345.20 | 12,963,069,843.50 | 19,047,170,124.75 |
| Other grants and transfers | 0 | 0 | 0 | 0 | 0 |
| Social security benefits | 0 | 0 | 0 | 0 | 0 |
| Acquisition of assets | 3,778,998,167.00 | 126,948,396.00 | 696,290,305.80 | 1,460,030,724.75 | 2,939,186,692.85 |
| Finance costs including loan interest | 0 | 0 | 0 | 0 | 0 |
| Repayment of principal on domestic and foreign borrowing | 0 | 0 | 0 | 0 | 0 |
| Other payments | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 35,229,872,021.00 | 1,739,407,378.40 | 7,896,462,045.75 | 18,436,403,919.65 | 29,119,460,379.00 |

35. The table below shows the actual expenditure by economic classification.

Table 13: Actual Expenditure by Economic Classification

| Programme | Sub-Programme | Description | Approved Budget (KSh.) | Actual Expenditure Q1 (KSh.) | Actual Expenditure Q2 (KSh.) | Actual Expenditure Q3 (KSh.) | Actual Expenditure Q4 (KSh.) |
|-----------|---------------|---|------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| 10700000 | | General Administration Planning and Support Services | 8,104,813,170.00 | 2,070,970,408.15 | 2,761,668,350.40 | 3,618,189,927.25 | 6,243,631,074.05 |
| | 2110000 | Wages and salary contributions | 326,700,158.00 | 62,444,271.95 | 118,154,355.10 | 200,705,054.90 | 284,006,650.95 |
| | 2210000 | Goods and services | 355,430,509.00 | 20,913,531.15 | 53,247,098.05 | 107,687,537.80 | 139,764,913.90 |
| | 2220000 | Routine maintenance | 14,214,688.00 | 434,000.00 | 2,458,240.00 | 3,121,491.20 | 3,312,841.20 |
| | 2630000 | Grants and transfer to other government units | 7,162,155,000.00 | 1,968,304,145.10 | 2,567,554,145.00 | 3,281,946,644.95 | 5,700,313,557.35 |
| | 2710000 | Social security benefits | 36,377,352.00 | 18,874,459.95 | 19,757,353.20 | 20,711,489.40 | 20,711,489.40 |
| | 3110000 | Acquisition of fixed capital assets | 209,935,463.00 | 0 | 497,159.00 | 4,017,709.00 | 95,521,621.25 |
| 108000000 | | Crop development and management | 33,301,484,356.00 | 859,750,340.25 | 7,064,040,038.25 | 16,308,017,759.65 | 27,405,853,417.25 |
| | 2110000 | Wages and salary contributions | 610,517,746.00 | 105,961,600.45 | 227,708,283.40 | 434,779,668.15 | 519,818,034.60 |

| Programme | Sub-Programme | Description | Approved Budget (KSh.) | Actual Expenditure Q1 (KSh.) | Actual Expenditure Q2 (KSh.) | Actual Expenditure Q3 (KSh.) | Actual Expenditure Q4 (KSh.) |
|-----------|---------------|---|------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | 2210000 | Goods and services | 6,006,058,168.00 | 73,372,870.20 | 248,681,937.10 | 2,057,234,560.85 | 3,054,032,106.35 |
| | 2220000 | Routine maintenance | 462,924,078.00 | 7,343,005.00 | 9,348,171.00 | 112,605,184.00 | 203,237,918.05 |
| | 2230000 | Other charges | 0 | 0 | 0 | 0 | 0 |
| | 2520000 | Subsidies to private enterprises | 1,514,480,000.00 | 337,500,000.00 | 463,035,000.00 | 821,027,067.00 | 483,527,067.00 |
| | 2630000 | Grants and transfer to other gov. units | 21,164,854,474.00 | 183,874,999.85 | 4,093,546,199.80 | 10,862,678,901.55 | 20,644,345,554.55 |
| | 2640000 | Other transfers and emergency relief | 1,450,000,000.00 | 0 | 1,700,000,000.00 | 1,400,000,000.00 | 1,400,000,000.00 |
| | 3110000 | Acquisition of fixed capital assets | 2,092,649,890.00 | 151,697,864.75 | 321,720,446.95 | 619,692,378.10 | 1,100,892,736.70 |
| | 3120000 | Acquisition of inventories, stock and commodities | 0 | 0 | 0 | 0 | 0 |
| | 3130000 | Acquisition of land and intangible assets | 0 | 0 | 0 | 0 | 0 |
| 109000000 | | Agribusiness and information management | 2,105,546,126.00 | 104,418,634.40 | 375,224,384.25 | 723,449,330.90 | 1,824,121,510.80 |

| Programme | Sub-Programme | Description | Approved Budget (KSh.) | Actual Expenditure Q1 (KSh.) | Actual Expenditure Q2 (KSh.) | Actual Expenditure Q3 (KSh.) | Actual Expenditure Q4 (KSh.) |
|------------------|---------------|--|-------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | 2110000 | Wages and salary contributions | 74,479,152.00 | 20,830,657.15 | 36,559,974.15 | 44,532,728.25 | 55,455,952.55 |
| | 2120000 | Social contributions | 5,054,052.00 | 1,684,684.00 | 1,684,684.00 | 1,684,684.00 | 1,684,684.00 |
| | 2210000 | Goods and services | 514,440,986.00 | 3,459,451.50 | 10,159,151.50 | 18,351,682.75 | 415,024,402.15 |
| | 2220000 | Routine maintenance | 17,959,631.00 | 52,398.50 | 110,398.50 | 1,870,923.90 | 6,260,073.90 |
| | 2230000 | Other charges | 2,500,000.00 | 0 | 75,280.35 | 75,280.35 | 75,280.35 |
| | 2640000 | Other transfers and emergency relief | 9,763,650.00 | 2,440,912.00 | 2,440,912.00 | 2,440,912.00 | 2,440,912.00 |
| | 3110000 | Acquisition of fixed capital assets | 1,481,348,655.00 | 79,950,531.25 | 324,193,983.75 | 654,493,119.65 | 1,343,180,205.85 |
| 120000000 | | Agricultural research development | 5,745,182,652.00 | 5,223,599,109.45 | 6,344,923,442.40 | 7,448,720,664.65 | 9,092,977,211.95 |
| | 2110000 | Wages and salary contributions | 29,384,063.00 | 6,790,320.00 | 13,084,653.00 | 17,213,956.50 | 20,676,566.50 |
| | 2210000 | Goods and services | 3,783,489.00 | 100,841,140.00 | 101,121,140.00 | 101,278,140.00 | 101,385,690.00 |
| | 2520000 | Subsidies to private enterprises | 0 | 3,366,999,497.95 | 3,366,999,497.95 | 3,366,999,497.95 | 3,366,999,497.95 |
| | 2630000 | Grants and transfer to other govt. units | 5,711,025,000.00 | 1,258,249,999.90 | 2,372,999,999.85 | 3,431,024,999.20 | 5,071,443,186.50 |

| Programme | Sub-Programme | Description | Approved Budget (KSh.) | Actual Expenditure Q1 (KSh.) | Actual Expenditure Q2 (KSh.) | Actual Expenditure Q3 (KSh.) | Actual Expenditure Q4 (KSh.) |
|--------------------|---------------|---|--------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | 3110000 | Acquisition of fixed capital assets | 990,100.00 | 0 | 0 | 108,000.00 | 376,200.00 |
| | 3120000 | Acquisition of inventories, stock and commodities | 0 | 490,718,151.60 | 490,718,151.60 | 532,096,071.00 | 532,096,071.00 |
| GRAND TOTAL | | | 49,257,026,304.00 | 8,258,738,492.25 | 16,545,856,215.30 | 28,098,377,682.45 | 44,566,583,215.00 |

2.4.2 NON-FINANCIAL PERFORMANCE

36. The table below shows the non-financial performance of the State Department.

Table 14: Non-Financial Performance

| Delivery unit | Key Output | KPIs | Revised Annual Targets | Actual as at 31 st September 2022 | Actual as at 31 st December 2022 | Actual as at 31 st March 2023 | Actual as at 30 th June 2023 | Remarks |
|---|--|--|------------------------|--|---|--|---|--|
| 1169105300 Kenya Climate Smart Agriculture Project (KCSAP) | Climate Smart Agriculture Technologies | No. of direct beneficiaries in Common Interest Groups (CIGs) and Vulnerable and Marginalised Groups (VMGs) | 250,000 | 91,700 | 91,700 | 91,700 | 91,700 | More beneficiaries reached in readiness for project closure on 30 th June 2023. |
| | Community Projects | No. of community projects | 1,500 | 550 | 550 | 550 | 550 | More groups funded in readiness for |

| Delivery unit | Key Output | KPIs | Revised Annual Targets | Actual as at 31 st September 2022 | Actual as at 31 st December 2022 | Actual as at 31 st March 2023 | Actual as at 30 th June 2023 | Remarks |
|--|--|--|------------------------|--|---|--|---|--|
| | | supported with grants | | | | | | project closure on 30 th June 2024 |
| | Climate smart agriculture inputs | MT of early generation seed produced | 190 | 48 | 48 | 48 | 48 | Early generation production slowed down in readiness for project closure. |
| 1169108700 Emergency Locust Response | Livelihood recovery input package | No. of affected farmers receiving crop input package | 8,000 | 4,415 | 4,415 | 4,415 | 4,415 | There was overachievement because counties received 100% of their allocation for the project. |
| | | No. of affected livestock holding household receiving fodder seeds | 32,800 | 5,350 | 5,350 | 5,350 | 5,350 | There was overachievement because counties received 100% of their allocation for the project. |
| | | No. of affected livestock holding households receiving livestock | 4,000 | 2,659 | 2,659 | 2,659 | 2,659 | The good rains experienced in the last half of the FY improved pasture availability favourable for restocking hence most counties prioritised microprojects on restocking. |
| 1169106900 Enable Youth Kenya Programme | Youth trained on modern agriculture agribusiness | No. of candidates selected and trained | 520 | 120 | 120 | 120 | 121 | 781 youth were offered opportunities in December 2022 |

| Delivery unit | Key Output | KPIs | Revised Annual Targets | Actual as at 31 st September 2022 | Actual as at 31 st December 2022 | Actual as at 31 st March 2023 | Actual as at 30 th June 2023 | Remarks |
|---------------|--|--|------------------------|--|---|--|---|---|
| | | | | | | | | where 528 reported in January 2023 and 481 attended the Programme consistently. 47 dropped out of the training. |
| | | No. of enterprises funded | 225 | 27 | 27 | 27 | 27 | 199 files were sent to AFC for funding consideration where 106 were funded (KSh. 72 M). 481 youth under training, 221 youth submitted 221 agribusiness proposals and 133 met the threshold for funding. |
| 1169102900 | E-voucher Financing System for smallholder farmers and use of financial services | Smallholder farmers accessing e-voucher scheme | 81,130 | 18,756 | 18,756 | 18,756 | 18,756 | Lower number of smallholder farmers contributing to the e-voucher. |
| | | Agro-dealers trained and accredited as agents | 19 | 5 | 5 | 5 | 5 | |
| | | Number and type of new products | 1 | 1 | 1 | 1 | 1 | |

| Delivery unit | Key Output | KPIs | Revised Annual Targets | Actual as at 31 st September 2022 | Actual as at 31 st December 2022 | Actual as at 31 st March 2023 | Actual as at 30 th June 2023 | Remarks |
|--|--|---|------------------------|--|---|--|---|--|
| | | implemented by partner FIs | | | | | | |
| | Smallholder farmers trained on harvest and post-harvest management and receive basic equipment for improved post-harvest management grains | Smallholder farmers of which 95,000 from the ASALs organised in groups, trained on harvest and post-harvest management and receive basic equipment for improved post-harvest management of grains | 50,000 | 6,000 | 7,000 | 6,000 | 6,000 | |
| | Market access for participating smallholder farmers improved | No. of farmers linked to buyers | 66,245 | 17,500 | 17,500 | 17,500 | 17,500 | |
| | | Initiatives of commercial partnership implemented | 50 | 15 | 15 | 15 | 15 | |
| | Water saving and mechanisation technologies | No. of farmers mobilised and trained to take up the technologies | 2,500 | 625 | 630 | 625 | 630 | 4 th Quarter achievements are from extension training activities in Mwea and Ahero. |
| 1169104700 Capacity Building Project for Enhancement of Rice Production | | No. of farmers who have | 250 | 50 | 60 | 70 | 70 | |

| Delivery unit | Key Output | KPIs | Revised Annual Targets | Actual as at 31 st September 2022 | Actual as at 31 st December 2022 | Actual as at 31 st March 2023 | Actual as at 30 th June 2023 | Remarks |
|---|--|---|------------------------|--|---|--|---|---|
| 1169106300 Agricultural Sector Development Support Programme II (ASDSP II) | Market access linkages for priority value chains | adopted the technology | | | | | | |
| | | No. of value groups aggregated and No. of value chain actors linked to market information | 1,400,100,000 | 35,020,000 | 38,019,000 | 35,020,000 | 40,025,000 | the variance was due to some counties over targeting. |
| 1169105100 Small Scale Irrigation and Value Addition Project | Irrigation schemes | Area of new irrigation schemes developed (Ha.) | 580 | 164 | 164 | 164 | 164 | Achieved from ongoing schemes |
| | | Area of existing irrigation schemes rehabilitated (Ha.) | 760 | 224 | 224 | 224 | 224 | |
| | | No. of micro irrigation schemes developed | 8 | 5 | 5 | 5 | 5 | |
| Market infrastructure | No. of livestock marketing facilities | 8 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | Achieved from ongoing schemes |
| | No. of post-harvest handling facilities | 10 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | Achieved contractors which had been started in the previous FY. |

| Delivery unit | Key Output | KPIs | Revised Annual Targets | Actual as at 31 st September 2022 | Actual as at 31 st December 2022 | Actual as at 31 st March 2023 | Actual as at 30 th June 2023 | Remarks |
|---|-------------------------------------|---|------------------------|--|---|--|---|---|
| 1169102400 Drought Resilience and Sustainable Livelihood Programme in the Horn of Africa | Irrigation schemes water structures | Area of irrigation infrastructure rehabilitated (Ha.) | 180 | 93 | 93 | 93 | 93 | Slow rate of contracts completion and termination of non-performing contractor in one of the schemes |
| | | No. of water structures constructed / rehabilitated | 5 | 10 | 10 | 10 | 10 | |
| 1169103100 Crop Insurance | Crop insurance | No. of farmers covered | 200,000 | 48,706 | 48,706 | 48,706 | 48,706 | Insured farmers were reached through aggregators. The government did not pay subsidy for insured farmers in the previous season resulting in delayed compensation of farmers hence reducing trust in the Programme. |
| | | Counties covered | 40 | 10 | 10 | 10 | 10 | |
| | | | | | | | | West Pokot, Transzoia, Uasin Gishu, Baringo, Nandi, Nakuru, Kericho, Bomet, Nyamira, Kisii, Migori, Homabay, Siaya, Kisumu, Vihiga, |

| Delivery unit | Key Output | KPIs | Revised Annual Targets | Actual as at 31 st September 2022 | Actual as at 31 st December 2022 | Actual as at 31 st March 2023 | Actual as at 30 th June 2023 | Remarks |
|--|--------------------------------------|---|------------------------|--|---|--|---|--|
| 1169103900 Food Security and Crop Diversification Project | Food and industrial crops production | MT of high yielding maize seed supplied MT of rice seed supplied MT of certified potato seeds availed MT of drought tolerant seeds supplied No. of assorted seedlings | 50 | 25 | 25 | 25 | 25 | Kakamega, Busia, Bungoma, Laikipia, Samburu, Isiolo, Nyandarua, Nyeri, Murang'a, Kiambu, Kirinyaga, Meru, Tharaka Nithi, Embu, Machakos, Kitui, Makeni, Kajiado, Narok, Taita Taveta, Kwale, Kilifi, Elgeyo Marakwet, Kajiado, Mombasa and Tana River The variance between the target and achievement was due to budget revision. |
| | | | 10 | 5 | 5 | 5 | 5 | |
| | | | 1,000 | 500 | 500 | 500 | 500 | |
| | | | 50 | 25 | 25 | 25 | 25 | |
| | | | 115,000 | 25,000 | 25,000 | 25,000 | 25,000 | |
| 1169107000 National Value Chain Support Programme | Input e-voucher services | No. of counties to be covered No. of beneficiaries | 38 | 7 | 7 | 7 | 7 | Subsidy fund release challenges |
| | | | 20,000 | 3,461 | 3,461 | 3,461 | 3,461 | |

| Delivery unit | Key Output | KPIs | Revised Annual Targets | Actual as at 31 st September 2022 | Actual as at 31 st December 2022 | Actual as at 31 st March 2023 | Actual as at 30 th June 2023 | Remarks |
|---|-------------------------------------|--|------------------------|--|---|--|---|--|
| 1169002300 Kenya School of Agriculture | | MT of assorted fertilizers | 7,220 | 916 | 916 | 916 | 916 | |
| | | MT of lime accessed | 5,450 | 1,369 | 1,369 | 1,369 | 1,369 | Soil acidity in some counties increased the demand for lime. |
| | | Litres of assorted agro-chemicals | 61,400 | 6,410 | 6,410 | 6,410 | 6,410 | Subsidy funds release challenges |
| | | MT of seeds accessed | 545 | 36 | 36 | 36 | 36 | |
| | | No. of stakeholders trained under the short course programme | 110 | 35 | 35 | 35 | 35 | |
| 1169104000 Construction | Skills and knowledge in agriculture | No. of stakeholders under the outreach programme | 140 | 90 | 90 | 90 | 90 | |
| | | No. of certificate students trained | 20 | 12 | 12 | 12 | 12 | |
| | | No. of diploma students trained | 20 | 14 | 14 | 14 | 14 | |
| | | Construction of 2 classrooms at | 2 | 0 | 0 | 0 | 0 | Ongoing |

| Delivery unit | Key Output | KPIs | Revised Annual Targets | Actual as at 31 st September 2022 | Actual as at 31 st December 2022 | Actual as at 31 st March 2023 | Actual as at 30 th June 2023 | Remarks |
|--------------------------------------|--------------------------------|--|------------------------|--|---|--|---|---------|
| of HQ and Satellite Campuses for KSA | Physical infrastructure at KSA | KSA Nyeri Campus | | | | | | |
| | | Construction of 1 ablation block at KSA Nyeri Campus | 1 | 0 | 1 | 0 | 0 | |
| | | Construction of 1 zero grazing unit at KSA Nyeri Campus | 1 | 0 | 0 | 0 | 0 | |
| | | Construction of chain link fence at KSA Songa Mbele Campus | 1 | 0 | 1 | 0 | 0 | |
| | | Renovation of training block at KSA Songa Mbele Campus (% of completion) | 87 | 22 | 22 | 22 | 22 | |
| | | Construction of KSA Ainabkoi Campus | 1 | 0 | 0 | 0 | 0 | |
| | | Construction of 1 ablation block at KSA Siaya Campus | 1 | 0 | 0 | 0 | 0 | |
| | | Equipping 1 borehole at KSA Siaya Campus | 1 | 0 | 0 | 0 | 0 | |
| | | Drilling and equipping 1 | 1 | 0 | 0 | 0 | 0 | |

| Delivery unit | Key Output | KPIs | Revised Annual Targets | Actual as at 31 st September 2022 | Actual as at 31 st December 2022 | Actual as at 31 st March 2023 | Actual as at 30 th June 2023 | Remarks |
|-------------------|---|---|------------------------|--|---|--|---|---|
| | | borehole at KSA Nakuru Campus | | | | | | |
| | | Renovation of the training block at KSA Nakuru Campus | 1 | 0 | 0 | 0 | 0 | |
| | | Expansion of the dining hall at KSA Nakuru Campus | 1 | 0 | 0 | 0 | 0 | |
| 1169106800 | Climate change adaptation services targeted local governments | No. of beneficiaries mobilised for awareness creation on climate resilience | 1000 | 245 | 250 | 240 | 242 | Overachievement due to the support and training done in collaboration with the individual consultants engaged |
| | | No. of adaptation plans and frameworks developed | 4 | 1 | 1 | 1 | 1 | |
| | | No. of officials trained on climate change adaptation | 30 | 16 | 16 | 16 | 16 | |
| 1169103800 | Agriculture and agribusiness | No. of youth trained | 150 | 56 | 56 | 56 | 56 | Surpassed target due to collaboration and support from |
| Women Empowerment | | No. of ToTs trained on 4K | 120 | 135 | 135 | 135 | 135 | |

| Delivery unit | Key Output | KPIs | Revised Annual Targets | Actual as at 31 st September 2022 | Actual as at 31 st December 2022 | Actual as at 31 st March 2023 | Actual as at 30 th June 2023 | Remarks |
|---|--|--|------------------------|--|---|--|---|--|
| in Modern Agriculture Project 1169103600 Development of Agriculture Technology Innovation Centres | skills and technologies | and young farmers clubs | | | | | | partners, Ministry, projects and ATO |
| | Agricultural technology development and testing services | No. of Agricultural Technology Development Centres refurbished | 1 | 0 | 0 | 0 | 1 | Homabay Agricultural Development Centre was constructed to 50% completion. |
| | | No. of appropriate technologies developed | 10 | 2 | 3 | 4 | 3 | Construction was ongoing. |
| | | No. of incubation centres established | 1 | 0 | 0 | 0 | 1 | One incubation centre constructed at Mtwapa ATDC |
| 1169103700 Strengthening Mechanisation | Agricultural mechanisation services strengthened | No. of SMEs incubated | 100 | 20 | 30 | 30 | 35 | SMEs incubated in the 10 ATDCs across the country. |
| | | No. of agricultural mechanisation hubs established | 1 | 0 | 0 | 0 | 1 | One mechanisation hub established at Soy Mateeny Farmers' Cooperative Society. |
| Miraa Industry Revitalisation | Miraa infrastructure developed | No. of aggregation centres | 3 | 0 | 0 | 0 | 1 | Construction of the three stalls is ongoing. |
| | | Number of miraa markets constructed | 4 | 0 | 0 | 0 | 0 | Funds were used to pay pending |

| Delivery unit | Key Output | KPIs | Revised Annual Targets | Actual as at 31 st September 2022 | Actual as at 31 st December 2022 | Actual as at 31 st March 2023 | Actual as at 30 th June 2023 | Remarks |
|--|---|--|------------------------|--|---|--|---|---|
| | | Number of boreholes drilled and equipped | 2 | 0 | 0 | 0 | 0 | bills from previous FYs. |
| 1169106200 National Agricultural & Rural Inclusivity Project (NARIP) | Technology Innovations and Management Practices (TIMPs) | No. of beneficiaries who have adopted TIMPs | 176,400 | 72,297 | 80,000 | 72,297 | 75,000 | Improved extension architecture led to more farmers adopting TIMPs. |
| | Value chain financing | No. of direct beneficiaries trained | 360,000 | 132,236 | 132,236 | 132,236 | 132,236 | Improved extension architecture, which include lead farmers, SCTT and CBFs improved the number of farmers trained. |
| | | No. of groups financed | 17,785 | 3,709 | 3,709 | 3,709 | 3,709 | More farmer groups are yet to receive funding which delayed as a result of delayed passing of the finance framework |
| | Yield increase | % increase in yields of products supported in value chains | 30 | 10 | 10 | 10 | 10 | Improved TIMPs adoption and linkage to markets improve yields. |

| Delivery unit | Key Output | KPIs | Revised Annual Targets | Actual as at 31 st September 2022 | Actual as at 31 st December 2022 | Actual as at 31 st March 2023 | Actual as at 30 th June 2023 | Remarks |
|---|---|---|------------------------|--|---|--|---|--|
| 1169105400 Construction of Residual Laboratory at PCPB | Pesticide residue laboratory | % completion of pesticide residue laboratory at PCPB | 82 | 22 | 22 | 22 | 22 | Target achieved |
| 1169105000 Project for Smallholder Empowerment & Agribusiness Promotion (SHEP Biz) | Agricultural training institutions trained on SHEP approach extension methodologies | Number of agricultural institutions /partner organisations introduced to SHEP approach. | 2 | 0 | 1 | 0 | 1 | The SHEP approach was introduced to Kisii Smart Community an NGO in Kisii and KSA Nyeri and students respectively. Meeting with CGA was done to introduce SHEP approach in their AGRA project. |
| | Agricultural training institutions are trained on SHEP approach extension methodologies | Number of agricultural institutions /partner organisations introduced to SHEP approach | 140 | | | | | County staff were trained on market survey, crop selection and action plan making, gender mainstreaming and group empowerment and digital reporting. |
| | Farmers groups trained on SHEP approach and crop | Number of horticulture farmers trained | 50 | 10 | 12 | 8 | 12 | Groundnut processors in Homabay and Kilifi trained on food safety. |

| Delivery unit | Key Output | KPIs | Revised Annual Targets | Actual as at 31 st September 2022 | Actual as at 31 st December 2022 | Actual as at 31 st March 2023 | Actual as at 30 th June 2023 | Remarks |
|---------------------|--|--|------------------------|--|---|--|---|---|
| | production techniques | | | | | | | Producers in Nakuru County trained on avocado nursery establishment, good agronomic practices, post-harvest management and marketing. |
| | MSMEs trained | No. of MSMEs trained | 50 | 15 | 3 | 15 | 14 | |
| 1169005000 | Crop value chains research coordination frameworks | No. of coordination frameworks developed | 3 | 0 | 0 | 0 | -3 | Not achieved because it was not funded |
| | Conference for sharing findings on key issues | No. of conferences held | 1 | 0 | 0 | 1 | 0 | Successfully held |
| 1169107800 | Feasibility study report | % completion of the feasibility study report | 9 | 0 | 0 | 0 | -9 | Contract with the proposed implementor was not drawn due to limited funds. |
| Fall | Reduced maize yield loss as a result of FAW | Quantities of assorted pesticides procured and distributed (lts) | 25,000 | 5,000 | 8,000 | 3,965 | 15,965 | High cost of pesticides reduced achievement |
| Armyworm Management | | No. of assorted technical | 50,000 | 38,750 | 27,000 | 33,000 | 98,750 | Achieved more than the target |

| Delivery unit | Key Output | KPIs | Revised Annual Targets | Actual as at 31 st September 2022 | Actual as at 31 st December 2022 | Actual as at 31 st March 2023 | Actual as at 30 th June 2023 | Remarks |
|----------------------|---|--|------------------------|--|---|--|---|---|
| | | materials developed, reviewed and distributed | | | | | | because of collaboration with other partners. |
| | | No. of PPEs procured and distributed | 1,000 | 200 | | | 750 | High cost of equipment reduced achievement |
| | | No. of assorted spraying equipment procured and distributed | 500 | | | | 495 | |
| | | No. of technical staff /extension service providers capacity built on new techniques of managing migratory pests | 240 | | | | 1,800 | Achieved more than the target because of collaboration with partners. |
| Aflatoxin Management | Reduced yield loss as a result of aflatoxin contamination and post-harvest losses | Quantity in MT of Aflasave-KE 01 procured and distributed | 50 | | | | 30 | Increased cost reduced achievement. |
| | | Quantities in Kgs of assorted storage dust pesticides | 3,500 | | | | 3,326 | |

| Delivery unit | Key Output | KPIs | Revised Annual Targets | Actual as at 31 st September 2022 | Actual as at 31 st December 2022 | Actual as at 31 st March 2023 | Actual as at 30 th June 2023 | Remarks |
|--------------------------|---|---|------------------------|--|---|--|---|------------------------------------|
| | | procured and distributed | | | | | | |
| | | No. of hermetic bags procured and promoted | 15,000 | | | | 15,000 | |
| | | No. of hand shellers procured for demonstration | 150 | | | | 123 | |
| | | Number of moisture meters for demonstrations | 60 | | | | 60 | |
| Quelea Quelea Management | Reduced small grain loss as a result of quelea bird infestation | Quantities of avicide procured and distributed (lts) Number of control operations undertaken | 5,000 4 | | | | 2,500 4 | Increased cost reduced achievement |

2.4.3 LIST OF PROJECTS

37. The State Department had forty-three (43) projects being implemented in the FY. Fourteen (14) of the projects were above 70% rate of completion. Most projects that were below 50% completion rate were new while those that were between 50% and 70% were ongoing and were at the mid of their implementation period.

Table 15: List of Projects

| Project | Approved Budget for FY 2022/23 | Actual Payments Q1 | Actual Payments Q2 | Actual Payments Q3 | Actual Payments Q4 | Completion Status |
|---|--------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Sugar Reforms Support Project | 1,030,000,000 | 930,000,000.00 | 930,000,000.00 | 1,030,000,000.00 | 1,030,000,000.00 | 60% |
| Drought Resilience and Sustainable Livelihood Programme in the Horn of Africa | 895,000,000 | 108,017,325.95 | 236,216,656.20 | 464,127,108.00 | 746,689,304.60 | 85% |
| Kenya Cereal Enhancement Programme (KCEP) | 2,820,000,000 | 20,000,000.00 | 145,000,000.00 | 1,197,385,415.55 | 1,197,385,415.55 | 80% |
| Crop Insurance | 130,000,000 | 1,000,000.00 | 27,750,917.00 | 47,232,067.00 | 129,005,410.00 | 34% |
| Development of Mau Buffer Tea Zone | 60,000,000 | 25,000,000.00 | 25,000,000.00 | 60,000,000.00 | 60,000,000.00 | 20% |
| Fertilizer Subsidy Programme | 7,293,923,200 | 0 | 3,793,923,200.00 | 5,793,923,200.00 | 7,293,923,200.00 | 30% |
| Aflatoxin Management | 90,000,000 | 100,000.00 | 100,000.00 | 100,000.00 | 87,673,480.00 | 11% |
| Pyrethrum Industry Recovery | 100,000,000 | 50,000,000.00 | 50,000,000.00 | 100,000,000.00 | 100,000,000.00 | 30% |

| Project | Approved Budget for FY 2022/23 | Actual Payments Q1 | Actual Payments Q2 | Actual Payments Q3 | Actual Payments Q4 | Completion Status |
|---|--------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Development of Agriculture Technology Innovation Centres | 110,000,000 | 0 | 24,138,139.00 | 24,138,139.00 | 82,191,089.20 | 25% |
| Strengthening Mechanization | 20,000,000 | 0 | 1,263,200.00 | 13,051,600.00 | 19,566,343.00 | 25% |
| Youth and Women Empowerment in Modern Agriculture Project | 35,000,000 | 795,900.00 | 1,562,600.00 | 3,596,581.20 | 34,788,999.20 | 35% |
| Food Security and Crop Diversification Project - BETA | 265,000,000 | 9,347,567.00 | 58,129,501.25 | 85,392,083.25 | 255,874,313.55 | 32% |
| Construction of Headquarters and Satellite Campuses for KSA | 60,000,000 | 22,500,000.00 | 22,500,000.00 | 60,000,000.00 | 60,000,000.00 | 45% |
| Construction of Educational Complex at Bukura Agricultural College | 20,000,000 | 10,000,000.00 | 10,000,000.00 | 20,000,000.00 | 20,000,000.00 | 60% |
| Construction & Equipping of Tea Research & Development Factory - BETA | 20,000,000 | 10,000,000.00 | 10,000,000.00 | 20,000,000.00 | 20,000,000.00 | 60% |

| Project | Approved Budget for FY 2022/23 | Actual Payments Q1 | Actual Payments Q2 | Actual Payments Q3 | Actual Payments Q4 | Completion Status |
|--|--------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Capacity Building for Enhancement of Rice Production (CADREP) - BETA | 30,000,000 | 0 | 0 | 12,761,642.40 | 25,761,642.40 | 40% |
| Smallholder Horticulture Empowerment Project (SHEP Biz) | 95,500,000 | 587,600.00 | 12,164,579.90 | 23,492,399.45 | 24,340,498.25 | 35% |
| Small Scale Irrigation and Value Addition Project | 2,015,714,308 | 75,950,531.25 | 338,680,464.10 | 679,431,656.65 | 1,729,550,991.35 | 55% |
| Kenya Climate Smart Agriculture Project (KCSAP) | 5,180,000,000 | 3,123,600.00 | 101,079,280.00 | 2,473,340,410.75 | 4,806,292,628.15 | 90% |
| Construction of Residual Laboratory at PCPB | 50,000,000 | 21,250,000.00 | 21,250,000.00 | 50,000,000.00 | 50,000,000.00 | 85% |
| Mechanization of Agricultural Development Project | 15,000,000 | 12,500,000.00 | 12,500,000.00 | 15,000,000.00 | 15,000,000.00 | 30% |
| National Agricultural & Rural Inclusion Project (NARIGP) | 4,970,000,000 | 24,999,733.00 | 26,353,483.00 | 2,473,428,584.30 | 4,189,696,511.70 | 90% |

| Project | Approved Budget for FY 2022/23 | Actual Payments Q1 | Actual Payments Q2 | Actual Payments Q3 | Actual Payments Q4 | Completion Status |
|---|--------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Agricultural Sector Development Support Programme II (ASDSP II) | 913,000,000 | 62,250,000.00 | 62,250,000.00 | 597,172,127.75 | 672,869,078.25 | 85% |
| Fall Army Worm Mitigation | 388,000,000 | 0 | 10,603,700.00 | 10,995,349.00 | 297,301,487.25 | 55% |
| Cotton Industry Revitalization Project -BETA | 30,000,000 | 22,500,000.00 | 22,500,000.00 | 30,000,000.00 | 30,000,000.00 | 16% |
| Rural Livelihoods Adaptation to Climate Change (RLACC) | 115,327,000 | 1,966,125.00 | 5,335,125.00 | 11,109,270.70 | 82,644,689.85 | 80% |
| Enable Youth Kenya Programme | 1,290,000,000 | 346,337,846.20 | 363,714,510.00 | 379,390,720.45 | 475,189,424.70 | 55% |
| National Value Chain Support Programme - BETA | 2,027,000,000 | 346,841,950.00 | 2,047,942,590.00 | 1,769,126,615.00 | 1,441,261,075.00 | 20% |
| Support to Agricultural Input and Output Marketing | 11,777,513 | 0 | 0 | 11,767,600.00 | 11,767,600.00 | 100% |
| Establishment of Liquid Nitrogen Plants - KAGRC | 56,250,000 | 37,500,000.00 | 37,500,000.00 | 56,250,000.00 | 56,250,000.00 | 80% |

| Project | Approved Budget for FY 2022/23 | Actual Payments Q1 | Actual Payments Q2 | Actual Payments Q3 | Actual Payments Q4 | Completion Status |
|--|--------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Sustainable and Tsetse Trypanosomiasis free areas in Kenya - KENTTEC | 61,250,000 | 37,500,000.00 | 37,500,000.00 | 61,250,000.00 | 61,250,000.00 | 70% |
| Climate Smart Agricultural Productivity Project (CS-APP) | 142,000,000 | 2,500,000.00 | 2,500,000.00 | 5,000,000.00 | 137,000,000.00 | 73% |
| Equipping of Milk Research & Processing Plant | 15,000,000 | 10,000,000.00 | 10,000,000.00 | 15,000,000.00 | 15,000,000.00 | 15% |
| Expansion of Improved Indigenous Chicken | 10,000,000 | 8,500,000.00 | 8,500,000.00 | 10,000,000.00 | 10,000,000.00 | 10% |
| Construction of Warehouse Receipt System | 18,750,000 | 12,500,000.00 | 12,500,000.00 | 18,750,000.00 | 18,750,000.00 | 35% |
| Coconut Industry Revitalization Project -BETA | 20,000,000 | 10,000,000.00 | 10,000,000.00 | 20,000,000.00 | 20,000,000.00 | 13% |
| Emergency Locust Response | 2,056,380,000 | 9,216,000.00 | 63,475,169.00 | 617,809,545.85 | 1,912,031,112.65 | 60% |
| Embryo Transfer Project - KAGRC | 45,000,000 | 37,500,000.00 | 37,500,000.00 | 45,000,000.00 | 45,000,000.00 | 75% |
| Irish Potatoe Production | 215,000,000 | 50,000,000.00 | 113,000,000.00 | 189,892,500.45 | 182,392,501.35 | 100% |

| Project | Approved Budget for FY 2022/23 | Actual Payments Q1 | Actual Payments Q2 | Actual Payments Q3 | Actual Payments Q4 | Completion Status |
|---|--------------------------------|-------------------------|-------------------------|--------------------------|--------------------------|-------------------|
| Revitalization Project | | | | | | |
| Resilience for Food & Nutrition Security Program in Horn of Africa | 285,000,000 | 0 | 873,025.00 | 10,195,430.00 | 10,195,430.00 | 5% |
| Cashew Nut Revitalization Project | 15,000,000 | 5,000,000.00 | 5,000,000.00 | 15,000,000.00 | 15,000,000.00 | 5% |
| Farmers Database Establishment Project - AFA | 100,000,000 | 25,000,000.00 | 25,000,000.00 | 100,000,000.00 | 100,000,000.00 | 100% |
| National Agricultural Value Chain Development Project (NAVCDP) - BETA | 2,100,000,000 | 0 | 0 | 0 | 1,679,818,153.00 | 5% |
| TOTAL | 35,229,872,021.00 | 2,350,284,178.40 | 8,723,306,139.60 | 18,620,110,046.75 | 29,119,460,379.00 | |

2.4.4 PENDING BILLS

38. The State Department had pending bills amounting to KSh. 11.2 billion as shown in the following table:

Table 16: Pending Bills

| Total pending bills as at 30 th June 2023 | | |
|--|--|-----------------------|
| Item | Description | Amount |
| Maize Flour Subsidy Programme for FY 2022/23 | Maize Flour Subsidy Programme | 3,023,029,817 |
| Fertilizer Subsidy Programme for FY 2017/18 | NCPB - KCB loan on fertilizer subsidy | 5,035,626,731 |
| | NCPB - Export Trading Company debt on fertilizer subsidy | 1,680,864,781 |
| | Legal Costs - Export Trading Company | 29,165,498 |
| Maize Subsidy Programme for FY 2017/18 | ETC - Interest payable on maize subsidy programme | 198,104,635 |
| | NCPB - SFR costs and agency fee | 712,244,568 |
| | NCPB - SFR payment to farmers | 516,673,180 |
| TOTAL | | 11,195,709,210 |

2.4.5 RESPONSE TO COMMITTEE OBSERVATIONS ON THE STATE DEPARTMENT'S BUDGET PERFORMANCE

39. After going through the report submitted by the State Department for Crop Development on their FY 2022/23 budget performance, Members of the Committee made observations that needed to be responded to by the State Department. The Principal Secretary, Dr. Kipronoh Ronoh, PhD appeared before the Committee on Friday, 27th October 2023 and responded as follows to the Committee's observations (*annex 9*):

Difference in the approved recurrent budget as reported by the State Department from what was provided in the budget books

40. The approved budget for the State Department for FY 2022/23 was KSh. 14,189,350,038 but the actual amount received in the vote book at the end of the FY was KSh. 14,027,154,283 hence a variance of KSh. 161,980,755 which was neither loaded nor released to the State Department by the National Treasury.

Recurrent over-expenditure of KSh. 1.257 billion compared to the approved allocation of KSh. 14.189 billion and the actual expenditure of KSh. 15.447 billion

41. The National Treasury approved additional funding of KSh. 4 billion to cater for the Maize Flour Subsidy Programme under Article 223 of the Constitution pending regularisation and appropriation by the National Assembly in Supplementary Estimates No. 1 for FY 2022/23. The KSh. 4 billion

was however not regularised by the National Assembly resulting in over-expenditure in the State Department's budget.

42. The KSh. 100 million over-expenditure under the Use of Goods was part of the Maize Flour Subsidy Programme funds that were transferred to NCPB for monitoring and evaluation of the multiagency taskforce.
43. The over-expenditure of KSh. 527 million under Acquisition of Non-Financial Assets was used to pay pending bills owed to millers for the Maize Subsidy Programme for FY 2017/18.

Over-expenditure of KSh. 3.347 billion on the Agricultural Research and Development Programme following an expenditure of KSh. 9.092 billion against an approved budget of KSh. 5.745 billion.

44. The over-expenditure under the Agricultural Research and Development Programme was because of the KSh. 4 billion that was not regularised by the National Assembly in the Supplementary Estimates No. 1 for FY 2022/23.

The Food Security and Crop Diversification Project utilised 96.5% of its budgetary allocation (KSh. 255 million out of KSh. 265 million) but achieved less than 50% targets.

45. The Food Security and Crop Diversification Programme is composed of two Programmes, Food Security (other crops) and Food Security (Miraa Industry Revitalisation). At the end of FY 2022/23, Food Security (other crops) Project had expenditure commitments of KSh. 255 million. However, out of the commitments, only KSh. 164,503,204 was utilised resulting in an absorption rate of 62% due to lack of exchequer.
46. There was a directive to pay pending bills as first charge hence 50% of the KSh. 164,503,204 was used to pay pending bills. This hampered the key performance indicators.

Performance KPIs and targets for the Fertilizer Subsidy Project, Cotton Revitalisation Project and the Sugar Reforms Project were not provided.

47. 57,617 MT of fertilizer were distributed under the Fertilizer Subsidy Project, 3,762 MT of seed cotton were distributed under the Cotton Revitalisation Project and 14,251 farmers were compensated and 11 cane testing units maintained under the Sugar Reforms Project.

Performance and KPIs for the provision of fertilizer subsidy to tea farmers was not provided.

48. The KSh. 1.4 billion that was allocated for provision of fertilizer subsidy to farmers was disbursed in June 2023 which gave no room to the Kenya Tea Development Agency to implement and provide their KPIs when the Committee requested for the report.

Farmers Database Establishment Project was allocated KSh. 100 million in the FY 2022/23 but the performance and KPIs were not provided.

49. The KPIs for the Farmers Database Establishment which was implemented by AFA were not provided because the National Treasury released exchequer funds to the SAGA in the last quarter of the FY (June). Given the timespan involved in implementing the Project, the KPIs could not be provided at the close of the FY.

2.5 FIELD VISITS BY THE COMMITTEE

50. To ascertain the status of projects, the Committee conducted field visits to projects in different parts of the country. The following are the projects that the Committee visited:

2.5.1 KENYA SEED COMPANY LIMITED HEADQUARTERS

Members of the Departmental Committee on Agriculture and Livestock undertook a field visit to Kenya Seed Company Limited Headquarters on 12th April 2023. The Managing Director, Mr. Fred Oloibe briefed the Committee as follows, that:

51. Kenya Seed Company deals in sixty (60) certified seed varieties of maize, wheat, pasture, sunflower, sorghum, horticulture and vegetables and has ten (10) outlets across the country. The Company controlled over 70% of the seed market in Kenya and was mandated to carry out the following functions: research and develop certified seeds varieties; produce adequate certified seeds of various crops for farming; distribute and sell certified seeds through the outlets; and offer farmers appropriate agronomic packages to realize high yields
52. The Company had made several significant achievements such as availing 25,500 MT of seed maize in FY 2022/23, producing seeds by its subsidiaries and purchasing additional land.
53. The Company's performance for FYs 2020/21, 2021/22 and 2022/23 is highlighted in the table below:

Table 17: Kenya Seed Financial Performance for FYs 2020/21, 2021/22 and 2022/23

| S/NO. | Financial Performance | FY 2020/21 (Million KSh.) | FY 2021/22 (Million KSh.) | June 2022 (Million KSh.) |
|-------|-----------------------|------------------------------|------------------------------|-----------------------------|
| 1. | Revenue | 5,104 | 5,233 | 5,245 |
| 2. | Cost of Sales | 2,946 | 3,012 | 3,527 |
| 3. | Gross Profit | 2,157 | 2,221 | 2,319 |
| 4. | Expenses | 1,459 | 1,427 | 1,252 |
| 5. | Pre-Tax Profit | 720 | 823 | 581 |
| 6. | Corporation Tax | 253 | 246 | 174 |
| 7. | Profit after Tax | 467 | 577 | 406 |

54. Kenya Seed Company faced the following challenges in executing its mandate: inadequate land for seed production; increase in the cost of inputs; unpredictable weather patterns; high cases of pests and diseases; stiff competition from private entities; and governance issues.
55. Members made the following observations during the field visit, that:
 - a. The Kenya Seed Company did not have enough land to grow maize seeds and other seeds. Seed production is done on large pieces of land and the increasing population and demand for seeds further increases the amount of land required;
 - b. The Company was in the process of opening more branches to ensure wide access and availability of seeds across the country;

- c. Sale of counterfeit seeds had reduced considerably due to the Company's security feature that was introduced on the packaging; and
- d. The Company had adopted new and appropriate technologies to improve crop productivity in seed development.

2.5.2 AGRICULTURAL DEVELOPMENT CORPORATION FARMS IN KITALE

Members of the Committee visited the Agricultural Development Corporation, Kitale in Transzoia County on Wednesday, 12th March 2023. The Managing Director, Mr. Mohammed Bulle informed the Committee that:

- 56. The short term and long-term strategies of the Corporation focused on productivity, sustainable financial resources, continuously improved customer satisfaction, reengineering of internal processes and strengthening institutional capacities.
- 57. The Corporation implemented the following projects for the last three years: Mechanization Programs which had budgetary allocation of KSh. 2.5 billion and was 24% complete having utilized KSh. 612 million; and bull station which had a budgetary allocation of KSh. 55 million and was complete and operational. There was however need for more funding to purchase more bulls, liquid nitrogen, trucks and vehicles for distribution of semen.
- 58. ADC raises A-i-A from farming income, renting and leasing facilities and equipment, investment income, AI services among others. The Corporation collected KSh. 1.409 billion, KSh. 1.341 billion and KSh. 1.272 billion in FYs 2021/22, 2020/21 and 2019/20 respectively.
- 59. ADC received KSh. 100 million, KSh. 85 million and KSh. 50 million in FYs 2021/22, 2020/21 and 2019/20 respectively from the government for both recurrent and development expenditure. The funds were used to purchase agricultural machinery and equipment (KSh. 199,377,739) and purchase of bulls and logistics (KSh. 30 million). Other funds received from the government were used in the construction of the Livestock Genetic Centre at a total cost of KSh 1 billion. KSh. 916, 047, 632 had been utilized hence an outstanding amount of KSh. 83,952,368; Mechanization Project whose total cost was KSh 2.5 billion. KSh. 612.5 million had been utilised hence a balance of KSh. 1.888 billion; and the Molo Potato Project which had a total funding of KSh 113,128,527.
- 60. The Corporation did not pay any dividends to the Government in the last three FYs despite having subsidiary investments in Kenya Seed Company and Chemelil Sugar Company Limited.
- 61. Mr. Bulle requested the Committee to allocate funds to the Corporation for buying more bulls for diversification of the breeds, buying trucks for distribution of semen and liquid nitrogen, hiring agents to serve farmers and installation of a hydro plant (KSh. 40 million) due to high electricity cost.
- 62. During the field visit, Members of the Committee observed that the role of ADC Livestock Genetics Centre is very critical in achieving the dairy, meat and leather value chains and should therefore be adequately financed.



2.5.3 ADUNGOSI FARMERS' COOPERATIVE IN BUSIA COUNTY

Members of the Departmental Committee on Agriculture and Livestock visited the Adungosi Farmers' Cooperative on 14th April 2023. The Chairman of the cooperative, Mr. Boniface Ayugi informed the Committee that:

63. The Cooperative Society was formed and registered in 2015 with the aim of cushioning members against the harsh economic times by providing a source of livelihood. The Cooperative had a membership of twenty (20) which has grown to about sixty-five (65). It operates in three wards in Teso South Constituency (Angorom, Chakol South and Chakol North).
64. The Cooperative Society had made several achievements including: acquisition of a three thousand (3000) litre milk cooler, a standby generator and solar panel from the State Department for Livestock Development; received KSh. 3.6 million from the USAID for the purchase of a milk pasteurizer, milk dispenser, milk cans, milk testing equipment, training of farmers and payment of salaries to the project staff from March 2021 to April 2022; and received machines such as sorghum thresher and shredder and inputs for sorghum plantations from the Kenya Climate Smart Agriculture Project (KCSAP) funded by the World Bank.
65. The Cooperative Society was collecting one hundred and fifty (150) litres of milk on a daily basis from farmers. There was a total of one thousand, eight hundred and twenty (1,820) cows in the three (3) wards and if each cow was to produce five (5) litres of milk a day, the Society would collect around nine thousand, one hundred (9,100) litres of milk daily.
66. The Cooperative Society faced several challenges that hindered its development among them: limited financial resources to acquire land to construct an office and a milk plant; limited capacity in resource mobilization; and lack of support from partners in development.



2.5.4 MARANI VEGETABLE AGGREGATION CENTRE

67. Members of the Committee undertook a field visit to the Marani Vegetable Aggregation Centre in Kisii County on 9th May 2023.
68. The Project was initiated by the Kitutu Chache North Cooperative Society who wrote a proposal to the National Agricultural & Rural Inclusivity Project (NARIP) requesting for funding amounting to KSh. 44 million.
69. The Kitutu Chache North Cooperative Society had a membership of four hundred (400) persons and recruitment was ongoing. Once complete, the Aggregation Centre was expected to serve fourteen thousand (14,000) farmers in four (4) Wards in Kitutu Chache North Constituency.
70. The Vegetable Aggregation Centre was at 90 percent completion and was expected to be completed by end of May 2023 and begin operations in either June or July 2023.
71. Farmers will deliver their vegetables to the Aggregation Centre where they will be preserved mainly through drying for transportation to other parts of the country and for export. The Aggregation Centre was expected to increase fortunes of vegetable farmers in the Constituency because it will reduce loss of the vegetables through preservation and source for markets for the vegetables both locally and internationally.



2.5.6 CANE TESTING UNIT AT KWALE INTERNATIONAL SUGAR COMPANY LIMITED

72. Members of the Departmental Committee on Agriculture and Livestock toured the CTU at Kwale International Sugar Company Limited on 16th June 2023.
73. The CTU was installed by AFA and it was being run by AFA who were in the process of making regulations for the CTUs to be operated by a private independent entity.
74. The CTU was still in the pilot phase and was not operational because farmers had been planting low yielding cane and would therefore be disadvantaged if paid on sucrose content. AFA was working with the Sugar Research Directorate to come up with improved cane varieties with high sucrose content.
75. The CTUs determine the value of sugarcane through cane quality analysis. Sampling will be done for each farm that delivers to the factory in a given day in order to determine prices of sugarcane for the farmers. The sugarcane pricing formula will be agreed on by the farmers and millers.



2.5.7 KENYA MEAT COMMISSION IN KIBARANI

The Committee toured the Kenya Meat Commission, Kibarani Branch in Mombasa County on 17th June 2023. The Managing Commissioner, Brigadier James Githaiga informed the Committee that:

76. The KMC Kibarani Branch had a production capacity of three hundred (300) large stock and one thousand five hundred (1,500) small stock per day. KMC has the following value addition capacity: sausages, 2.5 tonnes per hour; burgers, 2.5 tonnes per hour; meat balls, 2.5 tonnes per hour; cubes, 0.8 tonnes per hour; minced meat, 2.5 tonnes per hour; ham, 1.5 tonnes per hour; macon, 1.5 tonnes per hour; and smokies, 2.5 tonnes per hour.
77. KMC had realised the following achievements over the years: improved factory infrastructure and machinery; enhanced production capacity from 1.4% to 26%; expanded sales from an annual average of KSh. 180 million to KSh. 2.8 billion in FY 2022/23; improved income to livestock farmers from KSh. 366 million in FY 2020/21 to KSh. 2.2 billion in FY 2021/22; improved financial status of the Commission; payment of old debts; improvement of staff welfare; creation of employment from 235 in FY 2020/21 to 430 in FY 2022/23; and improved corporate image.
78. The short-term strategies for the Commission were to: build the capacity for value addition; reduce utility costs through innovative solutions like using solar power to cut down on electricity costs and water recycling; expand franchise shops to grow revenues; and venture into the export market.
79. The long-term strategies for the Commission were to: utilise KMC lands and the sheep and goat ranches for livestock rearing through PPPs; construct a new slaughterhouse in the Mackinnon Ranch; and adopt green energy (biogas and solar).

80. KMC implemented the following Projects in FY 2022/23:

Table 18: KMC Project Implementation for FY 2022/23

| S/NO. | DESCRIPTION | AMOUNT (KSH.) |
|---|---|-----------------------|
| Rehabilitation of Kibarani Factory | | |
| 1. | Kibarani Factory Repairs | 62,001,431.00 |
| 2. | Ammonia Mycom Compressor for Chillers (Contracted) | 14,400,000.00 |
| 3. | Installation of New Evaporative Condenser | 8,000,000.00 |
| 4. | Installation of 2 x Water Pumps | 2,182,656.00 |
| 5. | Pipping & Lagging of the Refrigeration System | 4,500,000.00 |
| 6. | Repair of Old Sabro Compressor | 2,498,500.00 |
| 7. | Installation of Network Infrastructure for ICT | 8,000,000.00 |
| 8. | Construction of a Bio-digester | 13,461,178.00 |
| 9. | Procurement of 7 Weighing Scales | 1,174,860.00 |
| 10. | Steam System and Hot Water Steel Tank | 9,230,000.00 |
| 11. | Procurement of Production Machines | 7,520,769.00 |
| 12. | Rehabilitation of the Tank House (Rendering System) | 18,900,000.00 |
| 13. | Rehabilitation of the Incinerator | 2,237,200.00 |
| 14. | Application of Epoxy | 5,200,000.00 |
| Sub-Total | | 159,306,594.00 |
| Athi River Factory | | |
| 15. | Supply and Installation of Value Addition Machines (Complete) | 87,564,275.00 |
| 16. | Rehabilitation of Cold Rooms (ongoing) | 14,500,000.00 |
| Sub-Total | | 102,064,275.00 |
| GRAND TOTAL | | 261,370,869.00 |

81. The Commission had the following revenue streams: sale of meat and meat products; Government budgetary allocation; and rental income from leased land (Mackinnon Ranch and Shimanzi Depot) and rental houses. The Commission had put plans in place to grow its revenue from its core business by 20% annually to reduce reliance on the exchequer.

82. The Commission received the following revenues and exchequer issues in FYs 2019/20, 2020/21, 2021/22 and 2022/23:

Table 19: KMC Revenues and Exchequer Issues

| ITEM | FY/2019/20 | FY 2020/21 | FY 2021/22 | FY 2022/23 (A-i-A up to Q3) |
|---|-----------------------|-------------------------|-------------------------|-----------------------------|
| A-i-A | 174,393,490.00 | 460,121,344.00 | 2,861,048,659.00 | 2,476,049,514.97 |
| Exchequer (O & M) | 97,000,000.00 | 1,061,358,057.00 | 470,000,000.00 | 217,500,000.00 |
| Special Programmes (Offtake Insitu) | - | - | 500,000,000.00 | 350,000,000.00 |
| Special Programmes (Commercial Offtake) | - | - | 450,000 | |
| TOTAL | 461,393,490.00 | 1,561,479,401.00 | 4,361,048,659.00 | 3,248,549,514.97 |

83. The Commission was faced with the following challenges in the FY 2022/23: aged machinery and equipment; drought; cashflow challenges due to delayed payment by Government agencies for meat supplied; poor implementation of livestock policies along the value chain; low productivity/yield; untapped export market due to limitation in international certification; and land disputes.
84. During the tour, Members observed that all development projects indicated in table 18 above had been implemented. There was prudent use of resources.



CHAPTER THREE

3 COMMITTEE OBSERVATIONS

The Committee made the following observations on the budget implementation for the State Department for Livestock Development and the State Department for Crop Development, that:

3.1 GENERAL OBSERVATIONS

1. Both State Departments had various projects that they were implementing. The projects were at different stages of completion. Completion of most of the projects had not been possible because of late exchequer releases and lack of funds.
2. A key policy target under the Comprehensive Agricultural Development Program (CAADP) that was endorsed by the African Union in 2003 in Maputo, Mozambique and consolidated as the Maputo Declaration provides that governments should invest at least 10% of their national budgets in Agriculture. In the Approved Budget for FY 2022/23, the Agriculture, Rural and Urban Development Sector had an allocation of 4.43% following an expenditure of KSh. 92.66 billion against a ministerial expenditure of KSh. 2.09 billion.

3.2 STATE DEPARTMENT FOR LIVESTOCK DEVELOPMENT

3. The State Department had an over expenditure on two projects: the Bee Health Project - Vector Regulatory and Zoological Services; and the Bee Bulking Project - Apiculture and Emerging Livestock Services. The over expenditure occurred as a result of budget revisions through the Supplementary Estimates No. II for FY 2022/23 which reduced the allocations below what had already been utilized.
4. The State Department had developed various policies and Bills but was yet to submit them to Parliament for review and approval. The policies and Bills are very essential in addressing the various challenges that the sector faces.
5. The State Department had pending bills amounting to KSh. 212.1 million at the end of FY 2022/23 which occurred as a result of budget reductions and non-issuance of the exchequer.
6. The State Department had a historical pending bill of KSh. 4.025 billion which was a court award to Halal Meat Products Limited (KSh. 4 billion) and Expert Associate Architects (KSh. 25 million).

3.3 STATE DEPARTMENT FOR CROP DEVELOPMENT

7. During the Financial Year, AFA had an allocation of KSh. 100 million for Farmer Registration. The allocation had not been utilized at the close of the Financial Year. The Committee reallocated the money to cater for other pressing needs in the sector during consideration of Supplementary Estimates No. I for FY 2023/24.
8. The State Department had an over-expenditure of KSh. 3.347 billion (58%) on the Agricultural Research & Development programme following an expenditure of KSh. 9.092 million against an approved budget of KSh. 5.745 billion. The over-expenditure resulted from the non-approval by the National Assembly of the Article 223 expenditure on Maize Flour Subsidy Programme for FY 2022/23.

9. On the implementation of the Food Security and Crop Diversification Project, the State Department utilised 96.5% of the allocation (KSh. 255 million out of KSh. 265 million) but achieved less than 50% in targets. This is because the State Department utilised KSh. 164.5 million to pay pending bills.
10. There were pending bills on account of the Maize Subsidy Programme for FY 2017/18 (KSh. 1,427,022,383), the Fertilizer Subsidy Programme for FY 2017/18 (KSh. 6,745,657,010) and the Maize Flour Subsidy Programme for FY 2022/23 (KSh. 3,023,029,817).
11. The Miraa Industry Revitalisation Project had targeted to construct four miraa market sheds but this was not achieved because the allocation was used to settle pending bills for FY 2021/22.
12. The State Department was able to procure and distribute subsidised fertilizers amounting to KSh. 7.293 billion in FY 2022/23. There was a challenge in achieving last mile distribution (distributing near the farmer) because some farmers still had to travel several kilometres to access the fertilizers.

CHAPTER FOUR

4 COMMITTEE RECOMMENDATIONS

The Committee made the following recommendations from the above observations:

4.1 GENERAL RECOMMENDATIONS


1. During budget revisions, the National Treasury should ensure that proposed reductions are not below the actual expenditure to avoid cases of pending bills.
2. The Cabinet Secretary, Ministry of Agriculture and Livestock Development should immediately commence discussions with the Cabinet Secretary for the National Treasury and Economic Planning and the Cabinet at large in order to ensure that the policy target under the Comprehensive African Agricultural Development Program (CAADP) in the Maputo Declaration requiring governments to invest at least 10% of their national budgets in Agriculture is adhered to. A well-funded agriculture sector is capable of increasing the country's GDP to great levels as a result of increased revenues from the sector through export of agricultural products and creation of employment.
3. The Ministry of Agriculture and Livestock Development should ensure compliance to the National Treasury Circular on prioritization of payment of pending bills and the requirement that pending bills should form the first charge of the budget.

4.2 STATE DEPARTMENT FOR LIVESTOCK DEVELOPMENT

4. The State Department should consult with the National Treasury on the way forward of settling the historical pending bill of KSh. 4.025 billion with a view of ensuring it is settled within the next three Financial Years starting with FY 2024/25.
5. The State Department should submit the draft Policies (the Livestock Policy and the Veterinary Policy) and Bills (particularly the Livestock Bill) to Parliament for consideration and approval within three months of adoption of this report.

4.3 STATE DEPARTMENT FOR CROP DEVELOPMENT

6. The Principal Secretary, State Department for Crop Development should prepare and submit a policy on implementation of subsidy programmes by the State Department to the National Assembly within six months of adoption of this report. This will ensure that subsidy programmes achieve the intended objectives and for accountability.
4. The State Department should take appropriate measures including registering or establishing additional warehouses where there are no NCPB stores to ensure easy access and availability of subsidized agricultural inputs across the country and near the farmers.

SIGNED.......... DATE..........
HON. (DR.) JOHN KANYUITHIA MUTUNGA, PhD, MP
CHAIRPERSON
DEPARTMENTAL COMMITTEE ON AGRICULTURE AND LIVESTOCK



THIRTEENTH PARLIAMENT - THIRD SESSION - 2024

DEPARTMENTAL COMMITTEE ON AGRICULTURE AND LIVESTOCK

ADOPTION SCHEDULE FOR THE REPORT ON BUDGET IMPLEMENTATION FOR THE
FY 2022/23 FOR THE STATE DEPARTMENTS FOR LIVESTOCK DEVELOPMENT AND
CROP DEVELOPMENT

DATE: 21ST FEBRUARY 2024

VENUE: 5TH FLOOR, CONTINENTAL HOUSE

| S/NO. | NAME | SIGNATURE |
|-------|---|-----------|
| 1. | HON. (DR.) JOHN KANYUITHIA MUTUNGA, MP - CHAIRPERSON | |
| 2. | HON. BRIGHTON LEONARD YEGON, MP - VICE- CHAIRPERSON | |
| 3. | HON. SABINA WANJIRU CHEGE, CBS, MP | |
| 4. | HON. FERDINAND KEVIN WANYONYI, MP | |
| 5. | HON. GEOFFREY MAKOKHA ODANGA, MP | |
| 6. | HON. JUSTICE KIPSANG KEMEI, MP | |
| 7. | HON. JARED ODOYO OKELO, MP | |
| 8. | HON. LAWRENCE MPURU ABURI, MP | |
| 9. | HON. DAVID KIPLAGAT, MP | |
| 10. | HON. GABRIEL GATHUKA KAGOMBE, MP | |
| 11. | HON. MONICAH MUTHONI MARUBU, MP | |
| 12. | HON. PAMELA NJOKI NJERU, MP | |
| 13. | HON. PATRICK KIBAGENDI OSERO, MP | |
| 14. | HON. PETER KALERWA SALASYA, MP | |
| 15. | HON. YUSSUF MOHAMED FARAH, MP | |

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THIRTEENTH PARLIAMENT - THIRD SESSION - 2024

DIRECTORATE OF DEPARTMENTAL COMMITTEES

MINUTES OF THE 2ND SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE AND LIVESTOCK HELD IN THE COMMITTEE ROOM ON 5TH FLOOR, CONTINENTAL HOUSE, PARLIAMENT BUILDINGS ON WEDNESDAY, 21ST FEBRUARY 2024 AT 2.15 P.M.

PRESENT

- | | | |
|---|---|------------------|
| 1. Hon. (Dr.) John Kanyuithia Mutunga, MP | - | Chairperson |
| 2. Hon. Brighton Leonard Yegon, MP | - | Vice-Chairperson |
| 3. Hon. Ferdinand Kevin Wanyonyi, MP | | |
| 4. Hon. Geoffrey Makokha Odanga, MP | | |
| 5. Hon. Justice Kipsang Kemei, MP | | |
| 6. Hon. Jared Odoyo Okelo, MP | | |
| 7. Hon. David Kiplagat, MP | | |
| 8. Hon. Monicah Muthoni Marubu, MP | | |
| 9. Hon. Pamela Njoki Njeru, MP | | |
| 10. Hon. Peter Kalerwa Salasya, MP | | |
| 11. Hon. Yussuf Mohamed Farah, MP | | |

ABSENT WITH APOLOGY

1. Hon. Sabina Wanjiru Chege, CBS, MP
2. Hon. Lawrence Mpuru Aburi, MP
3. Hon. Gabriel Gathuka Kagombe, MP
4. Hon. Patrick Kibagendi Osero, MP

INATTENDANCE

SECRETARIAT

- | | | |
|--------------------------|---|-----------------------------|
| 1. Ms. Lauren O. Wesonga | - | Clerk Assistant I |
| 2. Mr. Victor Kilimo | - | Clerk Assistant III |
| 3. CPA. Robert Ngetich | - | Fiscal Analyst II |
| 4. Mr. Gerald Kadede | - | Legal Counsel II |
| 5. Ms. Zainabu Sora | - | Serjeant-at-Arms I |
| 6. Mr. Muhumed Shillow | - | Research Officer III |
| 7. Mr. Meldrick Sakani | - | Audio Recording Officer III |

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STATE DEPARTMENT FOR LIVESTOCK DEVELOPMENT

| | | |
|-----------------------------|---|--|
| 1. Hon. Jonathan Mueke, CBS | - | Principal Secretary |
| 2. Mr. Bishar Fille | - | Director, Livestock Production |
| 3. Dr. Issack Noor | - | Chief Executive Officer, KLDC |
| 4. Dr. Mary Agutu | - | Chief Executive Officer, KVB |
| 5. Dr. Benadatte Misoi | - | Chief Executive Officer, KAGRC |
| 6. Ms. Jane Njiru | - | Chief Executive Officer, VMDC |
| 7. Dr. Seth Onyango | - | Chief Executive Officer, KENTTEC |
| 8. Mr. Alex Sabuni | - | Ag. Managing Director, KEVEVAPI |
| 9. Mr. Patrick Ngicuru | - | Senior Chief Finance Officer |
| 10. Dr. Christopher Wanga | - | Director, DLPR & R |
| 11. Dr. Azegele Allan | - | Director, Veterinary Services |
| 12. Mr. Nahum Nyawara | - | Senior Principal Finance Officer |
| 13. CPA. Joseph Nyamora | - | DAG, SDLD |
| 14. Mr. Peter Mvugayo | - | ADLP, SDLD |
| 15. Mr. Moses Kembe | - | Project Coordinator, KELCOP |
| 16. Mr. Blaise Okinyi | - | Project Coordinator, ADLP |
| 17. Mr. Maurice Ouma | - | Project Coordinator, DRIVE |
| 18. Mr. Charles Ongin | - | Deputy Director, HRM & D, SDLD |
| 19. Mr. Thomas Sagwe | - | DDL, SDLD |
| 20. Mr. Edmund Wafula | - | Deputy Director, Finance and Accounts, KENTTEC |
| 21. Mr. Peter K. Mbugua | - | Parliamentary Liaison Officer |
| 22. Mr. Phillip Mbayi | - | Senior Accountant |
| 23. Mr. dennis Karanja | - | Finance Officer, VMDC |
| 24. Mr. Edward Nyoike | - | Finance Manager, KDB |
| 25. Mr. David Kiptoo | - | Finance Officer |
| 26. Mr. Benson Parseri | - | Human Resource Management Officer |
| 27. Mr. David Kosen | - | Economist |
| 28. Dr. Philemon Kosgei | - | Veterinary, SDLD |

AGENDA

1. Prayers
2. Preliminaries/Introductions
 - i. Adoption of the Agenda
 - ii. Remarks by the Chairperson
3. Confirmation of Minutes/Matters Arising
4. **Consideration of the 2024 Budget Policy Statement with the State Department for Livestock Development**
5. Any other Business
6. Adjournment/Date of the Next Sitting

MIN. NO. NA/A&L/2024/06:

PRELIMINARIES

The meeting was called to order at twenty-eight minutes past two O'clock with a word of prayer by the Chairperson. The Chairperson then invited the meeting to deliberate on the day's agenda.

The agenda of the meeting was adopted having been proposed by Hon. David Kiplagat, MP and seconded by Hon. Pamela Njeru, MP.

MIN. NO. NA/A&L/2024/07:

CONFIRMATION OF MINUTES

Agenda deferred.

MIN. NO. NA/A&L/2024/08:

CONSIDERATION OF THE 2024 BUDGET POLICY STATEMENT WITH THE STATE DEPARTMENT FOR LIVESTOCK DEVELOPMENT

The Chairperson requested everyone in the meeting to introduce themselves before inviting the PS to present the State Department of Livestock Development's submission. The PS, Hon. Jonathan Mueke informed the Committee that:

The recurrent budget for the State Department was set to reduce from KSh. 5.678 billion in FY 2023/24 to KSh. 4.529 billion in the proposed 2024 BPS. On the other, the development budget was proposed to increase from KSh. 9.306 billion in the current FY to KSh. 11.038 billion in FY 2024/25.

The State Department had three (3) BETA priority value chains i.e. leather, dairy and meat. The PS informed the Committee of the interventions that the State Department would employ to improve the value chains.

The State Department required KSh. 24.8 billion to implement the BETA priorities in FY 2024/25 but the 2024 BPS had proposed an allocation of KSh. 5.3 billion (less recurrent and other donor supported programmes) hence a resource gap of KSh. 19.5 billion.

The PS also presented the ceilings for SAGAs under the State Department as proposed in the 2024 BPS. He apprised the Committee on key programmes, key outputs and targets in the medium term for the State Department.

DELIBERATIONS

1. The funding gap of KSh. 2 billion was because of the transfer of Kenya Meat Commission from the State Department to the State Department for Defence.
2. The funding for the Livestock Masterplan was expected to end on 30th June 2024. Once developed, the Masterplan will be updated regularly so that the information is accurate. Funds will be required for this.
3. On production of embryos by KAGRC, the meeting was informed that KAGRC had sent five (5) members of staff to India for a refresher course which will enable them produce embryos when they come back.
4. To reduce the cost of livestock feeds, the State Department had budgeted to build 450 feedlots in 31 ASAL counties.

MIN. NO. NA/A&L/2023/09:

ADOPTION OF THE REPORT ON BUDGET IMPLEMENTATION FOR FY 2022/23 FOR THE STATE DEPARTMENTS FOR LIVESTOCK DEVELOPMENT AND CROP DEVELOPMENT

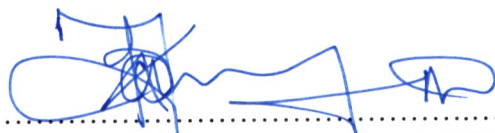
The “*Report on Budget Implementation for FY 2022/23 for the State Departments for Livestock Development and Crop Development*” was adopted having been proposed by Hon. Justice Kemei, MP and seconded by Hon. Geoffrey Odanga, MP.

MIN. NO. NA/A&L/2023/10:

ADJOURNMENT/DATE OF THE NEXT MEETING

There being no other business the meeting was adjourned at seven minutes to four O'clock. The next meeting will be held on Thursday, 22nd February 2024 at ten O'clock.

SIGNED:



DATE:

22/2/2024.

**HON. (DR.) JOHN KANYUITHIA MUTUNGA, PhD, MP
CHAIRPERSON, DEPARTMENTAL COMMITTEE ON AGRICULTURE &
LIVESTOCK**

ANNEX 3



THE NATIONAL ASSEMBLY
OFFICE OF THE CLERK

P. O. Box 41842-00100
Nairobi, Kenya
Main Parliament Buildings

Telephone: +254202848000 ext. 3300
Email: cna@parliament.go.ke
www.parliament.go.ke/the-national-assembly

When replying, please quote

Ref: NA/DDC/A&L/2023/043

31st July 2023

Mr. Phillip Kello Harsama
Principal Secretary
State Department for Crop Development
Ministry of Agriculture &
Livestock Development
Kilimo House, Cathedral Road
NAIROBI

Mr. Jonathan Mueke
Principal Secretary
State Department for Livestock Development
Ministry of Agriculture &
Livestock Development
Kilimo House, Cathedral Road
NAIROBI

Dear *Mr. Mueke,*

**REF: REQUEST FOR REPORTS ON BUDGET IMPLEMENTATION FOR
FINANCIAL YEAR 2022/23 BY THE DEPARTMENTAL COMMITTEE ON
AGRICULTURE AND LIVESTOCK**

The Departmental Committee on Agriculture and Livestock is established pursuant to National Assembly Standing Order 216 which mandates it *inter alia*, 'to on a quarterly basis, monitor and report on the implementation of the national budget in respect of its mandate'. Further, Standing Order 245A(2)(c) provides that "each Departmental Committee shall, pursuant to Standing Order 216(5)(ba), examine and report on the expenditures and non-financial performance of the budget of the national government".

For purposes of assisting the Departmental Committee to report on the oversight of Financial Year 2022/23 budget implementation, the State Department is requested to provide financial and non-financial information related to the budget implementation for the financial year 2022/23. The information should contain:

1. **Financial performance by Vote and Program** for every quarter of FY 2022/23 indicating:
 - a. Actual revenue receipts: exchequer issues, donor, and appropriations in aid (A-i-A); and

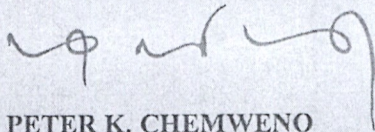
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- b. Actual expenditure by Vote and Program classified under recurrent and development and should be detailed as applicable to include economic classification; compensation to employees, use of goods and services, capital expenditure, current and capital transfers to other government agencies (and international organizations), interest payments, social contributions, and subsidies.
2. **Non-financial performance** showing actual outputs achieved relative to the set targets in the FY 2023/24 program-based budget.
3. **Quarterly project information:** amount of project funding received including exchequer issues, actual expenditure, and completion status.
4. Where applicable, information on reallocations, pending payments with an age of over ninety days, and any liabilities incurred.

The State Departments are requested to submit the above information to the Committee in tabular form with explanatory notes with justification not later than **Thursday, 10th August 2023**.

The liaison officers for this activity are Ms. Laureen Omusa Wesonga who may be contacted on 0710820442 or email: laureen.wesonga@parliament.go.ke, Mr. Ahmednoor Hassan, on Tel. No. 0748993663 or email: ahmednoor.hassan@parliament.go.ke or Mr. Victor Kilimo on Tel. No. 0724587091 or email: kilimo.simon@parliament.go.ke.

Yours *Sincerely,*



PETER K. CHEMWENO
For: CLERK OF THE NATIONAL ASSEMBLY

Copy to:

Hon. Franklin Mithika Linturi
Cabinet Secretary
Ministry of Agriculture and Livestock Development
Kilimo House, Cathedral Road
NAIROBI

Annex 4



THE NATIONAL ASSEMBLY
OFFICE OF THE CLERK

P. O. Box 41842-00100
Nairobi, Kenya
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When replying, please quote

Ref: NA/DDC/A&L/2023/059

12th October 2023

Dr. Paul K. Ronoh, PhD
Principal Secretary,
State Department for Crop Development
Ministry of Agriculture &
Livestock Development
Kilimo House, Cathedral Road
NAIROBI

Mr. Jonathan Mueke,
Principal Secretary,
State Department for Livestock Development
Ministry of Agriculture &
Livestock Development
Kilimo House, Cathedral Road
NAIROBI

Dear *Dr Ronoh*

**REF: MEETING TO DISCUSS BUDGET IMPLEMENTATION FOR FY 2022/23
WITH THE DEPARTMENTAL COMMITTEE ON AGRICULTURE AND
LIVESTOCK**

Standing Order 216 (5) (ba) requires Departmental Committees to monitor and report on a quarterly basis the implementation of the national budget in respect of its mandate. In this regard, the Departmental Committee on Agriculture and Livestock is in the process of reviewing the budget implementation for FY 2022/23 for the State Department for Crop Development and the State Department for Livestock Development.

The Committee received submissions from the two State Departments on their budget implementation for FY 2022/23. Members were briefed on the submissions and they resolved to have meetings with the State Departments to present their submissions and to respond to the following issues:

**State Department for Crop Development and the State Department for Livestock
Development**

1. Provide budget performance for FY 2022/23 for the SAGAs under them. The SAGAs need to provide a detailed breakdown of the FY 2022/23 budget performance including: Financial performance i.e. A-i-A, recurrent and development budget and non-financial performance including performance of Key Performance Indicators and targets.

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State Department for Livestock Development

2. The State Department needs to provide explanations on the following over expenditures:
 - a. **The Bee Health Project:** Vector Regulatory and Zoological Services to the tune of 201% from an approved allocation of KSh. 8.2 million to an actual expenditure of KSh. 16.6 million, an over expenditure of KSh. 8.3 million; and
 - b. **The Bee Bulking Project:** Apiculture and Emerging Livestock Services with an over expenditure of KSh. 408,648 from an approved budget of KSh. 17 million to an expenditure of KSh. 17.4 million.

State Department for Crop Development

3. The State Department needs to explain the following:
 - a) There is a difference in the approved recurrent budget as reported by the State Department from what is provided in the budget books. The State Department reported a figure of KSh. 14,027,154,283 while the budget books had a figure of KSh. 14,189,135,038 giving a difference of KSh. 161,980,755.
 - b) **Recurrent Over Expenditure:** The State Department had a recurrent over expenditure of KSh. 1,257 million when compared to the approved allocation of KSh. 14,189 million and the actual expenditure of KSh. 15,447 million an over expenditure of 109% of the approved budget. The State Department had an over expenditure on:
 - i. Use of Goods and Services by spending KSh. 193 million against a budget of KSh. 160 million; and
 - ii. Acquisition of Non-Financial Assets by spending KSh. 527 million against an approved budget of KSh. 5.9 million, an over expenditure of 9006% of the approved budget.
 - c) The State Department had an over-expenditure of KSh. 3,347 million (58%) on the Agricultural Research & Development programme following an expenditure of KSh. 9,092 million against an approved budget of KSh. 5,745 million.
 - d) Implementation of the Food Security and Crop Diversification Project: The project utilized 96.5% of the allocation (KSh. 255 out of KSh. 265 million) but achieved less than 50% in targets.
 - e) Provision of Non-Financial Performance: a number of performances of KPIs and targets were missing i.e. the performance on Fertilizer subsidy, Cotton Revitalization, and Sugar Reforms among others.
 - f) During the FY 2022/23 there was an allocation for provision of fertilizer subsidy to tea farmers. The performance and KPIs were not provided.
 - g) Farmers Database Establishment Project had been allocated KSh. 100 million in the FY 2022/23 but the performance and KPIs were not provided.

In this regard, the Departmental Committee on Agriculture and Livestock has scheduled to meet the Cabinet Secretary and Principal Secretaries on Friday, 27th October 2023 as per the attached schedule at a venue to be confirmed in Machakos or Kiambu County. They may be

You are requested to appear before the Committee with twenty (20) hard copies of your submissions.

The liaison officers for this activity are Ms. Laureen Omusa Wesonga who may be contacted on 0710820442 or email: laureen.wesonga@parliament.go.ke or Mr. Victor Kilimo on Tel. No. 0724587091 or email: kilimo.simou@parliament.go.ke.

Yours



JEREMIAH W. NDOMBI, MBS
FOR: CLERK OF THE NATIONAL ASSEMBLY

Copy to:

Hon. Franklin Mithika Linturi
Cabinet Secretary,
Ministry of Agriculture and
Livestock Development
Kilimo House, Cathedral Road
NAIROBI



Annex 5

REPUBLIC OF KENYA



THIRTEENTH PARLIAMENT – SECOND SESSION

THE NATIONAL ASSEMBLY

**2022/2023 BUDGET IMPLEMENTATION BRIEF FOR THE DEPARTMENTAL
COMMITTEE ON AGRICULTURE AND LIVESTOCK**

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<http://www.parliament.go.ke/pbo>
Parliament Buildings

October, 2023

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A. INTRODUCTION

1. The Constitution of Kenya under Article 95 (4) (b) and (c) mandates the National Assembly not only to appropriate funds for expenditure by the national government and other national State organs but also to exercise oversight over national revenue and its expenditure.
2. In addition, Standing order no. 245A requires each Departmental Committee to;
 - a. review the quarterly reports submitted by the Cabinet Secretary responsible for finance pursuant to the Public Finance Management Act;
 - b. review reports submitted by the Controller of Budget on matters relating to implementation of the Budget by the national government;
 - c. examine and report on the expenditures and non-financial performance of the budget of the national government; and
 - d. Examine the conformity of the implementation process with the principles and values of public finance as set out in Article 201 of the Constitution.
3. Standing Order 216 (5) (ba) requires departmental committees to monitor and report on quarterly basis the implementation of the National Government budget in their respective mandates.
4. In this respect, the National Assembly is not only mandated to appropriate funds for expenditure by the national government and other national state organs but also to oversight on how voted public resources are being applied in order to deliver public goods and services. Thus the Committee is required to monitor progress in implementing the approved budget.
5. This Brief provides an analysis of the 2022/23 budget implementation for the state department for Livestock and department for Crop Development.

State Department for Livestock

6. **2022/23 approved budget-** the total approved budget for the department was Kshs. 8,777 million comprising of Kshs. 4,407 million for recurrent expenditure and Kshs. 4,370 million for development expenditure.
7. **2022/23 Actual expenditure-** The actual expenditure according to the submissions by the department is **Kshs.7,528 million** comprising of Kshs. 4,337 million recurrent expenditure and Kshs. 3,191 million development expenditure.

8. The following table shows the 2022/23 approved budget versus the actual expenditure

| 2022/23 Approved Vs Actual Expenditure (Kshs. Millions) | | | |
|---|-----------------|--------------------|--------------|
| | Approved budget | Actual expenditure | % Absorption |
| Current | 4,407 | 4,337 | 98 |
| Capital | 4,370 | 3,191 | 73 |
| Total | 8,777 | 7,528 | 86 |

9. **Absorptions-** the recurrent actual expenditure verses the approved budget shows a utilization of **98%**. The **2%** under-expenditure is on account of underperformance of AiA

from SAGAs. SAGAs had budgeted to collect Kshs. 2,053 million but collected Kshs. 2,012 resulting in an underperformance of Kshs. 41 million. The table below shows the breakdown of recurrent expenditure.

| 2022/23 Approved Vs Actual Recurrent Expenditure (Kshs.) | | | |
|--|----------------------|----------------------|-------------------|
| | Approved Budget | Actual expenditure | Variance |
| Compensation Of Employees | 1,404,000,000 | 1,403,814,108 | 185,892 |
| Use Of Goods And Services | 521,495,477 | 503,040,621 | 18,454,856 |
| Grants | 2,422,446,000 | 2,381,540,000 | 40,906,000 |
| Social Benefits | 3,764,524 | 3,374,076 | 390,448 |
| Acquisition Of Non- Financial Assets | 55,572,413 | 45,596,668 | 9,975,745 |
| Gross Expenditure ... KES | 4,407,278,414 | 4,337,365,473 | 69,912,941 |

10. The **capital expenditure has an absorption of 73%** following an expenditure of Kshs. 3,191 million against an approved budget of Kshs. 4,370 million. The overall absorption is 86%. The non-utilization of 27% of the development budget is mainly because of the relatively low absorption on donor funded projects.
11. **Pending Bills-** as at 30th June 2023, the department had pending bills relating to FY 2021/22 of Kshs. 32.2 million on development expenditure. In addition, the department has historical pending bills of Kshs. 4,025 million.
12. **Performance of development projects-** during the FY 2022/23, the department was implementing 31 projects which are at various stages of completion. The list of projects, allocations, actual expenditures and absorption levels is as shown in the following table:

| Project | Approved Budget (Kshs.) | Actual expenditure | % Absorption |
|--|-------------------------|--------------------|--------------|
| 1. Kenya Livestock Insurance Scheme Project | 2,759,501 | 2,758,901 | 99.98% |
| 2. Livestock Production 'Big Four' Interventions | 131,810,159 | 125,779,756 | 95.42% |
| 3. Modernize Foot & Mouth Disease Laboratory FOR GMP Standards-KEVEVAPI | 17,500,000 | 17,500,000 | 100.00% |
| 4. Construction and Equipping of National Dairy Laboratory Complex | 18,975,000 | 0 | 0.00% |
| 5. Construction of Kenya Veterinary Board (KVB) Headquarter Offices | 24,000,000 | 18,000,000 | 75.00% |
| 6. Construction and Refurbishment of Infrastructure at AHITI Kabete | 18,013,817 | 18,013,817 | 100.00% |
| 7. Construction of Learning Facilities (New Site) at AHITI Nyahururu | 10,250,000 | 10,250,000 | 100.00% |
| 8. National Bee Keeping Institute | 9,500,000 | 8,904,900 | 93.74% |
| 9. Construct & refurbish facilities -Meat Training Institute Athi River | 3,750,000 | 3,750,000 | 100.00% |
| 10. Regional Pastoral Training Centre- Narok | 3,000,000 | 3,000,000 | 100.00% |
| 11. Construction and refurbishment at Dairy Training Institute- Naivasha | 22,550,000 | 22,000,000 | 97.56% |

| | | | |
|--|----------------------|----------------------|---------------|
| 12. Farm Development - Sheep and Goats Breeding Farms | 20,250,000 | 20,250,000 | 100.00% |
| 13. Bee Health Project - Vector Regulatory and Zoological Services | 8,232,614 | 16,606,359 | 201.71% |
| 14. Bee Bulking Project- Apiculture and Emerging Livestock Services | 17,080,000 | 17,488,648 | 102.39% |
| 15. Farm development at Livestock Breeding Research Farms | 15,000,000 | 15,000,000 | 100.00% |
| 16. Farm development - Veterinary Diagnostic and Efficacy Trial Centres | 13,250,000 | 13,250,000 | 100.00% |
| 17. Construct & Refurbish-Foot & Mouth Disease National Reference Lab | 8,000,000 | 7,925,025 | 99.06% |
| 18. Construction & equipping the Bio-safety Level 3 Laboratory at Kabete | 28,680,900 | 28,680,900 | 100.00% |
| 19. Construct & Refurbish-Regional Veterinary Investigation Laboratories (RVILs) | 12,500,000 | 12,500,000 | 100.00% |
| 20. Modernization of Kiboko Zoological and Efficacy Trial Centre | 10,000,000 | 10,000,000 | 100.00% |
| 21. Construction and refurbishment - Leather Science Institute | 16,784,292 | 15,808,605 | 94.19% |
| 22. Construction & Refurbishment of Facilities - Livestock Inst. Wajir | 22,250,000 | 22,250,000 | 100.00% |
| 23. Establishment of Livestock Export Zone - Lamu | 59,300,296 | 59,110,582 | 99.68% |
| 24. Towards Ending Drought Emergencies in Kenya | 121,729,028 | 95,733,640 | 78.64% |
| 25. Kenya Livestock Commercialization Programme | 953,030,000 | 577,066,680 | 60.55% |
| 26. Development of Leather Industrial Park - Kenanie | 62,500,000 | 62,500,000 | 100.00% |
| 27. Embryo Transfer Project | 10,000,000 | 10,000,000 | 100.00% |
| 28. De-Risking, Inclusion and Value Enhancement of Pastoral Economies | 2,200,000,000 | 1,966,543,975 | 89.39% |
| 29. Establishment of Liquid Nitrogen Plants-KAGRC | 10,750,000 | 10,750,000 | 100.00% |
| 30. Livestock Value Chain Support Project | 500,000,000 | 0 | 0.00% |
| 31. Sustainable TseTse and Trypanosomiasis free areas in Kenya - KENTTEC | 18,750,000 | 0 | 0.00% |
| | 4,370,195,607 | 3,191,421,788 | 73.03% |

13. Performance of targets: a look at the performance of the targets shows that some delivery units have achieved the targets while others have not. The performance of key targets is shown in the following table.

| Performance of key Targets in 2022/23 FY | | | | | |
|---|--|----------------|-----------------------------|----------|---|
| Project/activity | Key Performance Indicator | Annual Targets | Actual as at 30th June 2023 | Variance | Remarks |
| Livestock Production Big-Four Interventions | No. of breeding piglets availed to farmers | 600 | 200 | 400 | 200 Piglets availed to farmers during the period. |

| | | | | | |
|---|---|---------|---------|---------|---|
| | No. of breeding rabbits availed to farmers | 1,000 | 545 | 455 | Sales is depends on farmers demand. |
| | No. of feedlot operators capacity built | 10 | 0 | 10 | No trainings done in Q4 due to lack of exchequer |
| | Chemogoch model feedlot completion percentage | 100 | 100 | - | Model feedlot completed at chemogoch. |
| | No. of pasture bales harvested | 336,000 | 102,000 | 234,000 | Hay bales harvested in mogotio and chemogoch. |
| | Number of bee-colonies distributed | 2,000 | 0 | 2,000 | No distribution done in Q4 due to finanacial constraints/budget cuts |
| 1162100600 Kenya Livestock Insurance Project | No. of Tropical Livestock Units (TLU) insured | 50,000 | 50,000 | - | 74,552 pastoralists registered and paid the premium under the De-Risking, Inclusion and value Enhancement of Pastoral Economies (DRIVE)Project. |
| 1162104700 Kenya Livestock Commercialization Project (KELCOP) | Number of persons receiving services promoted or supported by the project | 3,750 | 4,850 | (1,100) | The actual number of persons reached was through Participatory Rural Appraisal process through which Community Action Plans were developed and investor forum |
| | Households provided with targeted support to improve their nutrition | 200 | - | 200 | In Q3 and Q4 activities were centered on Community mobilization through PRA where community action plans have been developed. |
| | Households accessing water infrastructure | 100 | - | 100 | In Q3 and Q4 activities were centered on Community mobilization through PRA where community action plans have been developed. |
| 1162104800 Towards Ending Drought Emergencies (TWEENDE) | No. of participants trained | 250 | 765 | (515) | 12 PFS groups formed and on-farm training is ongoing. |
| | No. of communities institutions(groups) trained on rangeland management | 44 | 46 | (2) | Rangeland management activity successfully being implemented. |

| | | | | | |
|---|---|-----------|---------|---------|--|
| | Acreage of reseeded rangeland | 600 | 600 | - | 1,340 kgs of grass seed distributed for rehabilitation work and establishment of grass seed banks. |
| | No. of structures | 4 | 0 | 4 | Preliminaries activities ongoing for the establishment of soil and water conservation structures. |
| Establishment of Liquid Nitrogen Plants - KAGRC | Litres of liquid nitrogen produced and distributed | 350,000 | 268,672 | 81,328 | Kirinyaga plant was not operational and the Sotik plant production was below 20 liters per hour. |
| | No. of semen doses produced and distributed | 1,100,000 | 803,964 | 296,036 | Annual target was not met due to halting of semen production to allow for laboratory renovations and the depletion of semen packaging straws |
| Embryo Transfer and sexed semen Project - KAGRC | Percentage completion of Embryo Transfer Centre | 100 | 55 | 45 | Construction of the ET laboratory is at advanced stage awaiting delivery of embryos. Semen sexing machine will be acquired by December 2023. |
| 1162003300 Regional Veterinary Investigation Laboratories (Kericho, Mariakani, Eldoret, Nakuru, Karatina, Garissa, Witu and Ukunda) | No. of laboratories rehabilitated and equipped | 8 | 8 | - | The six RVILs and two satellite vet labs are at various stages of rehabilitation and equipping. Most works were delayed due to delays in exchequer release |
| | % of disease outbreaks investigated | 100% | 100% | - | All disease outbreaks reported were investigated |
| | No. of samples of animal diseases analyzed | 61,000 | 37,736 | 23,264 | Samples received, processed and reports as well as advice relayed back to the clients. The unavailability of funds delayed supply of laboratory reagents and consumables in laboratories which affected some sample processing |
| Kenya Veterinary Vaccine Production Institute | Doses of vaccines produced for animal disease control and export (millions) | 38 | 25 | 13 | |

Observations

14. **Over Expenditures-** the department over expended on two projects:
 - a. The Bee Health Project - Vector Regulatory and Zoological Services to the tune of 201% from an approved allocation of Kshs. 8,2 million to an actual expenditure of Kshs. 16.6 million, an over expenditure of Kshs. 8.3 million;
 - b. The Bee Bulking Project- Apiculture and Emerging Livestock Services with an over expenditure of Kshs. 408,648 from an approved budget of Kshs. 17 million to an expenditure of Kshs. 17.4 million.
15. **Project Implementation-** a look at the absorption levels show that only four projects are below the 90% utilization of resources. The high percentage utilization can be attributed to the 2022/23 Supplementary budget which reduced the allocations to almost the then actual expenditures.

State Department for Crop Development

16. **2022/23 approved budget-** the total approved budget for the department was Kshs. 49,419 million consisting of Kshs. 14,189 million allocation for recurrent expenditure and Kshs. 35,229 million for capital expenditure.
17. **2022/23 Actual expenditure-** the department's actual expenditure is Kshs. 44,698 million with actual recurrent expenditure of **Kshs. 15,447 million** and **Kshs. 29,251 million** development expenditure.
18. The following table shows the 2022/23 approved budget versus the actual expenditure

| Table showing 2022/23 approved Vs Actual expenditure (Kshs. Millions) | | | |
|---|-----------------------|-----------------------|--------------|
| | Approved Budget | Department | % absorption |
| Current | 14,189,135,038 | 15,447,122,836 | 109 |
| Capital | 35,229,872,021 | 29,251,460,372 | 83 |
| Total | 49,419,007,059 | 44,698,583,208 | 90 |

19. **Recurrent expenditure absorption-** the recurrent actual expenditure (Kshs. 15,447) exceeds the approved allocation (Kshs. 14,189) by Kshs. 1,257 million- an expenditure of 109% of the approved budget. The department made an over expenditure on: *use of goods and services item* by spending Kshs. 193 million against a budget of Kshs. 160 million, and on *Acquisition Of Non- Financial Assets* by spending Kshs. 527 million against an approved budget of Ksh. 5.9 million- an over expenditure of 9006% of approved budget. The department made a payment of Kshs. 3,366 million on subsidies through Article 223 which was not approved National Assembly.
20. The following table shows the breakdown of actual and approved recurrent expenditure.

| 2022/23 Approved Vs Actual Recurrent Expenditure (Kshs.) | | | | |
|--|-----------------|--------------------|----------------|-------------|
| | Approved Budget | Actual expenditure | Variance | %absorption |
| Compensation Of Employees | 805,100,000 | 734,082,972 | 71,017,028 | 91 |
| Use Of Goods And Services | 160,108,095 | 193,803,932 | -33,695,837 | 121 |
| Subsidies | 0 | 3,366,999,497 | -3,366,999,497 | |
| Grants | 13,199,623,650 | 10,597,855,513 | 2,601,768,137 | 80 |

| | | | | |
|--------------------------------------|-----------------------|-----------------------|----------------------|------------|
| Social Benefits | 18,377,352 | 20,711,489 | -2,334,137 | 113 |
| Acquisition Of Non- Financial Assets | 5,925,941 | 533,669,430 | -527,743,489 | 9006 |
| Gross Expenditure ... KES | 14,189,135,038 | 15,447,122,833 | 1,257,987,795 | 109 |

21. **Capital expenditure absorption- development expenditure has an absorption of 83%** following an expenditure of Kshs. 29,251 million against an approved budget of Kshs. 35,229 million. Kshs. 5,978 million which is 17% of the development budget was not utilized. The overall absorption for the department is at **90%**.
22. **Programme Expenditure performance-** the department is implementing four programmes namely: General administration, planning and support services; Crop development and management; Agribusiness and Information Management; and Agricultural Research & Development. The following table shows the actual expenditures vs the approved allocations. The department had an over-expenditure of Kshs. 3,347 (58%) on the Agricultural Research & Development programme.

| Programme | 2022/23 (Kshs. Millions) | | | % Absorption |
|---|--------------------------|--------------------|--------------|---------------|
| | Approved Budget | Actual Expenditure | Variance | |
| General administration, planning and support services | 8,240 | 6,243 | 1,996 | 75.77% |
| Crop development and management | 33,295 | 27,405 | 5,890 | 82.31% |
| Agribusiness and Information Management | 2,137 | 1,824 | 313 | 85.34% |
| Agricultural Research & Development | 5,745 | 9,092 | -3,347 | 158.27% |
| Total | 49,419 | 44,566 | 4,852 | 90.18% |

23. **Pending Bills-** according to the department's submission, the total pending bills amounts to Kshs. 11.2 billion as tabulated in the following table:

| | Description | Amount |
|----------------------------|--|-----------------------|
| 2022/23 Maize Subsidy | Maize Flour Subsidy | 3,023,029,817 |
| Fertilizer Subsidy 2017/18 | NCPB-KCB loan on fertilizer subsidy | 5,035,626,731 |
| | NCPB-Export Trading Co. debt on fertilizer subsidy | 1,680,864,781 |
| | Legal Costs-Export Trading Company | 29,165,498 |
| Maize Subsidy 2017/18 | ETC-Interest payable on maize subsidy programme | 198,104,635 |
| | NCPB-SFR costs and Agency fee | 712,244,568 |
| | NCPB-SFR payment to farmers | 516,673,180 |
| Total | | 11,195,709,210 |

24. **Performance of development projects-** during the FY 2022/23, the department was implementing 45 projects which are at various stages of completion. Majority of the projects have more than 90% absorption with a few (donor funded) having below 70% absorption rate. The list of projects, allocations, actual expenditures and absorption levels is as shown in the following table:

| | Approved Budget | Actual expenditure | variance | % Absorption |
|--|-----------------|--------------------|---------------|--------------|
| 1. Sugar Reforms Support Project | 1,030,000,000 | 1,030,000,000 | 0 | 100.00% |
| 2. Drought Resilience and Sustainable Livelihood Programme in Horn of Africa | 895,000,000 | 746,689,304 | 148,310,696 | 83.43% |
| 3. Kenya Cereal Enhancement Programme (KCEP) | 2,820,000,000 | 1,197,385,415 | 1,622,614,585 | 42.46% |
| 4. Crop Insurance | 130,000,000 | 129,005,410 | 994,590 | 99.23% |
| 5. Development of Mau Buffer Tea Zone | 60,000,000 | 60,000,000 | 0 | 100.00% |
| 6. Fertilizer subsidy programme | 7,293,923,200 | 7,293,923,200 | 0 | 100.00% |
| 7. Aflatoxin Management | 90,000,000 | 87,673,480 | 2,326,520 | 97.41% |
| 8. Pyrethrum Industry Recovery | 100,000,000 | 100,000,000 | 0 | 100.00% |
| 9. Development of Agriculture Technology Innovation centres | 110,000,000 | 82,191,089 | 27,808,911 | 74.72% |
| 10. Strengthening Mechanization | 20,000,000 | 19,566,343 | 433,657 | 97.83% |
| 11. Youth and Women Empowerment in Modern Agriculture Project | 35,000,000 | 34,788,999 | 211,001 | 99.40% |
| 12. Food Security and Crop Diversification Project-BETA | 265,000,000 | 255,874,313 | 9,125,687 | 96.56% |
| 13. Construction of Headquarters and Satellite Campuses for KSA | 60,000,000 | 60,000,000 | 0 | 100.00% |
| 14. Construction of Educational Complex at Bukura Agricultural College | 20,000,000 | 20,000,000 | 0 | 100.00% |
| 15. Construction & Equipping of Tea Research & Development Factory-BETA | 20,000,000 | 20,000,000 | 0 | 100.00% |
| 16. Capacity Building for Enhancement of Rice Production (CADREP)-BETA | 30,000,000 | 25,761,642 | 4,238,358 | 85.87% |
| 17. Smallholder Horticulture Empowerment Project (SHEP Biz) | 95,500,000 | 24,340,498 | 71,159,502 | 25.49% |
| 18. Small Scale Irrigation and Value Addition Project | 2,015,714,308 | 1,729,550,991 | 286,163,317 | 85.80% |
| 19. Kenya Climate Smart Agriculture Project (KCSAP) | 5,180,000,000 | 4,806,292,628 | 373,707,372 | 92.79% |
| 20. Construction of Residual Laboratory at PCPB | 50,000,000 | 50,000,000 | 0 | 100.00% |
| 21. Mechanization of Agricultural Development Project | 15,000,000 | 15,000,000 | 0 | 100.00% |
| 22. National Agricultural & Rural Inclusivity Project (NARIGP) | 4,970,000,000 | 4,189,696,511 | 780,303,489 | 84.30% |
| 23. Agricultural Sector Development Support Programme II (ASDSP II) | 913,000,000 | 672,869,078 | 240,130,922 | 73.70% |
| 24. Fall Army Worm Mitigation | 388,000,000 | 297,301,487 | 90,698,513 | 76.62% |
| 25. Cotton Industry Revitalization Project-BETA | 30,000,000 | 30,000,000 | 0 | 100.00% |
| 26. Rural Livelihoods Adaptation to Climate Change (RLACC) | 115,327,000 | 82,644,689 | 32,682,311 | 71.66% |
| 27. Enable Youth Kenya Programme | 1,290,000,000 | 475,189,424 | 814,810,576 | 36.84% |
| 28. National Value Chain Support Programme-BETA | 2,027,000,000 | 1,441,261,075 | 585,738,925 | 71.10% |
| 29. Support to Agricultural Input and Output Marketing | 11,777,513 | 11,767,600 | 9,913 | 99.92% |
| 30. Establishment of Liquid Nitrogen Plants - KAGRC | 56,250,000 | 56,250,000 | 0 | 100.00% |
| 31. Sustainable Tse Tse and Trypanosomiasis free areas in Kenya -KENTTE | 61,250,000 | 61,250,000 | 0 | 100.00% |

| | | | | |
|---|-----------------------|-----------------------|----------------------|---------------|
| 32. Climate Smart Agricultural Productivity Project (CS-APP) | 142,000,000 | 137,000,000 | 5,000,000 | 96.48% |
| 33. Bio-Deposit Organic Fertilizer Extraction & Rehabilitation Project | 1,000,000 | | 1,000,000 | 0.00% |
| 34. Equipping of Milk Research & Processing Plant | 15,000,000 | 15,000,000 | 0 | 100.00% |
| 35. Expansion of Improved Indigenous Chicken | 10,000,000 | 10,000,000 | 0 | 100.00% |
| 36. Warehouse Receipt System | 18,750,000 | 18,750,000 | 0 | 100.00% |
| 37. Coconut Industry Revitalization Project-BETA | 20,000,000 | 20,000,000 | 0 | 100.00% |
| 38. Emergency Locust Response | 2,056,380,000 | 1,912,031,112 | 144,348,888 | 92.98% |
| 39. Embryo Transfer Project - KAGRC | 45,000,000 | 45,000,000 | 0 | 100.00% |
| 40. Irish Potatoe Production Revitalization Project | 215,000,000 | 182,392,501 | 32,607,499 | 84.83% |
| 41. Resilience for Food & Nutrition Security Program in Horn of Africa | 285,000,000 | 10,195,430 | 274,804,570 | 3.58% |
| 42. Cashew Nut Revitalization Project | 15,000,000 | 15,000,000 | 0 | 100.00% |
| 43. Farmers Database Establishment Project - AFA | 100,000,000 | 100,000,000 | 0 | 100.00% |
| 44. National Agricultural Value Chain Development Project (NAVCDP)-BETA | 2,100,000,000 | 1,679,818,153 | 420,181,847 | 79.99% |
| 45. Understanding Models of Policy Implementation | 9,000,000 | | 9,000,000 | 0.00% |
| | 35,229,872,021 | 29,251,460,372 | 5,978,411,649 | 83.03% |

25. **Performance of KPIs-** according to the submissions by the department, some KPIs have been met while there is underperformance in others. Some missed targets have been attributed to budget cuts, high cost of equipment or agricultural inputs, and late exchequer releases. The performance of key targets is as shown in the following table.

| Performance of key Targets in 2022/23 FY | | | |
|--|--|---------------|-----------------------------|
| Project/activity | Key Performance Indicator | Annual Target | Actual as at 30th June 2023 |
| National Value Chain Support Programme | No. of counties to be covered | 38 | 28 |
| | No. of beneficiaries | 20,000 | 13,844 |
| | MT of assorted fertilizers accessed | 7,220 | 3,664 |
| | MT of lime accessed | 5,450 | 5,476 |
| | Liters of assorted agrochemicals accessed | 61,400 | 25,640 |
| | MT of seeds accessed | 545 | 144 |
| Miraa Industry Revitalization | Number of miraa markets constructed | 4 | 0 |
| | Number of boreholes drilled and equipped | 2 | 0 |
| Fall Armyworm Management | Quantities of assorted pesticides procured and distributed (lts) | 25,000 | 15,965 |
| | No. of assorted technical materials developed reviewed and distributed | 50,000 | 98,750 |
| | No. of PPEs procured and distributed | 1000 | 750 |
| | No. of assorted spraying equipment procured and distributed | 500 | 495 |
| | No. of technical staff/extension service providers capacity built on new | 240 | 1800 |

| | | | |
|--|--|---------|--------|
| | techniques of managing migratory pests | | |
| Aflatoxin Management | MT of Aflasafe-KE procured and distributed | 50 | 30 |
| | KGs of assorted storage dust pesticides procured and distributed | 3500 | 3,326 |
| | No. of Hermetic bags procured and promoted | 15,000 | 15,000 |
| | No. of Hand Sheller's procured for demonstrations | 150 | 123 |
| | Number of moisture meters for demonstrations | 60 | 60 |
| Food Security and Crop Diversification Project | MT of high-yielding maize seed supplied | 50 | 25 |
| | MT of rice seed supplied | 10 | 5 |
| | MT of certified potato seeds availed | 1,000 | 500 |
| | MT of drought-tolerant seeds supplied | 50 | 25 |
| | No. of assorted seedlings | 115,000 | 25,000 |
| Quelea Management | Quantities of avicide procured and distributed (lts) | 5000 | 2500 |
| | Number of control operations undertaken | 4 | 4 |

Observations

26. There is a difference in the approved recurrent budget as reported by the State Department from what is provided in the Budget Books. The department is reporting a figure of Kshs. 14,027,154,283 while the Budget books has a figure of Kshs. 14,189,135,038 giving a difference of Kshs. 161,980,755.
27. **Recurrent Over Expenditure** – the department has a recurrent over expenditure of Kshs. 1,257 million when compared to the approved allocation of Kshs. 14,189 million and the actual expenditure of Kshs. 15,447 million- an expenditure of 109% of the approved budget.
28. The department had an over-expenditure of Kshs. 3,347 million (58%) on the Agricultural Research & Development programme following an expenditure of Kshs. 9,092 million against an approved budget of Kshs. 5,745 million.
29. **Implementation Performance of Donor Funded Projects-** the underperformance of 17% or Kshs. 5,978 million in development expenditure is mainly attributed to donor funded projects.
30. The department made an over expenditure on: *Use of Goods and Services item* by spending Kshs. 193 million against a budget of Kshs. 160 million, and on *Acquisition Of Non-Financial Assets* by spending Kshs. 527 million against an approved budget of Ksh. 5.9 million- an over expenditure of 9006% of approved budget.

ANNEX 6

DDC-1100/
10/8/23



MINISTRY OF AGRICULTURE AND LIVESTOCK DEVELOPMENT
STATE DEPARTMENT FOR LIVESTOCK DEVELOPMENT
OFFICE OF THE PRINCIPAL SECRETARY

Telegraphic Address "MINAG" NAIROBI
Telex: 22766
Telephone: 2718870/9
Fax: 316731
When replying please quote:

Kilimo House
P.O Box 34188
NAIROBI

Date: 8th August, 2023

REF: MLD/FM/ VOL.20/251

Clerk of the National Assembly
P.O Box 41842-00100
NAIROBI

Laureen Wesonga
to facilitate
10/8/23

RE: SUBMISSION OF REPORTS ON BUDGET IMPLEMENTATION FOR
FY 2022/23

Reference is made to the letter Ref. NA/DDC/A&L/2023/043), dated 31st July, 2023 on the above subject matter. Please herewith find the reports on:

- Actual revenue receipts
- Actual expenditure for both Recurrent and Development votes
- Non-financial performance
- Project information
- Information on pending bills

Jonathan Mueke
PRINCIPAL SECRETARY

Encls.

Copy to: Cabinet Secretary

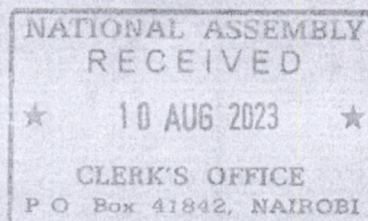
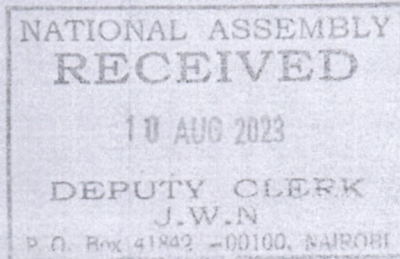
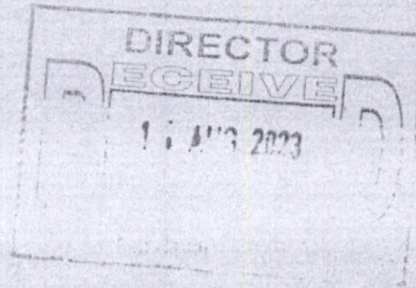
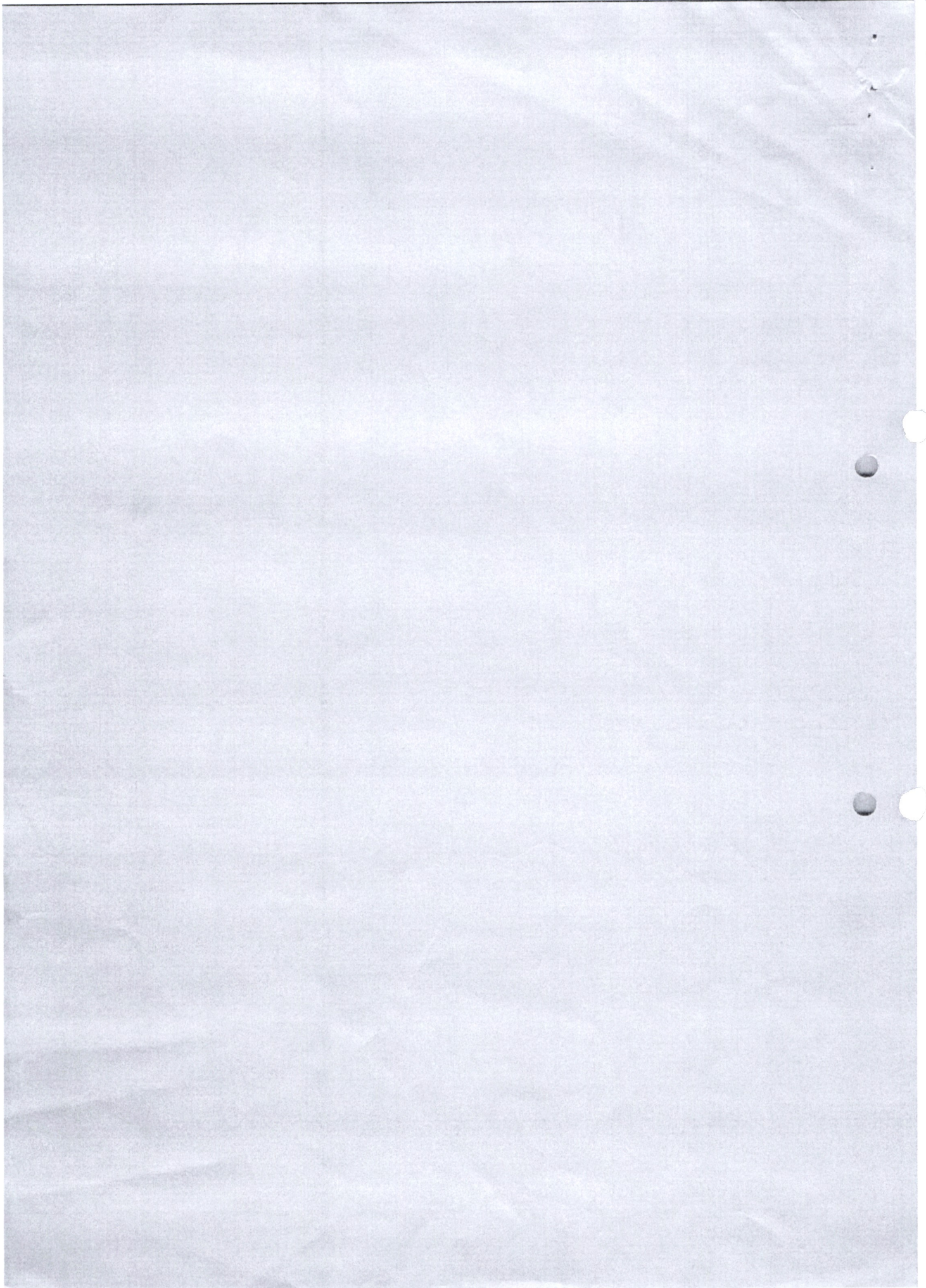


EXHIBIT 2



**STATE DEPARTMENT FOR LIVESTOCK DEVELOPMENT
RECURRENT ACTUAL REVENUE RECEIPTS FY2022/23**

| Category | Q1 | Q2 | Q3 | Q4 | Total |
|-----------------------|--------------------|--------------------|--------------------|--------------------|----------------------|
| Exchequer Issues | 564,458,500 | 659,096,767 | 261,052,767 | 825,452,716 | 2,310,060,750 |
| Appropriations-In-Aid | 968,861 | 1,572,691 | 5,815,200 | 6,257,971 | 14,614,723 |
| Total Receipts | 565,427,361 | 660,669,458 | 266,867,967 | 831,710,687 | 2,324,675,473 |

DEVELOPMENT ACTUAL REVENUE RECEIPTS

| Category | Q1 | Q2 | Q3 | Q4 | Total |
|----------------------------|--------------------|--------------------|--------------------|----------------------|----------------------|
| Exchequer Issues | - | 255,556,460 | 6,000,000 | 249,227,788 | 510,784,248 |
| Donor | 174,635,141 | - | 379,214,131 | 666,788,268 | 1,220,637,540 |
| Loan Appropriations-In-Aid | - | - | - | 1,450,000,000 | 1,450,000,000 |
| Total Receipts | 174,635,141 | 255,556,460 | 385,214,131 | 2,366,016,056 | 3,181,421,788 |



**STATE DEPARTMENT FOR LIVESTOCK DEVELOPMENT
 QUARTER 1 RECURRENT EXPENDITURE FY2022/23**

| Recurrent Expenditure | | | |
|---|--------------------|--------------------|--------------------|
| AS OF SEPTEMBER-2022 | | | |
| Economic Classification | Approved Budget | Total Expenditures | Balance |
| 2100000 COMPENSATION OF EMPLOYEES | 405,175,000 | 340,238,961 | 64,936,039 |
| 2200000 USE OF GOODS AND SERVICES | 138,100,658 | 62,229,828 | 75,870,830 |
| 2600000 GRANTS | 74,775,000 | 74,775,000 | - |
| 2700000 SOCIAL BENEFITS | 941,131 | - | 941,131 |
| 3100000 ACQUISITION OF NON-FINANCIAL ASSETS | 35,158,212 | 22,239,703 | 12,918,509 |
| Gross Expenditure ... KES | 654,150,000 | 499,483,492 | 154,666,509 |

| QUARTER 2 RECURRENT EXPENDITURE | | | |
|---|----------------------|----------------------|--------------------|
| Recurrent Expenditure Cumulative | | | |
| AS OF DECEMBER-2022 | | | |
| Economic Classification | Approved Budget | Total Expenditures | Balance |
| 2100000 COMPENSATION OF EMPLOYEES | 810,350,000 | 690,564,737 | 119,785,264 |
| 2200000 USE OF GOODS AND SERVICES | 278,429,535 | 151,789,901 | 126,639,634 |
| 2600000 GRANTS | 146,975,000 | 146,975,000 | - |
| 2700000 SOCIAL BENEFITS | 1,882,262 | 1,147,025 | 735,237 |
| 3100000 ACQUISITION OF NON-FINANCIAL ASSETS | 42,516,423 | 24,741,324 | 17,775,099 |
| Gross Expenditure ... KES | 1,280,153,220 | 1,015,217,986 | 264,935,234 |

| STATE DEPARTMENT FOR LIVESTOCK DEVELOPMENT | | | |
|---|----------------------|----------------------|--------------------|
| QUARTER 3 RECURRENT EXPENDITURE | | | |
| Recurrent Expenditure Cumulative | | | |
| AS OF MARCH-2023 | | | |
| Economic Classification | Approved Budget | Total Expenditures | Balance |
| 2100000 COMPENSATION OF EMPLOYEES | 1,471,600,000 | 1,035,098,247 | 436,501,753 |
| 2200000 USE OF GOODS AND SERVICES | 490,209,587 | 259,144,133 | 231,065,454 |
| 2600000 GRANTS | 202,400,000 | 202,400,000 | - |
| 3100000 ACQUISITION OF NON-FINANCIAL ASSETS | 61,422,413 | 35,599,353 | 25,823,060 |
| Gross Expenditure ... KES | 2,225,632,000 | 1,532,241,733 | 693,390,267 |

| QUARTER 4 RECURRENT EXPENDITURE | | | |
|---|----------------------|----------------------|-------------------|
| Recurrent Expenditure Cumulative | | | |
| AS OF JUNE-2023 | | | |
| Economic Classification | Approved Budget | Total Expenditures | Balance |
| 2100000 COMPENSATION OF EMPLOYEES | 1,404,000,000 | 1,403,814,108 | 185,892 |
| 2200000 USE OF GOODS AND SERVICES | 525,495,477 | 503,040,621 | 22,454,856 |
| 2600000 GRANTS | 368,850,000 | 368,850,000 | - |
| 2700000 SOCIAL BENEFITS | 3,764,524 | 3,374,076 | 390,448 |
| 3100000 ACQUISITION OF NON-FINANCIAL ASSETS | 55,572,413 | 45,596,668 | 9,975,745 |
| Gross Expenditure ... KES | 2,357,682,414 | 2,324,675,473 | 33,006,941 |

**STATE DEPARTMENT FOR LIVESTOCK DEVELOPMENT
1ST HALF DEVELOPMENT EXPENDITURE FY2022/23**

| Development Expenditure AS OF DECEMBER-2022 | | | |
|--|------------------------|---------------------------|----------------------|
| Economic Classification | Approved Budget | Total Expenditures | Balance |
| 2100000 COMPENSATION OF EMPLOYEES | 41,500,000 | 39,091,184 | 2,408,816 |
| 2200000 USE OF GOODS AND SERVICES | 787,090,798 | 87,512,140 | 699,578,658 |
| 2600000 GRANTS | 234,950,000 | 110,975,000 | 123,975,000 |
| 3100000 ACQUISITION OF NON-FINANCIAL ASSETS | 745,009,203 | 77,480,605 | 667,528,598 |
| Gross Expenditure ... KES | 1,808,550,000 | 315,058,928 | 1,493,491,072 |

| 2ND HALF DEVELOPMENT EXPENDITURE Development Expenditure Cumulative AS OF JUNE-2023 | | | |
|--|------------------------|---------------------------|----------------------|
| Economic Classification | Approved Budget | Total Expenditures | Balance |
| 2100000 COMPENSATION OF EMPLOYEES | 101,925,000 | 95,815,202 | 6,109,798 |
| 2200000 USE OF GOODS AND SERVICES | 1,183,100,655 | 873,658,147 | 309,442,508 |
| 2600000 GRANTS | 2,238,754,028 | 2,070,695,558 | 168,058,470 |
| 3100000 ACQUISITION OF NON-FINANCIAL ASSETS | 846,415,924 | 141,252,881 | 705,163,043 |
| Gross Expenditure ... KES | 4,370,195,607 | 3,181,421,788 | 1,188,773,819 |



STATE DEPARTMENT FOR LIVESTOCK DEVELOPMENT

Programme and Sub-Programme Performance Report - non-financial for FY 2022/23 (as of 30th June 2023)

Programme: Livestock Resources Management and Development

| SUB-PROGRAMME | Delivery Unit | Key Output | Key Performance Indicator | Annual Target(s) | Actual as at 30th June 2023 | Variance | Remarks |
|--|---|--|---|-------------------------|------------------------------------|-----------------|---|
| 1) SP 6.1 Livestock Policy Development and Capacity Building Programme | Regional Pastoral Resource Centre-Narok and Isiolo | Livestock keepers trained | Number of pastoralists trained | 1,260 | 1,134 | 126 | |
| | Dairy Training Institute | Students population enrolled at Dairy Training Institute | Number of students maintained | 267 | 265 | 2 | Students in session during the period. |
| | Livestock Training Institute,wajir | Students population enrolled at Livestock Training Institute,wajir | No. of graduates | 267 | 267 | - | Graduation was done in June 2023 |
| National Beekeeping Institute | Stakeholders trained on demand courses at Bee keeping | Number of stakeholders | No. of graduates | 450 | 556 | (106) | Training is to build capacity of bee value chain actors |
| | Finance and procurement services | Financial services | Number of quarterly expenditure reports | 4 | 4 | - | 3 quarterly reports prepared and submitted and this report is forth report. |

STATE DEPARTMENT FOR LIVESTOCK DEVELOPMENT

Programme and Sub-Programme Performance Report - non-financial for FY 2022/23 (as of 30th June 2023)

| Programme: Livestock Resources Management and Development | | | | | | |
|---|--|--|-------|-------|-------|---|
| Human Resource and Development | Animal health interns mentored | Number of animal health interns | 1,000 | 1,000 | - | Achievements reflects placements for qualified applicants |
| Central Planning and Project Monitoring Unit | Economic planning services | Number of performance contracts evaluated | 4 | 4 | - | Quarterly evaluation reports prepared and submitted to Performance Management and Contracting Department |
| | | Number of inspected and approved veterinary laboratories | 8 | 5 | 3 | |
| | Well regulated and licensed veterinary practices | Number of graduates registered | 1,035 | 731 | 304 | The Registered 75 practitioners, 26 Veterinary Surgeons, 18 veterinary technologists degree and 11 veterinary technologists diploma and 20 veterinary technicians certificate |
| 1162002104 Kenya Veterinary Board | | Number of inspected and licensed practitioners | 2,447 | 665 | 1,782 | During the quarter the Board inspected 20 Agrovet and 1 clinical centre. The understaffing in the technical departments affected the performance |
| | | Number of veterinary interns registered | 1,220 | 1,071 | 149 | The delay in the advertisement for internship programme affected registration. The overall target was achieved in the first quarter. |
| | Percentage Completion of the Equipping and Furnishing of the Resource Centre | Equipping Percentage completion | 100 | 100 | - | Resource centre completed and operational at Kabete |

STATE DEPARTMENT FOR LIVESTOCK DEVELOPMENT

Programme and Sub-Programme Performance Report - non-financial for FY 2022/23 (as of 30th June 2023)

| Programme: Livestock Resources Management and Development | | | | | | |
|---|--------------------------------------|---|---------|---------|---------|---|
| Four Interventions | Pastures development supported | Chemogoch model feedlot completion percentage | 100 | 100 | 100 | Model feedlot completed at chemogoch. |
| | Increased bee colonies | No. of pasture bales harvested | 336,000 | 102,000 | 234,000 | Hay bales harvested in mogotio and chemogoch. |
| | Increased bee colonies | Number of bee-colonies distributed | 2,000 | 0 | 2,000 | No distribution done in Q4 due to financial constraints/budget cuts |
| 1162100600 Kenya Livestock Insurance Project | Livestock Insured against drought | No. of Tropical Livestock Units (TLU) insured | 50,000 | 50,000 | - | 74,552 pastoralists registered and paid the premium under the De-Risking, Inclusion and value Enhancement of Pastoral Economies(DRIVE)Project. |
| | | Number of persons receiving services promoted or supported by the project | 3,750 | 4,850 | (1,100) | The actual number of persons reached was through Participatory Rural Appraisal process through which Community Action Plans were developed and investor forum |
| 1162104700 Kenya Livestock Commercialization Project (KELCOP) | Commercialized livestock enterprises | Households provided with targeted support to improve their nutrition | 200 | - | 200 | In Q3 and Q4 activities were centered on Community mobilization through PRA where community action plans have been developed |
| | | Households accessing water infrastructure | 100 | - | 100 | In Q3 and Q4 activities were centered on Community mobilization through PRA where community action plans have been developed |
| | Training of Pastoral Field schools | No. of participants trained | 250 | 765 | (515) | 12 PFS groups formed and on-farm training is ongoing. |

STATE DEPARTMENT FOR LIVESTOCK DEVELOPMENT

Programme and Sub-Programme Performance Report - non-financial for FY 2022/23 (as of 30th June 2023)

Programme: Livestock Resources Management and Development

| | | | | | | |
|--|--|--|---------|---------|--------|---|
| 1162104800Toward Ending Drought Emergencies (T/W/ENDE) | Pastoral communities institutions supported | No. of communities institutions(groups) trained on rangeland management | 44 | 46 | (2) | Rangeland management activity successfully being implemented. |
| | Reseeded rangeland | Acreage of reseeded rangeland | 600 | 600 | - | 1,340 kgs of grass seed distributed for rehabilitation work and establishment of grass seed banks |
| 1162002200 Animal Breeding and Reproductive regulatory Services | Soil and water conservation structures established | No. of structures | 4 | 0 | 4 | Preliminaries activities ongoing for the establishment of soil and water conservation structures. |
| | Livestock breeds improved | No. of semen distribution premises inspected and licensed | 20 | 22 | (2) | Two new genetic producing facilities were inspected and licensed |
| | | Percentage of semen evaluated for import and export | 100% | 100% | | 100% requests processed. 149 samples evaluated from consignments of 514,289 doses of semen processed. |
| | | Litres of liquid nitrogen produced and distributed | 350,000 | 268,672 | 81,328 | Kirinyaga plant was not operational and the Sotik plant production was below 20 litres per hour. |

STATE DEPARTMENT FOR LIVESTOCK DEVELOPMENT

| Programme and Sub-Programme Performance Report - non-financial for FY 2022/23 (as of 30 th June 2023) | | | | | | |
|--|--|--|-----------|---------|---------|--|
| Programme: Livestock Resources Management and Development | | | | | | |
| Establishment of Liquid Nitrogen Plants - KAGRC | Improved animal breeds and Artificial Insemination services | No. of semen doses produced and distributed | 1,100,000 | 803,964 | 296,036 | Annual target was not met due to halting of semen production to allow for laboratory renovations and the depletion of semen packaging straws |
| | | Percentage completion of Dairy Goat A.I centres | 100% | 100% | - | Complete awaiting commissioning |
| Embryo Transfer and sexed semen Project - KAGRC | Improved animal breeds and Artificial Insemination services | Number of breeding sires recruited into the stud | 12 | 12 | - | |
| | | Percentage completion of Embryo Transfer Centre | 100 | 55 | 45 | Construction of the E.I laboratory is at advanced stage awaiting delivery of embryos. Semen sexing machine will be acquired by December 2023 |
| SP 6.3 Livestock Products Value addition and Marketing | Common Effluent Treatment Plant (CETP) for Leather Park - Kename | Percentage completion level | 85% | 90% | (0) | Overachievement due to efficient project implementation. |
| | Leather Industrial Warehouses and administration Complex | Percentage completion level | 75% | 75% | - | Target achieved |

STATE DEPARTMENT FOR LIVESTOCK DEVELOPMENT

Programme and Sub-Programme Performance Report - non-financial for FY 2022/23 (as of 30th June 2023)

| Programme: Livestock Resources Management and Development | | | | | | | |
|---|--|--------|--------|---------|---|--|--|
| Leather Industry MSMEs capacity built | Number of flyers and traders trained | 250 | 242 | 8 | Under achievement due to exchequer delay | | |
| | Number of MSMEs trained | 150 | 170 | (20) | Overachievement as most activities were done as budgeted. | | |
| MSMEs utilizing Common Manufacturing Facilities (CMF) | Number of leather goods machine operators trained | 50 | 50 | - | Done | | |
| | Number of MSMEs utilizing Common Manufacturing Facilities | 330 | 350 | (20) | High turnout due to operationalization of the CMF | | |
| Improve Compliance to Quality and Safety Requirements of Marketed Dairy | No. of milk handling premise inspections done | 5,500 | 7,228 | (1,728) | Target achieved | | |
| Enhance manufacturing through increased consumption of value added dairy produce | No. of milk quality and safety tests conducted | 60,000 | 60,233 | (233) | Target achieved | | |
| National Dairy Regulatory Laboratory established and equipped (KDB) | Volume of formal milk intakes in million litres | 979 | 897 | 82 | Variance as a result of the prolonged drought which affected local production and intakes in the formal sector | | |
| | % completion of the Laboratory | 95% | 95% | - | Target achieved | | |
| Kenya Dairy Board | | | | | | | |

STATE DEPARTMENT FOR LIVESTOCK DEVELOPMENT

| Programme and Sub-Programme Performance Report - non-financial for FY 2022/23 (as of 30th June 2023) | | | | | | | |
|--|---|---|---|-----|-----|-------|--|
| Programme: Livestock Resources Management and Development | | | | | | | |
| 0112040 SP 2.4 Food Safety and Animal Products Development | 116200700 National Bee Keeping Institute, Lenana | Honey quality assurance | Number of honey samples analysed | 300 | 139 | 161 | Honey samples is analysed for quality assurance |
| | | Veterinary public health services strengthened | No. of residue monitoring plans in foods of animal origin implemented | 3 | 3 | - | Residue Monitoring plans for Milk, Meat and Honey undertaken in 1st second and 3rd quarters. It was not done in 4th quarter due to breakdown of equipment for analysis |
| | | Leather Training Institute (LTI) constructed and equipped | Percent completion of construction and equipping of LTI | 10 | 0 | 10 | Underachievement attributed to unavailability of funds |
| | | Stakeholder capacity strengthened | No. of stakeholders trained | 250 | 344 | (94) | Capacity building done in collaboration with Kiambu and Nairobi counties |
| | | Hides and skins export permits processed | No. of export permits processed and registered | 250 | 366 | (116) | Done on request |
| | 1162002500 Veterinary Public Health, Hides and Skins and Leather Quality Control | | No. of export milk processing plants inspected and licensed | 8 | 8 | - | Activity completed as planned in first quarter. Monitoring was done in subsequent quarters |
| | | Enhanced Safety of food of animal origin | No. of export slaughter houses inspected and licensed | 11 | 11 | - | Inspection and licensing completed in 3rd quarter. Monitoring continued in 4th quarter |
| | | | No. of animal feed processing plants inspected and licensed | 11 | 11 | - | Inspection and licensing completed and monitored throughout the FY. |

STATE DEPARTMENT FOR LIVESTOCK DEVELOPMENT

Programme and Sub-Programme Performance Report - non-financial for FY 2022/23 (as of 30th June 2023)

| Programme: Livestock Resources Management and Development | | Programme and Sub-Programme Performance Report - non-financial for FY 2022/23 (as of 30 th June 2023) | | | | | | | | | | | |
|---|---|--|---|----|---|---|--|---|---|------|------|--|---|
| 0112050 SP 6.5 Livestock Disease Management and Control | Diseases Control | Enhanced disease surveillance | No. of active surveillance missions on PPR, RVF and other priority trans boundary animal diseases | 3 | 3 | - | RVF and PPR surveillance done in Garissa, Isiolo, Marsabit and Baringo | | | | | | |
| | | | | | | | | Import/export foods inspected and certified | % Import and export foods inspected and certified | 100% | 100% | - | Done as per requests received |
| | | | | | | | | Veterinary drugs and chemical residues in foods tested | No. of honey samples | 250 | 135 | 115 | Activity not done in 4th quarter due to breakdown of equipment for analysis |
| 11620037 Disease Free Zone | Disease Free Zones established to facilitate access to markets | % completion of Livestock Export Zone facilities in Bachuma | 20% | 0% | 0 | SDL is exploring modalities to complete and operationalize the facility. This has not been done due to unavailability of funds. | | | | | | | |
| | | | | | | | Regional laboratories rehabilitated and equipped | No. of laboratories rehabilitated and equipped | 8 | 8 | - | The six RVILs and two satellite vet labs are at various stages of rehabilitation and equipping. Most works were delayed due to delays in exchange release | |

STATE DEPARTMENT FOR LIVESTOCK DEVELOPMENT

Programme and Sub-Programme Performance Report - non-financial for FY 2022/23 (as of 30th June 2023)

Programme: Livestock Resources Management and Development

| | | | 100% | 100% | | | | | All disease outbreaks reported were investigated |
|---|---|---|--------|--------|--------|--|--|--|--|
| 1162003300 Regional Veterinary Investigation Laboratories (Kericho, Mariakani, Eldoret, Nakuru, Karatina, Garissa, Witu and Ukunda | Reduced animal disease incidences | No. of samples of animal diseases analyzed | 61,000 | 37,736 | 23,264 | | | | Samples received, processed and reports as well as advice relayed back to the clients The unavailability of funds delayed supply of laboratory reagents and consumables in laboratories which affected some sample processing |
| | | No. of disease risk surveillance missions carried- out | 2 | 2 | - | | | | Activity completed as planned |
| | Laboratories audited on ISO 17025 | No. of laboratories audited | 6 | 8 | (2) | | | | ISO/IEC 17025:2017 internal audits were carried out in 6 laboratories (NVL-Karatina, Garissa, Mariakani, Nakuru, Eldoret and Kericho) as well as Reference labs. (CVI and FMD). |
| | | Percentage of testing of animal health inputs (drugs and vaccines) | 100% | 100% | - | | | | All requests for testing done. |
| 1162003400 Veterinary Diagnostics and Efficacy Trial Centers | Reduced animal disease incidences | Number of animals Maintained for Efficacy trials | 1,600 | 1,845 | (245) | | | | Animals maintained the the five efficacy trial centers- Maseno, Kabete, Ngong, Machakos and Kiboko. Other laboratory animals are kept at Kabete; and are used and disposed as need arises |

STATE DEPARTMENT FOR LIVESTOCK DEVELOPMENT

Programme and Sub-Programme Performance Report - non-financial for FY 2022/23 (as of 30th June 2023)

| | | Programme: Livestock Resources Management and Development | | | | | | |
|------------|---|--|---|-------------|--------|-----------|--|--|
| | | BSL3 laboratory at Kabete | % Completion | % Equipping | 100% | 82% 0% | 0 1 | These activities were not done due to unavailability of funds. |
| 1162003500 | Central Veterinary Laboratory -Kabete | Reduced animal disease incidences | No. of samples of animal diseases analyzed | 17,500 | 17,184 | 316 | All samples processed as received and will continue in the 4th quarter | |
| | | Sentinel bee colonies established and monitored | No. of sentinel bee colonies established /monitored | 6 | 6 | - | Completed | |
| | | National risk maps for bee diseases and pests developed | No. of diseases maps/pests developed | 4 | 2 | 2 | Activity is ongoing, at draft stage. Will be completed in FY 2023/24 | |
| 1162002700 | Vector Regulatory and Zoological Services | | Number of acaricides tested for registration | 4 | 2 | 2 | Done on request. One acaricide was presented for testing in the first quarter and one in 4th quarter | |
| | | Tick vectors and tick-borne diseases | No. of countries surveyed and tick vectors and tick-borne diseases mapped | 1 | 2 | (1) | Two surveys on acaricide resistance was in Nakuru and Nandi Counties | |
| 1162003600 | Foot and mouth disease (FMD) laboratory | Reduced incidences of FMD | No. of samples analyzed | 7,000 | 1,468 | 5,532 | Samples processed as received | |
| | | FMD vaccines lots tested for efficacy | Number of lots tested | 13 | 12 | 1 | All vaccine lots tested as received from KEVEVAPI | |
| 1162003800 | Ports of Entry and Border Post Veterinary Inspection Services | Sanitary and phytosanitary standards manned and strengthened | No. of border/entry points of entry manned and strengthened | 13 | 13 | - | All border Inspection points (BIPs) are operational | |

STATE DEPARTMENT FOR LIVESTOCK DEVELOPMENT

Programme and Sub-Programme Performance Report - non-financial for FY 2022/23 (as of 30th June 2023)

| Programme: Livestock Resources Management and Development | | | | | | |
|---|---|-------|-------|-----|--|---|
| | | | | | | |
| | | 50 | - | 50 | | 50 |
| 1162105000 | Establishment of Livestock Pre-Export Zone - Lamu | 50 | - | 50 | Completion level (%) of the marshaling yards and related infrastructure at Lamu port | 50 |
| | | 50 | - | 50 | Completion level (%) of construction of Witu veterinary laboratory | 50 |
| | | 50 | - | 50 | Completion level (%) and equipping of 4 investigation laboratories | 50 |
| | | 1,000 | 982 | 18 | No. of Animal Health interns | All applicants placed were monitored |
| | | 1,500 | 1,226 | 274 | Number of students maintained | 569, 275 and 382 students at AHII Kabete, Nyahuru and Ndomba respectively |
| | | 38 | 25 | 13 | Doses of vaccines produced for animal disease control and export (millions) | Quarter targets achieved |
| | | 6 | 6 | - | No. of Tsetse control belts covered | The Council is working in all the six tsetse belts concurrently. The funds available were not enough to sustain the already controlled areas in the belts and move to new areas within the tsetse |
| | | 70 | 70 | - | % improvement for operational efficiency in Tsetse control belts | |
| | | | | | Animal Health interns mentored | |
| | | | | | Students maintained at AHII Kabete, Nyahuru and Ndomba | |
| | | | | | Production of Assorted quality livestock vaccines | |
| | | | | | Tsetse and trypanosomiasis control | |
| | | | | | Tsetse and trypanosomiasis controlled | |
| 1169107600 | Kenya Veterinary Vaccine Production Institute | | | | Sustainable Tse Tse and Trypanosomiasis free areas in Kenya | |
| | | | | | KENTTE | |

STATE DEPARTMENT FOR LIVESTOCK DEVELOPMENT
Project Implementation Status FY 2022/23

| Project Name | Project Commence Date | Expected duration of the project | Source of Funds | Estimated Value of the Project (KShs.) | Total Funding FY 2022/23 | Actual Expenditure as at 30th June 2023 | Percentage of Completion | Remarks/Challenges faced in implementing Projects |
|--|-----------------------|----------------------------------|-----------------|--|--------------------------|---|--------------------------------|---|
| Kenya Livestock Insurance Scheme Project | 01/07/2014 | 11 Years | GOK | 2,000,000,000 | 2,759,501 | 2,758,901 | Ongoing at 75% completion rate | Cushion pastoralists against drought related livestock losses. 90,060 TLUs insured in each year cycle. Insurance done in 8 counties with 18,012 Households covered each year. |
| Livestock Production Bag Four Interventions | 01/07/2018 | 8 Years | GOK | 2,211,000,000 | 131,810,159 | 125,779,756 | Ongoing at 31% completion rate | The Project undertakes activities aimed at commercialization of indigenous Poultry, Pig Enterprises, Development & Rabbit Enterprises Development |
| Modernize Foot & Mouth Disease Laboratory FOR GMP Standards KVVVAVI | 01/07/2014 | 12 Years | GOK | 1,750,000,000 | 17,500,000 | 17,500,000 | At 70% completion rate | Transfer to Semi-Autonomous Government Agency |
| Construction and Equipping of National Dairy Laboratory Complex | 01/07/2015 | 11 Years | GOK | 857,000,000 | 18,975,000 | | Ongoing at 55% completion rate | Transfer to Semi-Autonomous Government Agency |
| Construction of Kenya Veterinary Board (KVB) Headquarters Offices | 01/07/2017 | 6 Years | GOK | 141,000,000 | 24,000,000 | 18,000,000 | Ongoing at 98% completion rate | Transfer to Semi-Autonomous Government Agency |
| Construction and Refurbishment of Infrastructure at AHITI Kabete | 07/07/2012 | 12 Years | GOK | 766,000,000 | 18,013,817 | 18,013,817 | Ongoing at 83% completion rate | Project aim is to improve learning facilities |
| Construction of Learning Facilities (New Site) at AHITI Nyakuru | 07/07/2012 | 12 Years | GOK | 460,000,000 | 10,250,000 | 10,250,000 | Ongoing at 78% completion rate | Project aim is to improve learning facilities |
| Construction and Refurbishment of Infrastructure AHITI Ndinda | 12/08/2012 | 12 Years | GOK | 219,000,000 | | | Ongoing at 70% completion rate | Project aim is to improve learning facilities |
| National Bee Keeping Institute | 15/08/2013 | 11 yrs | GOK | 150,000,000 | 9,500,000 | 8,904,900 | At 93% completion rate | Capacity building of bee value chain actors |
| Construct & refurbish facilities - Meat Training Institute Ath River | 20/09/2012 | 12 Years | GOK | 160,000,000 | 3,750,000 | 3,750,000 | Ongoing at 82% completion rate | AIIE transfer to the Institute |
| Regional Pastoral Training Centre - Narok | 11/11/2012 | 12 Years | GOK | 80,000,000 | 3,000,000 | 3,000,000 | Ongoing at 63% completion rate | AIIE transfers to the centre |
| Construction and refurbishment at Dairy Training Institute - Narok | 09/08/2013 | 12 Years | GOK | 307,000,000 | 22,550,000 | 22,000,000 | Ongoing at 40% completion rate | AIIE transfer to the Institute |
| Farm Development - Sheep and Goats Breeding Farms | 10/10/2012 | 11 Years | GOK | 495,000,000 | 20,250,000 | 20,250,000 | Ongoing at 90% completion rate | AIIE transfers to 9 genetic conservation farms |
| Bee Health Project - Vector Regulatory and Zoological Services | 01/07/2014 | 9 Years | GOK | 120,000,000 | 8,332,614 | 16,606,359 | Ongoing at 70% completion rate | Vector control for bee health |
| Bee Raising Project - Apiculture and Emerging Livestock Services | 08/08/2014 | 12 Years | GOK | 382,000,000 | 17,080,000 | 17,488,648 | Ongoing at 24% completion rate | Construction and equipping of bee colony multiplication centres |

STATE DEPARTMENT FOR LIVESTOCK DEVELOPMENT

Project Implementation Status FY 2022/23

| Project Description | Start Date | End Date | Duration | Implementing Agency | Approved Budget (KSh) | Actual Expenditure (KSh) | Completion Status | Remarks |
|--|------------|----------|----------|---------------------|-----------------------|--------------------------|--------------------------------|---|
| Farm development at Livestock Breeding Research Farms | 15.12.2012 | | 11 Years | GOK | 279,000,000 | 15,000,000 | 93% Complete | and research farms to supply quality breeding stock and conserve the relevant |
| Farm development - Veterinary Diagnostic and Efficacy Trial Centres | 20.01.2014 | | 10 Years | GOK | 335,000,000 | 13,250,000 | 85% complete | Efficacy and trials on veterinary vaccines and drugs in 4 farms |
| Construct & Refurbish Foot & Mouth Disease National Reference Lab | 15.07.2011 | | 13 Years | GOK | 254,000,000 | 8,000,000 | Ongoing 89% complete | Laboratory diagnosis for FMD control |
| Construction & equipping the Bio-safety Level 3 Laboratory at Kabete | 25.05.2012 | | 13 Years | GOK | 830,000,000 | 28,680,900 | Completion rate is 72% | Civil works and equipping of the BSL3 Laboratory |
| Construct & Refurbish Regional Veterinary Investigation Laboratories (RVILs) | 18.08.2011 | | 14 Years | GOK | 706,000,000 | 12,500,000 | 70% completion level | Laboratory diagnosis for disease control at 8 Regional levels |
| Modernization of Kisumu Zoological and Efficacy Trial Centre | 15.09.2014 | | 10 Years | GOK | 138,500,000 | 10,000,000 | 53% Complete | Vector and disease control |
| Construction and refurbishment - Leather Science Institute | 15.08.2013 | | 13 Years | GOK | 626,000,000 | 16,784,292 | Ongoing at 54% completion rate | Improved quality of hides and skins for the leather industry |
| Construction & Refurbishment of Facilities - Livestock Test Wair | 01.05.2019 | | 6 Years | GOK | 300,000,000 | 22,250,000 | Ongoing at 47% completion rate | Project aim is to improve learning facilities |
| Establishment of Livestock Export Zone - Lamu | 01.07.2021 | | 5 Years | GOK | 5,800,000,000 | 59,400,296 | 3% complete | Sites inspection, engagement of stakeholders, and identification of the sites for Lamu Livestock Export Zone facilities done. Designs are at summary sheets to inform the construction stage 1 and survey and planning for holding grounds and farms ongoing. Equipping of laboratories also ongoing. |
| Towards Ending Drought Emergencies in Kenya | 01.10.2021 | | 6 Years | GOK, Green Climate | 1,338,200,000 | 121,739,028 | Ongoing at 24% | Project activities were delayed due to late release of capital exchequers and disbursements from development partners |
| Kenya Livestock Commercialization Programme | 10.03.2021 | | 6 Years | GOK, IFAD | 6,200,000,000 | 953,030,000 | Ongoing at 9% | release of capital exchequers and disbursements from development partners |
| Development of Leather Industrial Park - Konome | 01.07.2016 | | 10 years | GOK | 4,809,000,000 | 62,500,000 | Ongoing at 52% completion rate | Civil works are ongoing but contract facing non-optimal budgetary provisions. Physical completion of superstructures for 1 industrial warehouses at 60% completion level |
| Embryo Transfer Project | 01.07.2020 | | 6 Years | GOK | 1,000,000,000 | 10,000,000 | Ongoing at 0% | |
| De-Risking, Inclusion and Value Enhancement of Pastoral Livestock | 02.08.2022 | | 6 Years | | 16,000,000,000 | 1,966,543,975 | Ongoing at 12% | |
| Establishment of Liquid Nitrogen Plants - KAGRC | 01.07.2015 | | 10 Years | GOK | 1,150,000,000 | 10,750,000 | Ongoing | |
| Livestock Value Chain Support Project | 01.07.2023 | | 6 Years | GOK | 8,300,000,000 | 506,000,000 | Ongoing at 0% | Phase II of the project to take off during the FY 2023/24 |
| Sustainable Use, Use and Frispaosomassis free areas in Kenya - KENTHEC | 01.08.2014 | | 12 Years | GOK | 1,290,000,000 | 18,750,000 | | |
| Total | | | | | 59,356,700,000 | 4,570,195,607 | | Underutilization attributed to delayed exchequer releases |

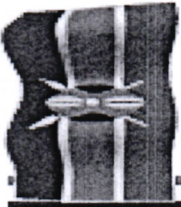
STATE DEPARTMENT FOR LIVESTOCK DEVELOPMENT

Pending Bill Status as at 30th June 2023

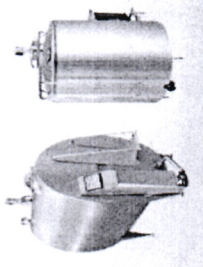
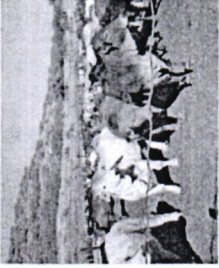
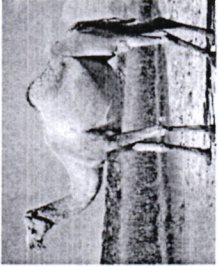
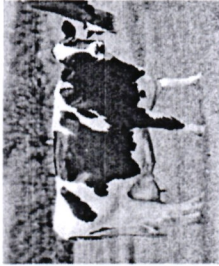
| VOTE | Budget Allocation for the Contract | Financial Year when the pending bill was incurred | Cumulative payment as at 30 th June 2023 | Outstanding amount as at 30 th June 2023 | Remarks |
|--------------------------|------------------------------------|---|---|---|-------------------|
| a) Recurrent | | | | | |
| | 1 | FY 2021/22 | 36,749,134 | - | Paid |
| | Sub-Total | | 36,749,134 | | |
| b) Development | | | | | |
| | 1 | FY 2021/22 | 120,675,304 | 32,206,769 | Lack of Exchequer |
| | Sub-Total | | 120,675,304 | 32,206,769 | |
| Grand Total (a+b) | | | 157,424,438 | 32,206,769 | |

1 2 3 4





STATE DEPARTMENT FOR LIVESTOCK DEVELOPMENT



BRIEF ON FY 2022/23 BUDGET PERFORMANCE

Presented by:

Jonathan Mueke
Principal Secretary

27th October, 2023



Presentation Outline

- i. Mandate and Functions
- ii. Programme and Sub-Programmes
- iii. SAGAs' Legal Background
- iv. SAGAs' Budget Performance for FY2022/23 (Financial & Non-Financial)
- v. SAGAs' Capital Projects
- vi. Explanation on over Expenditure



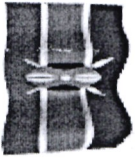
1.0 Mandate and Functions



Mandate: To promote, regulate and facilitate livestock production for socio-economic development and industrialization.

Functions: (Executive Order 1 of 2023)

- i. Livestock policy management;*
- ii. Development of livestock industry;*
- iii. Veterinary services and disease control policy;*
- iv. Range development and management;*
- v. Livestock marketing;*
- vi. Promotion of dairy industry*
- vii. Livestock insurance policy;*
- viii. Livestock branding;*
- ix. Promotion of bee keeping and apiculture;*
- x. Promotion of quality of hides and skins;*
- xi. Leather sector development and promotion of value chain;*
- xii. Livestock research and development;*
- xiii. Animal genetic research; and*
- xiv. Tsetse fly and trypanosomiasis research and control*



2.0 Programme and Sub Programmes

Programme and Sub Programmes

SDLD implements Livestock Resources Management and Development Programme with five (5) Sub-Programmes namely;

- i. Livestock Policy Development and Capacity Building;
- ii. Livestock Production and Management;
- iii. Livestock Products Value Addition and Marketing;
- iv. Food Safety and Animal Products Development; and
- v. Livestock Diseases Management and Control.



3.0 SAGAs' Legal Background



The State Department for Livestock Development (SDL) oversees the running of the following Semi-Autonomous Government Agencies (SAGAs) under its purview.

1. **Kenya Veterinary Vaccines Production Institute (KEVEAPI)** - Established under Legal Notice 223 of 1990 and mandated to produce high quality animal vaccines for distribution locally and abroad.
2. **Kenya Meat Commission (KMC)** - Established under CAP 336 Kenya Commission Act, 1950 and mandated to offtake livestock, process and market high quality meat and meat products.
3. **Kenya Dairy Board (KDB)** - Established under CAP 336 Dairy Industry Act, 1958 and mandated to regulate, develop and promote the dairy industry in Kenya.
4. **Kenya Veterinary Board (KVB)** - Established under the Veterinary Surgeons and Veterinary Paraprofessionals (VSVP) Act No. 29 of 2011 and mandated to exercise general supervision and control over veterinary training, business, practices and employment of veterinary surgeons and veterinary paraprofessionals in Kenya and advise the government in relation to all aspects thereof.



3.0 SAGAs' Legal Background Cont'...



5. **Veterinary Medicines Directorate Council (VMDC)** - Established under the Veterinary Surgeons and Veterinary Paraprofessionals (VSPV) CAP 366 (article 39) of the laws of Kenya and mandated to safeguard human and animal health and the environment through enforcement of quality assurance standards in the manufacture, distribution and use of veterinary medicines.
6. **Kenya Leather Development Council (KLDC)** - Established under Executive Order through a legal notice No. 114 of the Kenya gazette supplement No. 113 of 9th September 2011, under the State Corporations Act (Cap 446) of the laws of Kenya and mandated to promote, regulate, direct, coordinate and harmonize all activities in the leather sector.
7. **Kenya Tsetse and Trypanosomiasis Eradication Council (KENTTEC)** - Established under Legal Notice 77 of 2012 and mandated to coordinate and undertake eradication of Tsetse flies and Trypanosomiasis.
8. **Kenya Animal Genetic Resources Centre (KAGRC)** – Established under Legal Notice 110 of 2011 and mandated to produce, preserve, conserve and distribute animal genetic materials (semen, embryo, tissues and live animals).



4.0 SAGAs' Budget Performance for FY2022/23 –Financial (KShs. Million)



| | Approved Budget | Actual Expenditure | Remarks |
|---|-----------------|--------------------|---|
| | 2022/23 | 2022/23 | |
| NAME OF SAGA: KENYA VETERINARY BOARD (KVB) | | | |
| Gross | 124.0 | 102.4 | |
| AIA | 38.0 | 26.4 | The budget cut negatively affected enforcement and compliance |
| Net Exchequer | 86.0 | 76.0 | Supplementary budget cut Ksh. 10M |
| Compensation to Employees | 55.0 | 47.7 | Under expenditure due to delayed employment of staff. |
| Other Recurrent | | | |
| Insurance | 9.0 | 10.0 | Increase cost resulted from insurance for the new building and unanticipated increase number of board members qualifying for medical cover. |
| Utilities | 3.0 | 6.0 | The increase was occasioned by high cost of electricity and generator fuel |
| Contracted Professional (guards and cleaners) | 4.0 | 4.3 | The increase cost is as result of additional guards and cleaning services due to occupation of the new building |
| Gratuity | 3.0 | 3.2 | The over-expenditure resulted from payment of two employees whose contracts had ended. |
| Others | 50.0 | 31.2 | Other expenditure include enforcement and compliance and Board Policy expenses. Enforcement and compliance was affected by Budget cut |



4.0 SAGAs' Budget Performance for FY2022/23 –Financial (KShs. Million)



| Economic Classifications | Approved Budget | | Actual Expenditure | | Remarks |
|--|-----------------|---------|--------------------|---------|--|
| | 2022/23 | 2022/23 | 2022/23 | 2022/23 | |
| NAME OF SAGA: VETERINARY MEDICINES DIRECTORATE COUNCIL (VMDC) | | | | | |
| Gross | 89.3 | | 75.3 | | |
| ALA | 75.7 | | 61.7 | | |
| Net Exchequer | 13.6 | | 13.6 | | GoK Recurrent Grant received during the year |
| Compensation to Employees | 40.4 | | 29.3 | | The under utilization was attributed to delayed approvals for recruitment of staff. |
| Other Recurrent | | | | | |
| Insurance | 3.20 | | 2.72 | | Amount spent on Staff medical, motor vehicles and general insurances. |
| Utilities | - | | - | | |
| Rent | 2.5 | | 2.5 | | The overall expenditure is within budget |
| Subscriptions to international organization | 3.2 | | 2.7 | | Subscription to professional bodies |
| Subscription to professional bodies | - | | - | | |
| Contracted Professional (guards and cleaners) | - | | - | | |
| Gratuity | 1.0 | | 0.8 | | Gratuity provision for Contracted Staff. |
| Others | 42.2 | | 40.0 | | other expenses include operational and maintenance relating to; Council expenses, Use of goods and services, repair and maintenance of assets- |



4.0 SAGAs' Budget Performance for FY2022/23 –Financial (KShs. Million)



| Economic Classifications | Approved Budget | Actual Expenditure | Remarks |
|---|-----------------|--------------------|--|
| | 2022/23 | 2022/23 | |
| NAME OF SAGA: KENYA DAIRY BOARD (KDB) | | | |
| Gross | 589.7 | 576.2 | |
| AIA | 587.1 | 587.1 | The Board exceeded AIA collection by Kshs. 785,065 |
| Net Exchequer | 2.6 | 2.6 | GoK Recurrent Grant received during the year |
| Compensation to Employees | 231.3 | 222.6 | Budget under absorption by Kshs. 8.71 Million as result of the 20% Basic salary review which was declined by SRC. |
| Other Recurrent: | 358.3 | 353.76 | |
| Utilities | 10.8 | 10.3 | Involves expenditure on Telephone and internet services, electricity, water as well postage and courier services. |
| Rent | 21.1 | 21.0 | Rent payment for the former HQ at NSSF Building and selected Regional Offices. |
| Insurance | 28.1 | 26.3 | Amount spent on Staff medical, motor vehicles and general insurances. |
| Subsidies | - | - | |
| Gratuity | 1.7 | 1.7 | Gratuity provision for Contracted Staff. |
| Contracted Professional (Guards and Cleaners) | 6.2 | 5.9 | Expenditure on contracted cleaning and security services for the Head Offices and the National Dairy Laboratory, Kabete |
| Others | 290.4 | 289.2 | Other expenses include operational and maintenance relating to; administration costs, inspectorate, quality assurance, enforcements and other general expenses |



4.0 SAGAs' Budget Performance for FY2022/23 –Financial (KShs. Million)



| Economic Classifications | Approved Budget | Actual Expenditure | Remarks |
|---|-----------------|--------------------|--|
| | 2022/23 | 2022/23 | |
| NAME OF SAGA: KENYA LEATHER DEVELOPMENT COUNCIL (KLDC) | | | |
| Gross | 184.2 | 183.7 | |
| AIA | 1.7 | 1.2 | The variance in AIA collections is as a result of low uptake of services. |
| Net Exchequer | 182.5 | 182.5 | |
| Compensation to Employees | 120.8 | 120.46 | An employee was dismissed in the 3 rd quarter but the position has been filled. |
| Other Recurrent | | | |
| Insurance | 17.1 | 17.0 | Staff and motor vehicle insurances |
| Utilities | 2.0 | 2.0 | Water and electricity expenses |
| Rent | 23.5 | 23.5 | Office rent for the period |
| Subscription to professional bodies | 0.1 | 0.1 | Subscription to professional bodies |
| Contracted Professional (guards and cleaners) | 4.0 | 4.0 | Contracted services for the year |
| Others | 16.7 | 16.7 | Other expenses include operational and maintenance relating to; hides and skin quality improvement, promotions, capacity building & board expenses |



4.0 SAGAs' Budget Performance for FY2022/23 –Financial (KShs. Million)



| Economic Classifications | Approved Budget | | Actual Expenditure | Remarks |
|--|-----------------|---------|--------------------|---|
| | 2022/23 | 2022/23 | | |
| NAME OF SAGA: KENYA VETERINARY VACCINES PRODUCTION INSTITUTE (KEVEVAPI) | | | | |
| Gross | 497 | 420 | | |
| AIA | 497 | 227 | | During the year, there was less demand from the county governments leading to less sales than budgeted. This was as a result of the effects of dry spells in the country where it was not possible to vaccinate weak animals. The Institute is working towards GMP certification which will lead to accessing more foreign markets. |
| Net Exchequer | - | - | | |
| Compensation to Employees | 83 | 73 | | The Institute expected to recruit additional technical & administration staff on permanent basis, but this did not happen within the year. We expect this to happen in the FY 2023/2024. |
| Other Recurrent | | | | |
| Insurance | 5 | 4 | | This is contract based and the Institute through the tendering process got a low price than the budgeted. |
| Utilities | 26 | 26 | | This is cost of electricity and water and is within the budget. |
| Contracted Professional (guards and cleaners) | 7 | 7 | | This is a contracted service and therefore the cost was as per budgeted. |
| Board Expenditure | 15 | 12 | | Under expenditure due to low number of board members as budget. |
| Others | 361 | 298 | | Under expenditure due to low demand of vaccines. Other expenses include operational and maintenance relating to; cost of vaccine production, marketing and distribution |



4.0 SAGAs' Budget Performance for FY2022/23 –Financial (KShs. Million)



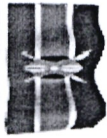
| Economic Classifications | Approved Budget | | Actual Expenditure | Remarks |
|--|-----------------|---------|--------------------|---|
| | 2022/23 | 2022/23 | | |
| NAME OF SAGA: KENYA MEAT COMMISSION (KMC) | | | | |
| Gross | 4,534.0 | 3,202.0 | | |
| AIA | 4,177.0 | 2,845.0 | | Revenue from sale of meat and meat products was adversely affected by prolonged drought in 3rd and 4th quarter. |
| Net Exchequer | 357.0 | 357.0 | | |
| Compensation to Employees | 240.5 | 271.5 | | The Commission implemented a salary review during FY 2022/23 in line with SRC harmonized pay guidelines for state corporations. This increased expenditure on compensation of employees to Ksh 271.5 million beyond the projected budget of Ksh 240.5million. |
| Other Recurrent | | | | |
| Insurance | 37.9 | 34.6 | | |
| Utilities | 130.3 | 133.6 | | |
| Contracted Professional (guards and cleaners) | - | 4.5 | | |
| Gratuity | - | 61.9 | | Payment of court award and historical pending bill relating to staff benefits whose contracts had been terminated |
| Others | 4,125.3 | 2,695.9 | | Other expenses include operational and maintenance relating to; production & processing expenses incurred including raw materials and factory overheads |



4.0 SAGAs' Budget Performance for FY2022/23 –Financial (KShs. Million)



| Economic Classifications | Approved Budget | Actual Expenditure | Remarks |
|---|-----------------|--------------------|--|
| | 2022/23 | 2022/23 | |
| NAME OF SAGA: KENYA ANIMAL GENETIC RESOURCE CENTRE (KAGRC) | | | |
| Gross | 302.0 | 241.0 | |
| AIA | 230.0 | 179.0 | The non-realisation of AIA target is due to reduced purchases from counties, increasing competition from a government funded bull semen station, breakdown of liquid nitrogen plants and severe drought. |
| Net Exchequer | 72.0 | 62.0 | Budget cuts |
| Compensation to Employees | 142.0 | 141.9 | The overall expenditure is within budget |
| Other Recurrent: | | | |
| Utilities | 30.0 | 27.0 | Electricity bills were less due to breakdown of liquid nitrogen plant |
| Rent | - | - | |
| Insurance | 25.0 | 17.0 | Some assets were not insured due to insufficient funds |
| Subsidies | - | - | |
| Gratuity | - | - | |
| Contracted Professional (guards and Cleaners) | 6.0 | 3.9 | Planned outsourcing of consultants was not done due to insufficient funds |
| Others | 99.0 | 51.2 | Some activities were halted due to insufficient funds |



4.0 SAGAs' Budget Performance for FY2022/23 –Financial (KShs. Million)



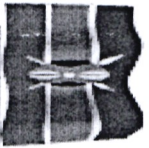
| Economic Classifications | Approved Budget | Actual Expenditure | Remarks |
|--|-----------------|--------------------|--|
| | 2022/23 | 2022/23 | |
| NAME OF SAGA: KENYA TSETSE AND TRYPPANOSOMIASIS ERADICATION COUNCIL (KENTTEC) | | | |
| Gross | 72.0 | 71.3 | |
| AIA | - | - | |
| Net Exchequer | 72.0 | 71.3 | The Council received all the allocated funds for the year |
| Compensation to Employees | 23.0 | 22.9 | The under expenditure is due to resignation of one staff within the year |
| Other Recurrent: | 49.0 | 48.4 | |
| Utilities | 3.0 | 3.0 | The expenditure is within budget |
| Rent | 22.0 | 22.0 | The expenditure is within budget |
| Insurance | 1.0 | 0.8 | The under expenditure is due to reduction in insurance premiums for motor vehicle cover due lower values due to aging. |
| Subsidies | - | - | |
| Gratuity | 3.6 | 3.6 | The overall expenditure is within budget |
| Contracted Professional (guards and Cleaners) | - | - | |
| Others | 19.0 | 19.0 | Other expenses include operational and maintenance relating to; board expenses, subsistence, repairs & trainings |



4.1 SAGAs' Budget Performance for FY2022/23 (Non-Financial)

SAGA NAME: KENYA DAIRY BOARD

| Key Output | Key Performance Indicator | Annual Target(s) | Achievement | Remarks |
|---------------------------------------|--|------------------|-------------|--|
| Compliance to milk quality and safety | No. of milk handling premises inspected | 5,500 | 6,130 | Target exceeded as a result of increase in number of licensed premises brought about by fresh registration of all Dairy Business Operators during the implementation of the new Client Self Service Portal. |
| Processed milk | No. of milk quality and safety tests conducted | 60,000 | 68,750 | Overachievement is attributable to enhanced surveillance and optimization of the Laboratory services. |
| | Volume of processed milk (million liters) | 900 | 897 | Variance was as result of drought which affected production in the Country. |
| National dairy laboratory complex | Percentage level of completion of the laboratory | 66 | 59 | The Board was allocated to receive KShs. 75 million in GoK Development grant that would have contributed to the achievement of 66% level of completion. However, the budget was rationalized downward resulting to 59% completion level. |



4.1 SAGAs' Budget Performance for FY2022/23 (Non-Financial)

Kenya Animal Genetic Resources Centre (KAGRC)



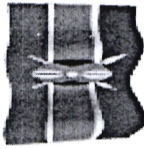
| Key Output | Key Performance Indicator | Target 2022/23 | Actual 2022/23 | Remarks |
|---|--|-------------------|-------------------|---|
| Enhanced availability of liquid nitrogen | Litres of liquid nitrogen produced and distributed | 350,000 | 336,416 | There was breakdown of Kirinyaga and Kabete liquid nitrogen plants |
| Dairy Goat Artificial Insemination Centre established | Completion level (%) | 100 | 95 | |
| | No. of breeding bulls recruited | 12 | 12 | |
| Enhanced availability of bull semen | Doses of bull semen produced and distributed | 1,100,000 | 803,964 | Laboratory was closed for renovation and there was delay in the delivery of semen production inputs by the manufacturers in France. |
| Enhanced availability of goat semen | No. of breeding bucks recruited | 48 | 52 | |
| | Doses of goat semen produced and distributed | 20,000 | 27,634 | |
| Enhanced availability of cattle and goat embryos | No of embryos transferred | 1,400 | 0 | There is a delay in importation of embryos by the contractor |
| Embryo transfer laboratory | % Completion of the ET laboratory | 70 | 67 | Laboratory construction is at advanced stage. |
| Enhanced availability of sexed semen | No of sexed semen doses produced and distributed | 300,000 | 0 | Funds have not been released for acquisition of semen sexing equipment. |



4.1 SAGAs' Budget Performance for FY2022/23 (Non-Financial)

SAGA NAME: VETERINARY MEDICINES DIRECTORATE COUNCIL (VMDC)

| Key Output | Key Performance Indicator | Annual Target(s) | Achievement | Remarks |
|--|--|------------------|-------------|--|
| Registered/retained veterinary medicines (VMDC) | No. of veterinary medicines retained annually | 1,300 | 1,655 | Over achievement in FY 2022/23 was as a result of increased stakeholder sensitization on the need to register border line veterinary medicines which resulted in improved compliance. |
| Manufacturers of veterinary medicines audited for Good Manufacturing Practices (GMP) | No. of Good Manufacturing Practices (GMP) applications audited | 20 | 20 | The achievement of the target was attributed to recruitment of inspectors during the period |
| Licensed veterinary pharmacies | No. of veterinary pharmacies licensed | 450 | 566 | The over-achievement was attributed to recruitment of inspectors and a partnership between VMDC and development partner UK Fleming Fund through ILRI on mapping of retail veterinary pharmacies in two counties of Kilifi and Nakuru. VMD took advantage of the exercise to carry out inspection work. |



4.1 SAGAs' Budget Performance for FY2022/23 (Non-Financial)



SAGA NAME: KENYA VETERINARY VACCINES PRODUCTION INSTITUTE (KEVEVAPI)

| Key Output | Key Performance Indicator | Annual Target(s) | Achievement | Remarks |
|---|---|------------------|-------------|--|
| Production of Assorted quality livestock vaccines | Doses of vaccines produced for animal disease control and export (millions) | 38 | 25 | Vaccine Production is demand driven. The County Governments being the main clients did not order the projected quantities because of the dry spells experienced in Kenya. The animals became weak and could therefore not be vaccinated. |

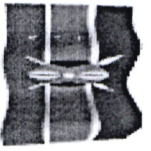


4.1 SAGAs' Budget Performance for FY2022/23 (Non-Financial)



REPUBLIC OF KENYA

| NAME OF SAGA: KENYA TSETSE AND TRYPANOSOMIASIS ERADICATION COUNCIL (KENTTEC) | | | | |
|--|---|------------------|-------------|---|
| Key Output | Key Performance Indicator | Annual Target(s) | Achievement | Remarks |
| Tsetse and trypanosomiasis controlled | No. of tsetse belts under tsetse and trypanosomiasis control and sustained. | 6 | 6 | KENTTEC is working in six (6) tsetse belts namely: Lake Victoria, Lake Bogoria, Western, Meru/Mwea, South Coast and North Coast. In the six tsetse belts the target was to cover 28 Counties for control and sustenance including sustainable land management. KENTTEC has been able to cover 21 Counties out of 28. On average all the counties covered are at 67% completion rate |



4.1 SAGAs' Budget Performance for FY2022/23 (Non-Financial)



| NAME OF SAGA: KENYA LEATHER DEVELOPMENT COUNCIL (KLDC) | | | | |
|---|---------------------------------------|---|---------|--|
| Key Outputs | Key Performance Indicators | Target | | Remarks |
| | | 2022/23 | 2022/23 | |
| Common Effluent Treatment Plant (CETP) for Leather Park – Kenanie | Completion level (%) | 85 | 80 | Under achievement was due to budget cuts |
| Leather industrial warehouses | Completion level (%) | 75 | 84 | Over achievement was due to focus of allocated funds to the warehouses. |
| Skilled Flayers trained | Number of flayers and traders trained | 250 | 117 | Under achievement was due to budget cuts hence deferment of more training activities. |
| Leather industry SMEs capacity built | Number of SMEs trained | 150 | 190 | Over achievement was due to machines fully installed and running |
| | | Number of leather goods machine operators trained | 50 | |
| SMEs utilizing Common Manufacturing Facilities (CMF) | Number of SMEs utilizing the CMF | 330 | 400 | Over achievements was due to machines fully installed and free 3-month with SMEs testing |



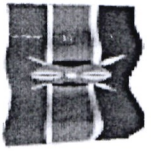
4.1 SAGAs' Budget Performance for FY2022/23 (Non-Financial)



REPUBLIC OF KENYA

NAME OF SAGA: KENYA VETERINARY BOARD

| Key Output | Key Performance Indicators | Annual Targets | Achievements | Remarks |
|---|--|----------------|--------------|--|
| Compliance in animal health training and practice | No. of animal health institutions inspected and accredited | 5 | 2 | Inspections affected by inadequate staff and delayed gazettelement of Board of Directors |
| | No. of veterinary practices inspected and licensed | 1,850 | 653 | Under achievement was attributed to delayed recruitment of inspectors. |
| | No. of licenced animal health service providers | 2,156 | 789 | Variance was attributed to delayed recruitment of regional inspectors arising from delayed gazettelement of Board of Directors. |
| | No. of animal health practitioners registered | 1,000 | 776 | Registration is dependent on animal health graduates completing internship and making application for registration. The under achievement was due to those who pursue further learning or choose different career practices. |
| KVB Resource Centre | Percentage completion | 100 | 100 | The construction and equipping of the resource centre is complete and the project closed |



4.1 SAGAs' Budget Performance for FY2022/23 (Non-Financial)



NAME OF SAGA: KENYA MEAT COMMISSION (KMC)

| Key Output | Key Performance Indicators | Planned Target | Achieved Target | Remarks |
|--|---------------------------------------|----------------|-----------------|--|
| Market access for livestock products increased | MT of meat and meat products produced | 7,954 | 5,748 | Underachievement was due to prolonged drought which affected supply of quality livestock for slaughter |
| | Hides and skins (MT) | 1,301 | 1,017 | |



5.0 SAGAs' Budget Performance –Capital Projects



| PROJECT IMPLEMENTATION STATUS FY 2022/23 | | | | | | | |
|---|---------------------------|--------------|---|-----------------------|---|--------------|---|
| Project Name | Project Commencement Date | Source Funds | of Estimated Value of the Project (KShs. Million) | Allocation FY 2022/23 | Actual Expenditure as at 30th June 2023 | Completion % | Remarks |
| Sustainable Tse Tse and Trypanosomiasis free areas in Kenya-KENTTEC | 2014 | GOK | 1,960 | 61 | 1,303 | 67 | Reduction of allocation , late release of available allocations and non release of Exchequers |
| Enhance Production Capacity at KMC | 2020 | GOK | 887 | 307.5 | 307.5 | 48 | Rehabilitation of Kibarani factory in Mombasa was completed and operations commenced in August 2022. Capacity enhancement in Athi river factory was done with procurement and installation of new value addition machines and rehabilitation of cold rooms. |
| Modernize KEVEVAPI to comply with GMP standards. | 2012 | GOK/ AIA | 1,750 | 17.5 | 1,166 | 67 | Ongoing, The low allocation of funds has led to the delay in completion of the project |
| Construction of National Dairy Laboratory Complex | 2015 | GOK | 857 | 18.75 | 509 | 59 | |
| Development of Kenya Leather Park-KLDC | 2016 | GOK | 4,809 | 62.5 | 2,392 | 80 | Budget cuts, low funding |
| Construction of Kenya Veterinary Board (KVB) Resource Centre | 2017 | GOK | 344 | 24 | 338 | 98 | Delayed release of Exchequer funds |
| Establishment of Liquid Nitrogen Plants- KAGRC | 2015 | GOK | 1150 | 75 | 915.75 | 80 | Assurance of Liquid Nitrogen and Goat & Bull Semen availability |
| Embryo Transfer Project | 2020 | GOK | 1000 | 75 | 471.25 | 47 | Assurance of Embryo availability |



6.0 Explanations on Over expenditures



a) Bee Health Project- Vector Regulatory and Zoological Services

It is true that there was an over-expenditure under the project of **Kshs.9,405,575**. Notably, the project had an allocation of **Kshs.41,000,000** during the FY2022/23. During the 1st Half of the Year the State Department processed payments totaling to **Kshs.17,638,189** since there was budgetary provision to support the payments. However, the allocation for the project was reduced by **Kshs.32,767,386** during the FY2022/23 Supplementary I budget, leaving the project with an approved allocation of **Kshs.8,232,614**. Therefore, the over-expenditure was as a result of budget cuts after payments had already been finalized and the National Treasury did not make a provision during the 2nd revision of the budget estimates to offset the negative balance under the project. (Annex 1)

b) Bee Bulking Project

The Project had an allocation of **Ksh.21,000,000** which was reduced by **Kshs.3,920,000** under Supplementary I estimates. The reduction was done after the State Department had finalized processing payments totaling to **Kshs.17,371,888**. This resulted in an over-expenditure of **Kshs.291,888**. In addition, IFMIS is configured in such a way that one cannot process any payment without availability of sufficient funds. (Annex 2)

ANNEX 8



REPUBLIC OF KENYA

DDC-14001
23/08

**MINISTRY OF AGRICULTURE AND LIVESTOCK DEVELOPMENT
STATE DEPARTMENT FOR CROP DEVELOPMENT
Office of the Principal Secretary**

Telephone: 2718870/9
Fax: 2718318
Website: www.kilimo.go.ke
Email: cdarprincipalsecretary@gmail.com
When replying please quote;
Ref No: MOA/FIN/27

KILIMO HOUSE
Cathedral road
P.O. Box 30028
NAIROBI

18th August, 2023

Mr. Samuel Njoroge
Clerk to the National Assembly
Parliament Buildings
P.O. Box 41842 - 00100
NAIROBI

Lawrence Wasanga

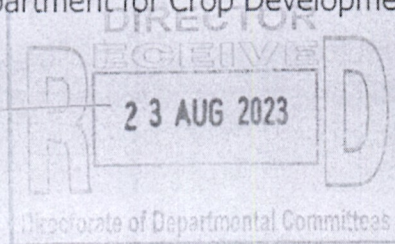
*pls facilitate
lawson
23/8/23*

**RE: REQUEST FOR REPORT ON THE BUDGET IMPLEMENTATION
FOR THE FINANCIAL YEAR 2022/2023 BY THE DEPARTMENTAL
COMMITTEE ON AGRICULTURE AND LIVESTOCK**

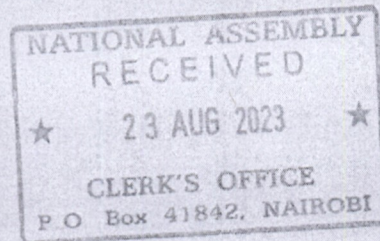
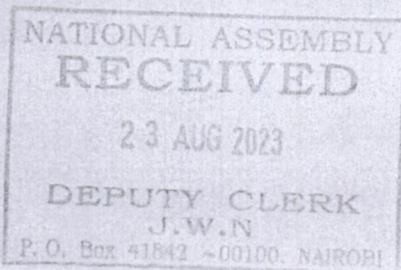
Reference is made to your letter Ref. No. NA/DDC/A&L/2023/043 dated 31st July, 2023 regarding the above subject.

Enclosed herewith, is the report on Budget Implementation for the financial year 2022/2023 for the State Department for Crop Development.

Kello Harsama
PRINCIPAL SECRETARY



Copy to: **Hon. Mithika Linturi**
Cabinet Secretary
Ministry of Agriculture and Livestock Development
NAIROBI



8 x 244A

STATE DEPARTMENT FOR CROP DEVELOPMENT

1. Financial performance by vote and programme for every quarter

i) Actual revenue receipt

a) Recurrent receipts and expenditure

| | Approved Budget | Actual Quarter1 | Actual Quarter2 | Actual Quarter3 | Actual Quarter4 |
|--|--------------------------|-------------------------|-------------------------|-------------------------|--------------------------|
| | Ksh | Ksh | Ksh | Ksh | Ksh |
| RECEIPTS | | | | | |
| Tax Receipts | 0 | 0 | 0 | 0 | 0 |
| Social Security Contribution | 0 | 0 | 0 | 0 | 0 |
| Proceeds from Domestic and Foreign Grants | 0 | 0 | 0 | 0 | 0 |
| Exchequer releases | 0 | 6,155,094,104.75 | 7,443,431,991.75 | 9,243,317,157.15 | 11,540,000,489.55 |
| Transfers from Other Government Entities | 0 | 0 | 0 | 0 | 0 |
| Proceeds from Domestic Borrowings | 0 | 0 | 0 | 0 | 0 |
| Proceeds from Foreign Borrowings | 0 | 0 | 0 | 0 | 0 |
| Proceeds from Sales of Assets | 6,457,630,000.00 | 0 | 0 | 0 | 3,907,126,046.50 |
| Reimbursements and Refunds | 0 | 0 | 0 | 0 | 0 |
| Returns of Equity Holdings | 0 | 0 | 0 | 0 | 0 |
| Other Receipts | 0 | 0 | 0 | 0 | 0 |
| Total | 6,457,630,000.00 | 6,155,094,104.75 | 7,443,431,991.75 | 9,243,317,157.15 | 15,447,126,536.05 |
| PAYMENTS | | | | | |
| Compensation of Employees | 816,355,171.00 | 196,411,533.55 | 376,885,752.35 | 551,637,175.85 | 734,082,972.65 |
| Use of goods and Services | 154,302,169.00 | 119,059,759.15 | 138,051,250.05 | 169,018,999.55 | 193,803,932.35 |
| Subsidies | 0 | 3,366,999,497.95 | 3,366,999,497.95 | 3,366,999,497.95 | 3,366,999,497.95 |
| Transfers to Other Government Units | 13,004,430,000.00 | 1,713,249,999.65 | 3,426,499,999.50 | 4,834,058,330.95 | 10,595,414,601.65 |
| Other Grants and Transfers | 9,763,650.00 | 2,440,912.00 | 2,440,912.00 | 2,440,912.00 | 2,440,912.00 |
| Social Security Benefits | 36,377,352.00 | 18,874,459.95 | 19,757,353.20 | 20,711,489.40 | 20,711,489.40 |
| Acquisition of Assets | 5,925,941.00 | 491,418,151.60 | 491,915,310.60 | 533,401,230.00 | 533,669,430.00 |
| Finance Costs, including Loan Interest | 0 | 0 | 0 | 0 | 0 |
| Repayment of Principal on Domestic and Foreign Borrowing | 0 | 0 | 0 | 0 | 0 |
| Other payments | 0 | 0 | 0 | 0 | 0 |
| Total | 14,027,154,283.00 | 5,908,454,313.85 | 7,822,550,075.65 | 9,478,267,635.70 | 15,447,122,836.00 |

The approved recurrent budget for the FY 2022/23 was Kshs. 14,027,154,283. The total receipts for the FY 2022/23 was Kshs. 15,447,126,536.05.

b) Development Receipts and Expenditures

| | Final Approved Estimate (Net) | Actual1 | Actual2 | Actual3 | Actual4 |
|--|-------------------------------|-------------------------|-------------------------|--------------------------|--------------------------|
| | Ksh | Ksh | Ksh | Ksh | Ksh |
| RECEIPTS | | | | | |
| Tax Receipts | 0 | 0 | 0 | 0 | 0 |
| Social Security Contribution | 0 | 0 | 0 | 0 | 0 |
| Proceeds from Domestic and Foreign Grants | 1,242,827,000.00 | 23,973,835.40 | 259,055,424.95 | 379,314,918.30 | 1,075,624,539.45 |
| Exchequer releases | 0 | 927,559,815.80 | 7,230,506,885.75 | 17,141,552,631.95 | 26,556,609,403.60 |
| Transfers from Other Government Entities | 0 | 0 | 0 | 0 | 0 |
| Proceeds from Domestic Borrowings | 0 | 0 | 0 | 0 | 0 |
| Proceeds from Foreign Borrowings | 1,907,714,309.00 | 155,153,698.20 | 407,738,788.30 | 915,536,369.50 | 1,525,291,496.85 |
| Proceeds from Sales of Assets | 0 | 0 | 0 | 0 | 0 |
| Reimbursements and Refunds | 0 | 0 | 0 | 0 | 0 |
| Returns of Equity Holdings | 0 | 0 | 0 | 0 | 0 |
| Other Receipts | 0 | 0 | 0 | 0 | 0 |
| Total | 3,150,541,309.00 | 1,106,687,349.40 | 7,897,301,099.00 | 18,436,403,919.75 | 29,157,525,439.90 |
| PAYMENTS | | | | | |
| Compensation of Employees | 229,780,000.00 | 1,300,000.00 | 20,306,197.30 | 101,506,197.30 | 201,569,489.00 |
| Use of goods and Services | 7,223,009,380.00 | 76,479,837.20 | 731,230,197.45 | 3,108,226,929.10 | 6,045,357,892.50 |
| Subsidies | 1,514,480,000.00 | 337,500,000.00 | 634,035,000.00 | 803,570,225.00 | 886,176,179.90 |
| Transfers to Other Government Units | 22,483,604,474.00 | 1,197,179,145.20 | 5,814,600,345.20 | 12,963,069,843.50 | 19,047,170,124.75 |
| Other Grants and Transfers | 0 | 0 | 0 | 0 | 0 |
| Social Security Benefits | 0 | 0 | 0 | 0 | 0 |
| Acquisition of Assets | 3,778,998,167.00 | 126,948,396.00 | 696,290,305.80 | 1,460,030,724.75 | 2,939,186,692.85 |
| Finance Costs, including Loan Interest | 0 | 0 | 0 | 0 | 0 |
| Repayment of Principal on Domestic and Foreign Borrowing | 0 | 0 | 0 | 0 | 0 |
| Other payments | 0 | 0 | 0 | 0 | 0 |
| Total | 35,229,872,021.00 | 1,739,407,378.40 | 7,896,462,045.75 | 18,436,403,919.65 | 29,119,460,379.00 |

The approved development Budget FY 2022/23 was **Kshs. 35,229,872,021** and an expenditure of **Kshs. 29,119,460,379**.

ii) Actual expenditure per programme and sub-programme

| Program | Sub Program | Description | Approved Budget | Actual Expenditure Quarter1 | Actual Expenditure Quarter2 | Actual Expenditure Quarter3 | Actual Expenditure Quarter4 |
|-----------|-------------|---|--------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | | | Ksh | Ksh | Ksh | Ksh | Ksh |
| 107000000 | | General Administration Planning and Support Services | 8,104,813,170.00 | 2,070,970,408.15 | 2,761,668,350.40 | 3,618,189,927.25 | 6,243,631,074.05 |
| | 107010000 | Agricultural Policy, Legal and Regulatory Frameworks | 8,034,454,433.00 | 2,060,804,065.15 | 2,740,921,804.10 | 3,568,825,716.45 | 6,179,777,862.25 |
| | 107020000 | Agricultural Planning and Financial Management | 70,358,737.00 | 10,166,343.00 | 20,746,546.30 | 49,364,210.80 | 63,853,211.80 |
| 108000000 | | Crop Development and Management | 33,301,484,356.00 | 859,750,340.25 | 7,064,040,038.25 | 16,308,017,759.65 | 27,405,853,418.20 |
| | 108010000 | Land and Crops Development | 16,913,593,107.00 | 163,180,630.25 | 441,256,398.00 | 5,933,494,924.45 | 12,896,859,116.30 |
| | 108020000 | Food Security Initiatives | 14,806,100,200.00 | 532,022,967.80 | 6,387,874,714.25 | 9,497,881,514.00 | 13,303,503,662.45 |
| | 108030000 | Quality Assurance and Monitoring of Outreach Services | 1,581,791,049.00 | 164,546,742.20 | 234,908,926.00 | 876,641,321.20 | 1,205,490,639.45 |
| 109000000 | | Agribusiness and Information Management | 2,105,546,126.00 | 104,418,634.40 | 375,224,384.25 | 723,449,330.90 | 1,824,121,510.80 |
| | 109010000 | Agribusiness and Market Development | 2,063,122,042.00 | 95,796,355.25 | 358,526,288.10 | 699,277,480.65 | 1,787,461,876.25 |
| | 109020000 | Agricultural Information Management | 42,424,084.00 | 8,622,279.15 | 16,698,096.15 | 24,171,850.25 | 36,659,634.55 |
| 120000000 | | | 5,745,182,652.00 | 5,223,599,109.45 | 6,344,923,442.40 | 7,448,720,664.65 | 9,092,977,211.95 |
| | 120020000 | Crop Research & Development | 5,142,682,652.00 | 5,054,099,109.45 | 6,139,423,442.40 | 7,167,470,664.65 | 8,799,977,211.95 |
| | 120030000 | Livestock Research & Development | 602,500,000.00 | 169,500,000.00 | 205,500,000.00 | 281,250,000.00 | 293,000,000.00 |
| | | Grand Total | 49,257,026,304.00 | 8,258,738,492.25 | 16,545,856,215.30 | 28,098,377,682.45 | 44,566,583,215.00 |

iii) Actual expenditure by economic classification

| Program | Item | Description | Approved Budget | Actual Expenditure Quarter1 | Actual Expenditure Quarter2 | Actual Expenditure Quarter3 | Actual Expenditure Quarter4 |
|---------|-------|--|-------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | | | Ksh | Ksh | Ksh | Ksh | Ksh |
| 1070000 | | General Administration Planning and Support Services | 8,104,813,170.00 | 2,070,970,408.15 | 2,761,668,350.40 | 3,618,189,927.25 | 6,243,631,074.05 |
| | 21100 | Wages and Salary Contributions | 326,700,158.00 | 62,444,271.95 | 118,154,355.10 | 200,705,054.90 | 284,006,650.95 |
| | 22100 | Goods and Services | 355,430,509.00 | 20,913,531.15 | 53,247,098.05 | 107,687,537.80 | 139,764,913.90 |
| | 22200 | Routine Maintenance | 14,214,688.00 | 434,000.00 | 2,458,240.00 | 3,121,491.20 | 3,312,841.20 |
| | 26300 | Grants & Transfer To Other Govt. Units | 7,162,155,000.00 | 1,968,304,145.10 | 2,567,554,145.05 | 3,281,946,644.95 | 5,700,313,557.35 |
| | 27100 | Social Security Benefits | 36,377,352.00 | 18,874,459.95 | 19,757,353.20 | 20,711,489.40 | 20,711,489.40 |
| | 31100 | Acquisition of Fixed Capital Assets | 209,935,463.00 | 0 | 497,159.00 | 4,017,709.00 | 95,521,621.25 |
| 1080000 | | Crop Development and Management | 33,301,484,356.00 | 859,750,340.25 | 7,064,040,038.25 | 16,308,017,759.65 | 27,405,853,417.25 |
| | 21100 | Wages and Salary Contributions | 610,517,746.00 | 105,961,600.45 | 227,708,283.40 | 434,779,668.15 | 519,818,034.60 |
| | 22100 | Goods and Services | 6,006,058,168.00 | 73,372,870.20 | 248,681,937.10 | 2,057,234,560.85 | 3,054,032,106.35 |
| | 22200 | Routine Maintenance | 462,924,078.00 | 7,343,005.00 | 9,348,171.00 | 112,605,184.00 | 203,237,918.05 |
| | 22300 | Other Charges | 0 | 0 | 0 | 0 | 0 |
| | 25200 | Subsidies to Private Enterprises | 1,514,480,000.00 | 337,500,000.00 | 463,035,000.00 | 821,027,067.00 | 483,527,067.00 |
| | 26300 | Grants & Transfer To Other Govt. Units | 21,164,854,474.00 | 183,874,999.85 | 4,093,546,199.80 | 10,862,678,901.55 | 20,644,345,554.55 |
| | 26400 | Other Transfers and Emergency Relief | 1,450,000,000.00 | 0 | 1,700,000,000.00 | 1,400,000,000.00 | 1,400,000,000.00 |
| | 31100 | Acquisition of Fixed Capital Assets | 2,092,649,890.00 | 151,697,864.75 | 321,720,446.95 | 619,692,378.10 | 1,100,892,736.70 |
| | 31200 | Acquisition of Inventories, Stock and Commodities | 0 | 0 | 0 | 0 | 0 |
| | 31300 | Acquisition of Land and Intangible Assets | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | |
|---------------|-------------|---|--------------------------|-------------------------|--------------------------|--------------------------|--------------------------|
| 1090000 00 | | Agribusiness and Information Management | 2,105,546,126.00 | 104,418,634.40 | 375,224,384.25 | 723,449,330.90 | 1,824,121,510.80 |
| | 211000 0 | Wages and Salary Contributions | 74,479,152.00 | 20,830,657.15 | 36,559,974.15 | 44,532,728.25 | 55,455,952.55 |
| | 212000 0 | Social Contributions | 5,054,052.00 | 1,684,684.00 | 1,684,684.00 | 1,684,684.00 | 1,684,684.00 |
| | 221000 0 | Goods and Services | 514,440,986.00 | 3,459,451.50 | 10,159,151.50 | 18,351,682.75 | 415,024,402.15 |
| | 222000 0 | Routine Maintenance | 17,959,631.00 | 52,398.50 | 110,398.50 | 1,870,923.90 | 6,260,073.90 |
| | 223000 0 | Other Charges | 2,500,000.00 | 0 | 75,280.35 | 75,280.35 | 75,280.35 |
| | 264000 0 | Other Transfers and Emergency Relief | 9,763,650.00 | 2,440,912.00 | 2,440,912.00 | 2,440,912.00 | 2,440,912.00 |
| | 311000 0 | Acquisition of Fixed Capital Assets | 1,481,348,655.00 | 75,950,531.25 | 324,193,983.75 | 654,493,119.65 | 1,343,180,205.85 |
| 1200000 00 | | Agricultural Research & Development | 5,745,182,652.00 | 5,223,599,109.45 | 6,344,923,442.40 | 7,448,720,664.65 | 9,092,977,211.95 |
| | 211000 0 | Wages and Salary Contributions | 29,384,063.00 | 6,790,320.00 | 13,084,653.00 | 17,213,956.50 | 20,676,566.50 |
| | 221000 0 | Goods and Services | 3,783,489.00 | 100,841,140.00 | 101,121,140.00 | 101,278,140.00 | 101,385,690.00 |
| | 252000 0 | Subsidies to Private Enterprises | 0 | 3,366,999,497.95 | 3,366,999,497.95 | 3,366,999,497.95 | 3,366,999,497.95 |
| | 263000 0 | Grants & Transfer To Other Govt. Units | 5,711,025,000.00 | 1,258,249,999.90 | 2,372,999,999.85 | 3,431,024,999.20 | 5,071,443,186.50 |
| | 311000 0 | Acquisition of Fixed Capital Assets | 990,100.00 | 0 | 0 | 108,000.00 | 376,200.00 |
| | 312000 0 | Acquisition of Inventories, Stock and Commodities | 0 | 490,718,151.60 | 490,718,151.60 | 532,096,071.00 | 532,096,071.00 |
| | | Grand Total | 49,257,026,304.00 | 8,258,738,492.25 | 16,545,856,215.30 | 28,098,377,682.45 | 44,566,583,215.00 |



2. Non-financial performance

| Delivery Unit | Key Output (KO) | Key Performance Indicators (KPIs) | Revised Annual Targets 2022/2023 | Actual as at 31st September 2022 | Actual as at 31st December 2022 | Actual as at 31st March 2023 | Actual as at 30th June 2023 | Remarks |
|---|--|--|----------------------------------|----------------------------------|---------------------------------|------------------------------|-----------------------------|--|
| 1169105300 Kenya Climate Smart Agriculture Project (KSAP) | Climate Smart Agriculture Technologies | No. of direct beneficiaries in Common Interest Groups(CIGs) and Vulnerable and Marginalized Groups(VMGs) | 250,000 3 | 91,700 | 91,700 | 91,700 | 91,700 | More beneficiaries reached in readiness for project closure in June 30th 2023 |
| | Community projects | No. of community projects supported with grants | 1,500 | 550 | 550 | 550 | 550 | More groups funded in readiness for project closure in June 30th 2023 |
| | Climate smart agriculture inputs | MT of early generation seed produced | 190 | 48 | 48 | 48 | 48 | Early generation production slowed down in readiness for the project closure |
| 1169108700 Emergency Locust Response | Livelihood recovery input package | No. of affected farmers receiving crop input package | 8,000 | 4,415 | 4,415 | 4,415 | 4,415 | There was over achievement during the FY as counties received 100% their allocation for the year unlike the previous Financial years |

| Delivery Unit | Key Output (KO) | Key Performance Indicators (KPIs) | Revised Annual Targets 2022/2023 | Actual as at 31st September 2022 | Actual as at 31st December 2022 | Actual as at 31st March 2023 | Actual as at 30th June 2023 | Remarks |
|--|--|--|----------------------------------|----------------------------------|---------------------------------|------------------------------|-----------------------------|--|
| 1169106900 Enable Youth Kenya Programme | Youth trained on modern agriculture agribusiness | No. of affected livestock holding households receiving livestock | 4,000 | 2,659 | 2,659 | 2,659 | 2,659 | The food rains (long rains) experienced during the last half of the FY improved pasture and fodder availability favourable for restocking and therefore most of the counties prioritized microprojects on restocking |
| | | No. of candidates selected and trained | 520 | 120 | 120 | 120 | 121 | 781 youth were offered opportunities in December 2022 where 528 reported in January |

| Delivery Unit | Key Output (KO) | Key Performance Indicators (KPIs) | Revised Annual Targets 2022/2023 | Actual as at 31st September 2022 | Actual as at 31st December 2022 | Actual as at 31st March 2023 | Actual as at 30th June 2023 | Remarks |
|---------------|-----------------|-----------------------------------|----------------------------------|----------------------------------|---------------------------------|------------------------------|-----------------------------|--|
| | | | 3 | | | | | 2023, and 481 attended the programme consistently by May 2023. There were diverse reasons for attrition by the 47 that dropped off training. |
| | | No. of enterprises funded | 225 | 27 | 27 | 27 | 27 | 199 files had been sent to AFC for funding consideration for the FY (where 106 have been funded KES 72M). The 481 youth under current training produced 221 agribusiness proposals which were vetted for funding consideration in the month of June 2023. At least 133 have met the threshold for funding consideration. |

| Delivery Unit | Key Output (KO) | Key Performance Indicators (KPIs) | Revised Annual Targets 2022/2023 | Actual as at 31st September 2022 | Actual as at 31st December 2022 | Actual as at 31st March 2023 | Actual as at 30th June 2023 | Remarks |
|--|---|--|----------------------------------|----------------------------------|---------------------------------|------------------------------|-----------------------------|--|
| 1169102900 Kenya Cereal Enhancement Programme (KCEP) | E-voucher Financing System for smallholder farmers and use of financial services | Smallholder farmers accessing e-voucher scheme | 81,130 | 18,756 | 18,756 | 18,756 | 18,756 | -Lower Number of Smallholder Farmer Contributing to the "E-Voucher" n and will be forwarded to the AFC by August 2023 |
| | | | 19 | 5 | 5 | 5 | | |
| | | Agro-dealers trained and accredited as agents | 1 | 1 | 1 | 1 | 1 | |
| | | Number and type of new products implemented by partner FIs | | | | | | |
| | Smallholder farmers trained on harvest and post-harvest management and receive basic equipment for improved post-harvest management of grains | Smallholder farmers of which 95,000 from the ASALs | 50,000 | 6,000 | 7,000 | 6,000 | 6,000 | |
| | | organized in groups, trained on harvest and post-harvest management and receive basic equipment for improved post-harvest management of grains | | | | | | |
| | Market access for participating smallholder farmers improved | No. of Farmers Linked to Buyers | 66,245 | 17,500 | 17,500 | 17,500 | 17,500 | |
| | | Initiatives of commercial partnership implemented | 50 | 15 | 15 | 15 | 15 | |

| Delivery Unit | Key Output (KO) | Key Performance Indicators (KPIs) | Revised Annual Targets 2022/2023 | Actual as at 31st September 2022 | Actual as at 31st December 2022 | Actual as at 31st March 2023 | Actual as at 30th June 2023 | Remarks |
|---|--|---|----------------------------------|----------------------------------|---------------------------------|------------------------------|-----------------------------|--|
| 1169104700 Capacity Building Project for Enhancement of Rice Production (CADREP) | Water saving and mechanization technologies | No. of farmers mobilized and trained to take up the technologies | 2500 | 625 | 630 | 625 | 630 | 4th Quarter achievement is from extension training activities in Mwea and Ahero. |
| | | No. of farmers who have adopted the technology | 250 | 50 | 60 | 70 | 70 | Adoptions attained in Ahero on farmers main crop activities |
| 1169106300 Agricultural Sector Development Support Programme II (ASDSP II) | Market access linkages for priority value chains | No. of value groups aggregated/No. of value chain actors linked to market information | 1,400/1000 | 350/200000 | 380/19,000 | 350/20,000 | 400/25,000 | The variance was due to some counties overtargeting |
| | | Area of new irrigation schemes developed(Ha) | 580 | 164 | 164 | 164 | 164 | Achieved from ongoing schemes |
| 1169105100 Small Scale Irrigation and Value Addition Project | Irrigation schemes | Area of existing irrigation scheme rehabilitated(Ha) | 760 | 224 | 224 | 224 | 224 | |
| | | No. of micro irrigation schemes developed | 8 | 5 | 5 | 5 | 5 | |
| | | No. of livestock marketing facilities | 8 | 1.75 | 1.75 | 1.75 | 1.75 | Achieved from ongoing schemes |
| | Market infrastructure | No. of post-harvest handling facilities | 10 | 2.5 | 2.5 | 2.5 | 2.5 | Achieved contractors which had been started |

| Delivery Unit | Key Output (KO) | Key Performance Indicators (KPIs) | Revised Annual Targets 2022/2023 | Actual as at 31st September 2022 | Actual as at 31st December 2022 | Actual as at 31st March 2023 | Actual as at 30th June 2023 | Remarks |
|---|-------------------------------------|--|----------------------------------|----------------------------------|---------------------------------|------------------------------|-----------------------------|--|
| 1169102400 Drought Resilience and Sustainable Livelihood Programme in Horn of A | Irrigation schemes Water structures | Area of irrigation infrastructure rehabilitated(ha) No. of water structures constructed/rehabilitated | 180 5 | 93 10 | 93 10 | 93 10 | 93 10 | Show aet of contracts completion and termination of non performing contractor in one of the schemes |
| 1169103100 Crop Insurance | Crop Insurance | No. of farmers covered | 200,000 | 48,706 | 48,706 | 48,706 | 48,706 | Insured farmers reached were mainly reached through aggregators. The government did not pay subsidy support for insured farmers in the previous production season. This has resulted in delayed compensation of farmers hence reducing |

| Delivery Unit | Key Output (KO) | Key Performance Indicators (KPIs) | Revised Annual Targets 2022/2023 | Actual as at 31st September 2022 | Actual as at 31st December 2022 | Actual as at 31st March 2023 | Actual as at 30th June 2023 | Remarks |
|---------------|-----------------|-----------------------------------|----------------------------------|----------------------------------|---------------------------------|------------------------------|-----------------------------|--|
| | | Counties Covered | 40 | 10 | 10 | 10 | 10 | trust in the program. West Pokot, Transzozia, Uasin Gishu, Baringo, Nandi, Nakuru, Kericho, Bomet, Nyamira, Kisii, Migori, Homabay, Siaya, Kisumu, Vihiga, Kakamega, Busia, Bungoma, Laikipia, Samburu, Isiolo, Nyandarua, Nyeri, Muranga, Kiambu, Kirinyaga, Meru, Tharaka Nithi, Embu, Machakos, Kitui, Makueni, Kajiado, Narok, Taita Taveta, Kwale, Kilifi, Elgeyo Marakwet, K ajiado. |

| Delivery Unit | Key Output (KO) | Key Performance Indicators (KPIs) | Revised Annual Targets 2022/2023 | Actual as at 31st September 2022 | Actual as at 31st December 2022 | Actual as at 31st March 2023 | Actual as at 30th June 2023 | Remarks |
|---|--------------------------------------|---|----------------------------------|----------------------------------|---------------------------------|------------------------------|-----------------------------|---|
| 1169103900 Food Security and Crop Diversification Project | Food and Industrial Crops production | MT of high yielding maize seed supplied | 50 | 25 | 25 | 25 | 25 | Mombasa and Tana River The variance between target and achievement was due to budget revision. Variance was due to budget cuts Target was not achieved due budget cuts |
| | | MT of rice seed supplied | 10 | 5 | 5 | 5 | 5 | Target was not met due to budget cuts |
| | | MT of certified potato seeds available | 1,000 | 500 | 500 | 500 | 500 | Target was not met due to budget cuts |
| | | MT of drought tolerant seeds supplied | 50 | 25 | 25 | 25 | 25 | Budget not met due to budget cuts |
| | | No. of assorted seedlings | 115,000 | 25,000 | 25,000 | 25,000 | 25,000 | Subsidy Funds release challenges |
| 1169107000 National Value Chain Support Programme | Input e-voucher services | No. of counties to be covered | 38 | 7 | 7 | 7 | 7 | Subsidy Funds release challenges |
| | | No. of beneficiaries | 20,000 | 3,461 | 3,461 | 3,461 | 3,461 | Subsidy Funds release challenges |
| | | MT of assorted fertilizers | 7,220 | 916 | 916 | 916 | 916 | Subsidy Funds release challenges |
| | | accessed MT of lime | 5,450 | 1,369 | 1,369 | 1,369 | 1,369 | Soil acidity sensitization |

| Delivery Unit | Key Output (KO) | Key Performance Indicators (KPIs) | Revised Annual Targets 2022/2023 | Actual as at 31st September 2022 | Actual as at 31st December 2022 | Actual as at 31st March 2023 | Actual as at 30th June 2023 | Remarks |
|--|-------------------------------------|--|----------------------------------|----------------------------------|---------------------------------|------------------------------|-----------------------------|--|
| | | | 3 | | | | | s in some counties led to high demand for the lime |
| | | Litres of assorted agro-chemicals accessed | 61,400 | 6,410 | 6,410 | 6,410 | 6,410 | Subsidy Funds release challenges |
| | | MT of seeds accessed | 545 | 36 | 36 | 36 | 36 | Subsidy Funds release challenges |
| 1169002300 Kenya School of Agriculture | Farmer groups capacity built | No. of stakeholders trained under the short course program | 110 | 35 | 35 | 35 | 35 | |
| | Skills and knowledge in agriculture | No. of stakeholders under the outreach program | 140 | 90 | 90 | 90 | 90 | |
| | | No. of Certificate students trained | 20 | 12 | 12 | 12 | 12 | |
| | | No. of Diploma students trained | 20 | 14 | 14 | 14 | 14 | |
| 1169104000 Construction of Headquarters and Satellite Campuses for KSA | Physical infrastructure at KSA | Construction of 2 classrooms at KSA Nyeri Campus | 2 | 0 | 0 | 0 | 0 | |
| | | Construction of 1 ablution blocks at KSA Nyeri Campus | 1 | 0 | 1 | 0 | 0 | |
| | | Construction of 1 zero grazing | 1 | 0 | 0 | 0 | 0 | Ongoing |

| Delivery Unit | Key Output (KO) | Key Performance Indicators (KPIs) | Revised Annual Targets 2022/2023 | Actual as at 31st September 2022 | Actual as at 31st December 2022 | Actual as at 31st March 2023 | Actual as at 30th June 2023 | Remarks |
|---|--|---|----------------------------------|----------------------------------|---------------------------------|------------------------------|-----------------------------|---|
| 1169106800 Rural Livelihoods Adaptation to Climate Change (RLACC) | Climate change adaptation services to targeted local governments | unit at KSA Nyeri Campus | 1 | 0 | 0 | 0 | 0 | Ongoing |
| | | Construction of chain link fence at KSA Songa Mbele Campus | 1 | 0 | 1 | 0 | 0 | |
| | | Renovation of training block at KSA Songa Mbele Campus | 87 | 22 | 22 | 22 | 22 | |
| | | % completion of KSA Airabkoi Campus | 1 | 0 | 0 | 0 | 0 | Ongoing |
| | | Construction of 1 ablation blocks at KSA Siaya Campus | 1 | 0 | 0 | 0 | 0 | |
| | | Equipping 1 borehole at KSA Siaya Campus | 1 | 0 | 0 | 0 | 0 | |
| | | Drilling and Equipping 1 borehole at KSA Nakuru Campus | 1 | 0 | 0 | 0 | 0 | |
| | | Renovation of the training block at KSA Nakuru Campus | 1 | 0 | 0 | 0 | 0 | |
| | | Expansion of the dining hall at KSA Nakuru Campus | 1 | 0 | 0 | 0 | 0 | |
| | | No. of beneficiaries mobilized for awareness creation on climate resilience | 1000 | 245 | 250 | 240 | 242 | Over achievement because of the support and trainings done in collaboration with the individual |
| | | No. of adaptation action | 4 | 1 | 1 | 1 | 1 | |
| | 30 | 16 | 16 | 16 | 16 | | | |
| | | 95,000 | 50,000 | | | | | |

| Delivery Unit | Key Output (KO) | Key Performance Indicators (KPIs) | Revised Annual Targets 2022/2023 | Actual as at 31st September 2022 | Actual as at 31st December 2022 | Actual as at 31st March 2023 | Actual as at 30th June 2023 | Remarks |
|--|--|---|----------------------------------|----------------------------------|---------------------------------|------------------------------|-----------------------------|--|
| | | plans and frameworks developed No. of officials trained on climate change adaptation | 3 | | | | | consultants engaged. |
| 1169103800 Youth and Women Empowerment in Modern Agriculture Project | Agriculture and agribusiness skills and technologies | No. of youth trained No. of TOTs trained on 4-K and young farmers clubs | 150 120 | 56 135 | 56 135 | 56 135 | 56 135 | Surpassed target due to collaborations and support from Partners, Ministry projects andATO |
| 1169103600 Development of Agriculture Technology Innovation centres | Agricultural Technology development and testing services | No. of Agricultural Technology Development Centres refurbished No. of appropriate technologies developed | 1 10 | 0 2 | 0 3 | 0 4 | 1 3 | Homa bay Agricultural Development Centre has been constructed to 50% completion. The construction is on-going |
| | | No. of incubation centres established | 1 | 0 | 0 | 0 | 1 | One incubation centre constructed at Mtwapu Agricultural Technology Development Centre. SMEs incubated in the ten ATDCs across the Country |
| | | No. of SMEs incubated | 100 | 20 | 30 | 30 | 35 | |

| Delivery Unit | Key Output (KO) | Key Performance Indicators (KPIs) | Revised Annual Targets 2022/2023 | Actual as at 31st September 2022 | Actual as at 31st December 2022 | Actual as at 31st March 2023 | Actual as at 30th June 2023 | Remarks |
|---|--|--|----------------------------------|----------------------------------|---------------------------------|------------------------------|-----------------------------|---|
| 1169103700 Strengthening Mechanization | Agricultural mechanization services strengthened | No. of agricultural mechanization hubs established | 1 | 0 | 0 | 0 | 1 | One mechanization hub established at Soy Macey Farmers Cooperative Society |
| | | No. of aggregation centres | 3 | 0 | 0 | 0 | 1 | Construction of the three stall is ongoing- not complete. At various stages of construction |
| Miraa Industry revitalization | Miraa infrastructure developed | 1. Number of miraa markets constructed | 4 | 0 | 0 | 0 | 0 | Not achieved. funds used to pay pending bills from the previous financial years. |
| | | 2. Number of boreholes drilled and equipped | 2 | 0 | 0 | 0 | 0 | Not achieved. funds used to pay pending bills from the previous financial years. |
| 1169106200 National Agricultural & Rural Inclusion Project (NARI-GP) | Technology Innovations and Management Practices(TIMPs) | No. of beneficiaries who have adopted TIMPs | 176,400 | 72,297 | 80,000 | 72,297 | 75,000 | Improved extension architecture led to more farmers adopting TIMPs |
| | Value Chain Financing | No. of direct | 360,000 | 132,236 | 132,236 | 132,236 | 132,236 | Improved extension |

| Delivery Unit | Key Output (KO) | Key Performance Indicators (KPIs) | Revised Annual Targets 2022/2023 | Actual as at 31st September 2022 | Actual as at 31st December 2022 | Actual as at 31st March 2023 | Actual as at 30th June 2023 | Remarks |
|---|---|--|----------------------------------|----------------------------------|---------------------------------|------------------------------|-----------------------------|--|
| | | beneficiaries trained | 3 | | | | | architecture, which include lead farmers, SCTT and CBFs improved farmers trained |
| | | No. of groups financed | 17,785 | 3,709 | 3,709 | 3,709 | 3,709 | More Farmer groups are yet to receive funding which delayed as a result of delay of passing of finance framework |
| | Yield increase | % increase in yields of products in supported value chains | 30 | 10 | 10 | 10 | 10 | improved TIMPs adoption and linkage to markets improved yields |
| 1169105400 Construction of Residual Laboratory at PCPB | Pesticide residue laboratory | % completion of pesticide residue laboratory at PCPB | 82 | 22 | 22 | 22 | 22 | Target achieved |
| 1169105000 Project for Smallholder Empowerment & Agribusiness Promotion (SHEP Biz) | Agricultural Training institutions are trained on SHEP Approach Extension methodologies | Number of Agricultural Institutions /Partner Organizations introduced to SHEP Approach | 2 | 0 | 1 | 0 | 1 | The SHEP Approach was introduced to Kisii Smart Community (KSC) an NGO in Kisii and |

| Delivery Unit | Key Output (KO) | Key Performance Indicators (KPIs) | Revised Annual Targets 2022/2023 | Actual as at 31st September 2022 | Actual as at 31st December 2022 | Actual as at 31st March 2023 | Actual as at 30th June 2023 | Remarks |
|---------------|--|---|----------------------------------|----------------------------------|---------------------------------|------------------------------|-----------------------------|---|
| | Agricultural Training institutions are trained on SHEEP Approach Extension methodologies | Number of Agricultural Institutions /Partner Organizations introduced to SHEEP Approach | 140 | | | | | Kenya School of Government 1 (KSGA) in Nyeri and students respectively. Meeting with Cereal Growers Association (CGA) as also been done to introduce SHEEP Approach in their ACRA project |
| | Farmers groups trained on SHEEP Approach and crop production techniques | Number of horticulture farmer trained | 50 | 10 | 12 | 8 | 12 | The County staff have been trained on Market Survey, Crop Selection and Action Plan Making , Training on Gender mainstreaming and Group Empowerment and Digital reporting Groundnut Processors in Homabay & Kilifi trained on food safety |

| Delivery Unit | Key Output (KO) | Key Performance Indicators (KPIs) | Revised Annual Targets 2022/2023 | Actual as at 31st September 2022 | Actual as at 31st December 2022 | Actual as at 31st March 2023 | Actual as at 30th June 2023 | Remarks |
|---|--|--|----------------------------------|----------------------------------|---------------------------------|------------------------------|-----------------------------|--|
| | | | 3 | | | | | Producers in Nakuru County trained on Avocado nursery establishment, good agronomic practices, post-harvest management and marketing. |
| | MSMEs trained | No. of MSMEs trained | 50 | 15 | 3 | 15 | 14 | Groundnut Processors in Homabay & Kilifi trained on food safety. Producers in Nakuru County trained on Avocado nursery establishment, good agronomic practices, post-harvest management and marketing. |
| 1169005000 Research and Innovation Management Department | Crop value chains research coordination frameworks | No. of coordination frameworks developed | 3 | 0 | 0 | 0 | -3 | This activity was not achieved as it was not funded |
| | Conference for sharing findings on key issues | No. conference held | 1 | 0 | 0 | 1 | 0 | Successfully held |

| Delivery Unit | Key Output (KO) | Key Performance Indicators (KPIs) | Revised Annual Targets 2022/2023 | Actual as at 31st September 2022 | Actual as at 31st December 2022 | Actual as at 31st March 2023 | Actual as at 30th June 2023 | Remarks |
|---|---|---|----------------------------------|----------------------------------|---------------------------------|------------------------------|-----------------------------|---|
| 1169107800 Bio-Deposit Organic Fertilizer Extraction & Rehabilitation Project | Feasibility study report | % completion of feasibility study report | 93 | 0 | 0 | 0 | -9 | Contract with the proposed implementor was not drawn due to limited funds |
| Fall Armyworm Management | Reduced maize yield loss as a result of FAW infestation | Quantities of assorted pesticides procured and distributed (lts) | 25,000 | 5,000 | 8,000 | 3,965 | 15,965 | High cost of pesticides reduced achievement |
| | | No. of assorted technical materials developed, reviewed and distributed | 50,000 | 38,750 | 27,000 | 33,000 | 98,750 | Achieved is more than the target because of collaboration by other partners |
| | | No of PPEs procured and distributed | 1000 | 200 | | | 750 | High cost of equipment reduced achievement |
| | | No. of assorted spraying equipment procured and distributed | 500 | | | | 495 | High cost of equipment reduced achievement |
| | | No. of technical staff/extension service providers capacity built on new techniques of managing migratory pests | 240 | | | | 1800 | Achieved is more than the target because of collaboration by other partners |
| Aflatoxin Management | Reduced yield loss as a result of aflatoxin contamination and post-harvest losses | Quantity in MT of Aflatoxin-K1: 01 procured and distributed | 50 | | | | 30 | Increased cost reduced achievement |

| Delivery Unit | Key Output (KO) | Key Performance Indicators (KPIs) | Revised Annual Targets 2022/2023 | Actual as at 31st September 2022 | Actual as at 31st December 2022 | Actual as at 31st March 2023 | Actual as at 30th June 2023 | Remarks |
|-------------------|---|--|----------------------------------|----------------------------------|---------------------------------|------------------------------|-----------------------------|--|
| | | Quantities in Kgs of assorted storage dust pesticides procured and distributed | 3500 | | | | 3,326 | Increased cost reduced achievement |
| | | No. of Hermetic bags procured and promoted | 15,000 | | | | 15,000 | |
| | | No. of Hand Sheller's procured for demonstrations | 150 | | | | 123 | High cost of equipment reduced achievement |
| | | Number of moisture meters for demonstrations | 60 | | | | 60 | |
| Quelea Management | Reduced small grain loss as a result of quelea bird infestation | Quantities of avicide procured and distributed (lts) | 5000 | | | | 2500 | Increased cost reduced achievement |
| | | Number of control operations undertaken | 4 | | | | 4 | |

1
2
3
4



Quarterly Project Information

| Project | Approved Budget FY 2022/23 | Actual Payments Q1 | Actual Payments Q2 | Actual Payments Q3 | Actual Payments Q4 | Completion Status |
|--|----------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Sugar Reforms Support Project | 1,030,000,000.00 | 930,000,000.00 | 930,000,000.00 | 1,030,000,000.00 | 1,030,000,000.00 | 60% |
| Drought Resilience and Sustainable Livelihood Programme in Horn of A. | 895,000,000.00 | 108,017,325.95 | 236,216,656.20 | 464,127,108.00 | 746,689,304.60 | 85% |
| Kenya Cereal Enhancement Programme (KCEP) | 2,820,000,000.00 | 20,000,000.00 | 145,000,000.00 | 1,197,385,415.55 | 1,197,385,415.55 | 80% |
| Crop Insurance. | 130,000,000.00 | 1,000,000.00 | 27,750,917.00 | 47,232,067.00 | 129,005,410.00 | 34% |
| Development of Mau Buffer Tea Zone. | 60,000,000.00 | 25,000,000.00 | 25,000,000.00 | 60,000,000.00 | 60,000,000.00 | 20% |
| Fertilizer Subsidy Programme | 7,293,923,200.00 | 0 | 3,793,923,200.00 | 5,793,923,200.00 | 7,293,923,200.00 | 30% |
| Aflatoxin Management. | 90,000,000.00 | 100,000.00 | 100,000.00 | 100,000.00 | 87,673,480.00 | 11% |
| Pyrethrum Industry Recovery. | 100,000,000.00 | 50,000,000.00 | 50,000,000.00 | 100,000,000.00 | 100,000,000.00 | 30% |
| Development of Agriculture Technology Innovation centres. | 110,000,000.00 | 0 | 24,138,139.00 | 24,138,139.00 | 82,191,089.20 | 25% |
| Strengthening Mechanization. | 20,000,000.00 | 0 | 1,263,200.00 | 13,051,600.00 | 19,566,343.00 | 25% |
| Youth and Women Empowerment in Modern Agriculture Project. | 35,000,000.00 | 795,900.00 | 1,562,600.00 | 3,596,581.20 | 34,788,999.20 | 35% |
| Food Security and Crop Diversification Project. | 265,000,000.00 | 9,347,567.00 | 58,129,501.25 | 85,392,083.25 | 255,874,313.55 | 32% |
| Construction of Headquarters and campuses at KSA | 60,000,000.00 | 22,500,000.00 | 22,500,000.00 | 60,000,000.00 | 60,000,000.00 | 45% |
| Construction of Educational Complex at Bukura Agricultural College. | 20,000,000.00 | 10,000,000.00 | 10,000,000.00 | 20,000,000.00 | 20,000,000.00 | 60% |
| Construction for Tea Research Factory | 20,000,000.00 | 10,000,000.00 | 10,000,000.00 | 20,000,000.00 | 20,000,000.00 | 60% |
| Capacity Building Project for Enhancement of Rice Production (CADREP). | 30,000,000.00 | 0 | 0 | 12,761,642.40 | 25,761,642.40 | 40% |

| Project | Approved Budget FY 2022/23 | Actual Payments Q1 | Actual Payments Q2 | Actual Payments Q3 | Actual Payments Q4 | Completion Status |
|--|----------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Smallholder Horticulture Empowerment Project (SHEP BIZ) | 95,500,000.00 | 587,600.00 | 12,164,579.90 | 23,492,399.45 | 24,340,498.25 | 35% |
| Small Scale Irrigation and Value Addition Project. | 2,015,714,308.00 | 75,950,531.25 | 338,680,464.10 | 679,431,656.65 | 1,729,550,991.35 | 55% |
| Kenya Climate Smart Agriculture Project (KCSAP). | 5,180,000,000.00 | 3,123,600.00 | 101,079,280.00 | 2,473,340,410.75 | 4,806,292,628.15 | 90% |
| Construction of Residual Laboratory at PCPB. | 50,000,000.00 | 21,250,000.00 | 21,250,000.00 | 50,000,000.00 | 50,000,000.00 | 85% |
| Mechanization of Agricultural Development Project. | 15,000,000.00 | 12,500,000.00 | 12,500,000.00 | 15,000,000.00 | 15,000,000.00 | 30% |
| National Agricultural & Rural Inclusivity Project (NARIGP). | 4,970,000,000.00 | 24,999,733.00 | 26,353,483.00 | 2,473,428,584.30 | 4,189,696,511.70 | 90% |
| Agricultural Sector Development Support Programme II (ASDSP II). | 913,000,000.00 | 62,250,000.00 | 62,250,000.00 | 597,172,127.75 | 672,869,078.25 | 85% |
| Fall Army Worm Mitigation. | 388,000,000.00 | 0 | 10,603,700.00 | 10,995,349.00 | 297,301,487.25 | 55% |
| Cotton Industry Revitalization Project | 30,000,000.00 | 22,500,000.00 | 22,500,000.00 | 30,000,000.00 | 30,000,000.00 | 16% |
| Rural Livelihoods Adaptation to Climate Change (RLACC). | 115,327,000.00 | 1,966,125.00 | 5,335,125.00 | 11,109,270.70 | 82,644,689.85 | 80% |
| Enable Youth Kenya Programme. | 1,290,000,000.00 | 346,337,846.20 | 363,714,510.20 | 379,390,720.45 | 475,189,424.70 | 55% |
| National Value Chain Support Programme. | 2,027,000,000.00 | 346,841,950.00 | 2,047,942,590.00 | 1,769,126,615.00 | 1,441,261,075.00 | 20% |
| Support to Agricultural Input and Output Marketing. | 11,777,513.00 | 0 | 0 | 11,767,600.00 | 11,767,600.00 | 100% |
| Establishment of Liquid Nitrogen Plants - KAGRC. | 56,250,000.00 | 37,500,000.00 | 37,500,000.00 | 56,250,000.00 | 56,250,000.00 | 80% |
| Sustainable Tse Tse and Trypanosomiasis free areas in | 61,250,000.00 | 37,500,000.00 | 37,500,000.00 | 61,250,000.00 | 61,250,000.00 | 70% |

| Project | Approved Budget FY 2022/23 | Actual Payments Q1 | Actual Payments Q2 | Actual Payments Q3 | Actual Payments Q4 | Completion Status |
|--|----------------------------|-------------------------|-------------------------|--------------------------|--------------------------|-------------------|
| Kenya - KENTTE. | | | | | | |
| Climate Smart Agricultural Productivity Project (CS-APP). | 142,000,000.00 | 2,500,000.00 | 2,500,000.00 | 5,000,000.00 | 137,000,000.00 | 73% |
| Equipping of Milk Research & Processing Plant. | 15,000,000.00 | 10,000,000.00 | 10,000,000.00 | 15,000,000.00 | 15,000,000.00 | 15% |
| Expansion of Improved Indigenous Chicken | 10,000,000.00 | 8,500,000.00 | 8,500,000.00 | 10,000,000.00 | 10,000,000.00 | 10% |
| Construction of Warehouse Receipt System. | 18,750,000.00 | 12,500,000.00 | 12,500,000.00 | 18,750,000.00 | 18,750,000.00 | 35% |
| Coconut Industry Revitalization Project. | 20,000,000.00 | 10,000,000.00 | 10,000,000.00 | 20,000,000.00 | 20,000,000.00 | 13% |
| Emergency Locust Response | 2,056,380,000.00 | 9,216,000.00 | 63,475,169.00 | 617,809,545.85 | 1,912,031,112.65 | 60% |
| Embryo Transfer Project - KAGRC | 45,000,000.00 | 37,500,000.00 | 37,500,000.00 | 45,000,000.00 | 45,000,000.00 | 75% |
| Irish Potatoe Production Revitalization Project | 215,000,000.00 | 50,000,000.00 | 113,000,000.00 | 189,892,500.45 | 182,392,501.35 | 100% |
| Resilience for Food and Nutrition Security Program | 285,000,000.00 | 0 | 873,025.00 | 10,195,430.00 | 10,195,430.00 | 5% |
| Cashewnut Revitalization Project | 15,000,000.00 | 5,000,000.00 | 5,000,000.00 | 15,000,000.00 | 15,000,000.00 | 5% |
| Farmers Database Establishment Project | 100,000,000.00 | 25,000,000.00 | 25,000,000.00 | 100,000,000.00 | 100,000,000.00 | 100% |
| National Agricultural Value Chain Development Project (NAVCDP) | 2,100,000,000.00 | 0 | 0 | 0 | 1,679,818,153.00 | 5% |
| Grand Total | 35,229,872,021.00 | 2,350,284,178.40 | 8,723,306,139.65 | 18,620,110,046.75 | 29,119,460,379.00 | |

The total number of projects is 43 of which 14 of them are above 70% projects rate of completion. Most of the projects which are less than 50% rate of completion are new while projects between 50% and 70% are ongoing and are at the mid of their implementation period.

4. Information on reallocation, Pending payments and liabilities

i. Reallocation

| S/No. | Project Name | Amount |
|-------|---|--------------------|
| 1. | Drought Resilience and Sustainable Livelihood Programme in Horn of A. | 3,000,000 |
| 2. | Kenya Climate Smart Agriculture Project (KCSAP). | 360,000,000 |
| 3. | Kenya Cereal Enhancement Programme (KCEP). | 395,000,000 |
| 4. | Emergency Locust Response | 162,419,200 |
| 5. | National Value Chain Support Programme. | 37,300,000 |
| | Total | 795,300,000 |

ii. Pending payment and liabilities

| S/No. | Description | Amount |
|--------------------------------------|--|-------------------------|
| 1. | Maize flour subsidy | 3,023,029,817.68 |
| Fertilizer subsidy FY 2017/18 | | |
| 1. | NCPB-KCB loan on fertilizer subsidy | 5,035,626,731.00 |
| 2. | NCPB-Export Trading Co. debt on fertilizer subsidy | 1,680,864,781.00 |
| 3. | Legal costs- Export Trading Company | 29,165,498.80 |
| Maize Subsidy FY 2017/18 | | |
| 1. | ETC-Interest payable on maize subsidy programme | 198,104,635.03 |
| 2. | NCPB-SFR costs and agency fee | 712,244,568.00 |
| 3. | NCPB-SFR payment to farmers | 516,673,180.00 |
| | Total | 5,975,514,433.83 |

Annex 9

REPUBLIC OF KENYA



MINISTRY OF AGRICULTURE AND LIVESTOCK DEVELOPMENT

STATE DEPARTMENT FOR CROP DEVELOPMENT

BUDGET IMPLEMENTATION FOR THE FY 2022/23
RESPONSES TO THE DEPARTMENTAL COMMITTEE
ON AGRICULTURE AND LIVESTOCK

BY

DR. KIPRONOH RONO P.
PRINCIPAL SECRETARY

OCTOBER 2023

INTRODUCTION

Mr. Chairman, I take this opportunity to thank you and the Honourable Members of this esteemed Committee for inviting me to respond to queries raised by the *Departmental Committee on Agriculture and Livestock* pursuant to Standing Order 216 (5) (ba) and a letter from the Clerk of the National Assembly Ref: NA/DDC/A&L/2023/059 dated 12th October, 2023.

Mr. Chairman, on the matters arising, the State Department responds as follows:

RESPONSES TO QUERIES

1. Provide Budget performance for FY 2022/23 for the SAGAs under them. The SAGAs need to provide a detailed breakdown of the FY 2022/23 budget performance including Financial performance i.e. A-I-A, recurrent and development budget and non-financial performance including performance of KPIs and targets.

RESPONSE:

Mr. Chairman, please find attached the requested information on SAGAs in the attached Appendix 1 and 2, on the financial and non-financial performance.

3. State Department for Crop Development

a) OBSERVATION:

There is a difference in the approved recurrent budget as reported by the State Department from what is provided in the budget books. The State Department reported a figure of Kshs.14,027,154,283 while the budget books had a figure of Kshs.14,189,135,038 giving a difference of Ksh.161,980,755

RESPONSE:

Mr. Chairman, the last Financial Year 2022/23 approved budget for the State Department was Kshs.14,189,350,038 but the actual amount received in the vote book by the closure of the FY 2022/23 was Kshs.14,027,154,283 as evidenced from the **Statement of Budget Execution** an extract from the IFMIS system. (see attached Appendix 3)

| Reported (Ksh) | Actual after supplementary II (Ksh.) | Actual as per IFMIS (Ksh.) | Variance (Kshs.) |
|----------------|--------------------------------------|----------------------------|------------------|
| 14,027,154,283 | 14,189,350,038 | 14,027,154,283 | 161,980,755 |

The Appendix 3 shows the variance of Kshs. 161,980,755 which was neither loaded nor released to the State Department for Crop Development, by the National Treasury.

b) OBSERVATION:

Recurrent over-expenditure: the state department had a recurrent over expenditure of Kshs. 1,257 million when compared to the approved allocation of Kshs.14,189 million and the actual expenditure of Kshs. 15,447million an over expenditure of 109% of the approved budget. The State Department had an over expenditure on:

- I. Use of Goods and Services by spending Kshs.193 million against a budget of Ksh.160 million
- II. Acquisition of non-financial assets by spending Kshs.527 million against an approved budget of Kshs.5.9 million, an over expenditure of 9006% of the approved budget.

RESPONSE:

Mr Chairman, it is true that, the National Treasury vide letter Ref. No. RES 1169/22/01 'A" (7) dated 21 July 2022 to Ag. Principal Secretary, State Department for Crop Development and Agricultural Research approved additional funding amounting to **Kshs. 4 billion**, under Article 223 of the Constitution of Kenya 2012, pending regularization and appropriation by the National Assembly, in the FY 2022/2023 Supplementary Estimates No. 1 & 2. This approval was in response to a request by the State Department of Crop Development and Agricultural Research vide letter Ref. No. MOA/LCD/9/12/1 dated 18th July 2022 of **kshs.9,123,069,046.54**, to cater for implementation of the Maize Flour Subsidy programme. (Appendix 4, 5 & 6 attached for ease of reference.)

However, the **Kshs. 4billion** was not appropriated by the National Assembly during finalization of Supplementary 1 and 2 of FY 2022/23. This resulted in the State Department over-expenditure in the recurrent budget.

Explained below is the Programme of Agriculture Research and Development that shows the expenditures highlighted in i) and ii)

| Item | Printed Estimates | Approved | Maize Flour Subsidy | Expenditure | Variance (Kshs) |
|-------------------------------------|-------------------|-------------|---------------------|----------------|-----------------|
| Use of Goods | 154,302,169 | 154,302,169 | 100,000,000 | 193,803,932.35 | (39,501,763.35) |
| Acquisition of non-financial assets | 5,925,941 | 5,925,941 | 532,096,071 | 534,754,310.80 | (528,828,369.8) |

The **Kshs.100Million** was part of the Maize flour subsidy funds that were transferred to National Cereal and Produce Board for monitoring and evaluation of the multiagency taskforce on the maize subsidy programme. The **Kshs.532million** was used to pay pending bills for the maize millers.

Attached please find **appendix 7** on analysis of the Maize subsidy program expenditures, for ease of reference.

c) OBSERVATION:

The State Department had an over-expenditure of Kshs.3,347 million (58%) on the **Agricultural Research & Development Programme** following an expenditure of Kshs.9,092 million against an approved budget of Kshs. 5,745 million.

RESPONSE:

Mr. Chairman, as explained above, the over expenditure in the Agricultural Research & Development Programme was occasioned by State Department receiving the approved additional funding amounting to **Kshs. 4 billion**, from the National Treasury under Article 223 of the Constitution of Kenya 2012, aforementioned, pending regularization and appropriation by the National Assembly, in the FY 2022/2023 Supplementary Estimates No. 1 & 2. However, the appropriation by the National Assembly was not approved resulting to the over expenditure by the State department.

OBSERVATION:

Implementation of the Food Security and Crop Diversification Project: The project utilized 96.5% of the allocation (Kshs. 255 out of Kshs. 265 million) but achieved less than 50% targets.

RESPONSE:

Mr. Chairman, the Food Security and Crop Diversification Programme is composed of two projects as listed below:

| S/N | IFMIS No. | Project | Allocation FY 22/23 (Ksh) |
|--------------|-------------|--|---------------------------|
| 1 | 116910-3901 | Food Security (Other Crops) | 60,000,000 |
| 2 | 116910-3902 | Food Security (Miraal Industry Revitalization) | 205,000,000 |
| Total | | | 265,000,000 |

At the close of the FY 2022/23, **Food Security (Other Crops) Project** had expenditures and commitments to the tune of Kshs.255 million which included **Kshs.76million** to *Kenya Seed Company*. However, out of these commitments, only **Kshs. 164,503,204** was utilized. This resulted in an absorption rate of **62%** out of the funds allocated, due to lack of exchequer. Out of the **Kshs.164Million**, there was a directive to pay pending bills as first charge, which took **50%** of the approved budget and this hampered the key performance indicators. (Attached please find **appendix 8** for ease of reference).

d) **OBSERVATION:**

Provision of Non-Financial Performance: a number of performances of KPIs and targets were missing i.e. the performance on Fertilizer Subsidy, Cotton Revitalization, and Sugar Reforms among others.

RESPONSE:

Mr. Chairman, by the time of preparation of the report, the State Department only had draft copies of the KPIs. However in the year under review, the **Fertilizer Subsidy project** distributed 57,612 MT of fertilizer, **Cotton Revitalization project** distributed 3,762 MT of seed cotton; and the **Sugar Reforms project** compensated 14,251 farmers and maintained 11 Cane Testing Units. Attached are the KPIs for the projects for your ease of reference (**Appendix 2**).

e) **OBSERVATION:**

During the FY 2022/23 there was an allocation for provision of fertilizer subsidy to tea farmers. The performance and KPIs were not provided.

RESPONSE:

Mr. Chairman, it is true that there was an allocation of Kshs.1.4Billion for provision of fertilizer subsidy to tea farmers. This money was disbursed during the month of June 2023 which gave no room to **Kenya Tea Development Agency** to implement and provide their KPIs as at preparation and reporting of the *Budget Implementation Status Report*. However, attached please find a copy of their performance and KPIs. (See Appendix 9)

f) **OBSERVATION:**

Farmers Database Establishment Project had been allocated Ksh.100million in the FY 2022/23 but the performance and KPIs were not provided.

RESPONSE:

Mr. Chairman, it is true that there was an allocation of Kshs.100Million for the **Farmers Database Establishment Project** which was implemented by the *SAGA Agriculture and Food Authority (AFA)*. The National Treasury released exchequer funds to the SAGA in the last quarter in June, of the Financial Year 2022/2023. Given the timespan involved in implementing the project, the KPIs could not be provided as at the close of the Financial Year. The project activities and spending of funds were halted. Attached please find the performance and KPIs reported by AFA. (**See Appendix 2**)

Mr. Chairman, I submit and once again thank you.

Signature.....
Date.....
Dr. Kironoh Ronoh P.

26.10.23



SAGAS BUDGET PERFORMANCE AND AIA FOR FY 2022/2023

| Economic Classification | Approved Kshs. Millions | Expenditure Kshs. Millions |
|---|----------------------------|-------------------------------|
| | 2022/23 | 2022/23 |
| KENYA AGRICULTURAL AND LIVESTOCK RESEARCH ORGANIZATION | | |
| GROSS | 5,020 | 5,014 |
| AIA | 880 | 874 |
| NET | 4,140 | 4,140 |
| Compensation to Employees | 4,136 | 4,134 |
| Transfers | | |
| Other Recurrent | 884 | 880 |
| of which | | |
| Utilities | 171 | 172 |
| Rent | | |
| Insurance | 390 | 390 |
| Subsidies | | |
| Gratuity | | |
| Contracted Guards & Cleaners Services | 130 | 130 |
| Others (Lab Supplies, Farms development, farm inputs) | 189 | 189 |
| PYRETHRUM PROCESSING COMPANY OF KENYA | | |
| Economic Classification | Approved Kshs. Millions | Expenditure Kshs. Millions |
| | 2022/23 | 2022/23 |
| GROSS | 386 | 259 |
| AIA | 254 | 127 |
| NET | 132 | 132 |
| Compensation to Employees | 165 | 163 |
| Transfers | | |
| Other Recurrent | 221 | 96 |
| of which | | |
| Utilities | 11 | 11 |
| Rent | 1 | 1 |
| Insurance | 4 | 3 |
| Subsidies | | |
| Gratuity | 8 | 8 |
| Contracted Guards & Cleaners Services | 6 | 1 |
| Administrative expenses | 191 | 72 |
| PEST CONTROL PRODUCTS BOARD | | |
| Economic Classification | Approved Kshs. Millions | Expenditure Kshs. Millions |
| | 2022/23 | 2022/23 |



| | | |
|---|---------------------------------------|--|
| GROSS | 245 | 213 |
| AIA | 140 | 108 |
| NET | 105 | 105 |
| Compensation to Employees | 143 | 130 |
| Transfers | | |
| Other Recurrent | 102 | 83 |
| of which | | |
| Utilities | 5 | 4 |
| Rent | 6 | 4 |
| Insurance | 18 | 11 |
| Subsidies | | |
| Gratuity | | |
| Contracted Guards & Cleaners Services | 10 | 3 |
| Others (Surveillance Activities, Public awareness costs, trainings, ICT & communication cost, Board expenses, Repairs and maintenance costs etc) | 63 | 61 |
| COMMODITIES FUND | | |
| Economic Classification | Approved Kshs. Millions 2022/23 | Expenditure Kshs. Millions 2022/23 |
| GROSS | 405 | 364 |
| AIA | 355 | 214.41 |
| NET | 50 | 149.59 |
| Compensation to Employees | 113 | 98 |
| Transfers | | |
| Other Recurrent | 292 | 266 |
| of which | | |
| Utilities | 1 | 1 |
| Rent | 16 | 16 |
| Insurance | 18 | 16 |
| Subsidies | | |
| Gratuity | 1 | |
| Contracted Guards & Cleaners Services | 1 | 1 |
| Others-Credit management Expenses, Loans loss Provisions, Maintenance Cost, Communication Cost, Depreciation, Training and Conference and Capital Items | 255 | 233 |
| AGRICULTURAL FOOD AUTHORITY | | |
| Economic Classification | Approved Kshs. Millions 2022/23 | Expenditure Kshs. Millions 2022/23 |
| GROSS | 2,128 | 2,080 |
| AIA | 781 | 733 |

| | | |
|--|-------|-------|
| NET | 1347 | 1347 |
| Compensation to Employees | 960 | 1012 |
| Transfers | | |
| Other Recurrent | 1,168 | 1,068 |
| of which | | |
| Utilities | 28 | 28 |
| Rent | 32 | 32 |
| Insurance | 159 | 159 |
| Subsidies | | |
| Gratuity | 17 | 17 |
| Contracted Guards & Cleaners Services | 79 | 65 |
| Others (Compliance and Regulations, Marketing and Promotion, Market development, Technical Services, Policy Formulation and Maintenance) | 853 | 767 |

NATIONAL BIOSAFETY AUTHORITY

| Economic Classification | Approved Kshs. Millions | Expenditure Kshs. Millions |
|---|-------------------------|----------------------------|
| | 2022/23 | 2022/23 |
| GROSS | 149 | 156 |
| AIA | 4 | 11 |
| NET | 145 | 145 |
| Compensation to Employees | 82 | 79 |
| Transfers | - | - |
| Other Recurrent | 67 | 77 |
| of which | | |
| Utilities | - | - |
| Rent | 9 | 8 |
| Insurance | 11 | 11 |
| Subsidies | | |
| Gratuity | 7 | 7 |
| Contracted Guards & Cleaners Services | 1 | 1 |
| Others (Administrative costs, Market Surveillance, Monitoring, Laboratory Reagents, Inspections Services, Board Expenses) | 39 | 50 |

KENYA PLANT HEALTH INSPECTORATE SERVICE

| Economic Classification | Approved Kshs. Millions | Expenditure Kshs. Millions |
|-------------------------|-------------------------|----------------------------|
| | 2022/23 | 2022/23 |
| GROSS | 1,542 | 1,541 |
| AIA | 1,391 | 1,246 |

| | | |
|---|----------------------------|-------------------------------|
| NET | 151 | 295 |
| Compensation to Employees | 600 | 599 |
| Transfers | | |
| Other Recurrent | 942 | 942 |
| of which | | |
| Utilities | 48 | 48 |
| Rent | 9 | 9 |
| Insurance | 76 | 76 |
| Subsidies | | |
| Gratuity | 6 | 6 |
| Contracted Guards & Cleaners Services | 46 | 46 |
| Others (Phytosanitary, seed and ASL security printing, inspection services, lab reagents and analysis, repairs and maintenance) | 757 | 757 |
| BUKURA AGRICULTURAL COLLEGE | | |
| | Approved Kshs. Millions | Expenditure Kshs. Millions |
| Economic Classification | 2022/23 | 2022/23 |
| GROSS | 409 | 388 |
| AIA | 239 | 218 |
| NET | 170 | 170 |
| Compensation to Employees | 229 | 194 |
| Transfers | | |
| Other Recurrent | 180 | 194 |
| of which | | |
| Utilities | 14 | 11 |
| Rent | - | - |
| Insurance | 11 | 13 |
| Subsidies | | |
| Gratuity | 5 | 2 |
| Contracted Guards & Cleaners Services | 8 | 8 |
| Others Specify: Operation, administrative repairs, Renting to core mandate | 142 | 160 |
| AGRICULTURAL DEVELOPMENT CORPORATION | | |
| | Approved Kshs. Millions | Expenditure Kshs. Millions |
| Economic Classification | 2022/23 | 2022/23 |
| GROSS | 2,045 | 1,607 |

| | | |
|--|----------------------------|-------------------------------|
| AIA | 2,045 | 1,644.3 |
| NET | | |
| Compensation to Employees | 648 | 432 |
| Transfers | | |
| Other Recurrent | 1,397 | 1,212 |
| of which | | |
| Utilities | 18 | 10 |
| Rent | 2 | 1 |
| Insurance | 31 | 23 |
| Subsidies | | |
| Gratuity | 14 | 14 |
| Contracted Guards & Cleaners Services | 2 | 1 |
| Others Specify: Operation, administrative repairs ,Renting to core mandate | 1,330 | 1163.3 |
| TEA BOARD OF KENYA | | |
| Economic Classification | Approved Kshs. Millions | Expenditure Kshs. Millions |
| | 2022/23 | 2022/23 |
| GROSS | 343 | 321 |
| AIA | 93 | 71 |
| NET | 250 | 250 |
| Compensation to Employees | 134 | 143 |
| Transfers | - | |
| Other Recurrent | 209 | 176 |
| of which | | |
| Utilities | 2 | 3 |
| Rent | 1 | 1 |
| Insurance | 3 | 5 |
| Subsidies | - | - |
| Gratuity | - | - |
| Contracted Guards & Cleaners Services | 7 | 4 |
| Others (Compliance and Surveillance, Market development and Trade advisory, capacity building, research and innovation, Registration, Licensing and standards and Policy Formulation and Maintenance) | 196 | 163 |
| BIOSAFETY APPEALS BOARD | | |
| Economic Classification | Approved Kshs. Millions | Expenditure Kshs. Millions |
| | 2022/23 | 2022/23 |
| GROSS | 32 | 32 |
| AIA | - | - |

| | | |
|---|----|----|
| NET | 32 | 32 |
| Compensation to Employees | - | - |
| Transfers | - | - |
| Other Recurrent | 32 | 32 |
| of which | | |
| Utilities | - | - |
| Rent | - | - |
| Insurance | 1 | 1 |
| Subsidies | - | - |
| Gratuity | - | - |
| Contracted Guards & Cleaners Services | - | - |
| Others Specify (Core Mandate, Goods & Services, Administrative Expenses and Repair & Maintenance) | 31 | 31 |

SAGAs Non-Financials

| Delivery Unit | Key Output | Key Performance Indicators | Revised Annual Targets 2022/2023 | Actual as at 31st September 2022 | Actual as at 31st December 2022 | Actual as at 31st March 2023 | Actual as at 30th June 2023 | Remarks |
|---|---------------------------------------|--|----------------------------------|----------------------------------|---------------------------------|------------------------------|-----------------------------|--|
| Farmer Registration (AFN) | Farmer register on scheduled crops | No. of farmers registered | | | | | | All activities and spending were deferred due to late release of exchange rate funds |
| | | Empowered fresh produce small-scale farmers | 6,000 | 2,037 | 2,037 | 2,037 | 2,037 | Achievement was due to a no objection by the donor allowing support to farmers with an additional 2 bags of fertilizer and the farmers sourced their own fresh potato seed |
| Fresh Produce Production Revitalization Project (AFN) | Quality and safe Produce | No. of pest control products evaluated | 120 | 0 | 0 | 0 | 186 | Target achieved |
| | | No. of premises inspected for compliance | 6,400 | 2,000 | 665 | 1,500 | 2,500 | Target not achieved in 2020/21 as a result of reduced field surveillance due to COVID-19 restrictions. In subsequent years, surveillance activities were enhanced resulting to increased number of inspected premises |
| Pest Control Producers Board (PCPB) | Pesticide residue laboratory at PCPB | Number of samples analyzed for quality checks | 760 | 101 | 100 | 100 | 100 | PCPB received additional samples for investigations and reviews from compliance department |
| | | % Completion | 85 | 0 | 0 | 0 | 87 | The following works were done: Structure and plastering of the laboratory, fixing laboratory benches, Laboratory fittings: piping, electrical works and fitting emergency eye washes |
| Agriculture and Food Authority (AFA) | Compliance to standards & regulations | Level of compliance (%) | 100 | 0 | 0 | 0 | 100 | The Authority ensures 100% compliance with all the regulations in the sector |
| | | No. of cane testing units maintained | 11 | 0 | 0 | 0 | 11 | Target achieved |
| Tea Board of Kenya | Compliance to standards & regulations | No. of farmers compensated | 14,251 | 0 | 0 | 0 | 14,251 | Target achieved |
| | | % Level of compliance and enforcement of tea Act and Standards | 100 | 0 | 0 | 0 | 100 | Target achieved |
| National Bioscience Authority (NBA) | GMO Surveillance | No. of countries surveyed | 8 | 10 | 10 | 8 | 8 | Target achieved |
| | | No. of samples analyzed | 100 | 0 | 0 | 0 | 50 | In FY 2022/23 the Authority faced challenges of sourcing (GMO) Testing and calibration kits for the PCR Machine in the Std and the Quarter of the year and only managed to test 50% of the targeted samples |
| Kenya Plant Health Inspectorate Services (KEPHIS) | Seed certification Standards | % of GMO application risks assessed | 100 | 0 | 0 | 0 | 100 | Target achieved |
| | | % Level of GMO compliance | 100 | 0 | 0 | 0 | 100 | Target achieved |
| Phytosanitary compliance | No. of seed varieties gazetted | No. of seed varieties gazetted | 43 | 0 | 35 | 36 | 0 | In 2020/21, reduction in varieties gazetted was due to declined requests because of the Covid Pandemic. In FY 21/22 and 2022/23, the surge in varieties tested and released was due to the Big 4 & HETA intervention leading to interest in cotton and emerging crops such as leafy vegetables |
| | | No. of consignments inspected | 380,000 | 126,415 | 126,415 | 126,415 | 126,415 | There was increased demand for fresh produce resulting from opening of new markets such as China and Malaysia for Avocado and Jordan for Mangos |

2



| Delivery Unit | Key Output | Revised Annual Targets 2022/2023 | Actual as at 31st September 2022 | Actual as at 31st December 2022 | Actual as at 31st March 2023 | Actual as at 30th June 2023 | Remarks |
|--|---|--|----------------------------------|---------------------------------|------------------------------|-----------------------------|--|
| | | No. of samples tested for contaminants | 3,325 | 922 | 922 | 922 | KEPLIS continues to be the official appointed reference laboratory by the government on food safety. Increased samples in the 3 years was because of enhanced stringent measures and monitoring of border import consignments and monitoring of local markets and supermarkets |
| Commodities Fund | Cocunut enterprise financing | Amount in Ksh (Millions) of loans disbursed to cocunut enterprises | 20 | 0 | 0 | 20.43 | In 2020/21, the target was achieved. However, in 2021/22 under achievement was due to budget cuts. Adverse weather conditions affected uptake of credit in the region. However, as at the close of FY 2022/23, achievement was due to recovery and disbursements |
| Development of Mau Buffer Tea Zone (Nyayo Tea Zones) | Forests Complex of Mau and Embobut restored | No. of loan beneficiaries | 430 | 0 | 109 | 0 | Adverse weather conditions affected uptake of credit |
| | | Area of tea planted (ha) | 30 | 0 | 7 | 0 | Delayed disbursement of funds and underfunding affected the achievement of the set targets during the period under review |
| Mechanization of Agricultural Development Project (MADP) | Certified seeds | MT of certified seed potato produced | 1,000 | 0 | 0 | 470 | During the reporting period, the variance was attributed to low production resulting from target area not being achieved. Weather irregularities also led to low yields with high post-harvest losses |
| | | MT of seed maize | 8,000 | 0 | 0 | 7,900 | In the period under review, there were extreme weather irregularities that slowed planting, hence the plant population was low affecting synchronization and target production |
| | Commercial maize | Bags of Commercial maize (90 Kgs bags) produced | 30,000 | 0 | 0 | 18,513 | During the period uneven plant population and high post-harvest losses from prolonged exposure of the maize to excess rains was experienced |
| Pyrethrum Processing Company of Kenya (PPCK) | Pyrethrum production | Kg Pyrethrum Seed produced | 1,000 | 0 | 0 | 2,838 | The target was achieved because of the following. Conducive weather conditions for seed harvesting, increased acreage under seed fields, improved agronomic practices, more composite seed harvested from heterogeneous population and installed irrigation facilities in seed fields to improve on quality of seed and engagement of technical staff. |
| | | No. of tissue culture plantlets propagated (Millions) | 0.9 | 0 | 0 | 1,479 | Target achieved |
| | Pyrethrum processing | MT of dry flower processed | 180 | 0 | 0 | 310 | In 2020/21 target not achieved due to lack of flowers for processing. In 2021/22, the target was achieved because growers were responsive to increased advance payment of Kshs. 200 - 250 per kg, improved producer prices from Kshs 145 - Kshs 200 for 1% Pyrethrum Content effective January 2022. X improved transport facilities for flower collection |
| Cotton Industry Revitalization Project (AFA) | Cotton production and Productivity | MT of seed cotton produced | 7,500 | 0 | 0 | 3,762 | Reduced rains in some cotton growing areas, Late funding leading to late delivery of seed to farmers, Bt cotton hybrids did not perform well in dry areas since they need a lot of moisture and the funding was not adequate to cover the whole country since the Bt hybrid seed was very expensive at 22 dollars per kg |
| | | Acreage under cotton | 12,500 | 6,651 | 6,651 | 6,651 | Area targeted was not achieved because of crop failure and delays in importation of Bt seed affected availability of seeds. Inadequate seeds. Delays in importation of Bt Seed for planting. Local crop failure due to inadequate rainfall plus leading to inadequate local seeds extraction |
| Fertiliser subsidy programme | Fertilizer Subsidy | MT of assorted fertilizer available | 425,109 | 57,612.41 | 57,612.41 | 57,612.41 | Government implemented the subsidy for 2021/22 and 2022/23 however the available budget could not reach the targeted volumes |

| Delivery Unit | Key Output | Key Performance Indicators | Revised Annual Targets 2022/2023 | Actual as at 31st September 2022 | Actual as at 31st December 2022 | Actual as at 31st March 2023 | Actual as at 30th June 2023 | Remarks | | | | | | |
|--|--|---|----------------------------------|----------------------------------|---------------------------------|------------------------------|---|--|----|----|----|---|---|--|
| Kenya Agricultural & Livestock Research Organization (KALRO) | Farmer Registration | MT of agricultural lime applied | 1,425 | 0 | 1,000 | 561 | 0/00 | | | | | | | |
| | | No of farmers registered (millions) | 4 | 1 | 1 | 1 | 2 | Collaboration with the Ministry of Interior and Internal security led to overachievement. | | | | | | |
| | | No of students trained on agriculture | 1,500 | 0 | 663 | 463 | 0 | In 22/23, the target dropped due to lack of funding from HEFIB for Babura Agricultural College students. | | | | | | |
| | | No of extension providers trained | 4,500 | 6,761 | 6,761 | 6,761 | 6,761 | During the period, increase in number of stakeholders reached was attributed to use of online mobile platforms, radio (West 1 M-A-Simio Aina Program), television media to disseminate the information, open days, farm visits, stakeholders forums and participation in ASK show held in Kakamega | | | | | | |
| | | Completion of perimeter fence kilometers | 1 | 1 | 1 | 1 | 0 | Cumulatively 3.6 kilometers were achieved | | | | | | |
| | | No of promising line of different crops submitted to KIFHIS for NPT evaluation | 60 | 12 | 12 | 11 | 10 | In 2021/22, prolonged drought affected the trials which caused some to be rejected by KIFHIS. The number fell short of target in 2022/23 because the breeder droppings did not meet evaluation criteria | | | | | | |
| | | No of clean crop planting materials produced (millions) and wanted to farmers | 20 | 10 | 5 | 5 | 8 | Target was achieved and planting material produced and wanted to farmers | | | | | | |
| | | MT of basic seed produced and wanted to farmers | 2,800 | 617 | 617 | 617 | 617 | During the period, prolonged drought in regions where basic seed is produced led to under achievement of the target | | | | | | |
| | | Number of promising lines of maize germplasm source material for resistance tolerance to FAW. No. maize lines resistant to MNDL tolerance submitted for NPT evaluations and release | 40 | 10 | 20 | 10 | 10 | Target achieved. Successful resistant maize crop varieties are currently undergoing National Performance Trials (NPT) evaluation. | | | | | | |
| | | MT of Abisafe JM produced | 250 | 30 | 30 | 30 | 30 | Target achieved because KALRO met the quantities of the product demanded by the distributor KOPPERI of 180 MT. But fell short of the factory production capacity of 271 MT per year | | | | | | |
| Tea Research Development Plant | No. of soil samples analyzed | 29,000 | 3,209 | 3,209 | 3,209 | 3,209 | Underachievement was occasioned by drought which affected the demand of the service by the clients. | | | | | | | |
| | | | | | | | | % Completion of Tea Research Development Plant | 50 | 20 | 25 | 3 | 8 | The Tea Levy funded upto 5% thereafter funds were unavailable to continue the project. |
| | | | | | | | | | | | | | | |
| Milk processing plant (KALRO) | % Completion of milk research & processing plant | 55 | 12 | 12 | 15 | 7 | Underachievement was due to reduced budgetary allocation during the FY 2022/23 | | | | | | | |

| Delivery Unit | Key Output | Key Performance Indicators | Revised Annual Targets 2022/2023 | Actual as at 31st September 2022 | Actual as at 31st December 2022 | Actual as at 31st March 2023 | Actual as at 30th June 2023 | Remarks |
|---------------|---|---|----------------------------------|----------------------------------|---------------------------------|------------------------------|-----------------------------|--|
| | Breeding Bulls (SALRO) | No. of breeding bulls available to farmers | 200 | 55 | 51 | 55 | 54 | The achievement fell below the target because of drought related factors during the financial year 2021/22 |
| | Technologies innovations and management practices (SALRO) | No. of animal feed samples analyzed Quantity of clean napier grass cuttings produced (in Millions) | 3,500 4 | 761 1 | 761 1 | 761 1 | 761 1 | The target was achieved Unfavorable weather conditions affected productivity of planting materials in 2021/22 |



Statement of Budget Execution - Recurrent Expenditure
 Entity: 1169-State Department for Crop Development & Agricultural Research
 Current Period: JUL-22 To JUN-23

| | Note | Printed Estimate | Reallocation / Transfer | Supplementary Estimates | Final Approved Estimate (Net) | Actual | Budget Utilization Differences | % of Utilization |
|--|------|--------------------------|-------------------------|-------------------------|-------------------------------|--------------------------|--------------------------------|------------------|
| | | a | b | c | d=a+b+c | e | f=d-e | g=e/d% |
| RECEIPTS | | | | | | | | |
| Tax Receipts | 1 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| Social Security Contribution | 2 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| Proceeds from Domestic and Foreign Grants | 3 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| Exchequer releases | 4 | 0.00 | 0.00 | 0.00 | 0.00 | 11,540,000.489.55 | (11,540,000.489.55) | 0.00% |
| Transfers from Other Government Entities | 5 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| Proceeds from Domestic Borrowings | 6 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| Proceeds from Foreign Borrowings | 7 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| Proceeds from Sales of Assets | 8 | 6,328,700,000.00 | 0.00 | 128,930,000.00 | 6,457,630,000.00 | 4,108,579,189.70 | 2,349,050,810.30 | 63.62% |
| Reimbursements and Refunds | 9 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| Returns of Equity Holdings | 10 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| Other Receipts | 11 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| Total | | 6,328,700,000.00 | 0.00 | 128,930,000.00 | 6,457,630,000.00 | 15,648,579,679.25 | (9,190,949,679.25) | 242.33% |
| PAYMENTS | | | | | | | | |
| Compensation of Employees | 12 | 1,013,700,000.00 | (28,744,829.00) | (168,600,000.00) | 816,355,171.00 | 744,089,448.65 | 72,265,722.35 | 91.15% |
| Use of goods and Services | 13 | 232,528,081.00 | (4,305,926.00) | (73,919,986.00) | 154,302,169.00 | 219,389,118.30 | (65,086,949.30) | 142.18% |
| Subsidies | 14 | 0.00 | 0.00 | 0.00 | 0.00 | 3,366,999,497.95 | (3,366,999,497.95) | 0.00% |
| Transfers to Other Government Units | 15 | 13,174,000,000.00 | 0.00 | (189,570,000.00) | 13,004,430,000.00 | 10,593,881,268.35 | 2,410,548,731.65 | 81.40% |
| Other Grants and Transfers | 16 | 9,763,650.00 | 0.00 | 0.00 | 9,763,650.00 | 2,440,912.00 | 7,322,738.00 | 25.00% |
| Social Security Benefits | 17 | 42,000,000.00 | 0.00 | (5,632,648.00) | 36,377,352.00 | 20,711,489.40 | 15,665,862.60 | 56.94% |
| Acquisition of Assets | 18 | 9,708,269.00 | 0.00 | (3,782,328.00) | 5,925,941.00 | 534,754,310.80 | (528,828,369.80) | 9023.96% |
| Finance Costs, including Loan Interest | 19 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| Repayment of Principal on Domestic and Foreign Borrowing | 20 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| Other payments | 21 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| Total | | 14,481,700,000.00 | (33,050,755.00) | (421,494,962.00) | 14,027,154,283.00 | 15,482,266,045.45 | (1,455,111,762.45) | 110.37% |

3



Statement of Budget Execution - Recurrent Expenditure
Entity: 1169-State Department for Crop Development & Agricultural Research
Current Period: JUL-22 To JUN-23

The Statement has been prepared, reviewed and approved by the following:

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____



Statement of Budget Execution - Development Expenditure
 Entity: 1169-State Department for Crop Development & Agricultural Research
 Current Period: JUL-22 To JUN-23

| | Note | Printed Estimate | Reallocation / Transfer | Supplementary Estimates | Final Approved Estimate (Net) | Actual | Budget Utilization Differences | % of Utilization |
|--|------|--------------------------|-------------------------|-------------------------|-------------------------------|--------------------------|--------------------------------|------------------|
| | | a | b | c | d=g+b+c | e | f=d-e | g=e/d% |
| RECEIPTS | | | | | | | | |
| Tax Receipts | 1 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| Social Security Contribution | 2 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| Proceeds from Domestic and Foreign Grants | 3 | 842,827,500.00 | 0.00 | 399,999,500.00 | 1,242,827,000.00 | 1,209,972,115.00 | 32,854,885.00 | 97.36% |
| Exchange releases | 4 | 0.00 | 0.00 | 0.00 | 0.00 | 26,556,609,403.60 | (26,556,609,403.60) | 0.00% |
| Transfers from Other Government Entities | 5 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| Proceeds from Domestic Borrowings | 6 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| Proceeds from Foreign Borrowings | 7 | 2,147,714,309.00 | 0.00 | (240,000,000.00) | 1,907,714,309.00 | 1,708,862,838.20 | 200,851,470.80 | 89.47% |
| Proceeds from Sales of Assets | 8 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| Reimbursements and Refunds | 9 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| Returns of Equity Holdings | 10 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| Other Receipts | 11 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| Total | | 2,990,541,809.00 | 0.00 | 159,999,500.00 | 3,150,541,309.00 | 29,473,444,356.80 | (26,322,903,047.80) | 935.50% |
| PAYMENTS | | | | | | | | |
| Compensation of Employees | 12 | 229,780,000.00 | 0.00 | 0.00 | 229,780,000.00 | 162,730,420.90 | 67,049,579.10 | 70.82% |
| Use of goods and Services | 13 | 6,416,093,855.00 | 0.00 | 776,915,525.00 | 7,223,009,380.00 | 5,540,237,766.45 | 1,682,771,593.55 | 76.70% |
| Subsidies | 14 | 1,873,000,000.00 | 0.00 | (358,520,000.00) | 1,514,480,000.00 | 1,500,740,624.40 | 13,739,375.60 | 99.03% |
| Transfers to Other Government Units | 15 | 14,697,754,632.00 | 0.00 | 7,785,849,842.00 | 22,483,604,474.00 | 21,001,530,866.10 | 1,482,073,607.90 | 93.41% |
| Other Grants and Transfers | 16 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| Social Security Benefits | 17 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| Acquisition of Assets | 18 | 3,795,698,834.00 | 0.00 | (16,700,667.00) | 3,778,998,167.00 | 3,005,687,167.40 | 773,310,999.60 | 79.54% |
| Finance Costs, including Loan Interest | 19 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| Repayment of Principal on Domestic and Foreign Borrowing | 20 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| Other payments | 21 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| Total | | 27,042,327,321.00 | 0.00 | 8,187,544,700.00 | 35,229,872,021.00 | 31,210,926,865.25 | 4,018,945,155.75 | 88.59% |



Statement of Budget Execution - Development Expenditure
Entity: 1169-State Department for Crop Development & Agricultural Research
Current Period: JUL-22 To JUN-23

The Statement has been prepared, reviewed and approved by the following:

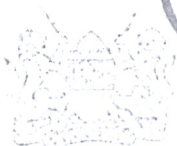
Prepared By: _____ Date: _____

Reviewed By: _____ Date: _____

Approved By: _____ Date: _____

28/07/2022

4



REPUBLIC OF KENYA
THE NATIONAL TREASURY AND PLANNING

Telegraphic Address: 22921
Finance - Nairobi
FAX NO. 310833
Telephone: 2252299

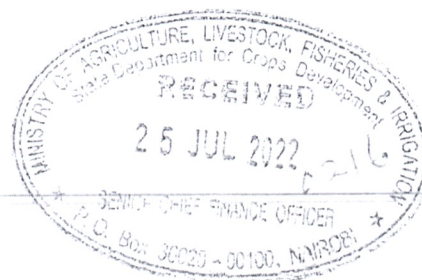
THE NATIONAL TREASURY
P.O. BOX 30007 - 00100
NAIROBI

Handwritten notes and signatures:
M. O. Ochieng
S. M. Njiru
S. M. Njiru

When Replying Please Quote
Ref. No. RES 1169/22/01 'A' (7)

Date: 21st July, 2022

Dr. F. O. Owino, PhD, CBS
Ag. Principal Secretary
State Department for Crop Development and
Agricultural Research
Ministry of Agriculture, Livestock, Fisheries
and Cooperatives
NAIROBI



Dear *PK*,

**REQUEST FOR FUNDING TO CATER FOR MAIZE FLOUR SUBSIDY
KSh.9.12BILLION**

This is in reference to your letter Ref. No. MOA/LCD/9/12/1 dated 18th July, 2022 regarding the above subject.

The National Treasury has reviewed your request for additional funds amounting to KSh.9,123,069,046.54 to cater for implementation of the Maize Flour Subsidy Programme.

In view of the request, the National Treasury has granted approval to the State Department for Crop Development and Agricultural Research to spend additional KSh.4billion under Article 223 of the Constitution in the implementation of the Maize Flour Subsidy Programme pending regularization in the FY 2022/23 Supplementary Estimates No.1.

Please note that these funds are approved under Article 223 of the Constitution and Section 21(2), (3) and (4) of the Public Finance Management Act. You will be required to submit to the National Treasury details of actual expenditure not later than two (2) months after the first payment is made in order to facilitate the Cabinet Secretary The National Treasury and Planning to submit a report on the same to Parliament for approval in accordance with the requirement of Article 223 of the Constitution. Attached please find the format for submission for your action.



Table 1: Template For Reporting Actual Expenditure under Article 223 of the Constitution (KSh.)

| Description | | Approved Additional Expenditure | Actual Expenditure | Justification/ Supporting Documentation |
|---------------------------|------------------|---------------------------------------|--------------------|---|
| Vote Code & Vote Title | Total | | | |
| | Programme | | | |
| | Sub-programme | | | |
| | Activity/Project | | | |

Note: Provide analysis of the implications for the planned outputs and outcomes of the affected programmes

The Accounting Officer is required to ensure strict adherence to the Public Finance Management Act, 2012, Public Procurement and Asset Disposal Act, 2015 and the attendant Regulations while implementing the Programme.

You may therefore, take necessary action

Yours

HON. (AMB) UKUR K. YATANI, EGH
CABINET SECRETARY/THE NATIONAL TREASURY AND PLANNING

Copy to: Hon. Peter Muanya, EGH
Cabinet Secretary
Ministry of Agriculture, Livestock, Fisheries and Cooperatives
NAIROBI

Ms. Nancy Gathungu, CBS
Auditor General
Office of the Auditor General
Anniversary Towers
NAIROBI

CPA Dr. Margaret Nyakang'o
Controller of Budget
Office of the Controller of Budget
Bima House
NAIROBI

REPUBLIC OF KENYA



5

MINISTRY OF AGRICULTURE, LIVESTOCK, FISHERIES AND COOPERATIVES
STATE DEPARTMENT FOR CROP DEVELOPMENT AND AGRICULTURAL RESEARCH
OFFICE OF THE PRINCIPAL SECRETARY

Email:cdarprincipalsecretary@gmail.com
Telephone: 718870/9
When replying please quote;

KILIMO HOUSE
CATHEDRAL ROAD
P.O. Box 30028
NAIROBI

Ref:MOA/LCD/9/12/1

18th July, 2022

Dr. Julius Muia, PhD, CBS
Principal Secretary
The National Treasury
P.O. Box 30007-00100
NAIROBI

Dear PS,

**RE: REQUEST FOR FUNDING TO CATER FOR MAIZE FLOUR
SUBSIDY KSH.9.12BILLION**

Reference is made to the virtual meeting held on 15th July, 2022 between Cabinet Secretary, the National Treasury & Planning and the cereal millers under CMA at 3.15 pm. The meeting discussed the financing and budget to subsidize white maize flour at Ksh.50 per 1 kilogram packet or Ksh.100 per 2 kilogram packet across the country for an initial period of sixty days effective Tuesday, 19th July 2022.

The country has experienced a steady decline in production of maize over the last two years due to drought and failed rain seasons which have led to food shortages. Maize is a staple food consumed by the majority of Kenyans, the current price ranges between Ksh.190 – 215 per 2kg packet which is beyond the reach of many Kenyans. To mitigate the current incidences of hunger it has been directed through an Executive Order that the Government and the private sector maize millers design and implement a joint sifted maize flour subsidy programme that will run for a four (4) weeks' period at a cost of **Ksh.1.8Billion** per week. In addition to clear previous subsidy programme pending bills a provision of Ksh.1,923,069,046.54 is required to be settled in three equal installments of **Ksh.641,023,015** over three weeks from the start of the new contract to be signed with the millers

I therefore request you to provide the additional funds Ksh.9,123,069,046.54 to enable the State Department to fund the maize flour subsidy programme and clear all outstanding maize subsidy bills pending regularization in the FY 2022/23 Supplementary budget.

Yours


DR. F. O. OWINO, PhD, CBS
PRINCIPAL SECRETARY

Copy to: Hon. Peter Munya, EGH
Cabinet Secretary
Ministry of Agriculture, Livestock, Fisheries and Cooperatives
NAIROBI

6

VOTE R1169 STATE DEPARTMENT FOR CROP DEVELOPMENT & AGRICULTURAL RESEARCH
 Recurrent Expenditure VOTE BOOK STATUS REPORT - FOR THE PERIOD FROM JUL-22 TO NOV-22
 TITLE AND DETAILS

| Head | Sub Head | ITEM SOURCE PROGRAMME | Geographical | Printed Estimate | Reallocation Transfer | Supplementary Estimates | Approved Estimates (Net) | Cumulative Expenditure | Outstanding Commitments | Total Payment Commitments | Balance |
|------|----------|---|--------------|------------------|-----------------------|-------------------------|--------------------------|------------------------|-------------------------|---------------------------|-------------|
| 0054 | 01 | Warehouse Receipt System Council | | KES 150,000,000 | 0 | 0 | 150,000,000 | 129,000,000 | 0 | 129,000,000 | 25,000,000 |
| | | Current Grants to Semi-Autonomous Government Agencies | | 9,500,000 | 0 | 0 | 9,500,000 | 7,916,666 | 0 | 7,916,666 | 1,583,334 |
| | | GROSS EXPENDITURE | | 9,500,000 | 0 | 0 | 9,500,000 | 7,916,666 | 0 | 7,916,666 | 1,583,334 |
| | | Net Expenditure Sub Head 005401 | | 9,500,000 | 0 | 0 | 9,500,000 | 7,916,666 | 0 | 7,916,666 | 1,583,334 |
| | | Net Expenditure Head 005400 | | 9,500,000 | 0 | 0 | 9,500,000 | 7,916,666 | 0 | 7,916,666 | 1,583,334 |
| 0055 | 01 | Maize Flour Subsidy | | | | | | | | | |
| | | Monitoring and Evaluation Expenses | | 0 | 0 | 100,000,000 | 100,000,000 | 100,000,000 | 0 | 100,000,000 | 0 |
| | | Subsidies to Non-Financial Private Enterpr | | 0 | 0 | 3,367,000,000 | 3,367,000,000 | 3,365,000,000 | 0 | 3,365,000,000 | 2,000,000 |
| | | Maize and Beans | | 0 | 0 | 513,500,000 | 513,500,000 | 490,716,152 | 22,917,379 | 513,635,531 | 19,364,371 |
| | | GROSS EXPENDITURE | | 0 | 0 | 4,000,000,000 | 4,000,000,000 | 3,957,717,550 | 22,917,379 | 3,980,635,029 | 19,364,971 |
| | | Net Expenditure Sub Head 005501 | | 0 | 0 | 4,000,000,000 | 4,000,000,000 | 3,957,717,550 | 22,917,379 | 3,980,635,029 | 19,364,971 |
| | | Net Expenditure Head 005500 | | 0 | 0 | 4,000,000,000 | 4,000,000,000 | 3,957,717,550 | 22,917,379 | 3,980,635,029 | 19,364,971 |
| | | Total Net Expenditure vote R1169 | | 4,085,500,000 | 2,525,000 | 4,000,000,000 | 8,082,975,000 | 7,178,055,331 | 52,900,131 | 7,230,955,462 | 852,019,538 |



VOTE R1169 STATE DEPARTMENT FOR CROP DEVELOPMENT & AGRICULTURAL RESEARCH

Recurrent Expenditure VOTE BOOK STATUS REPORT - FOR THE PERIOD FROM JUL-22 TO JUN-23

| Head | Sub Head | ITEM SOURCE PROGRAMME GEOGRAPHICAL | Printed Estimate | | Reallocation/Transfer | | Supplementary Estimates | | Approved Estimates (Net) | | Cumulative Expenditure | | Outstanding Commitments | | Total Payment Commitments | | Balance | | |
|------|----------|---|------------------|---------------|-----------------------|-------------|-------------------------|--------------|--------------------------|-----------------|------------------------|-------------|-------------------------|-------------|---------------------------|---------------|---------|---------|--|
| | | | Kes | Estimate | Kes | Transfer | Kes | Estimates | Kes | Estimates (Net) | Kes | Expenditure | Kes | Commitments | Kes | Commitments | Kes | Balance | |
| 0095 | 01 | Maize Flour Subsidy | | | | | | | | | | | | | | | | | |
| | | Monitoring and Evaluation Expenses | | 0 | | 0 | | 0 | | 0 | 100,000,000 | | 0 | | 100,000,000 | 100,000,000 | | | |
| | | Subsidies to Non-Financial Private Enterp | | 0 | | 0 | | 0 | | 0 | 3,366,999,599 | | 0 | | 3,366,999,599 | 3,366,999,599 | | | |
| | | Maize and Beans | | 0 | | 0 | | 0 | | 0 | 5,132,096,071 | | 0 | | 5,132,096,071 | 5,132,096,071 | | | |
| | | GROSS EXPENDITURE | | 0 | | 0 | | 0 | | 0 | 3,999,095,569 | | 0 | | 3,999,095,569 | 3,999,095,569 | | | |
| | | Net Expenditure Sub Head 005501 | | 0 | | 0 | | 0 | | 0 | 3,999,095,569 | | 0 | | 3,999,095,569 | 3,999,095,569 | | | |
| | | Net Expenditure Head 005500 | | 0 | | 0 | | 0 | | 0 | 3,999,095,569 | | 0 | | 3,999,095,569 | 3,999,095,569 | | | |
| | | Total Net Expenditure vote R1169 | | 8,153,000,000 | | -33,050,755 | | -590,424,967 | | 7,569,524,283 | 11,373,586,456 | | 6,338,709 | | 11,380,025,565 | 3,810,501,292 | | | |

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| Analysis of Payments Made to Millers for Maize flour subsidy Programme 2022 | | | |
|---|----------------------------------|-------------------------|-----------------------|
| | Date Paid | Amount Paid | Pending Bills NCPB |
| 1 | 29.07.2022 | 72,817,525.75 | 100,000,900.00 |
| 2 | 01.08.2022 | 123,073,924.35 | |
| 3 | 02.08.2022 | 59,907,658.80 | |
| 4 | 03.08.2022 | 60,600,286.15 | |
| 5 | 04.08.2022 | 125,580,458.90 | |
| 6 | 05.08.2022 | 34,183,962.40 | |
| 7 | 08.08.2022 | 443,674,289.20 | |
| 8 | 10.08.2022 | 130,576,132.20 | 490,718,151.60 |
| 9 | 11.08.2022 | 79,553,968.70 | |
| 10 | 12.08.2022 | 221,169,999.10 | |
| 11 | 15.08.2022 | 311,669,305.80 | |
| 12 | 16.08.2022 | 350,302,665.60 | |
| 13 | 17.08.2022 | 180,756,249.90 | |
| 14 | 18.08.2022 | 177,637,186.05 | |
| 15 | 19.08.2022 | 19,493,094.35 | |
| 16 | 22.08.2022 | 318,837,023.25 | |
| 17 | 23.08.2022 | 535,895,318.15 | |
| 18 | 24.08.2022 | 112,698,024.80 | |
| 19 | 25.08.2022 | 8,181,737.70 | |
| 20 | 26.08.2022 | 390,686.80 | |
| 21 | 06.03.2023 | | 41,377,919.40 |
| | TOTAL | 3,366,999,497.95 | 532,096,071.00 |
| | | | |
| | Exchequer received | 4,000,000,000.00 | |
| | Total Paid to Millers (PD incl.) | 3,899,095,568.95 | |
| | Paid to NCPB | 100,000,000.00 | |
| | Balance | 904,431.05 | |

Pending Bills Paid

| | |
|--------------------|-----------------------|
| Kabansora Millers | 8,311,959.55 |
| Osho Grain Millers | 13,631,680.45 |
| Karibu Flour Mills | 22,917,379.40 |
| Kitui Flour Mills | 75,724,579.95 |
| Unga Ltd | 121,053,285.00 |
| Capwell Industries | 249,079,267.25 |
| Wamae and Allen | 41,377,919.40 |
| TOTAL | 532,096,071.00 |

Budget Vs Actual Expenditure

| Item | Budgeted | Actual | Diff |
|-------------------------------|------------------|------------------|------------|
| To Non Financial private Ent. | 3,367,000,000.00 | 3,366,999,497.95 | 502.05 |
| Monitoring n Evaluation | 100,000,000.00 | 100,000,000.00 | - |
| Maize n beans | 533,000,000.00 | 532,096,071.00 | 903,929.00 |
| Total | | | 904,431.05 |
| Actual Balance in the Bank | | | 904,431.05 |

Analysis of Expenditure on sifted maize flour subsidy programme

| | | |
|---------------------------------------|------------------|------------------|
| Exchequer received | | 4,000,000,000.00 |
| Total Invoices Amount Paid to Millers | 3,366,999,497.95 | |
| Transfer to NCPB for Monitoring | 100,000,000.00 | |
| 2017 Pending bills paid | 532,096,071.00 | 3,999,095,568.95 |
| Balance in the Bank | | 904,431.05 |

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VOTE D1169 STATE DEPARTMENT FOR CROP DEVELOPMENT & AGRICULTURAL RESEARCH
Development Expenditure Vote Book Status Report - For the Period from Jul-22 to Jun-23
TITLE AND DETAILS

| Head | Sub Head | ITEM SOURCE-PROGRAMME- GEOGRAPHICAL | Primed Estimate | Reallocation/ Transfer | Supplementary Estimates | | Approved Estimates (Net) | | Cumulative Expenditure | | Outstanding Commitments | | Total Payment Commitments | | Balance | |
|------|----------|---|-----------------|------------------------|-------------------------|-----|--------------------------|-------------|------------------------|-------------|-------------------------|-----|---------------------------|-----|---------|-------------|
| | | | | | Kes | Kes | Kes | Kes | Kes | Kes | Kes | Kes | Kes | Kes | Kes | Kes |
| 1039 | 01 | | | | | | | | | | | | | | | |
| | | Food Security and Crop Diversification Project | 15,000,000 | | | | 8,750,000 | 17,376,577 | 0 | 17,376,577 | | | | | | -8,626,577 |
| | | Food Security and Crop Diversification Project | 20,000,000 | | | | 10,000,000 | 22,498,784 | 0 | 22,498,784 | | | | | | -12,498,784 |
| | | Travel Allowance | 20,000,000 | | | | 10,000,000 | 11,769,550 | 0 | 11,769,550 | | | | | | 1,769,550 |
| | | Boards, Committees, Conferences and Seminars | 10,000,000 | | | | 5,000,000 | 2,668,500 | 1,200,950 | 3,867,450 | | | | | | 1,112,550 |
| | | General Office Supplies (papers, pencils, forms, small office equipment etc) | 5,000,000 | | | | 2,500,000 | 998,400 | 371,200 | 1,337,600 | | | | | | 1,162,400 |
| | | Supplies and Accessories for Computers and Printers | 10,000,000 | | | | 5,000,000 | 1,988,730 | 858,450 | 2,847,180 | | | | | | 2,152,820 |
| | | Refined Fuels and Lubricants for Transport | 15,000,000 | | | | 2,500,000 | 18,597,100 | 0 | 18,597,100 | | | | | | -8,397,100 |
| | | Transport Costs and Charges (Freight, loading/unloading, clearing and shipping charges) | 5,000,000 | | | | 2,500,000 | 1,524,715 | 0 | 1,524,715 | | | | | | 975,285 |
| | | Maintenance Expenses - Motor Vehicles | 300,000,000 | | | | 148,750,000 | 35,115,600 | 31,811,085 | 66,295,885 | | | | | | 82,454,315 |
| | | Purchase of Certified Crop Seed | 490,000,000 | | | | 205,000,000 | 112,522,956 | 33,611,685 | 146,134,641 | | | | | | 58,865,359 |
| | | GROSS EXPENDITURE | | | | | | | | | | | | | | |
| | | Net Expenditure Sub Head 103901 | 490,000,000 | | | | 205,000,000 | 112,522,956 | 33,611,685 | 146,134,641 | | | | | | 58,865,359 |
| 02 | | | | | | | | | | | | | | | | |
| | | Mira Industry Revitalization Project | 2,500,000 | | | | 2,250,000 | 1,344,500 | 0 | 1,344,500 | | | | | | 955,500 |
| | | Travel Allowance | 1,000,000 | | | | 0 | 0 | 0 | 0 | | | | | | 0 |
| | | Remuneration of Instructors and Contract Based Training Services | 3,000,000 | | | | 1,500,000 | 158,950 | 0 | 158,950 | | | | | | 1,841,050 |
| | | Boards, Committees, Conferences and Seminars | 1,000,000 | | | | 500,000 | 150,000 | 259,440 | 409,440 | | | | | | 590,560 |
| | | Refined Fuels and Lubricants for Transport | 1,000,000 | | | | 500,000 | 150,000 | 150,000 | 150,000 | | | | | | 850,000 |
| | | Transport Costs and Charges (Freight, loading/unloading, clearing and shipping charges) | 500,000 | | | | 250,000 | 0 | 249,320 | 249,320 | | | | | | 250,680 |
| | | Maintenance Expenses - Motor Vehicles | 1,000,000 | | | | 0 | 7,173 | 0 | 7,173 | | | | | | 992,827 |
| | | Pre-feasibility, Feasibility and Appraisal Studies | 70,000,000 | | | | 55,000,000 | 50,169,625 | 24 | 50,169,649 | | | | | | 4,830,351 |
| | | Other Infrastructure and Civil Works | 80,000,000 | | | | 60,000,000 | 51,980,248 | 508,784 | 52,489,032 | | | | | | 7,510,968 |
| | | GROSS EXPENDITURE | | | | | | | | | | | | | | |
| | | Net Expenditure Sub Head 103902 | 80,000,000 | | | | 60,000,000 | 51,980,248 | 508,784 | 52,489,032 | | | | | | 7,510,968 |
| | | Net Expenditure Head 103900 | 570,000,000 | | | | 265,000,000 | 164,503,204 | 34,120,469 | 198,623,673 | | | | | | 66,376,327 |
| | | Total Net Expenditure vote D1169 | 570,000,000 | | | | 265,000,000 | 164,503,204 | 34,120,469 | 198,623,673 | | | | | | 66,376,327 |



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