



REPUBLIC OF KENYA

THIRTEENTH PARLIAMENT –FOURTH SESSION - 2025

NATIONAL ASSEMBLY

**SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS FROM
DEPARTMENTAL COMMITTEES AND STAKEHOLDER SUBMISSIONS ON
SUPPLEMENTARY ESTIMATES II FOR FY 2024/25 (Annex I and 2)**

MARCH, 2025

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 12 MAR 2025	
DAY: WED	
TABLED BY:	GLADYS BOSS CHAIR LIASON COMMITTEE
CLERK-AT THE-TABLE:	HAJIMA AHMED

ANNEXURES

Annex 1: Summary of Observations and Recommendations by the Departmental Committees



THE NATIONAL ASSEMBLY
THIRTEENTH PARLIAMENT - FOURTH SESSION - 2025

LIAISON COMMITTEE

**THE DEPARTMENTAL COMMITTEES OBSERVATIONS AND POLICY RECOMMENDATIONS MATRIX FOR SUPPLEMENTARY
ESTIMATES NO II**

**DIRECTORATE OF AUDIT, APPROPRIATIONS
& GENERAL-PURPOSE COMMITTEES
THE NATIONAL ASSEMBLY
PARLIAMENT BUILDINGS
NAIROBI**

MARCH 2025

ANNEX 1: DEPARTMENTAL COMMITTEES OBSERVATIONS AND POLICY RECOMMENDATIONS

DEPARTMENTAL COMMITTEE	OBSERVATIONS	POLICY RECOMMENDATIONS
Energy	State Department for Energy 1. That, the allocation for the State Department for Energy has been reduced by Kshs. 7.6 billion comprising of an increase of Kshs. 72.8 million for recurrent expenditure and a decrease of Kshs. 7.7 billion for development expenditure. 2. That, the State Department has experienced significant budget cuts affecting development expenditures to the tune of Kshs.7.7 billion which is a reduction of 17.5% compared to the approved FY 2024/25 annual estimates. The projects affected include key ones such as the Kenya Off-grid Solar Access Programme(KOSAP) and Olkaria 1 rehabilitation. 3. That, the State Department for Energy has historically struggled with low absorption rates of foreign-sourced funds, with the situation aggravated by the lack of timely delivery of counterpart funding to cater for wayleave acquisition. 4. 66. That, the lack of accurate and up-to-date data on electrification rates across various constituencies in the country by Kenya Power and REREC makes it challenging to identify underserved and unserved areas, allocate resources efficiently, and develop targeted strategies to improve electricity access hence resulting in many remote and marginalized communities remaining without reliable electricity access. State Department for Petroleum 5. That, the allocation for the State Department for Petroleum has increased by Kshs. 19.3 million comprising of an increase of Kshs. 19.3 million for recurrent expenditure and no overall change for the development expenditure. 6. That, Kshs.5.0 billion has been reallocated from the Oil Market Stabilization Budget of Kshs.27.0 billion with Kshs.3.5 billion being allocated to Kenya Petroleum Refineries Limited(KPRL) to cater for settlement of legacy debts outstanding on yield shift. However, the Committee noted that the documentation provided lacked critical details regarding the identities of the beneficiaries and the specific amounts owed.	State Department for Energy 1. That, the Principal Secretary for Energy in conjunction with the Principal Secretary for the National Treasury ensure that the amounts owed for project wayleave compensation are incorporated as a component of future loan agreements with foreign development partners within six months upon adoption of the 2024/25 Supplementary II Budget Estimates Report by the National Assembly. This approach will ensure that sufficient funds are allocated upfront for wayleave compensation, thereby preventing delays in project implementation. 2. That, the Cabinet Secretary for Energy and Petroleum in collaboration with the CEO of Kenya Power and REREC ensures there is the establishment of a comprehensive data collection and management system within six months upon adoption of the 2024/25 Supplementary II Budget Estimates Report by the National Assembly. This system should gather and maintain accurate, real-time data on electrification rates across all constituencies while utilizing advanced technologies such as GIS and remote sensing, and partnering with local authorities and Members of Parliament, in order to enable targeted resource allocation, strategy development, and effective monitoring to improve electricity access for underserved and unserved areas. State Department for Petroleum 3. That, the Cabinet Secretary for Energy and Petroleum in collaboration with the CEO of KPRL submits a comprehensive report to the National Assembly by 1st April 2025 that should include the names of all beneficiaries and specific amounts owed to each. This report should also include a clear timeline for disbursements and information on the verification process undertaken to authenticate the claims.
Lands	State Department for Lands and Physical Planning	

	1. The State Department for Lands and Physical Planning is seeking to revise its FY2024/25 budget to Kshs. 2.174 billion comprising of Recurrent at Kshs. 404 million and development at Kshs. 1.770 billion. 2. The State Department initiated a raft of reforms, which included the implementation of a cashless programme and boarding of all land transactions on the E-citizen platform, which drastically reduced revenue leakages and enhanced revenue collections across all their land stations countrywide. 3. Having witnessed a tremendous improvement in their revenue performance during the first half of the FY 2024/25, the State Department requested and got approval from the National Treasury to review their AIA budget estimates from Kshs.1.401 billion to Kshs. 2.2 billion. 4. The State Department entered into a contract for purchase of land at Kedong Ranch – Naivasha measuring 11,000 acres at a contract price of Kshs. 8,594,427,000 payable in five installments. The first installment (deposit) of Kshs. 1.7 billion was paid in FY 2023/24 and the second installment amount of Kshs. 1,723,606,750 was due for payment not later than 30th November, 2024 as per the payment terms of the Contract. Due to the austerity measures effected in Supplementary estimates 1 FY 2024/25, Kshs. 500 million was allocated towards the payment of this commitment leaving a balance of Kshs. 1,223,606,750 outstanding. National Land Commission 5. The Commissions' development expenditure budget for the FY 2024/25 was largely affected by the austerity measures implemented in Supplementary I Estimates by Kshs. 234 million. This has largely affected the ongoing projects implementation that includes; - the Commission's County offices connectivity, digitalization and digitization of Commission processes and records, cyber security systems and internet services licenses has since expired and is exposing the Commission with external cyber threats. If not settled, the Commission risks further accumulation of pending bills and/or possible litigation and loss of public confidence in the institution. 6. The National Land Commission is seeking funds of Ksh. 6,318,427 million to settle the gratuity payment for the 5 staff previously employed by the National Land Commission and whose contracts came to an end and as such, need to be paid their gratuity for the service they rendered to the	
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	Commission. 7. The Commission has a pending bill amounting to Kshs. 1,153,275,946.99 as at 31st December, 2024, which includes Kshs. 863,321,009 for non-legal fee and Kshs. 289,954,937 on historical legal bill which was submitted to the Pending Bills Verification Committee. 8. The National Land Commission requested for funds to bridge personal emolument shortfall in the FY 2024/25 and funds to implement the Commission's new structure as approved by Salaries and Remuneration Commission (SRC) <i>vide letter ref: NLC/8/27/(63)</i> dated 25th September, 2024. The National Treasury <i>vide letter ref: RES 2021/24 /01 'A' (14)</i> dated 8th October, 2024 responded to their request and guided that allocation of Kshs. 208 million be considered during supplementary estimates. However, during the said review, the Commission was allocated an additional Kshs. 176 million, a figure that was lower than the requested amount of Kshs. 208 million, resulting in a shortfall of Kshs. 32 million.	
Blue Economy, Water and Irrigation	State Department for Blue Economy and Fisheries 1. The Committee noted that the State Department has increment in its Gross Estimates of Kshs. 2.4 billion. It comprises of an increment of Kshs. 489.6 million for recurrent expenditure and an increment of Kshs. 1.9 billion for development expenditure. 2. The Committee noted that the following key areas have not been provided adequate funding: i. State Department (headquarters) requires an additional Kshs. 123 million comprising of Kshs. 100 million to fund the expanded mandate of the blue economy and Kshs. 23 million for payment of court awards issued to Okeno and Sons Building Contractors. ii. Kenya Fisheries Service (KeFS) requires an additional Kshs. 98 million to cater for shortfalls in medical insurance for staff. iii. Kenya Marine Fisheries Research Institute (KMFRI) requires an additional Kshs. 817 million comprising of Kshs. 272 million for payment of court awards and Kshs. 545 million for operationalization of the RV Mtafiti. 3. The Committee noted that the following key projects have not been provided for adequate funding: i. Phase 1 of the Liwatoni Ultra-Modern Fish Hub requires Kshs. 1 billion. ii. Fish Stock Assessment Project requires Kshs. 1 billion.	

	State Department for Irrigation 4. The Committee noted that the State Department has a reduction in its Gross Estimates of Kshs. 577.7 million. It comprises of an increment of Kshs. 207.3 million for recurrent expenditure and a reduction of Kshs. 785 million for development expenditure. 5. The Committee noted that the following key areas have not been provided adequate funding: - State Department (headquarters) requires an additional Kshs. 180 million for operation and maintenance. - National Water Harvesting and Storage Authority (NWHSA) requires an additional Kshs. 552 million comprising of Kshs. 442 million for pension arrears, Kshs. 80 million for operations and maintenance and Kshs. 30 million for shortfalls in personnel emolument. 6. National Irrigation Authority (NIA) requires an additional Kshs. 500 million for feasibility studies for various irrigation projects. 7. The Committee noted that the State Department the following key projects have not been provided for adequate funding: - Mwache Dam requires Kshs. 1.7 billion for counter-part funding to cater for compensation priority area 3. - Soin-Koru Dam requires Kshs. 3 billion for Resettlement Action Plan (RAP). - Umaa Dam requires Kshs. 1.9 billion to ensure the project is completed within the current timelines. - National Expanded Irrigation Project requires Kshs. 1.2 billion for settlement of pending bills and rehabilitation and expansion of existing public schemes. 8. Community Based Irrigation Programme requires Kshs. 500 million to ensure irrigation projects identified under Presidential directives are completed State Department for Water and Sanitation 9. The Committee noted that the State Department has a reduction in its Gross Estimates of Kshs. 22 billion. It comprises of an increment of Kshs. 876.2 million for recurrent expenditure and a reduction of Kshs. 22.9 billion for development expenditure. 10. The Committee noted that the following key areas have not been provided adequate funding:	
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	i. Lake Victoria South Water Works Development Agency (LVSWWDA) requires an additional Kshs. 167 million for shortfalls in personnel emoluments and operations of the Agency. ii. Water Resources Authority (WRA) requires an additional Kshs. 1 billion to cater for shortfalls in its AIA collection. There are three (3) constitutional petitions seeking to suspend implementation of some water user charges prescribed in the Water Resources Regulations, 2021. This has crippled the institution's capacity to collect its projected AIA. iii. Kenya Water Institute (KEWI) requires an additional Kshs. 98 million for shortfalls in personnel emoluments and operations of the Institute. iv. Water Sector Trust Fund (Water Fund) requires an additional Kshs. 414 million for shortfalls in personnel emoluments and operations of the Fund. v. Northern Water Works Development Agency (NWWDA) requires an additional Kshs. 110 million for shortfalls in personnel emoluments and operations of the Agency. vi. Lake Victoria North Water Works Development Agency (LVNWWDA) requires an additional Kshs. 86 million for shortfalls in personnel emoluments and operations of the Agency. vii. Tanathi Water Works Development Agency (TANATHI) requires an additional Kshs. 123 million for implementation of the approved salary structure by SRC and operations of the Agency. viii. Tana Water Works Development Agency (TWWDA) requires an additional Kshs. 354 million for shortfalls in personnel emoluments and operations of the Agency. ix. Coast Water Works Development Agency (CWWDA) requires an additional Kshs. 225 million for shortfalls in personnel emoluments and operations of the Agency. x. Hydrologists Registration Board (HRB) requires an additional Kshs. 30 million to operationalize the board since it is still at its inception stage and needs to develop the Hydrologist Bill and Regulations within FY 2024/25. xi. North Rift Valley Water Works Development Agency (NRVWWDA) requires an additional Kshs. 46 million for shortfalls in personnel emoluments and operations of the Agency.	
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	xii. Regional Center on Groundwater Resources (RCGWR) requires an additional Kshs. 40 million for shortfalls in personnel emoluments and operations of the Center. 11. The Committee noted that the State Department the following key projects have not been provided for funding: i. Kenya Towns Sustainable Water Supply and Sanitation Programme requires Kshs. 3.1 billion for counter-part funding. ii. Horn of Africa – Ground Water for Resilience Programme requires Kshs. 700 million for counter-part funding. iii. Water Supply and Sanitation for Urban Poor requires Kshs. 807 million for counter-part funding. iv. Mwache Dam Phase II requires Kshs. 1.4 billion for counter-part funding. v. Itare Dam requires Kshs. 3.1 billion to be restarted after stalling at 27% since September 2018. vi. Thwake Multipurpose Dam requires Kshs. 1.2 billion for counter-part funding. 12. Kisumu Water Supply requires Kshs. 520 million for counter-part funding.	
Tourism and Wildlife	State Department for Tourism 1. The State Department for Tourism has a proposed Supplementary II Estimates of KSh. 15.12 billion for the financial year 2024/25. This includes KSh. 14.5 billion for recurrent expenditure and KSh. 620 million for development expenditure. 2. The development expenditure of KSh. 620 million, reflecting an increase of KSh. 150 million, is fully funded through Appropriations-in-Aid (AIA). The additional KSh. 150 million has been allocated to the National Mapping and Development of Tourism Niche project, raising its total funding from KSh. 275 million to KSh. 425 million. This increase is designated to support the establishment of a Youth Hub and the implementation of a Youth Tourism Strategy. 3. The recurrent Appropriations In Aid target has been revised upwards from KSh. 9.30 billion to KSh. 13.94 billion, an increase of KSh. 4.63 billion. This increase is due to enhanced collections target from the Tourism Promotion Fund (KSh. 2.81 billion), Tourism Fund (KSh. 1.5 billion), the Kenya International Convention Centre (KSh. 103.18 million), Tourism Regulatory Authority (KSh. 164.25 million) and Kenya Tourism Board	

	(KSh. 52 million). State Department for Wildlife 4. The State Department for Wildlife has a proposed Supplementary II Estimates of KSh. 12.41 billion for the 2024/25 financial year. This includes KSh. 12.05 billion for recurrent expenditure and KSh. 360 million for development expenditure. 5. The net recurrent expenditure has been proposed to reduce marginally from KSh. 3.898 billion to KSh. 3.894 billion, indicating a reduction of KSh. 3.7 million in the Wildlife Conservation Headquarters item. 6. The Kenya Wildlife Service (KWS) currently has 2,009 ranger houses, against a required total of 3,000. To bridge this gap, KWS is exploring Public-Private Partnerships (PPPs) to accelerate the construction of approximately 1,200 houses in strategically viable locations. However, an additional 1,800 houses will still be needed in remote areas where PPPs may not be a feasible solution. 7. Delays in compensating victims of Human-Wildlife Conflict (HWC), as mandated by the Wildlife Conservation and Management Act CAP 376, have resulted in a surge in legal suits against the Kenya Wildlife Service (KWS). In the 2024/2025 financial year, KWS has incurred litigation and court award expenses totaling KSh. 430 million on litigation and court award expenses for concluded cases. This substantial financial burden has strained the operational budget, potentially affecting key conservation efforts and wildlife management activities. As at now, the KWS has received court orders for payment of HWC compensation and legal charges amounting to KSh. 950 million, with numerous threats of garnish orders, that threaten their operations accounts. 8. Kenya Wildlife Service (KWS) operates a fleet of 14 aircraft that play a vital role in wildlife security, conservation, and management across the country. Aerial support is essential for key operations, including security surveillance to combat wildlife crime, managing problematic animals to reduce human-wildlife conflict, providing veterinary assistance for injured or diseased wildlife, conducting search and rescue missions, transporting personnel and supplies, wildfire management, and supporting national security initiatives. However, the current operational budget is insufficient to sustain these critical services, particularly for helicopters, amid increasing conservation challenges. This financial gap significantly limits KWS's ability to conduct essential aerial patrols, wildlife monitoring, and anti-poaching efforts. As a result, KWS is requesting an additional KSh. 200 million in funding to
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	ensure the continued effectiveness of its aerial operations. 9. As of September 30, 2024, the total outstanding pending bills stood at KSh. 2.94 billion. Of this, recurrent pending bills amounted to KSh. 2.79 billion, with verified and payable Human-Wildlife Conflict (HWC) compensation claims accounting for KSh. 2.764 billion, while ministerial pending bills stood at KSh. 25.4 million. Additionally, development-related pending bills for the same period totaled KSh. 152.59 million. 10. The creation of the Wildlife Conservation Trust Fund is in progress, with the necessary funds already deposited. However, an additional KSh 50 million is required for resource mobilization, recruitment, staff maintenance, and other operational activities. 11. The rehabilitation and research training facility in Malindi has been completed and is awaiting the necessary equipment to become fully operational. A further KSh 100 million is needed to equip the center for its full functionality.	
Labour	1. There is persistent and perennial in-year (supplementary budget estimates) revisions of personnel emoluments across the Ministries, Departments, Agencies and Commissions to cater for shortfalls of salaries highlighting weak public finance planning architecture and lack of credibility in the national budget. 2. The National Treasury issued an austerity/ expenditure rationalization circular for certain expenditure items at the commencement of the current financial year (FY) which was ratified and approved at the Supplementary (I) Estimates for FY 2024/25. However, the Supplementary Estimates II for FY 2024/25 have negated the contents of the said circular. 3. There are functions and government priorities that have emerged as part of the Kenya Kwanza administration agenda as well as commitments to international organisations that the country has an obligation to, however these functions have remained grossly underfunded. The programmes include Labour Mobility and participation in International Labour meetings. 4. There seems to be communication breakdown between the National Treasury and Ministries, Departments and Agencies on the timely release of resources for implementation of already approved donor funded projects which affects their roll out. These resources may be lying idle in the National Treasury and accumulating interest, thus creating an unnecessary future debt burden to the Country. 5. There is perennial and persistent allocation of meagre resources and delays in cheque releases for development projects in the MDA's and this affects	7. On or before 30th April, 2025, the National Assembly through the Parliamentary Budget Office (PBO) should carry out an extensive baseline costing on compensation to employees across all MDAs with a view to ascertain the actual personnel emoluments that are budgeted for in the next Financial Year. 8. In regard to budget preparation and execution of externally funded programmes and projects, the National Treasury should establish respective programme / project inter-ministerial Project Implementation Units (IPU's) for ease of coordination and implementation of the said projects. The respective IPU's members list should be submitted and tabled in the National Assembly for noting before the commencement of each project or programme. 9. Before the submission of the FY 2025/26 budget estimates, the National Assembly to review the resource allocation for existing and emerging functions of State Department for Labour and Skills Development and Public Service Commission in line with the Kenya Kwanza government priorities and presidential directives with a view of providing adequate resources to enable the agencies achieve their mandates. 10. All MDAs MUST prioritise to settle any pending bill within Ninety (90) days after the beginning of any Financial Year.

	the completion of these projects. This has resulted into huge pending bills and penalty charges by service providers and contractors. 6. Even though the Supplementary estimates II for FY 2024/25 has revised the financial resource allocations, the expected corresponding revision on key outputs and target have not been effected thus undermining the credibility of the programme based budgeting system.	11. In future, any National Treasury Circulars MUST be submitted to the National Assembly.
Administration and Internal Security	Executive Office of the President, Vote 1011 1. The gross Approved Estimates for the Executive Office of the President in the FY 2024/25 amounts to KSh.3, 584 million for current expenditure. The Approved Estimates have been proposed for upward revision to KSh. 4,236.1 million reflecting a proposed net increase of KSh.651.7 million on account of actual requirement for personnel emolument, operations & maintenance expenses and donor funded project. Other changes are on account of reallocation of funds. 2. The proposed additional allocation will go towards Government Printing Services - KSh. 70.7 million to settle pending bills of overtime allowances for staff at the Government Printer, General Administration, Planning and Support Services- KSh. 498 million to support multi agency strategic intervention and bridge shortfall in Personnel Emoluments across the Office as well as support to the Government Spokesperson office, Leadership and Coordination of Government Services – KSh. 105 million to enhance the Operations of Kenya International Boundary Office and the National Lottery Board. 3. On budget implementation as of 31st December 2024, the Office had absorbed 46.8 percent of its total budgetary allocation of KSh. 3,584.5 million. 4. The Office requested additional funding amounting to KSh. 3,048.6 million mainly to cover pending bills and carry overs amounting to KSh. 344.8 million, Multi-Agency strategic Intervention-KSh. 200 million, Commission of Inquiry, tribunals and selection panel of PSC Commissioners-KSh. 213 million, the National Lottery Board-KSh. 233.9 million among others. Office of the Deputy President, Vote 1012 5. The gross Approved Estimates for Office of the Deputy President in the FY 2024/25 was KSh.2, 598 million for Current expenditure. The Approved Estimates has been proposed for revision to KSh.3 billion from KSh.3, 018.6 million under the FY 2024/25 Supplementary Estimates No. II, reflecting a net increase of KSh.420.4 million on account of personnel emolument and operations & maintenance expenses. Other proposed changes are on account of reallocation of funds.	

	6. The proposed increased would go towards Gratuity paid to staff whose contracts were terminated-KSh. 170.4 million, Other Operating expenses-KSh. 100 million, procurement of Medals and Honors-KSh. 50 million, Hiring of Transport Services-KSh. 50 million, Hospitality expenses-KSh. 20 million and local travel- KSh. 20 million. 7. On budget implementation for the first half of the year, the Office had absorbed 50 percent of its budgetary allocation as per the approved Supplementary I of 2024/2025 with the General Administration and Support Services sub-programme recording an absorption of 57 percent on account of increased Personnel Emoluments while the sub-programme on Government strategic intervention recording an absorption of 34 percent on account of delayed re-organization of the office. Office of the Prime Cabinet Secretary, Vote 1013 8. The gross Approved Estimates for the FY 2024/25 amounts to KSh.721.7 million comprising of Current expenditures. The Approved Estimates have been revised from KSh.721.7 million to KSh.955.1 million under FY 2024/25 Supplementary Estimates No. II. This reflects an increase of KSh.233.4 million. The overall change in the Current expenditure is on account of reduction in the provision for personnel emoluments to reflect the actual requirement and additional funding to cater for expenses of the Office of the Prime Cabinet Secretary, while the change in Capital expenditure is on account of additional donor funding towards support for the National Government Coordination Secretariat. 9. The rationalization of the OPCS FY 2024/2025 in supplementary I by KSh. 419.1 million had stalled full operationalization of the PCS coordination and Supervision services which is the core mandate of the office in assisting the President and the Deputy President in coordination and supervision of Government Ministries and State Departments. 10. On budget implementation, the OPCS had absorbed 46.1 percent of its budgetary allocation by December 2024. The expenditure included payment of KSh. 79.2 million towards pending bills. 11. The payment of 2023/24 pending bills led to budget shortfall in the approved provisions for payment of rent by KSh. 27 million, contracted guards and cleaning services by KSh 24.89 million and other critical expenditure areas amounting to KSh. 27.3 million. 12. The Office had shortfalls mainly occasioned by the rationalization of estimates in Supplementary I amounting to KSh. 1,054.9 million. The critically underfunded areas included payment of Office Rent-KSh. 27 million, contracted guards and cleaning services – KSh. 25 million,
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	monitoring the implementation of National Government priority projects- KSh. 25 million, facilitation of BETA priority projects field verification- Kshs. 83.6 million, among others. State Department for Parliamentary Affairs, Vote 1014 13. The gross Approved Estimates for the FY 2024/25 is KSh.363.9 million for Current expenditures. The Approved Estimates have been proposed for a reduction from KSh.363.9 million to KSh.339.0 million under the FY 2024/25 Supplementary Estimates No. II. This reflects a decrease of KSh.24.9 million. The overall change is on account of the rationalization of personnel emoluments to reflect the actual requirement and additional funding to cater for operations and maintenance. 14. The State department requested additional KSh. 138 million to enhance their operations. 15. On budget implementation as of 31st December 2024, the State Department had realized an expenditure of KSh. 143.1 Million. This translates to an absorption rate of 39.3 % of the total budget for FY 2024/25. State Department for Performance and Delivery Management, Vote 1015 16. The gross Approved Estimates for the FY 2024/25 is KSh.507.9 million for current expenditures. The Approved Estimates have been proposed for upward revision to KSh.632.8 million under the FY 2024/25 Supplementary Estimates No. 2. This reflects an increase of KSh.124.9 million. The overall change is on account of additional funds to cater for personnel emoluments and additional funding for operations and maintenance. 17. The State Department requested for additional KSh. 78 million with the following areas observed to be critically underfunded - KSh. 7.8 million to Undertake Annual Performance Evaluation for MDAs placed on Performance Contracts, KSh. 15 million to automate the Performance Contracting Processes, KSh. 15 million to support Government Delivery Unit operations, KSh. 15 million to facilitate the Office of the Deputy Chief of Staff. 18. On budget implementation, the State Department has a total budget of Kshs. 507.85 million for the FY 2024/25. As of 31st December 2024, the total expenditure for the State Department was Kshs. 263.38 million translating to an absorption rate of 51.8%. State Department for Cabinet Affairs, Vote 1016 19. The gross Approved Estimates for the FY 2024/25 are KSh.228.7 million for Current expenditures. The Approved Estimates have been proposed for reduction to KSh.218.7 million under the FY 2024/25 Supplementary	
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	Estimates No. II. This reflects a decrease of KSh.10 million on account of the rationalization of personnel emoluments to reflect the actual requirement. 20. The State Department requested for additional KSh. 493 million to address critically underfunded areas, mainly KSh. 185 million towards monitoring implementation of Cabinet Decisions, KSh. 119 million towards Value for money public sector reforms programmes, KSh. 35 million towards Development of Electronic Documents and Records Management System, KSh. 31 million towards Special Government Initiative – Development of Guidelines, KSh 60 million towards communication system and KSh. 63 million towards Office furniture. 21. The State Department's absorption as of 31st December 2024 was Kshs 89.37 Million out of Ksh132.2 million translating to 68% absorption. State House, Vote 1017 22. The gross Approved Estimates for State House in the FY2024/25 amounts to KSh.4, 307.5 million. The Approved Estimates have been proposed for upward revision to KSh.8,517 million reflecting an increase of KSh.4,209.5 million on account of actual requirement for personnel emolument to end June 2025 and to cater for shortfall on operations & maintenance expenses and maintenance of State House and State Lodges physical infrastructure. Other changes are on account of reallocation of funds. 23. The printed Estimates for FY 2024/15 were KSh. 9,496 million which was revised to KSh. 4,307.5 million during supplementary I translating to 54% budget cut. This affected budgetary allocation for Personnel emoluments, contractual obligations and other critical operations and maintenance expenditure hence the proposed additional funding in supplementary II. 24. On budget implementation, the cumulative expenditure for FY 2024/25 as at 31st December 2024 amounted to KSh. 3,663.3 million against gross approved estimates of KSh. 4,307.5 million translating to an absorption rate of 85 percent. 25. The proposed increases will mainly go towards State House Nairobi to address Other Operating Expenses-KSh. 1,500 million Domestic Travel-KSh. 732 million, Personnel Emoluments-KSh. 700 million, Hospitality Services-KSh. 313.6 million and Vehicle Maintenance-KSh152 million. Other significant changes include additional allocation of KSh. 88 million to go towards Administration of Statutory Benefits to retired President and other designated State Officers which included –KSh. 23 million to the 4th Retired President, KSh. 25 million to the Office of the retired Vice President, KSh. 25 million to the 2nd Retired Vice President and KSh. 20 million to the	
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	Former Prime Minister. 26. State House was granted approval for additional funding of KSh. 1,500 million under Article 223 to address urgent operations and maintenance expenditures which were not sufficiently funded but had only accessed/withdrawn KSh. 160. 6 million on the 17th February 2025. They were now seeking approval of this expenditure in line with Article 223 and SO 243. State Department for Immigration and Citizen Affairs, Vote 1024 27. The gross Approved Estimates for the State Department for Immigration and Citizen Services in the FY 2024/25 is KSh.14.3 billion comprising of KSh.9.9 billion and KSh.4.4 billion for Current and Capital expenditures respectively. The Approved Estimates have been revised from KSh.14.3 billion to KSh.20.1 billion under the FY 2024/25 Supplementary Estimates No. II, reflecting an increase of KSh.5.9 billion on account of shortfall on personnel emolument, e-Citizen services, Electronic Travel Authorization system, 3rd Generation Identity cards and e-Passports. Other changes are on account reallocation of funds. 28. The specific major expenditure items under the proposed increases included KSh. 2,434.5 million towards Electronic Travel Authorization, Kshs. 2,000 million towards e-citizen comprising of KSh. 1,700 million for capital expenditure and KSh. 309 million for current expenditures, KSh. 1,003.2 million capital expenditure towards purchase of e-passport books. Other significant increases included KSh. 125 million towards HQ-Administrative Service, KSh. 100 million towards Civil Registration Field Services, KSh. 114.7 million towards National Registration for Personnel Emoluments and KSh. 147 million for Immigration Department to enhance Operations and Maintenance. 29. The proposed increases under the State Department will mainly be financed through enhanced Appropriations in Aid for the State Department. To this end, Appropriations in Aid for the State Department will rise from KSh. KSh. 3,945 million KSh. 9,370.7 million. 30. The major specific items to be financed through AIA included payments to Electronic Travel Authorization (ETA) - KSh. 2,434 million, e-citizen operations- KSh. 300 million, Purchase of-passport books -KSh. 1,003.2 million, e-citizen (Capital) -KSh. 1,700 million among others. 31. The National Treasury submitted that the expenditures amounting to KSh. 5.4 billion, mainly financed by AIA, were additional expenditures through Article 223 of the Constitution. However, the committee observed that the
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	expenditure incurred was only KSh. 807 million relating to Electronic Travel Authorization. National Police Service, Vote 1025 32. The gross Approved Estimates for the National Police Service for the FY 2024/25 is KSh. 108.7 billion comprising KSh.108.6 billion and KSh.35 million for Current and Capital expenditures respectively. The Approved Estimates have been proposed for additional allocation by Ksh. 6.3 billion to stand at KSh.115.0 billion under the FY 2024/25 Supplementary Estimates No. II on account of the Multi-National Security Support Mission to Haiti, enhanced security operations and maintenance & upgrade of Systems under the Directorate of Criminal Investigations. Other changes are on account of reallocation of funds. 33. The specific major proposed increases included KSh.5,000 million towards Insurance cost, KSh. 2,461 million towards Haiti Peace keeping mission KSh. 300 million towards multi-agency security operations, KSh. 200 million towards Presidential Escort Unit & Reece G company and KSh. 500 million towards the Directorate of Criminal Investigations for APFIS upgrade and maintenance of systems. 34. The proposed KSh. 5,000 million was still not adequate given that the supplementary Estimates had only given KSh 3.5 billion and there was still a deficit of KSh. 6.57 billion. 35. The National Police Service had not paid claims relating to group Life cover due to lack of budgetary provision and there were pending claims amounting to KSh. 2 billion. There was need to approve the proposed KSh. 5,000 million towards medical insurance to partly be specifically for Group Life medical cover. To this end, there was need to retain KSh. 3 billion to go towards medical insurance and KSh. 2 billion to go towards Group Life Cover. 36. The police operations were severely underfunded. The total requirement for security operations amounted to KSh. 11,383.8 million but the revised budget had only left KSh. 5,334 million for the entire financial year. Other critically underfunded areas included food and ration underfunded by KSh. 1,464 million, purchase of police security communication equipment underfunded by KSh. 2,000 million, training expenses underfunded by KSh. 432 million among others. 37. The service had not expended money on the Development expenditure which had a budgetary allocation of KSh. 35 million for public Participation projects. The projects of construction of Police post at Ochoria in Muhoroni,
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	construction of Obunga Police Camp and the construction of Police Station office Block in Kikambuni had not taken off due to lack of land. There was therefore a need for the resources to be re-allocated. 38. The National Treasury had approved additional expenditures under Article 223 amounting to KSh. 2,661 million as emergencies but only KSh.770.8 million had been withdrawn from the Consolidated Fund and a further KSh. 39.2 million had been spent through AIA financing. State Department for Internal security and National Administration, Vote 1026. 39. The gross Approved Estimates for the State Department for Internal Security and National Administration in the FY 2024/25 is KSh.28.2 billion comprising KSh.27.8 billion and KSh.360.2 million for Current and Capital expenditures respectively. The Approved Estimates have been proposed for upward revision to KSh.37.6 billion under the FY 2024/25 Supplementary Estimates No. II, reflecting an increase of KSh.9.4 billion on account of shortfall on personnel emolument, enhanced security operations and Police Modernization Programme. Other proposed changes were on account of reallocation of funds. 40. The specific additional Recurrent expenditures under this supplementary included KSh. 5,000 million for security operations, KSh. 820 million towards Domestic Travel, Ksh. 180 million towards Hospitality Services, KSh. 200 million towards Kenya Coast Guard and KSh. 390 million towards County Administration for Personnel Emoluments. The additional Capital expenditures included KSh. 2,500 million towards National Police modernization. 41. The State Department was a beneficiary of additional expenditures through Article 223 of the Constitution. To this end, the National Treasury had approved KSh. 6,900 million to be expended as emergencies and be approved by the National Assembly later. These expenditures included KSh. 4,400 million for operations including security operations and KSh. 2,500 for the National Police modernization. 42. The State Department had shortfalls amounting to KSh. 10,498 million comprising of KSh. 3,831 million for recurrent expenditures and Kshs. 6,667 million for development expenditures. The most critical shortfalls included KSh. 40 million by the Private Security Regulatory Authority to cater for public participation in the Private Security Regulations 2024 and operationalization of 6 regional offices, KSh. 55 million by the Public Benefits Authority to cater for implementation of the PBO Act and other operational expenses and KSh. 258 million to cater for the operationalization of newly gazetted NGA offices.
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	National Police Service Commission 43. The Commission was not affected by the Proposed Supplementary though it was observed they had shortfalls amounting to KSh. 207.9 million. Critical shortfalls areas included KSh. 19.7 million towards legal claims and court awards, KSh. 14.1 million towards Insurance cost and KSh. 7.5 million towards domestic travel Independent Policing Oversight Authority 44. The gross Approved Estimates for the Independent Policing Oversight Authority for FY2024/25 is KSh.1.09 billion for Current expenditure. The changes in the FY 2024/25 Supplementary Estimates No. II are on account of reallocation of funds, with no changes on the planned targets. 45. The Authority was underfunded to the tune of KSh. 190.1 million. The most critically underfunded areas included KSh. 20 million towards the induction of newly appointed Board members and KSh. 30 million towards complaints, investigations and monitoring services	
Sports and Culture	State Department for Sports 1. That the proposed budget ceiling for the State Department in FY 2025/26 is Kshs. 18.68 billion, comprised of Kshs. 1.58 billion for recurrent expenditure and Kshs. 17.1 billion for development expenditure. This is against a total resource requirement of Kshs. 2.52 billion and Kshs.59.3 billion for recurrent and development expenditure, respectively. 2. That from the development ceiling of Kshs 17.1 billion, the estimated Appropriation in Aid (AIA) from Sports, Art and Social Development fund will be Kshs. 17 billion and Kshs. 100 million will be from the exchequer. 3. That the construction of stadia earmarked for CHAN and AFCON 2027, is a joint venture between the State Department for Sports and the Ministry of Defense, where the former is playing only oversight role, while the latter is tasked with procurement, supervision and execution. The Committee however noted a lack of clarity on the projected costs of the Stadia and the actual funds expended on the same so far. 4. That the 2025 BPS is proposing to complete infrastructure projects in the State Department. These include, rehabilitation and construction of stadia earmarked for AFCON 2027 and CHAN, training grounds, establishing of 160 Constituency Sports Academies, completion of stalled and incomplete stadia and Phase 1B of the Kenya Academy of Sports Complex. The	State Department for Sports 1. That the Cabinet Secretary for the Ministry of Youth Affairs, Creative Economy and Sports fast-tracks the review of the Sports Act 2013 to strengthen the institutions in the State Department for Sports including the Kenya Academy of Sports, Kenya Rallying School, Office of the Sports Registrar to ensure the institutions are adequately staffed and funded, as they play key roles in talent identification, nurturing and marketing. The reviewed legislation should be submitted to Parliament for consideration and approval by 30th September, 2025. 2. That the Cabinet Secretary for the National Treasury and Economic Planning should create budget line items in the FY 2025/26 development expenditure budget books for the Sports, Arts and Social Development Fund, clearly indicating apportioned percentages outlined in the Public Finance Management (Sports, Arts, and Social Development Fund) Regulations, 2018 of 35% to the promotion and development of sports; 40% to social development including universal health care; 20% to the promotion and development of arts; and 5% to government strategic interventions. This will ring-fence the allocation in the National Treasury's annual budget estimates

	Committee observed that these projects are capital intensive and will be funded by Sports, Arts and Social Development Fund. 5. That the State Department, in conjunction with the National Treasury has initiated the process of securitization of the Sports, Arts and Social Development Fund. However, there is no clarity on the Legal Framework and administrative modalities for the same.. State Department for Culture, the Arts and Heritage 6. That the proposed budget ceiling for the State Department in FY 2025/26 is Kshs. 3.54 billion, comprised of Kshs. 3.45 billion for recurrent expenditure and Kshs. 90 million for development expenditure. 7. That despite the ratification of the UNESCO 1970 Convention on the Means of Prohibiting and Preventing the Illicit Export and Transfer of Cultural Property, programmes for repatriation Kenyan cultural artefacts held in foreign capitals have not been adequately funded. Similarly, there exists no policy on restitution and reparation of the Kenya artefacts estimated to be over 30,000 spread across Europe and America. 1. That the State Department for Culture and Heritage has a development expenditure ceiling of Kshs. 90 million versus a recurrent expenditure ceiling of Kshs. 3.45 billion. This is despite that heritage sites under the National Museums of Kenya are in a dilapidated state, including facilities such as the Kenya National Theatre which if properly funded and rehabilitated will be a source of revenue for the Government. 2. That capital projects in the State Department such as Marachi Cultural Centre, Wundanyi Resource (Youth and Talent) Centre, Refurbishment of Archives Offices, and Rehabilitation of Basic Facilities at Bomas have been affected by budget cuts and low exchequer issues therefore affecting implementation and completion of the projects. 3. That the Bomas of Kenya is currently in the initial stages of constructing an ultra-modern conference facility. The State Department has not furnished the Committee with clear funding modalities for the project, including projected costs, source and funding arrangements and timelines. 4. That the Natural Product Industry is a BETA priority that requires adequate funding for pre-clinical trials for natural health products, undertaking ongoing research on vaccines/ treatment and contraceptive study, training	therefore promoting transparency and accountability. 3. That, the Cabinet Secretary for Youth Affairs, Creative Economy and Sports and the Cabinet Secretary for Defense table a Report before the National Assembly clearly indicating the working modalities between the two Ministries in respect of the construction of CHAN and AFCON stadia and training grounds. The report should indicate the projected costs, completion timelines and amounts expended to date. The Report should be submitted within thirty (30) days of the tabling of this Report.. State Department for Culture, the Arts and Heritage 4. That the Cabinet Secretary for Gender, Culture, the Arts and Heritage should submit to the National Assembly within thirty (30) days of the tabling of this report, a report on the funding modalities for the Bomas International Conference Centre. The Report should entail the total projected cost of the project, the current status, funding arrangements, exchequer contribution if any, and the projected timelines for completion. 5. That the Cabinet Secretary for Gender, Culture, the Arts and Heritage should fast track the development of the licensing, monitoring, collection and distribution system of royalties to artists as a way of rewarding creativity and talent. This will address the perennial litigations that have often paralyzed the collection of royalties in the country arising from rivalry among Collective Management Organizations. The Cabinet Secretary should submit a status report to Parliament by 30th June, 2025. 6. That the Cabinet Secretary for Gender, Culture, the Arts and Heritage in conjunction with the Cabinet Secretary for National Treasury and Planning should fast track the operationalization of the 'National Heroes' Fund, as established pursuant to Section 21 of The Kenya Heroes Act CAP 216B; to honour and support national heroes and to ensure they live dignified lives. The operationalization should start in the 2025/2026 Financial Year and be implemented progressively over the Medium Term. 7. That the Cabinet Secretary for the Ministry of Gender, Culture, The Arts and Heritage should complete the review of the Copyright Act to strengthen the Kenya Copyrights Board (KECOBO) that will ensure there are proper policies and regulations that will streamline the functions of Collective
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	technical officers on indigenous knowledge management, oversee agreements signed between Indigenous Knowledge (IK) holders and users to access Indigenous Knowledge, acquiring natural products from traditional health practitioners, providing and training farmers on African indigenous vegetables (AIV) certified seeds, marketing Natural Products, and collecting and creating a repository of Indigenous Knowledge. These are core activities that protect Kenyan indigenous plants and foods which are part of the country's rich cultural heritage. 5. That, the National Kiswahili Council of Kenya Bill and the National Heritage and Museums Bill are still under review at various stages within the Executive. These pieces of legislation are key in the preservation and promotion of the country's rich cultural heritage. 6. That the National Heroes' Fund, established under the Kenya Heroes Act, CAP 216B has not been operationalized since inception. This was aimed establishing a framework for addressing the welfare of heroes by administering state assistance and making heroes dignified. 7. That, the Kenya Copyright Board is establishing a licensing, monitoring, collection and distribution system of royalties to artists. This is expected to address the perennial challenges associated with the Collective Management Organizations (CMOs), where only a small percentage of collected funds get to the artists. The Kenya Copyright Board (KECOBO) requires additional funding to implement the system. 8. That, the State Department for Culture, through the Permanent Presidential Commission on Music has conceptualized a project geared at establishing music recording studios in every county. This is informed by the reality that access to professional grade resources for recording the work of artists is limited. The establishment of such studios will address the critical lack of infrastructure and support for young artists, offering them the tools and environment necessary for producing high quality music. State Department for Youth Affairs and Creative Economy 9. That the Committee oversees the Film Development Services programme and the proposed budget ceiling in FY 2025/26 is Kshs. 738.7 million, comprised of Kshs. 662 million for recurrent expenditure and Kshs. 76.7 million for development expenditure. The Film Development Services	Management Organizations (CMO) and the regulator in order to ensure proper management, collection, accountability and payment of royalties to owners of intellectual properties and submits the same to Parliament for consideration and approval by 30th April 2025. 8. That the Cabinet Secretary for Gender, Culture, the Arts and Heritage should fast track the enactment of various enabling legislations and policies such as the National Kiswahili Council Bill, the Policy on Restitution and Repatriation of artefacts and the National Heritage and Museums Bill to preserve and promote Kenya's Cultural heritage. The Cabinet Secretary should submit a status report to Parliament by 30th June, 2025. 9. That the Cabinet Secretary for the National Treasury and Economic Planning should ensure that BETA priorities in the sector are adequately funded in FY 2025/26. This includes the National Products Industry (NPI) which plays a critical role of conducting research, clinical trials, capacity building and creating a repository of Indigenous Knowledge (IK) and African indigenous vegetables (AIV) and should maintain the baseline allocation of Kshs. 160 million. State Department for Youth Affairs and Creative Economy 10. That the Cabinet Secretary for the National Treasury and Economic Planning should ensure that programmes in the creative industry are adequately funded in FY 2025/26. These are key priorities implemented by the Kenya Film School, the Kenya Film Classification Board and the Kenya Film Commission that will enhance the growth of the film industry in the county as well as creating employment and monetizing the creative industry among the youths. 11. That the Cabinet Secretary for Youth Affairs, Creative Economy and Sports should fast track the enactment and subsequent submission of the Creative Economy Policy and the Creative Economy Bill to the National Assembly by 30th September, 2025.
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	comprises of the following institutions: Kenya Film Commission, Kenya Film Classification Board, African Audio-Visual Cinema Commission (AACC) and the Kenya Film School. 10. That the Creative sector is currently operating in a policy and legal lacuna, where the Creative Economy Policy and the Creative Economy Bill are still at nascent stages of formulation. 11. That the Kenya Film Classification Board is one of the State Corporations proposed for dissolution after the functions are transferred back to the Ministry or other relevant State Corporations. The Committee observed that it is the best practice internationally that content creation and the film industry have a regulator that is semi-autonomous. 12. That the Kenya Film Commission requires an additional Kshs. 150 million to create a film repository and archives in the country, undertake capacity building for the film industry across 8 regions in the country supporting local talent in production, setting up regional film hubs creating a suitable infrastructure for the film industry, implementation of the Kalasha Awards that will showcase Kenyan talent and market the Kenyan film industry at the Cannes Film Festival and other major European film festivals. 13. That the Kenya Film Classification Board requires an additional Kshs. 80 million to conduct random inspections to check for compliance, to register film agents and issue filming licenses, to examine and classify film content, to conduct random inspection of cinema theatres and to conduct consumer awareness programmes.	
Environment, Forestry and Mining	State Department for Environment and Climate Change 1. Supplementary Estimate No. 2 for FY 2024/25 proposes to increase the total expenditure for the State Department by Kshs. 619 million (13.9 percent). This comprises of increases of Kshs. 182 million (5.8 percent) for recurrent on account of GoK Exchequer funding and Kshs. 437 million (33.4 percent) for development expenditure on account of additional funding of externally funded projects (<i>Grant Revenue</i>). 2. The Committee noted that the increment in recurrent estimates is due to the increase in GoK exchequer funding of Kshs. 182 million towards several entities, namely the National Environment Management Authority (NEMA), by an increase in Kshs. 133 million, National Environmental Trust Fund (NETFUND) by an increase of Kshs. 80 million on account of a deficit in personnel emoluments and office operations, and Headquarters by a decrease of Kshs. 31 million on account of personnel emoluments. 3. The Committee noted that the State Department has received a proposal of Kshs.	

	437 million total increment in the capital projects' budget, and this is on account of five key projects: - Kenya Enhanced Transparency Framework Reporting Programme to the United Nations Framework Convention on Climate Change (UNFCCC) Project has an increase of Kshs. 90 million. This will go towards supporting the State Department in developing and completing the Third Greenhouse Gas (GHG) Inventory Report. - Agroforestry and Commercial Forestry has an increase of Kshs. 1 million. This will go towards facilitating the completion of 47 County-based Commercial Enterprises. - Strategic Sector Support Phase II has a decrease of Kshs. 24 million. This is due to the end of the current project phase. - Enhancing Community Resilience & Water Security (<i>NEW</i>) has an allocation of Kshs. 300 million (foreign financed). This will facilitate the achievement of 100% enhancement of climate resilience in communities; - Lake Naivasha Basin Ecosystem-Based Management (<i>NEW</i>) has an allocation of Kshs. 70 million (foreign financed). This will go towards undertaking the restoration of 40 Ha of degraded forest areas and training for Water Resource User Associations (WRUAs), Community Forest Associations (CFAs), and Green Shop operators. 4. The Committee further noted that the Kenya Meteorological Department which is responsible for the dissemination of weather updates Issuance of severe weather warnings and implementation of Quality Management Systems (QMS) for Aviation is greatly underfunded impeding the Modernization and Monetization of Meteorological Services to enhance Climate Information under the National Framework of Climate Services. To achieve their mandate, the Department requires an additional Kshs. 170 million concerning: Kshs. 20 million for Water and Electricity; Kshs 40 million for Food and Ration to cater for shift workers at the Airport; Kshs 20 million for Fuel and Maintenance Motor Vehicle; Kshs 20 million for Internet and communications; Kshs 10 million for Contracted Guards and Cleaning Services; Kshs 20 million for Climate Change Activities and Kshs 40 million to cater for Operations of the Institute of Meteorological Training and Research (IMTR). 5. The Committee noted that although the State Department acknowledges the financing challenges facing the government as well as emerging expenditure pressures that require reprioritization of expenditure to be within a sustainable fiscal framework, the inadequate exchequer funding to NEMA and NETFUND of Kshs. 800 million and Kshs. 124 million respectively will affect significant	
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	shortfalls in personnel emoluments and office operations. 6. The Committee further noted that climate change and associated extreme weather events (floods, droughts, rising temperature, increased frequency of wildfires, and climate variability) threaten sustainable development and impacts negatively on the sector. Recurrent flooding and droughts affect food production, water supply, housing access, and the general livelihoods of the people. State Department for Forestry 7. Supplementary Estimate No. 2 for FY 2024/25 proposes to reduce the total expenditure for the State Department by Kshs. 302.8 million (2.5 percent). This comprises an increase in recurrent expenditure of Kshs. 169.2 million (1.9 percent) and a reduction in development expenditure of Kshs. 472 million (15.5 percent). 8. The increment in recurrent estimates is due to an increase in GoK exchequer funding of Kshs. 138 million to the Kenya Forestry Research Institute and Kshs. 31.2 million to the Headquarters to cater for the shortfall in personnel emoluments. 9. The Committee noted that the State Department has received a proposal for a reduction of Kshs. 472 million in development estimates on account of two key projects: i. Capacity Development for Modern Technology in Forest Fire Management has a reduction of Kshs. 272 million. This project involves developing and establishing effective fire detection, surveillance, and radio communication systems and fire suppression through appropriate training and fully equipping firefighting crews with modern firefighting equipment and tools, firefighting vehicles, troop carriers, and drones. The project is financed as per the signed financial agreement between the Government of Kenya (GoK) and the French Republic at an estimated cost of Kshs. 3.339 billion and was scheduled for completion in June 2025. Currently, approximately 70% of the work has been done. The foreign funding budget cut will hurt the contractors' ability to supply the equipment and install the required systems within the stipulated contractual period. ii. Green Zones Development Support Project Phase II has a reduction of Kshs. 200 million. This project is charged with the mandate of conserving the country's forests and enhancing community livelihood for climate change resilience. The project is financed as per the signed financial agreement between the African Development Bank and the Government of Kenya at an estimated cost of Kshs. 5.498 billion and was scheduled for completion in December 2025. Currently,	
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	approximately 80% of the work has been done. The foreign funding budget cut will have a negative reflection on the Government's Commitment in line with the signed agreements. 10. The Committee observed that the budget cuts would impede the country from achieving the objective of the 15 billion trees growing campaign, collection and distribution of tree seeds, and development of technology and protocols especially for endangered and hard-to-propagate tree species. State Department for Mining 11. Supplementary Estimate No. 2 for FY 2024/25 proposes to increase the total expenditure for the State Department by Kshs. 594.2 million (59.7 percent). This comprises of increases of Kshs. 434.2 million (43.6 percent) and Kshs. 160 million (100 percent) for recurrent and development expenditures respectively. 12. The increment in recurrent estimates is due to an increase in Gok exchequer funding of Kshs. 100 million to the National Mining Corporation for the recruitment of technical officers and logistical support to do due diligence for the commercialization of strategic minerals operations, and an increase in Appropriation in Aid funding of Kshs. 34.2 million and Kshs. 300 million respectively to the Headquarters towards catering for personnel emoluments and operations expenses. 13. On the other hand, four (4) key projects are to be affected by the increase in local funding of Kshs. 160 million namely: i. Mineral Certification Laboratory has an increase of Kshs. 75 million. This will increase the ISO Certification of the mineral laboratory to 30%. ii. The cost of Geological Mapping and Mineral Exploration has increased by Kshs. 29 million, increasing the implementation of the program to 35%. iii. Mineral Audit Support-BETA has an increase of Kshs. 26 million. This will increase the completion of Royalty Management System (RMS) implementation to 60%. iv. Rehabilitation of Madini House has an increase of Kshs. 16 million. This will increase the completion of the rehabilitation of Madini House to 40% hence improving the working environment. v. Online Transactional Mining Cadaster Portal-BETA has an increase of Kshs. 14 million. This will increase the administration of mineral rights to 45%. 14. The Committee observed that the allocation for the State Department as per Supplementary I Budget was quite disadvantageous – Including Zero Allocation	
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	for Development Vote. This hampered critical programs and the ongoing mining sector reform agenda. 15. The Committee observed that the State Department is hopeful that the Supplementary II Budget supported by the local A-in-A sourced funds will revitalize operations and invigorate the sector back on a Reform trajectory and requested the committee to consider granting the State Department an additional Recurrent Budget of Kshs. 147 Million to be financed through enhancement of the A-in-A Ceiling. 16. The Committee further observed that arising from the initially Approved Medium Term Development Budget, the State Department has contractual obligations mainly for the decentralization of laboratories, digitization of mining services, and mineral exploration equipment. However, the State Department does not have a commensurate Budgetary provision in the current financial year and requested for consideration of additional Development Budget allocation of Kshs. 640.5 million. 17. The Committee noted that the State Department collected Kshs. 2.75 billion as of February 2025 against an annual revenue collection target of Kshs. 3.0 billion in royalties which went into the Consolidated Funds Services. With the facilitation of inspection, compliance, and mineral audit exercises, the State Department intends to surpass the FY 2024/25 actual collections.	
Trade, Industry and Cooperatives	State Department for Cooperatives 1. The FY 2024/25 Supplementary Estimates No. II had been revised to Kshs.9, 925.8 million, with Kshs.7,225.8 million for recurrent and Kshs.2,700 million for development. This reflects an increase in Kshs.1,216 million (Kshs.516 million recurrent, Kshs.700 million development); 2. The State Department for Cooperatives has a low exchequer release of 18% under its recurrent budget, potentially hindering key expenditures, including the Kshs.2 billion Debt Waiver Fund and Kshs. 3,000 million for NKPCU's Coffee Cherry Advance Revolving Fund (CCARF); 3. The New KPCU needs Kshs. 229 million to allow the removal of asbestos from 5 warehouses (in Nanyuki, Bungoma, Dandora, Nakuru, and Sagana) at a unit cost of Kshs.45.8 million as part of the coffee reforms program; 4. PAVI Cotton Ginnery had pending bills of Kshs. 65 million for works done. Further Luanda Ginnery require Kshs. 20 million for automation; 5. The State Department was instructed to set up a task force on Moi University Savings and Credit Cooperative (MUSCO) where the State Department incurred Kshs. 17.67 million which remains unpaid; and, 6. The Cabinet Secretary's (CS) office is unable to effectively coordinate ministry activities due to inadequate funding, following budget	

	rationalization under Supplementary No. I for FY 2024/25. The State Department requests an additional Kshs. 50 million to support CS office operations. State Department for Trade 7. The FY 2024/25 Supplementary Estimates No. II have been revised to Kshs.3,539.3 million (Kshs.3,249.3 million recurrent, Kshs.290 million development), reflecting an increase of Kshs.177.58 million in recurrent expenditure; 8. The State Department is currently preparing to participate in the Expo 2025 Osaka in Kansai, Japan through Kenya Export Promotion and Branding Agency (KEPROBA) which requires Kshs.450 million in FY 2024/25 for Preparation purpose, this is part of its mandate to showcase Kenyan products to the outside world and expand market access for Kenyan products, further, it has a PE shortfall of Kshs.36.2 million; 9. The Department needs Kshs.247 million to support operations and maintenance for Cabinet and Principal Secretaries to deliver the mandate of the ministry which is anchored on priority Value Chains which are supported under the BETA as the allocated Kshs.47.77 million (exchequer) and Kshs.50 million (Weights & Measures AIA) are inadequate; 10. The State Department is hosting the 24th COMESA Summit and assumption of the three-year leadership on COMESA Presidency, Vice Presidency and Rapporteur. The Summit is scheduled to take place in September 2025. The State Department is requesting Kshs.400 million to prepare for the event; and, 11. Kenya National Trading Corporation (KNTC) in its implementation of its mandate as the Government's procurement agent, imported edible oils and rice which resulted in a financial obligation. The State Department is seeking additional budgetary funding of Kshs.1, 875.44 million (USD 12,967,800) for undertaking financial obligations for the rice importation. State Department for Industry 12. The FY 2024/25 Supplementary Estimates No. II have been revised to Kshs. 7,134.3 million (Kshs.2,869.7 million recurrent, Kshs.4,264.6 million development), reflecting a Kshs.1,583 million increase (Kshs.662.3 million recurrent, Kshs. 920 million development); 13. The CAIP Program, implemented in 19 counties, requires monitoring. The National and County Government Summit (December, 2024) recommended	
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	fast-tracking high-performing projects, and IBEC (January, 2025) prioritized 13 counties. Kshs.100 million from the Kshs.1 billion allocation under Supplementary No. II was proposed for coordination, supervision, and oversight. Additionally, the project received Kshs.180 million for land acquisition in Elgeyo Marakwet; 14. The Loan revenue for Kenya Industry and Entrepreneurship Project (KIEP) was reduced by Kshs. 259.3 million. This reduction will negatively affect the implementation, where the project had committed management consultancy contracts and performance grant contracts for Small and Medium Industries. Further, the project required an additional funding of Kshs. 80 million in counterpart funding; 15. The State Department for Industry was requesting an additional budget allocation of Kshs.209.4 million. Under Operations and Maintenance: Rent Kshs.19.4 million, CS office Kshs.50 million, Travels Kshs.80 million, equipment for new staff Kshs.50 million and induction of the industrial ministerial audit Committee Kshs.10 million; 16. KIRDI and KITI have a funding shortfall of Kshs. 50 million each for operational and maintenance, including non-discretionary expenditures, thus affecting the effective implementation of their core mandates; and, 17. KENAS requires an additional Kshs. 100 million to enable them to implement the KENAS Act, which requires them to come up with regulations and recruit employees further to allow them to carry out public participation while developing the regulations covering all the conformity bodies. State Department for MSMEs 18. The FY 2024/25 Supplementary Estimates No. II have been revised to Kshs.6,068.1 million, with Kshs.2,041.1 million for recurrent and Kshs.4,025.5 million for development expenditures, reflecting a net increase of Kshs.52 million; 19. Donor funding for KJET and the Centre for Entrepreneurship was reduced by Kshs.452 million Kshs.50 million, respectively. These projects support MSME cluster competitiveness through technical assistance, capacity building, value chain mapping, business development services, and co-investments; and, 20. The Micro and Small Enterprises Authority seeks Kshs.200 million for the equipment and operationalization of CIDCs, Kshs.100 million for construction, equipping of Centres of Excellence, and Kshs.150 million for cold storage facilities.	
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	State Department for Investment Promotion 21. The FY 2024/25 Supplementary Estimates No. II have been revised to Kshs.2,458.6 million, with Kshs.1,514.1 million for recurrent and Kshs.944.9 million for development expenditures, reflecting a net increase of Kshs. 92 million; 22. There is a donor-funded project of Kshs.1.95 billion of the Exim Bank of India on the development of SMEs through the Importation of plant, equipment, and machinery and consultancy services being implemented by KDC. The project is ongoing with an FY2024/25 allocation of Kshs. 550 million but had not been captured in the development budget; 23. SEZA had a deficit of Kshs. 259 million of which Kshs. 23.63 million is for non-discretionary expenditure item, Kshs. 48.7 million for recruitment of staff, Kshs. 105 million for office partitioning and Kshs. 42 million for purchase of vehicles; 24. KenInvest has a budget shortfall under its recurrent budget of Kshs. 139 million; Kshs. 9.02 million non-discretionary expenditure item, Kshs. 21.8 million is core mandate, Kshs. 30 million is for National Investment Council, Kshs. 50 million is for the preparation of the Investment Conference to be held in April, 2025; 25. The donor-funded KJET project was approved under Article 223 for Kshs. 700 million, with Kshs. 200 million allocated to the State Department and Kshs. 500 million to KDC. The State Department was able to access Kshs. 244.58 million, the balance of Kshs. 455 million had already been committed but has been reduced in the Supplementary No. II leaving the agency with a negative book balance; and, 26. Under recurrent, the Athi River Textile Hub, under EPZA, requires Kshs. 100 million for repairs and maintenance of the existing buildings within the hub and for connecting the hub to the sewage system (Kenanie effluent plant) to attract investors.	
Agriculture and Livestock	General Observations 1. The Supplementary Budget has rationalized the donor funding to the development projects under the sector through reductions to the tune of Kshs. 8.8 billion. The reduction is affecting implementation of various projects as well as conditional allocations to counties. The state department for Livestock has a reduced donor funding of Kshs. 1.3 billion while the State department for Agriculture has suffered a reduction by Kshs. 7.5 billion. 2. The Ministry of Agriculture and Livestock Development have three donor	1. The Cabinet Secretary, Ministry of Agriculture and Livestock Development to engage the Cabinet Secretary for National Treasury and Economic Planning and the Cabinet at large to ensure that there is progressive addition of resources to the agriculture sector to enhance funding of prioritized value chains and realization of the Malabo Declaration on Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods. 2. The Cabinet Secretary, Ministry of Agriculture and Livestock

	funded projects with livestock sector interventions being implemented under the State Department for Agriculture. Despite the placement of these project activities under the State Department for Agriculture, the livestock sector deliverable components within the projects would be best managed through the State Department for Livestock Development, which has the mandate as per the Executive Order and resident expertise. 3. The committee noted the increase in AiA collections for various SAGAs under the sector. The noted enhancement in AiA is to be utilized to improve the development of relevant value chains. 4. The State Departments have historical pending bills that have not been considered for settlement in the FY 2025/26. The pending bills are huge and cannot be accommodated in the State Departments' annual budgetary allocations. The State Department for Livestock Development has a historical pending bill of over Kshs. 4 billion while the State Department for Agriculture has a historical pending bill of Kshs. 9.035 billion. The pending bills have been subjected to verification and validation and cleared for payment, although the same does not reflect in the treasury documents. The State Department for Agriculture 5. Kenya's food security is depended on availability and affordability of high quality seeds and seedling for key food staples. Agricultural Development Corporation (ADC) which is the main seed producer for Kenya Seed Company requires resources (Kshs. 120 million) to sustain and increase seed production for maize seeds, potato as well as production of commercial maize. The submissions by ADC indicates reduced targets for seed production which will affect the supply, availability, and cost of seeds for the next planting season. 6. Construction of Headquarters and Satellite Campuses for the Kenya School of Agriculture which is meant to support various KSA Campuses requires over Kshs. 200 million. The allocation is meant to support equipping and improvement of facilities to support the increased student enrolment. 7. Owing to the high cost of maize seeds, the government starting March 2025 is subsidizing maize seeds from Kshs. 600 per 2kg to Kshs. 420. The State Department requires Kshs. 1 billion to provide for the maize seed subsidy. 8. The allocation to the Fertilizer subsidy Programme has been enhanced by Kshs. 7 billion to Kshs. 14.5 billion. The allocation is meant to increase the amount of fertilizer distributed from 70,138 MT to 205,882 MT targeting approximately 6.5 million registered farmers. 9. The Development of Aggregation Centres project which an important value	Development to consult the Cabinet secretary, National Treasury and Economic Planning on the way forward with regards to settling the historical pending bills of Kshs. 4 billion (State Department for Livestock Development) and Kshs. 9.035 billion (State Department for Agriculture) with a view of ensuring that they are settled within the next three Financial Years starting with FY 2025/26. 3. The Cabinet Secretary, Ministry of Agriculture and Livestock Development in consultation with the Principal Secretaries under the ministry, align the functions and resources as per the mandate of the departments. The alignment to be reflected in the 2025/2026 budget estimates. 4. On the increase in AiA revenues, the Committee recommends that each SAGA apply at least 50% of the increase in promoting the development of the relevant sector within the mandate of the SAGA.
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	chain support for the BETA prioritized crops through promotion of aggregation, value addition, cold storage, warehousing and technology transfer is underfunded and requires an additional Kshs. 196 million for related activities to the end of the year. 10. There is an increased AIA collections under: Agriculture and Food Authority (AFA) of Kshs. 1,491 million; KEPHIS of Kshs. 255 million; and National Biosafety Authority (NBA) of Kshs. 138 million; Kenya Tea Board of Kshs. 10 million. 11. The allocation for Pyrethrum Processing Company of Kenya is reduced from Kshs. 392 million to Kshs. 296 under Supplementary 11. The reduction follows the reduction in AiA of Kshs. 181 million and a provision of Kshs. 85 million from exchequer. As a result of the reduction, PPCK is underfunded by Kshs. 30 million and is not able to meet the provision for compensation of employees and operations requirements. 12. Food Security and Crop Diversification Project is a critical project supporting the BETA Agenda in the provision of seeds and seedlings to the prioritized value chains including rice, edible oil crops, and cotton seeds. The project requires additional Kshs. 500 million to enhance provision of seedling for the identified crops. 13. Tea Common User Facility is a Project meant to support tea value addition and the target of achieving 40 percent value addition of Kenyan tea by 2027. The project requires KSh. 2,400 million for the establishment of 3 tea user facilities in Kericho, Nairobi and Mombasa. 14. The Development of Agriculture Technology Innovation Centers is a critical program in the enhancement, acceleration, and adoption of innovation, research, and modern farming practices to boost agricultural productivity. This ongoing project is underfunded and requires additional Kshs. 90 million. 15. The internally generated revenue for Pesticide Control Produce Board is set to increase by Kshs. 164 million from Kshs. 150 million. The increased AiA will support surveillance on entry of unauthorized pesticides as directed by the National Security Council Committee and support equipping and operationalization of the laboratory for food safety concerns. The increased AiA was approved by the National Treasury and the Ministry, it has however not been captured in the budget books. 16. The National Value Chain Support project has a pending bill of Kshs. 35 million relating to service provider supporting e-voucher services. It is important to settle the bill to ensure continued provision of the e-voucher service messaging.	
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	17. Under the Sugar Reforms Programme, the State Department is yet to settle worker's salary arrears of Kshs. 4.584 billion for employees in four sugar mills i.e. Chemelil, Nzoia, South Nyanza and Muhoroni. In addition, the public sugar mills are in dire need of maintenance of its machinery and requires Kshs. 800 million. This will enable the public mills to remain afloat, continue milling operations and appeal to the investors as leasing process continues. 18. The Resilience for Food & Nutrition Security Program in Horn of Africa requires additional Kshs. 450 million to provide for counterpart funding and to enhance support towards improving food and nutrition security as well as resilience of farming communities. 19. The Small-Scale Irrigation and Value Addition Project requires Kshs.480 million to provide counterpart funding and additional support to enhance agricultural productivity through irrigation intensification as well as smooth implementation towards closure, follow ups and backstopping of various infrastructural assets undertaken by the project. The State Department for Livestock Development 20. The State Department's allocation is set to reduce from Kshs. 13,259 million to Kshs. 11,219 million which is a reduction of Kshs. 2,039 million. This includes a reduction of Kshs. 34 million on recurrent allocation and KSh. 2,005 million on development allocation. 21. The Kshs. 200 million allocated for Hides, Skins and Leather Fund has been reallocated owing lack of regulations meant to implement the Fund. 22. Under the ongoing National Livestock Vaccination exercise and the National Animal Breeding model, the Board has a mandate of supervising the engagement and the practice of qualified and registered animal health service providers to assure delivery of quality veterinary services from qualified practitioners. To this end, the Kenya Veterinary Board requires additional Kshs. 97 million. 23. The State Department is constrained on funds to support provision of critical supplies including provisions for operations (animal feed rations, fuel, and specialized supplies) to the 16 livestock breeding farms. The livestock farms produce and sell improved breeds at highly subsidized prices. The intervention requires an additional Kshs. 100 million but no allocation is provided. 24. The State department proposes the establishment of a Livestock Training Institute (LTI) in Kitui, which is meant to enhance coverage of the Eastern Lowlands, Coast Region and Southern rangelands with vital curriculum for	
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	livestock improvement. The project requires an initial funding to the tune of Kshs. 50 million. 25. Establishment of Feedlots, Fodder and Pasture is one of the key livestock interventions meant to cushion livestock keepers/pastoralists from recurrent drought and attendant losses through starvation and contribute to improved livelihoods. The project requires Kshs. 80 million- for the ongoing feedlot centers and Kshs. 50 million for the Yatta Ranch feedlot center. 26. National Livestock Development Marketing Board established under the Legal Notice 87 of 2016 is responsible for coordinating matters relating to the development, promotion and marketing of livestock and livestock products within and outside Kenya is completely unresourced. The state department requires Kshs. 200 million for operationalization of the SAGA. 27. Sustainable Tsetse and Trypanosomiasis free areas in Kenya project mandated with suppression and eradication of Tsetse and Trypanosomiasis across the country is underfunded. To sustain the gains made in eradication and control and make it possible for communities to engage in profitable livestock farming, the project requires an additional Kshs. 60 million. 28. AHITI Kabete Appropriations In Aid (AIA) is set to increase by Kshs. 18.5 million on account of enrollment of 15 international students under a bilateral agreement and therefore the increase is to cover operational expenses for the students. The increase has however not been captured in the budget books and therefore the need to capture. In addition, the Institute requires an additional Kshs. 140 million for pending bills and Kshs. 20 million for the ongoing solar power installation to reduce the huge cost of power and minimize power interruptions. 29. Revision of Appropriations In Aid (AIA) for Kenya Leather Development Council. The Council's internally generated revenue is projected to increase from Kshs. 3 million to Kshs. 16 million and therefore the need to be captured in the budget books. 30. The State Department had pending bills amounting to Kshs. 107.9 million comprising of recurrent budget of Kshs. 80.2 million and a development budget of KSh. 27.7 million as at 30th December 2024. In addition to the pending bill, the department has a long outstanding Court Award of Kshs. 4 billion. 31. One of the critical interventions towards supporting the livestock sector value chains is the modernization of Foot & Mouth Disease Laboratory to attain GMP standards. Modernization will enable: Compliance with Good Manufacturing Practices (GMP); increased production capacity; improved operational efficiency; and improved vaccine quality which will eventually	
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	reduce production costs, thus lower prices of vaccines. Achievement of GMP standard will sustain market opportunities for the Institute. 32. The Leather Industrial Park at Kenanie is a strategic project towards exploiting the potential in the leather industry. The resource required for completion of the Leather Industrial Park at Kenanie is Kshs. 1.667 billion but the project has only been allocated with Kshs. 300 million. A delay in completion of the critical facilities in the industrial park implies a delay in creation of jobs, export earnings and loss of opportunity to transform the sector	
Justice and Legal Affairs	The Judiciary 1. The Approved Revised Estimates for the Judiciary for the FY 2024/25 amounts to Kshs. 21.845 billion comprising of Kshs. 21.018 billion for recurrent expenditure and Kshs. 0.827 billion for capital expenditure respectively. 2. The Approved Estimates have been adjusted to Kshs. 22.196 billion under Supplementary Estimates No. II, comprising of Kshs. 21.369 billion for recurrent expenditure and Kshs. 0.827 billion for capital expenditure. The changes are on account of increased provision of Kshs. 350.7 million to cater for staff salaries and employer staff benefits contribution. 3. The proposed increase of Kshs 350 million under the recurrent vote will fund the following areas: Kshs 258.1 million for implementation of phase 2 of the Judicial Officers' remuneration and benefits for State Officers; and Kshs 92.6 million for reinstatement of five (5) officers as per the Court of Appeal Judgement of 8th November 2024. 4. The Committee has also observed that the department's Actual expenditure as at 31st December 2024 is Kshs 11.35 billion comprised of Kshs 10.95 billion for recurrent expenditure and Kshs 394.2 million for development expenditure translating to an absorption rate of 52% and 47.7% for recurrent and development respectively. 5. The Committee noted that the Judiciary has a budget deficit of Kshs 0.42 billion in the FY 2024/25 on personnel emolument. The Committee has observed the need to rationalize the Judiciary's development budget to realize funds that will cater for the deficit in the recurrent vote as prioritized, based on the critical needs. 6. The challenges faced by the Judiciary include insufficient financial resources, limitations of the IFMIS operations that disrupt implementation of planned activities, inadequate and delayed exchequer especially for development vote which in turn delays implementation of projects. Judicial Service Commission	

	7. The Approved Revised Estimates for the Judicial Service Commission for the FY 2024/25 amounts to Kshs 660.1 million for recurrent expenditure. The Approved Estimates have been revised to Kshs. 759.1 million reflecting a net increase of Kshs. 98.98 million under Supplementary Estimates II on account of additional budgetary provision to cater for personnel emoluments shortfall and other operations. 8. The changes are on account of revision of the following budget items: Basic Salaries and Allowances - Kshs 77.5 million, Refurbishment of Buildings - Kshs 13.3 million, Domestic Travel and Subsistence, and Other Transportation Costs – Kshs 7.7 million, and Purchase of Office Furniture and General Equipment Kshs 0.5 million. 9. The Committee has also observed that the department's Actual expenditure as at 31st December 2024 is Kshs 411.0 million comprised of Kshs 139.2 million for compensation to employees and Kshs 271.9 million for operations and maintenance translating to an absorption rate of 64% and 61% respectively. Independent Electoral & Boundaries Commission 10. The Approved Revised Estimates for the Independent Electoral and Boundaries Commission for FY 2024/25 is Kshs. 3.818 billion which is specifically for recurrent expenditure to cater for the Commission's personnel emoluments and operating expenditures. 11. The Approved Estimates have been adjusted to Kshs. 3.697 billion under Supplementary Estimates No. II reflecting a decrease of Kshs. 0.12 billion, translating to a percentage decrease of 3.14%. The changes are on account of a reduction of Kshs. 0.12 billion on personnel emoluments to reflect the actual requirement for the year ending June, 2025. 12. The Actual expenditure for the Commission as at 31st December, 2024 is Kshs 1.782 billion against an approved budget of Kshs 3.82 billion translating to an absorption rate of 47%. 13. The Committee observed that the Commission has pending bills accumulated over the years amounting to Kshs 3.895 billion of which legal fees accounts for Kshs 2.6 billion, election logistics - Postal Corporation of Kenya - Kshs 0.499 billion and other pending bills – Kshs 0.796 billion. 14. The Committee cognizant of its oversight mandate has also directed the Commission to submit before the Committee primary documents in support of the pending bills especially on the legal bills for verification and scrutiny. 15. The Committee was also concerned about the Kshs 6.7 billion meant for	
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	replacing the KIEMS Kit and has tasked the Commission to submit an expert report on the usability and salvage value of the 45,000 KIEMS kits. Commission on Administrative Justice 16. The Gross Approved Estimates for the Commission on Administrative Justice for FY 2024/25 is Kshs. 636.5 million for recurrent expenditure. The Approved Estimates have been revised to Kshs. 622.5 million reflecting a net decrease of Kshs. 14.0 million under Supplementary Estimates II due to budget rationalization across departments. 17. The changes are on account of downward revision of the following budget items: Personnel Emolument - Kshs 16 million, and other operating expenses - Kshs 2.0 million. 18. As at 31st December 2024, the Commission had utilized Kshs 291.2 million out of the Kshs 636.5 million allocated for the FY 2024/25, which translates to absorption rate of 46%. 19. The Commission has requested the Committee to consider and reinstate its budgetary allocation for the FY 2024/25 and allocate an additional allocation of Kshs 3.3 million to enhance its budget for operations and maintenance. However, the Committee has urged the Commission to appreciate the tight fiscal space the country is faced with and consider adopting cost cutting measures. 20. The Committee stressed the need for the Commission to create awareness on its mandate particularly in ensuring the citizen right to quality service both at the national and county level of government is not compromised. Witness Protection Agency 21. The Approved Revised Estimates for the Agency for FY 2024/25 is Kshs. 697.1 million which is for recurrent expenditure. The Approved Estimates has been adjusted to Kshs. 703.1 million under Supplementary Estimates II. 22. This reflects an increase of Kshs. 6.0 million (0.86%) resulting in revision of the following budget heads: Personal Emoluments at Kshs 5.3 million, and Employer Contributions to Compulsory National Social Security Schemes Kshs at 0.7 million. 23. The actual expenditure for the Agency as at 31st December 2024 is Kshs 353.3 million against an approved budget of Kshs 697.1 million, translating to an absorption rate of 50.7%. 24. The Committee acknowledges the critical role the office plays in the criminal justice system, particularly in guaranteeing the safety and security of witnesses, and further noted that the office has played crucial role in the prosecution of complex corruption and terrorism related cases in the recent past.
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	25. The Agency is currently facilitating a total of 88 witnesses with a total dependent population of 149 as at 31st January 2025 under the Witness Protection Programme. The objective of the programme is to protect threatened, vulnerable and intimidated witnesses from harm because of cooperating with the prosecution and law enforcement agencies. 26. The Committee has further observed that the Agency has been operating an itemized budget since 2011. However, this has posed major challenges in the implementation of the Witness Protection Programme. This has limited the ability of the Agency to re-organize its recurrent expenditure and re-allocate to witness expenses and vice versa on need basis. Kenya National Commission on Human Rights 27. The Approved Gross Estimates for the Kenya National Commission on Human Rights in the FY 2024/25 amounts to Kshs. 478.0 million for recurrent expenditure. 28. The Approved Estimates has been adjusted downwards to Kshs. 465.1 million under Supplementary Estimates II. This reflects a decrease of Kshs. 13.0 million, translating to a percentage decrease of 2.7%. The reduction is on account of reduction of the personnel emolument by KShs.13 million, to reflect actual requirement to the year ending June, 2025. 29. As at the end of 31st December 2024, the Commission's total actual expenditure was Kshs 283.7 million which translates to 59% of the overall approved allocation of Kshs 478.0 million. 30. The Committee requested for an additional allocation of Kshs 18 million (Recurrent) to support the Commission's core mandate of resolving human rights complaints, enhancing public awareness and understanding of human rights. Ethics & Anti-Corruption Commission 31. The Approved Revised Estimates for the Ethics and Anti-Corruption Commission in the FY 2024/2025 amounts to Kshs 4.144 billion, comprising of Kshs 4.114 billion and Kshs 0.03 billion for recurrent and capital expenditures respectively. 32. The Approved Estimates has been adjusted to Kshs. 4.179 billion under Supplementary Estimates II. The change is on account of enhancement of the personnel emolument allocation by Kshs 35.8 million to cater for promotion of staff. 33. During the period ending 31st December 2024, the Commission's total actual expenditure was Kshs 2.2 billion which comprised of Kshs 2.17 billion for	
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	recurrent expenditure and Kshs 29.99 million expenditure respectively. 34. The Committee has also observed the Commission has a pending certificate amounting to Kshs 7.7 million in the FY 2024/25 relating to the refurbishment of Integrity Centre. In addition, the Commission also requested for an allocation of Kshs 17.0 million for the acquisition of automatic generators for its headquarter. Office of the Director of Public Prosecution 35. The Approved Revised Estimates for the Office of the Director of Public Prosecutions for the FY 2024/25 amounts to Kshs. 3.985 billion. This comprises of Kshs. 3.959 billion for recurrent expenditure and Kshs. 26.0 million for capital expenditure respectively. 36. The Approved Estimates have been adjusted to Kshs. 4.20 billion under Supplementary Estimates No. II for FY 2024/25. This comprises of Kshs. 4.17 billion for recurrent expenditure and Kshs. 26.0 million for capital expenditure. The change is on account of enhanced allocation of Kshs 215.4 million for personnel emoluments, operations and enhancement of appropriations in aid. 37. The Actual expenditure as at 31st December, 2024 is Kshs 1.987 million comprised Kshs 1.97 billion for recurrent expenditure and Kshs 0.017 billion for development expenditure. 38. The Committee further observed that the Office is a key player towards improving national security, strengthening good governance and fight against corruption, and therefore requires increase in resource allocation to enable the Office execute its mandate. In particular, the office requires additional funding of Kshs 30 million to support the roll out of the <i>Uadilifu Case Management System</i> in all the forty-seven (47) counties to enhance its digitization programme. 39. The Office is faced by a number of challenges; inadequate funding, inadequate human resource capacity, uncompetitive terms of service, inaccessibility of mobile court stations, politicization of cases, weak inter-agency collaboration, intimidation of witnesses and victims and inadequate infrastructural and operation capacity. Office of the Registrar of Political Parties 40. The gross revised allocation for the Office of the Registrar of Political Parties for the FY 2024/25 is Kshs. 1.928 billion which comprises of Kshs 0.488 billion for office operations, and Kshs 1.428 billion for Political Parties Fund which is shared amongst the political parties as per the provisions of Section 25 of the Political Parties Act and Kshs 0.0113 billion for the Political Parties Liaison Committee.	
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	41. The Approved Estimates has been adjusted downwards by Kshs. 4.0 million (0.2%) under Supplementary Estimates II. The variation has affected the item on compensation to employees which it proposes to reduce by Kshs 4 million from the approved budget of Kshs 254.6 million to a revised budget of Kshs 250.6 million. 42. The Committee observed the need to rationalize the budget for the Political Parties Fund to accommodate agencies with more pressing needs in the sector that are not adequately funded. 43. Inter and intra political parties' conflicts leading to legal suits. The Office is frequently enjoined in matters filed in Courts and in the Political Parties' Dispute Tribunal arising from inter and intra political parties' disputes. This affects the office in terms of legal fees and time used in defending cases. 44. The Office has one hundred and nine staff in-post against an authorized establishment of two hundred and ninety due to inadequate funding. Further, the office is only represented in 12 counties instead of all the 47 counties and hampers adequate delivery of services. 45. The Office has demonstrated it has serious transport challenges and is constrained in the discharge of its functions due to lack of adequate vehicles. In addition, some of the vehicles are extremely old and are uneconomical to maintain.	
Regional Development	State Department for Devolution 1. That, in the FY 2024/25, the State Department for Devolution had an approved budget allocation of Kshs. 4.09 billion comprising of Kshs. 1.44 billion for recurrent expenditure and Kshs. 2.65 billion for development expenditure. 2. That, under the Supplementary Estimates No. 2 for the FY 2024/25, the State Department's budget has been revised downwards by Kshs. 1.12 billion representing a decrease of Kshs. 30 million under recurrent expenditure and Kshs. 1.1 billion under development expenditure. 3. That, the Committee observed that the Department's actual expenditures as at the end of December, 2024 stood at Kshs. 1.21 billion representing an absorption rate of 29%. The expenditure comprised of Kshs. 532.5 million for recurrent expenditure and Kshs. 675.2 million for development expenditure. 4. That, the low absorption of the budget under KDSP II (29%) is attributed to factors beyond the control of the State Department, as project	1. The Committee recommends that expenditures relating to relief and rehabilitation amounting to Kshs. 4.6 billion be approved under Article 223 in the Supplementary Estimates No. 2 for FY 2024/25 for the State Department for ASALs & Regional Development. This State Department incurred this expenditure under this clause to cushion the vulnerable households.

	implementation is managed by County Governments, with budget allocations tied to development milestones in capital projects. 5. That, the proposed reduction on the State Department's budget will affect the following areas on account of personnel emoluments; Headquarters and Administrative Services – Kshs. 22.5 million, Management of Devolution Affairs – Kshs. 4.5 million and Capacity Building and Technical Assistance head - Kshs. 3 million. 6. That, the report on the unbundling of the functions of RDAs was undertaken by the IGRTC. This report highlighted the need to align the functions of the RDAs to the two levels of government as guided under the Fourth Schedule of the Constitution. The taskforce chaired by IGRTC was formed by the Head of Public Service to review and align the mandates of the RDAs, and that a report with an implementation matrix on the mandates of the two levels of government was presented to the Office of the President in November 2024. 7. That, the State Departments has critical unfunded priority areas that include: completion of Phase II of valuation and transfer of assets (Kshs. 110 million), second KDSP II GoK counterpart funding (Kshs. 105 million), World Scout Parliamentary Union Secretariat (Kshs. 60 million) and Africities Conference pending bills (Kshs. 500 million). State Department for the ASALs & Regional Development 1. In FY 2024/25, the State Department for ASALs & Regional Development had an approved estimate of Kshs. 8.73 billion. This comprises Kshs. 4.81 billion for recurrent expenditure and Kshs. 3.93 billion for development expenditure. 2. Under the Supplementary Estimates No. 2 for the FY 2024/25, the State Department's budget was revised upwards by Kshs. 5.84 billion comprising of Kshs. 5.37 billion on account of recurrent expenditure and Kshs. 477.3 million for development expenditure. 3. The Committee observed that the Department's actual expenditures as at the end of December 2024, stood at Kshs 7.33 billion comprising of Kshs. 6.43 billion for recurrent expenditure and Kshs 849.77 million for development expenditure.	
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	4. That, withdrawals under Article 223 of the Constitution, Kshs. 4.75 billion has been withdrawn on drought interventions from September 2024 to February 2025. Kshs. 4.6 billion was under the relief and rehabilitation programme by the State Department and Kshs. 150 million from the Kenya Socio-Economic Improvement Project (KSEIP). 5. The RDAs currently have a total approved budget of Kshs. 1.11 billion with Kshs. 699 million additional funding proposed in Supplementary Estimates No. 2. This will bring the total allocation to Kshs. 1.81 billion against a total requirement of Kshs. 2.47 billion leaving a funding deficit of Kshs. 664.19 million which is required for salary related expenditures, contractual obligations and other critical operational expenditures. 6. That, under the Supplementary Estimates No. 2 for the FY 2024/25, the increase in recurrent expenditure for Regional Development Authorities (RDAs), does not factor in employer contributions for statutory dues, including NSSF, SHA, and the Housing Levy. 7. That, the Kimira Oluoch Farm Improvement Project in Homa Bay, previously highlighted as a stalled project during the Committee's appearance before the Liaison Committee on the 2025 BPS, continues to face challenges due to lack of funding. The project has not received financial support for the last three financial years, leading to depreciation of completed works as they remain unutilized. The Committee resolved to carry out an inspection visit to the project to establish its status and current challenges. 8. That, under the proposed Supplementary Estimates No. 2 for the FY 2024/25, Ewaso Ng'iro North Development Authority (ENNDA) development expenditure had been reduced by Kshs. 70 million. This project under the Integrated Regional Development programme risks exposing the Authority to pending bills and potential litigation from contractors, particularly as the projects under implementation nears completion. 9. That, Ewaso Ng'iro North Development Authority (ENNDA) had pending bills amounting to Kshs. 429.17 million from the FY 2023/24 under various projects including Droughts and Flood Emergency. The outstanding amount has led to auctioneers targeting the Authority's assets, forcing the Authority to park their vehicles at the County Commissioner's office. 10. That, despite the completion of the Ewaso Ng'iro Tannery and Leather	
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	Factory and its readiness for commissioning, the lack of funding for the collection of hides has rendered the facility not working at full capacity, undermining its potential to boost the leather industry and local economies. 11. That, under the Supplementary Estimates No. 2 for the FY 2024/25, an additional allocation of Kshs. 150 million has been made to the Lake Basin Development Authority (LBDA) for rice paddy mopping aimed to enhance support for agricultural productivity and food security initiatives. 12. That, Coast Development Authority had pending bills amounting to Kshs. 137 million on drought mitigation projects. Additionally, court awards totaling Kshs. 134 million were due for payment in 2023, with auctioneers targeting the Authority's assets. 13. The State Department noted that providing relief food to the affected population over the next four months—March, April, May, and June—would require significant financial resources. The State Department estimates an average monthly need of Kshs. 2 billion, bringing the total funding requirement for this period to Kshs. 8 billion.	
Finance and National Planning	State Department for Economic Planning 1. The overall budget for FY 2024/25 has increased by KSh. 2.393 billion, raising the total revised allocation to KSh. 74.263 billion from the previous KSh. 68.623 billion. The recurrent budget has grown by KSh. 185 million, while the development budget has risen by KSh. 2.207 billion. A significant driver of the development expenditure increase is the KSh. 2.3 billion allocation to the East African Regional Statistics Programme for Results project, which had not received funding in Supplementary Estimates 1. 2. The Committee observed that on 8th February 2024, the Kenya National Bureau of Statistics (KNBS), through the National Treasury and Economic Planning, requested an advance of EUR 14 million (approximately KSh. 2.31 billion) from the World Bank for the East African Regional Statistics Programme for Results. The World Bank approved the request on 22nd February 2024, with confirmation of disbursement received on 1st March 2024. On the same day, the Permanent Secretary of the State Department for Economic Planning formally notified the National Treasury of the need to incorporate this advance into the FY 2024/25 Main Budget Estimates and Supplementary Budget I. 3. The amount has been included in Supplementary Estimates 2 for FY 2024/25	

	as an expenditure under Article 223 of the Constitution. The National Treasury approved the expenditure on 21st August 2024, while the disbursement took place on 1st October 2024. The National Treasury 4. The committee observed that by January 31, 2025, total revenues amounted to Kshs. 1,585.1 billion, falling short of the target of Kshs. 1,695.3 billion by Kshs. 110.0 billion. This shortfall was primarily driven by a deficit in ordinary revenues of Kshs. 113.1 billion, despite Ministerial Appropriations-in-Aid (A-I-A) exceeding the target by Kshs. 3.1 billion. 5. Total revenues for FY 2024/25 are projected at Kshs. 3,065.2 billion, representing 17.6% of GDP. Ordinary revenues are expected to reach Kshs. 2,580.9 billion, which is Kshs. 50.5 billion lower than the Kshs. 2,631.4 billion estimated in Supplementary I. This downward revision is based on the current revenue growth trends, which is based on the concept of tax buoyance that will make total revenue grow at 13% based on the normal growth of the economy, which grows at almost a similar rate. 6. The Supplementary Estimates 2 for the 2024/25 budget reveal significant shifts compared to Supplementary Estimates 1, in recurrent and development expenditure across various programs. The total net expenditure has been notably reduced by Kshs. 3.516 billion. This includes an increase of KSh. 13.399 billion in recurrent expenditure, mainly to cover salary and operational shortfalls for the Kenya Revenue Authority and equity participation in the African Development Bank. Additionally, development expenditure has decreased by KSh. 16.915 billion. 7. The National Treasury incurred additional expenditures totaling Ksh 3,143.55 million under Article 223 of the Constitution, as approved by the CS/TNT&EP. Of this amount, Ksh 1,100.00 million was allocated to Recurrent expenditure, while Ksh 2,043.55 million was designated for Development votes.	
Social Protection	1. Following the Presidential directive to upscale the Inua Jamii Programme, approximately 500,000 beneficiaries have been enrolled from June 2024, and thus the total number of beneficiaries has increased to 1.76 million beneficiaries. This leaves a funding gap of Kshs 16.958 billion in the remaining four months to the financial year and the coming financial year. If this funding gap is not addressed through this Second Supplementary	

	Estimates, the elderly persons, orphans, vulnerable children and persons with severe disabilities under Inua Jamii will not receive any cash transfers from March to June 2025. - Under the project Vijana Vuka na Afya (VIVA), funds totalling to Kshs 66.38 million out of the allocated Kshs 500 million were granted under Article 223. However, the project requires Kshs 25 million as counterpart-funding to unlock the remaining amount. - The State department for Youth Affairs require Kshs 11 million to settle pending bills of projects done at the Constituency level in respect of Youth Empowerment Centres. - The National Youth Council require an additional Kshs 141.83 million to facilitate the long-overdue and critical NYC elections at the grass root level among other commitments. - Under a Presidential directive the Kenya National Innovation Agency (KENIA) was directed to undertake commercialization of start-ups and undertake a youth-led innovation in the country to create employment for the Youth. - The National Youth Service (NYS) requires funding for essential infrastructure geared towards accommodating an increased number of youths recruited into the NYS program. The rehabilitation of boreholes and sewer lines requires Kshs 45 million. The Service has also a budget allocation for infrastructure improvements in its barracks provided for in the State Department for Housing but availing the Fund to undertake urgent and critical works have become a challenge. - The Kenya Social and Economic Inclusion Project (KSEIP) was given authority to spend Kshs 1.24 billion loan revenue under Article 223 of the Constitution. KSEIP is a donor funded project through World bank/IDA and was set for completion in December 2024. - The construction of Safe Houses for victims of defilement in Kajulu area, Kisumu and Taita Rescue Centre in Bura may not be achieved between now and the end of the financial year due to complexities around public participation on allocation of land.	
Health	State Department for Medical Services Upon consideration of the Budget Estimates for FY 2024/25 supplementary estimates no. II, the Committee observed that:	State Department for Medical Services The Principal Secretary for State Department for Medical

	i. The Social Health Authority (SHA) has registered 20.2 million Kenyans. However, only 3.9 million members are actively contributing to the Social Health Insurance Fund (SHIF). Further, the Committee observed that Kenyans are registering and contributing when they fall sick. This is exposing the Authority to risks of adverse selection. ii. The Primary Healthcare Fund and Emergency Chronic and Critical illness Fund has been allocated additional Kshs. 6 billion in the supplementary no. II budget. The Social Health Authority and the Ministry of Health are currently reviewing the benefits package in line with the increased funding and the draft is under review by the Attorney General.	Services should in the next thirty (30) days table before the Committee on Health, the Social Health Authority Attorney General's advisory report on the reviewed Primary HealthCare Fund and Emergency Chronic and Critical Illnesses Fund benefits package and tariffs.
Defence, Intelligence and Foreign Relations	Ministry of Defence (MoD) 1. The MoD total budget has been increased by KES.6,753.33 million i.e., from the approved amount of KES.172,952.06 million to the revised amount of KES.179,705.39 million. Out of the KES.6,753.33 million increase in MoD budget, KES.4,753.33 million is for recurrent while KES.2,000.00 million is for development. 2. The Ministry had carried over pending bills from FY 23/24 of KES.22.5B all arising from exchequer under issues. In line with the National Treasury guidelines, the Ministry diligently treated these pending bills as a first charge in this FY's allocation. This created an equivalent gap in their current allocation and has highly disrupted the resourcing of ongoing Defence and security Operations. Currently the Ministry's is unable to fund critical logistic requirements i.e. <i>combat logistics involving the supply of ammunition to troops in operation areas, Food and Ration for sustenance of these troops in operation hot spots, Fuel to facilitate movement of Defence vehicles, Aircrafts and Ship vessels and finally Medical supplies for sustaining the forces</i>. The Ministry requested additional funding from National Treasury to fill the funding gap. Out of the KES.22.5 billion NT considered funding of KES.6 billion. 3. MoD is running on trust from suppliers across the country where they are deployed to sustain the continuity of the Security Operations. The unconsidered/unfunded balance of KES.16.5 billion against their additional funding request of KES.22.5 billion is highly required to be able to sustain the critical logistic requirements to the end of the FY.	1. The Cabinet Secretary for Foreign and Diaspora Affairs (MFDA) should, prior to the operationalization of any new diplomatic mission or consulate, present a comprehensive evaluation report to the National Assembly for consideration and approval. This report should outline the economic viability and strategic significance of the new mission or consulate in relation to Kenya's foreign policy and economic interests 2. The NIS, in its future submissions to the Departmental Committee on Defence, Intelligence and Foreign Relations, should provide a more detailed itemized breakdown of its budget in camera to enable the Committee to fully appreciate the cost drivers of NIS budget before approving it. 3. Given the constraints on resources, the Executive should explore the feasibility of integrating the State Department for Diaspora Affairs and the State Department for East Africa Community Affairs as departments within the Ministry of Foreign and Diaspora Affairs. This approach could enhance efficiency of resource utilization by reducing the significant personnel and administrative expenses associated with operating a standalone state department.

	4. On 27 December 2024, the United Nations Security Council adopted resolution 2767 (2024), endorsing of the <i>African Union Peace and Security Council's decision to replace the African Union Transition Mission in Somalia (ATMIS)</i> that ended on 31 December 2024 with the <i>African Union Support and Stabilization Mission in Somalia (AUSSOM)</i>. The deployment of equipment for UN missions is guided by the UN Statement of Unit Requirement (SUR) prescribing standards of equipment for deployment. For Kenya to be allowed to deploy to the Mission and achieve full reimbursements under the UN's Contingent Owned equipment (COE) System, the deployed equipment must meet the operational capabilities prescribed. The equipment serviceability state of Kenya is way below the UN Statement of Unit Requirement (SUR) due to extended deployment in Somalia against a proportionate budget over time. The required funding of KES.5 billion is to facilitate the initial logistic requirement for deployment and take full opportunity of equipment reimbursements. The requested amount will be recouped through reimbursements by the UN for the deployed units that goes directly to MoD. 5. Further, over the past FYs, the operations and maintenance budget for the MoD civilian budget has been decreasing despite the growing numbers of civilian staff. Since the FY 2022/23 to date, the civilian personnel emoluments budget has increased by 44.91% while the operations and maintenance budget has decreased by 62.38%. To address this urgent need, there is need for an additional funding request of KES.100 million for the civilian staff. 6. The Committee acknowledges the economic challenges informing the additional funding consideration offered by the National Treasury in Supplementary II Estimates. However, a well-funded defense sector is essential for maintaining stability, protecting national interests, and fostering sustainable economic growth. State Department for Diaspora Affairs (SDDA) 7. The approved estimates have been revised from KES.637.83 million to KES.633.70 million under FY 2024/25 Supplementary Estimates No. II. This reflects a decrease of KES.4.13 million. The overall change is on account of the rationalization of personnel emoluments to reflect the actual requirement and additional funding to cater for rent, contracted guards and cleaning services and gratuity.	
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	8. The SDDA budget has been in a downward trend since its inception. For example, in FY 2023/24, the approved budget for the SDFA was KES.1,314.00 million. This amount was subsequently revised to KES.1,315.71 million in Supplementary Estimates No. I and later adjusted to KES.1,187.71 million in Supplementary Estimates No. II within the same financial year. In FY 2024/25, the approved budget was KES.828.14 million which was revised downwards to KES.637.83 million in Supplementary Estimates No. I and then to KES.633.70 million in Supplementary Estimates No. II in the same financial year. The ongoing decline in the SDDA budget since it was established has led to significant funding shortfalls, which limit the state department's ability to effectively fulfill its responsibilities. State Department for East African Community (SDEAC) 9. The SDEAC presented its revised budget for FY 2024/25, which increased from KES.572.74 million to KES.851.71 million. This increase of KES.278.97 million is primarily to support regional integration activities, Northern Corridor Integrated Projects Monitoring and Evaluation, and planned national outreach programs. 10. Kenya assumed the Chairmanship of the East African Community in November 2024, which entails significant responsibilities to achieve regional integration objectives. To meet these goals, an additional KES.310.04 million is needed to facilitate various activities, including EAC Chairmanship meetings, hosting the EAC Heads of State Summit and a High-Level Infrastructure Retreat, training Focal Point Persons, ensuring publicity, and organizing retreats for EAC Ministers and Principal Secretaries. 11. Over the years, the SDEAC has faced insufficient funding, hindering its ability as a state department to fulfill its mandate effectively. A significant portion of its budget is allocated to personnel emoluments and administrative expenses, leaving only a minimal amount available for the execution of its core responsibilities. State Department for Foreign Affairs (SDFA) 12. The approved estimates have been revised from KES.20,013.15 million to KES.21,069.10 million under Supplementary Estimates No. II. This reflects an increase of KES.1,055.94 million, which is entirely recurrent. The Department does not have any development budget, which was initially KES.2,390.10 million as per the original approved budget but was 100% cut in Supplementary Estimates No. I.	
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	13. The KES.1,055.94 million increase of SDFA budget is attributed to increment for personnel emoluments of KES.409.12 million for new postings and appointments of ambassadors; KES.523.84 million for campaign activities for Kenya's candidature of the African Union Commission Chairperson; increment of KES.50.00 million for HQ other operating expenses; KES.33.05 million increase of the missions' rent expenses; increment of KES.18.21 million for other recurrent expenses for missions; increment of KES.13.86 million as education grants for posted staff dependants; KES.6.21 million increase in domestic travel; and KES.1.65 million increase in foreign travel. 14. In FY 2024/25, the State Department for Foreign Affairs (SDFA) had a development allocation of KES.2,390.00 million in the approved printed estimates. However, this allocation was rationalized to zero in Supplementary Estimates No. I. The rationalization of the development budget to zero has led to several critical issues, including: <i>(i) Attract claims for delayed works and idle capacity; (ii) Attract claims for interest penalties on delayed payments; (iii) Attract civil litigation arising from failure to observe contractual obligations; and (iv) Give negative image for the country.</i> 15. The State Department was granted Cabinet approval to operationalize six (6) new missions/consulate general in FY 2024/25: (i) Abidjan, Cote D' iVoire; (ii) Asmara, Eritrea; (iii) Port au Prince, Haiti; (iv) Bogota, Clombia; (v) Budapest, Hungary; and (vi) Jeddah, Saudi Arabia. The mission in Abidjan, Cote D' iVoire and consulate general in Port au Prince, Haiti have been already set up. 16. The ongoing expansion of diplomatic missions and consulate generals, without tackling the challenges faced by current missions, raises concerns about the intentions behind this continued diplomatic footprint expansion. It is likely to exacerbate the existing issues of insufficient staffing and budgets. National Intelligence Service (NIS) 17. The Approved Estimates have been revised from KES.46,351.00 million to KES.55,651.00 million under FY2024/25 Supplementary Estimates No. II, reflecting an increase of KES.9,300.00 million on account of enhanced security operations. 18. The Service budget is in the books is submitted as a one-line item. In the	
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	submissions made there is further categorization without a detailed itemized breakdown for the committee to fully interrogate the figures before approval.	
Transport and Infrastructure	State Department for Roads 1. The Approved Estimates for the State Department for Roads have been revised from Kshs.191.9 billion to Kshs.198.2 billion under Supplementary Estimates II for the Financial Year 2024/25. The revised Estimates consist of Kshs. 72.0 billion and Kshs.126.2 billion for the Current and Capital expenditures, respectively, reflecting a net increase of Kshs.6.3 billion. 2. Whereas the overall impact of the Supplementary Estimates II for FY 2024/25 is an increase in Capital expenditures, the approved budget for a number of projects has been reduced to zero. This is especially the case for the critical roads brought in through the intervention of the National Assembly and the ongoing low-volume seal roads, which risks accumulating pending bills. 3. On December 18, 2024, the State Department received Kshs.8.0 billion in advance of appropriation under Article 223 of the Constitution. The amount was used to finance both ongoing and new projects. However, the Committee notes with concern that most of the projects may not qualify as unforeseen or unavoidable to warrant Article 223 expenditures. State Department for Transport 4. The Approved Estimates for the State Department for Transport have been revised from Kshs.48.3 billion to Kshs.47.9 billion under the FY 2024/25 Supplementary Estimates II. The revised Estimates consist of Kshs.18.8 billion and Kshs. 29.1 billion for Current and Capital expenditures, respectively. This reflects a gross decrease of Kshs. 0.4 billion. 5. The recurrent expenditure increases by Kshs. 2.5 billion mainly due to an increase of A-I-A collection by the National Transport and Safety Authority (NTSA) amounting to Kshs. 2.3 billion whereas the development expenditure by Kshs is reduced. 2.9 billion on account budget rationalization Donor Funded Projects and those Financed from the Railway Development Levy Fund (RDLF). 6. The State Department for Transport, through the Railway Development Levy Fund (RDLF) Committee, requires Kshs. 25 billion for SGR loan repayment and Kshs. 4.7 billion for developing SGR phase 2B and 2C and enhancing operations and maintenance in FY 2024/25. 7. The Nairobi Metropolitan Area Transport Authority (NAMATA) was granted approval to recruit additional staff to enhance capacity and aid in the effective delivery of its Mandate. In this regard, the Authority recruited the additional approved staff but lacks the attendant resources for salaries,	1. Road projects valued below Kshs. 50 million and implemented by the Kenya Rural Roads Authority (KeRRA) and the Kenya Urban Roads Authority (KURA), be procured at the respective regional levels to enhance efficiency and ensure timely implementation of the projects.

	furniture purchases, and ICT equipment. State Department for Shipping and Maritime Affairs 8. The Approved Estimates have been revised from Kshs. 2.97 billion to Kshs. 3.19 billion in the FY 2024/25 Supplementary Estimates II on account of an increase in the Current estimates of Ksh. 216.4 million. 9. Over the last three financial years, the State Department headquarters budget has suffered successive budget cuts of more than Kshs. 200 Million. This has significantly affected operations to the extent that the Department hardly implements its mandates. 10. The Multinational Lake Victoria Maritime Communication & Transport Project has been restructured and renamed to Kenya Lake Victoria Maritime Communication and Transport Project as a result of a change in financing from Donor to GoK. However, the National Treasury approved the change of name when already the Supplementary II Estimates had been finalized and therefore makes it impossible for the projects to access approved budget under the old name. 11. Bandari Maritime Academy is implementing the Survival training and certification Centre project which was projected to take three years. In the current FY 2024/25 it had an allocation of Kshs. 574 million at the Printed Estimates. However, this was revised to zero in Supplementary I budget which has completely halted the progress of the project and had accumulated pending bills to Kshs.550 million	
Housing, Urban Planning and Public Works	State Department for Housing and Urban Development 1. In the proposed Supplementary Estimates II for FY 24/25, the State Department's budget has a reduction of Ksh. 11,575 million (-13%). This includes an increase of Ksh. 1,993 million (153%) for recurrent expenditure and a decrease of Ksh. 13,569 million (-16%) for development expenditure. The increase in recurrent expenditure primarily stems from an allocation amounting to Ksh. 1,926 million from the Affordable Housing Fund for operational costs of the Affordable Housing Board, in accordance with Section 114(5)(b) of the Affordable Housing Act of 2024, which provides that the Board may allocate up to two percent of Housing Levy collections for the administration of the Fund. 2. The decrease in the State Department's Development expenditure is attributed to a reduction in donor funding, totaling Ksh. 13,837 million, which arises from the rationalization of donor funds aimed at the second phase of the Kenya Informal Settlement Improvement Project (KISIP) (Ksh. 8,200 million) and the second phase of the Kenya Urban Support Program	

	(Ksh. 5,337 million), pending the approval of the County Government Additional Allocation Bill of 2024 (CGAA). While it remains uncertain whether the Bill will be approved before the end of the 2024/25 FY, the Committee noted the need to reinstate these funds in Supplementary Estimates II to enable the State Department to disburse the Conditional Grants once the Bill is passed. 3. There was an increase of Ksh. 2,396 million in the State Department's Appropriation in Aid (AiA) allocation funded through the Housing Levy proceeds, driven by higher-than-expected housing levy collections. The Levy achieved a performance rate of 117%, with average monthly collections rising from the projected Ksh. 4,297 million to Ksh. 5,962 million in the half-year ending December 31, 2025. 4. Under the allocation for the Affordable Housing Fund (Housing levy proceeds) amounting to Ksh. 64,688 million, Ksh. 1,470 million has been allocated to the National Housing Corporation and Ksh. 1,593 million to the Kenya Slum Upgrading Fund (KENSUF), reflecting a reallocation of resources for ongoing Affordable and Social Housing projects as well as the associated social and physical infrastructure. 5. There was no withdrawal of any money under Article 223 of the Constitution. State Department for Public Works 6. The Supplementary Estimates II for FY 24/25 proposes an increment in the total expenditure for the State Department by Ksh. 120 million (3.1 percent). This includes a slight increase of Ksh. 20 million (0.5%) in recurrent expenditure to cater to additional personnel emoluments and related costs and an increase of Ksh. 100 million (44%) in development expenditure towards the completion of Handaruku and Odole footbridges (public participation projects) under development expenditure. 7. The Committee noted that, despite the marginal increase in allocation under the proposed Supplementary Estimates II for FY 2024/25, the State Department for Public Works continues to face a budget shortfall that impedes its ability to fulfill its mandate. For Recurrent Expenditure, the State Department requires Ksh. 50 million for settling recurrent pending bills and Ksh. 300 million for the sensitization and technical training on the new Building Code 2024 across all 47 counties respectively. 8. The Committee further observed that on Development Expenditure, the State Department for Public Works requires Ksh. 302 million to settle pending	
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	certificates for completed coastline infrastructure and pedestrian access projects. These allocations were reduced to zero in Supplementary Estimates No.1, increasing the risk of litigation and additional costs due to accrued interest on unpaid certificates. Additionally, the Committee noted 13 completed projects with outstanding bills, 8 ongoing projects lacking funding, and 6 ongoing projects that are underfunded, further highlighting the need for adequate budgetary support. 9. There was no withdrawal of any money under Article 223 of the Constitution.	
Communication, Information and Innovation	Cross-cutting observations Need to enhance effectiveness in the consultation between the National Treasury and the State Departments on variations of estimates: There is a weak collaborative framework between the National Treasury and the respective Ministries, Departments and Agencies during the revision of the budget estimates. Despite the MDAs input being sought in the formulation of the Supplementary estimates II, largely the submissions from the MDAs are not incorporated by the National Treasury hence effecting budget cuts in critical areas. The Budget cuts results in accumulation of pending bills: There are running contracts for the maintenance and rehabilitation of the existing fibre optic networks such the Last Mile County Connectivity and the various National Optic Fibre Backbone Infrastructures. NOFBI networks and on various works at the Konza Technopolis. The budget cuts not only lead to accumulation of pending bills but also escalates costs related to fines, penalties and costs associated to delay in completion of the projects on account of fluctuations in inflation and exchange rates. Credibility of the set targets: Despite substantial variation in resource allocation in various programmes and projects within the sector, the set targets remain largely unchanged and if changed, the variation is not proportionate to the changes in resource allocation. Such is manifested in areas such as - Despite the proposed budget cut by 43% on government shared services, the numbers of government records targeted to be digitized remain unchanged at 200,000. - Despite the proposed budget cut by 40% on the Business Process Outsourcing, the numbers of business process outsourcing jobs targeted to be created remain unchanged at 10,000.	Cross-cutting Recommendations - In the formulation of the next Supplementary Estimates, the National Treasury should enhance the quality and effectiveness in the consultative engagements it has with the Ministries, Departments and Agencies to prevent incidences of proposing budget cuts in critical areas. - Before 30th September 2025, The National Treasury should fast track to conclusion the verification of the existing pending bills. This should inform allocation of adequate resources in the next budget cycle to clear all the pending bills. State Department for ICT and Digital Economy - The GoK component (Exchequer financing) of the allocation to the projects and programmes to the State department should be progressively enhanced to mitigate the risk of over-reliance on external funding for the critical ICT infrastructures such as in the maintenance and rehabilitation of the fibre optic networks. State Department for Broadcasting and Telecommunication - Within three months upon approval of these Supplementary II estimates, the National Treasury should develop and institutionalize a strategy for ring-fencing allocations to MDAs for advertisement services. This should be done to ensure that remittance of advertisement payments to Government Advertising Agency is done promptly.

	4. Poor planning during the formulation of the estimates: Some of the expenditure items introduced in the supplementary estimates with good planning could have been foreseen and incorporated in the initial main budget or are not urgent to justify why they cannot wait for consideration in the next financial year's estimates. i. Introduction of KSh 12 million for purchase of Office furniture in the Directorate of ICT Expenditure Head (State department for ICT and Digital Economy) ii. Additional allocation for retirement benefits of KSh 10 million and KSh 5 million in the headquarters of State department for ICT & Digital Economy and the State department for Broadcasting and Telecommunication respectively The State Department for ICT and. Digital Economy 5. The allocation to the State department for ICT and digital Economy is proposed to be reduced by 39% % of which development expenditure faces a cut of Ksh 7.1 billion and a reduction of KSh 758 million in recurrent. The reduction in the development expenditure is entirely on external funds. 6. Over-reliance on external financing of the critical ICT Infrastructures may expose them to the risk degradation and compromised up-time: The maintenance and rehabilitation of Last Mile County Connectivity is facing a budget cut of KSh 2.38 billion (94% reduction in allocation) being external funding that was expected from the Government of Belgium. Due to a withholding tax dispute, the donor cannot avail the funds hence derailing the planned maintenance works. 7. Reduction in allocation to expenditure heads with running contractual obligations: The proposed reductions are on some heads that have running contractual obligations. This leads to accumulation of pending bills, escalation of costs on account of fines, penalties, fluctuation in inflation and exchange rates and could also lead to litigation costs. Such budget cuts are in the following areas: i. Horizontal Infrastructure Phase I at Konza Technopolis which faces a budget cut of KSh 668 million ii. Konza Data Centre and Smart City Facilities which faces a budget cut of KSh 1.954 billion iii. Last Mile County Connectivity is facing a budget cut of KSh 2.38 billion 8. Need to expand programmes and activities on Data Protection: As the	
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	Office of Data Protection Commissioner gets strengthened in terms of the establishment of its regional structures and human resource, the interventions on data protection needs to be enhanced in areas of capacity building for the data controllers and processors so as to ensure that collected data are securely stored, processed and applied for intended purposes. The sensitization of the citizenry on legal and regulatory framework on data protection should be up-scaled so as to prevent incidences such as was occasioned by the World Cryptocurrency trade. The State Department for Broadcasting and Telecommunication 9. The allocation to the recurrent expenditure in the State department for Broadcasting and Telecommunication is proposed to be increased by 14% (KSh 811.6 million). There is nil reinstatement of the capital expenditure that was zeroed in the Supplementary I of this financial year 2024/25. 10. Sustainability of Media monitoring and content regulatory services is essential with the upsurge of practitioners and players in the media space: The media council has overtime pursued expansionary policies that have seen it establish regional offices and ICT media hubs across the country to strengthen its regulatory function. However, the substantial reduction by 47% of resource allocation from Ksh 1.55 billion in FY 2023/24 to only KSh 732 million in the 2024/25 initial estimates have subjected the council to budgetary constraints derailing the execution of its mandate. The huge scale-down in resource allocation has led to inability of the Council to meet its financial obligations in critical areas such as staff medical insurance, remittance of statutory deductions to KRA and inability to pay rent. 11. Delay by the MDAs in remission of payments for government advertisement services to the Government Advertising Agency: The MDAs are hesitant to remit payments for services offered to them on advertisements. Overtime, this has led to accumulation of pending bills of which through Article 223 of the Constitution, this Supplementary II has allocated KSh 627.7 million to partially pay amounts owed to the various media houses. Without an institutionalized strategy to ensure prompt settlement of advertisement charges, the centralization of government advertisement shall continue contributing to pending bills.
Education	State Department for Technical Vocational Education and Training 1. The State Department for Technical Vocational Education and Training has increment of Kshs 6.96 Billion. This is majorly on account of the following: An upward revision of AIA collected by the SAGA's within the sub-sector including the National Polytechnics and Technical Training

	Institutes- Kshs 6.4 Billion; ▪ A provision to cater for salaries shortfalls and statutory contributions- Kshs 1.4 Billion; 2. The Committee is concerned that there is no allocation for construction of TVET institutions in the remaining 52 Constituencies despite being a BETA project. The first phase of this project has a total of 17 TTI's (see annex 1) and contracts have already been awarded. The lack of funding exposes this critical project to the risk of pending bills, court actions which shall ultimately have an impact of the completion timelines with a possibility of even stalling. 3. The Committee also takes note that the Department has introduced a new project, that is, establishment of Eldoret cooperative college in this supplementary budget without any justification. This is against the guidelines provided for resource allocation to capital projects as well as the resolutions passed by the National Assembly on non-introduction of new capital projects in the middle of a financial year; State Department for Basic Education 4. The State Department for Basic Education has an increment of Kshs 7.57 Billion. This is mainly on account of the following; ▪ Provision for personal emoluments shortfalls- Kshs 100 Million; ▪ Additional allocation to school feeding programme- Kshs 900 Million ▪ Internal reallocation from capitation to cater for school examination and invigilation- Kshs 5.9 Billion ▪ A scale up in donor commitments (KPEEL and SEQIP projects)- Kshs 6.2 Billion; ▪ School infrastructure improvement – Kshs 500 Million; 5. The Committee is concerned that reallocations made from capitation funds to other areas within the sub sector may end up depriving resources to schools hence disadvantaging learners. This may negatively compromise on the quality of learning and negatively affect the desired education outcomes envisaged under the free primary and free day secondary Education flagship programmes. This reallocation should stop to ensure that capitation resources are protected for the benefit of learners and institutions; 6. The Committee is concerned that capacity building in the sub-sector is majorly centered on classroom teachers with little consideration is given to school managers. School managers require training to equip them with competencies and skills to interpret and apply policy guidelines for school financial management and reporting. Further, currently the auditor general	
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	audits schools directly thus the need to prepare school managers for the auditing processes. 7. The Committee is concerned that the Assembly of Assistive devices project for special needs learners has not progressed as envisaged due to budget cuts. An allocation of Kshs 350 Million was allocated in 2023/24 upon which a contractor was engaged and the progress stands at 35%. In 2024/25 the allocation was entirely removed during supplementary budget 1. This project is critical since it is meant to ensure that SNE learners are able to receive assistive gadgets to support learning in SNE schools 8. The Committee is concerned that funding to examinations is done as an emergency yet it is a common knowledge that every year examinations must be undertaken. This emergency funding creates uncertainty in the sub- sector given that national examinations are a national security matter as well as forcing resources to be reallocated from other critical areas such as capitation; 9. The Committee is concerned that resources allocated for infrastructure for specific public primary and secondary schools are not optimally absorbed due to the bureaucratic process of requisitioning for the exchequer for each of the individual schools. This is because the schools are not considered standalone Agencies hence their capacity to initiate the requisitioning process is limited. This has resulted to low utilization of the allocated funds.; State Department for Higher Education and Research 10. The State Department for Higher Education and Research has an increment of Kshs 15.48 Billion. This is mainly attributed to the following: ▪ upward revision of AIA in various public universities- Kshs 9.5 Billion; ▪ Allocation for Collective Bargaining Agreements (CBA) for public university staff – Kshs 4.3 Billion; ▪ Strategic support to Moi University- Kshs 1.5 Billion; ▪ Strategic Support to Egerton University – Kshs 489 Million; 11. The Committee notes that resources have been provided to cater for CBA's for public universities staff as well as a strategic interventions for Moi University and Egerton University. The Committee commends and support this intervention since it will assist in ensuring that the sub-sector runs smoothly devoid of industrial actions; 12. The Committee is concerned that the Department has not had allocation for monitoring and evaluation for the past three years. This is one of the reasons why the Department finds it difficult to vouch for resources to support	
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	ongoing projects in various universities as well as address management and governance malpractices facing a number of public universities. This has resulted to arbitrary cuts in allocations to projects as well as the Department resulting to firefighting when governance challenges come to the public limelight; 13. The Committee is concerned that there are a government sponsored students in private universities who are not adequately funded as a result of reduction in budgetary allocation. The current allocation of Kshs 500 Million cannot adequately cover these students. There is an eminent risk that the said students may drop out of the university if this situation is not addressed; 14. The Committee notes and appreciates the government intervention in Moi University and Egerton University since it will support these institutions to be back on their feet. Progress has been made in terms implementing the reforms including having in place new management as well as councils and payment of salary arrears. However the Committee is concerned that such intervention to only selected universities may not address conclusively the challenges facing the sub-sector since a number of the public universities have challenges which need to be addressed. This can only be comprehensively be addressed through having in place a reform strategy for all public Universities; Teachers Service Commission 15. Teachers Service Commission- an increment of Kshs 18.53 Billion. This is mainly on account of the following; ▪ Provision to cater for salary shortfall for teachers as well as medical cover- Kshs 17.6 Billion ▪ Upward revision of AIA – Kshs 454 Million ▪ Capacity building of Teachers – Kshs 300 Million. 16. The Commission has been allocated resources for capacity building of teachers. However the target in terms of the number of teachers to be trained has remained unchanged. In addition the Commission has not be able to attain the quarterly targets set in terms of these training coupled with the fact that Commission is implementing other donor supported capacity building for teachers under the KPEEL and SEQIP programmes in the current financial year. There is a risk that the Commission may not fully absorbed the additional resources provided for capacity building of teachers.	
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Annex 2: Submissions by Stakeholders



**AUDITOR-GENERAL'S PRESENTATION DURING THE MEETING
WITH THE LIAISON COMMITTEE OF THE NATIONAL
ASSEMBLY TO DISCUSS PROPOSED CHANGES IN
SUPPLEMENTARY ESTIMATES II FOR FY2024/2025**

07 MARCH, 2025

The Chairperson – Liaison Committee,

Hon. Gladys Boss Shollei MGH, MP

Honorable Members of the Committee

A. Appreciation Note

1. I thank the Liaison Committee of the National Assembly for according me this opportunity to discuss the proposed changes in **Supplementary Estimates II for FY 2024/2025**.
2. It is a great honor to meet this Committee for the second time this week having met earlier on Monday to discuss our perspectives on the 2025 Budget Policy Statement and its linkage with the activities and operations of the Office of the Auditor-General
3. This opportunity cements the Constitutional requirement for adequate funding of the Office of the Auditor-General under Article 249(3) of the Constitution to enhance our financial independence which is one of the pre-conditions to enable us to successfully execute our mandate.
4. Indeed, the **Supreme Audit Institutions Independence Index: 2021 Global Synthesis Report by the World Bank** ranked the Office of the Auditor-General Kenya as part of Group C Supreme Audit Institutions with a substantial level of independence, meaning we are on our way to being independent, although not fully there. However, we are ranked lower in comparison with the Audit Offices of the Republic of Uganda and the Republic of South Africa, which are ranked as not only having a very high level of independence but also fully exercise their independence.
5. Our lower ranking is attributed to **lack of financial autonomy**, whereby we do not have recourse in the event of inadequate budgetary allocations. We are, however, confident that due to the gains realized and the opportunities given in the last four years by Parliament to present our budget, if we were to be rated today, our ranking would improve to Group B level.
6. Our submission before this Committee enhances Parliament's role in ensuring that the Office of the Auditor-General has sufficient and appropriate resources to fulfill its mandate. This is one of the tenets in the International Auditing Standards.

B. Mandate of the Office

7. My Office is mandated by Article 229(4) of the Constitution of Kenya, to audit the accounts of the National and County Governments, the Parliament and County Assemblies, all Funds and Authorities of National and County Governments, accounts of all Courts, Public Debt and all the Institutions, Programmes and Projects funded from the Public Funds. In addition, Article 229(6) of the Constitution mandates the Auditor-General to confirm whether or not public money has been applied lawfully and in an effective way
8. Further, Section 7(1) (a-g)) of the Public Audit Act, 2015, gives the Auditor-General additional functions and responsibilities which include confirming whether reasonable precautions have been applied in the collection of revenue and all public money has been used and applied to the purposes intended and conforms to the authority for such expenditure.
9. Ultimately, the mandate of the Office of the Auditor-General is not only to contribute to improvements in the public sector but also **to influence the direction of economic growth and development of our nation and the delivery of quality and sustainable services** to the citizens by overseeing the use and management of public resources.

C. Highlights of the OAG Report to the Committee

Honorable Chair

Honorable Members

- 10 I now wish to present a report on the matters requested by the Committee on the FY 2024/2025 Budget for my Office as follows

(a) FY 2024/2025 OAG Budget Implementation Status

11. In the current financial year **2024/2025**, the Office has a budget allocation of **Kshs.8,103,899,030** consisting of **Kshs.8,024,899,030** and **Kshs.79,000,000** under **Recurrent** and **Development votes** respectively.
12. The cumulative expenditure incurred from **1 July 2024** to **05 March 2025** amounts to **Kshs.5.25 billion** which represents an overall absorption rate of **65%** as summarized in **Table 1** below and as detailed in **Appendix 1**:

Table 1: Summary of Budget Implementation Status for OAG Under FY 2024/2025

Description	Approved Budget (Kshs.)	Actual Expenditure (Kshs.)	Balance (Kshs.)	Absorption Rate (Kshs.)
Recurrent				
Personnel Emoluments	5,176,700,000	3,357,196,261	1,819,503,739	65%
Use of goods and Services	2,439,342,230	1,638,695,239	800,646,991	67%
Routine Maintenance	328,491,600	165,305,050	163,186,550	50%
Social Benefits	3,400,000	2,086,750	1,313,250	61%
Acquisition of Assets	76,965,200	58,377,798	18,587,402	76%
Sub-Total	8,024,899,030	5,221,661,098	2,803,237,932	65%
Development				
Mombasa Office Project	24,000,000	24,000,000	0	100%
Institutional Support to OAG	55,000,000	9,143,001	45,856,999	17%
Sub-Total	79,000,000	33,143,001	45,856,999	42%
Grand Total	8,103,899,030	5,254,804,099	2,849,094,931	65%

Note:

- i **Institutional Support to OAG** – These are funds from the African Development Bank (AfDB) meant for capacity building. The Office has submitted a request for final disbursement and we are awaiting the release of funds.
- ii **Mombasa Office Construction Project** – The allocation of **Kshs.24M** was for payment arrears brought forward from FY 2023/2024. Unfortunately, the project has not been allocated any budget for FY 2024/2025 activities leading to delays in implementation.

13. The overall budget utilization level of **65%** compares favorably with the time progress in FY 2024/2025 and the remaining balance is projected to be fully utilized before the end of the fourth quarter. We are counting on the National Treasury for prompt Exchequer funding to enable smooth implementation of the budget.

14. There are however a few areas where budget absorption is lagging due to various reasons as explained below:

15. **Rent of Produced Assets** -The Office has a budget of **Kshs.208.9m** for rents and rates against actual expenditure incurred of **Kshs.92m** representing a **44%** absorption level. The difference in budget absorption is due to the delay by some landlords to submit invoices for second and third quarters rent and service charge. We are following up with the concerned landlords to ensure that the outstanding invoices are submitted for processing.
16. **Other Operating Expenses** – OAG has a budget of **Kshs.85m** for other operating expenses and the current absorption level is at **42%**. The under-utilization is attributed to private audit firms contracted to audit the TVETs majority of whom are yet to submit their final Fee Notes.
- 17 **Routine Maintenance of Other Assets** – The Office has utilized **Kshs.139m** out of the **Kshs.275m** budget for maintenance of other assets leaving an outstanding balance of **Kshs.136m**. The difference in budget utilization is attributed to various contracts for the maintenance of computers, software, and networks that are due for payment in the fourth quarter.

(b) Projects or Programmes Affected by the Proposed Supplementary Estimates II for FY 2024/2025

- 18 The Office has not suffered any budget cuts under the proposed Supplementary Estimates II for FY 2024/2025, therefore no projects or programmes of OAG have been adversely affected.
19. However, Under Supplementary Estimates I for FY 2024/2025, OAG suffered a budget cut of **Kshs.562,871,820** out of which **Kshs.186,871,820** was in **Recurrent Vote** and the difference of **Kshs.376,000,000** was under the **Development Vote**. The above budget cut directly impacted the planned audit coverage and the fulfillment of our constitutional mandate. It also halted the implementation of Mombasa Office Construction Project which was scheduled to commence in the first quarter of the current financial year.
20. Under **Supplementary Estimates II** for FY 2024/2025, the Office has been allocated additional **Kshs.150 million** which will assist in addressing part of the challenges arising from the substantial budget cut suffered under Supplementary Estimates I.

(c) Justification of Additional Expenditure and Reallocations

21. Out of the additional allocation of **Kshs.150m** proposed in Supplementary Estimates II, **Kshs.100 million** is to facilitate undertaking of the planned audits that had been affected by the budget cut under Supplementary I. This follows an appeal that we made to the National Treasury highlighting the negative effects that the budget cuts under Supplementary Estimates I had on the fulfillment of our mandate
22. The additional allocation under Supplementary Estimates II of **Kshs.150m** also includes **Kshs.50m** for facilitation of a Forensic Audit on the Public Debt Stock which was not part of our planned audits but was requested by the Executive. The audit has already commenced but to enable comprehensive coverage and confirmation of usage of debt we need adequate resources.
23. A reallocation of **Kshs.235,200** has been made from **the Recurrent Vote** to **Development Vote** budget under Supplementary Estimates II. This is meant to assist in clearing the remaining portion of the **Kshs.24,235,200** Pending Bills for Mombasa Office Construction Project brought forward from FY 2023/2024. The Office had initially been allocated a budget of **Kshs.24 million** for the project which was utilized in payment of the pending bills leaving the balance of **Kshs.235,200**.
24. The Office has also made reallocations totaling **Kshs.127,795,520** under the Recurrent Vote This was done to address identified deficits in critical areas that were brought about by the budget cut under Supplementary Estimates I and to accommodate the pending bills brought forward from FY 2023/2024

(d) Indicative Impact of Supplementary Estimates II on Office Performance Targets

25. The proposed additional allocation of **Kshs.100 million** will assist in increasing the audit coverage of Public Secondary Schools and TVETs which are currently under the planning phase of the audit process. However, the allocation falls short of the estimated requirements of **Kshs.200 million** as requested from the National Treasury vide our letter Ref. **OAG/CON/3/VOL.II(62)** dated **27 November, 2024**.

26. Further, the additional amount of **Kshs.50 million** allocated for facilitation of Forensic Audit on the Public Debt Stock is only about half of the estimated requirements of **Kshs.95,732,220** as presented to The National Treasury vide a letter **Ref. OAG/SA/CON/43 (17) dated 09 January 2025**. Failure to allocate adequate resources for this Forensic Audit may affect the achievements of the intended audit objectives.
27. The Office had also requested for allocation of **Kshs.200m** for Mombasa Office Project to enable the procurement of project contractors and commencement of construction works in the current financial year. However, this has not been factored in the proposed Supplementary Estimates II.
- 28 **I appeal to the Liaison Committee to reconsider the above requests and allocate additional resources to bridge the remaining gap.**

(e) Details of Money withdrawn as Per Article 223 of the Constitution

Honorable Chair

Honorable Members

29. My Office has **not withdrawn money** or incurred any expenditure under Article 223 of the Constitution.

D. Other Relevant Information

I. Impact of the High Court Ruling on Compliance with Constitutional Timelines for Auditing and Reporting

- 30 The High Court, in a recent Case, made a ruling that Constitutional timelines spelt out in Articles 229(4) and 229 (8) of the Constitution and Sections 48 and 50 of the Public Audit Act, 2015 are mandatory and must be complied. The ruling was in respect to a Judicial Review Application filed by the Applicants to quash a County Assembly's Select Committee recommendations made after consideration of the Auditor-General's report.
31. The High Court **ruling has a bearing on the validity of audit reports issued outside the Constitutional timelines**. Similarly, audit reports submitted by the Office within constitutional timelines, but not considered by the Parliament or County Assemblies in accordance with Article 229 (8) of the Constitution may

also be challenged especially where unscrupulous public officers want to mismanage or siphon public resources with impunity.

32. The ruling has far-reaching effects on OAG work considering that our expanding audit scope is not matched by the requisite budget allocations. Further, clients occasionally submit financial statements in arrears which requires the Office to expand coverage
33. As I have previously communicated to Parliament through various submissions, our timelines for submission of audit reports are very tight owing to a provision in the Public Finance Management Act, 2012, which gives public sector entities three (3) months after the end of the financial year to present their financial statements for audit. This reduces the duration for audit and reporting from six (6) months given by the Constitution to three (3) months. This has been adversely affecting the timelines for reporting especially with the increased number of entities, leading to delays in reporting and affecting the efficiency and effectiveness of oversight by Parliament and the County Assemblies.
34. We have severally submitted our proposal to the National Assembly to amend the Public Finance Management Act, 2012 to reduce the timeline to within one month, after the end of the financial year for entities to prepare and submit their financial statements to the Auditor-General for audit, instead of the current three months. However, the latest amendments to the Act did not incorporate these proposals. The Cabinet Secretary for the National Treasury and Economic Planning recently issued a **circular requiring entity** to submit financial statements within two months which is a welcome development. However, we would wish to see this effected as an amendment to the PFMA, 2012

II. Implementation of Audit Recommendations

35. We continuously propose audit recommendations to enhance accountability, transparency, and effective, economic, and efficient collection and utilization of resources. However, the recommendations are not always implemented and as such, most audit queries recur in subsequent years audit reports due to lack of enforcement mechanisms and administrative sanctions or reluctance to apply what is already provided for by law

36. The lack of requisite sanctions has led to perennial failure by some Accounting Officers to adequately account for the public resources entrusted in their care. It has also led to fiscal indiscipline including misallocations, wastage of resources, lack of value for money in the implementation of projects, theft, and corruption.
37. We have equally made submissions to Parliament to amend the Public Finance Management Act, 2012 to include sanctions for non-implementation of audit and Parliamentary recommendations as this will instill fiscal discipline.
38. OAG has developed a framework for tracking, follow up and reporting on audit recommendations which is now under implementation and the Auditor-General is expecting to issue a status report to Parliament by end of this month.

III. Unrealized Impact of Performance Audit Reports

39. OAG has a fully resourced Performance Audit Directorate and over the years, a total of fifty-seven (57) Performance Audit Reports have been submitted to the Parliament. Some of the critical performance audit reports presented to the Parliament include; Monitoring of Artisanal Mining Operations by the Ministry of Petroleum and Mining, Conservation of Water Towers in Kenya by the Kenya Water Towers Agency, Operationalization of Constituency Industrial Development Centers and Fire Safety Preparedness in Secondary Schools by the Ministry of Education.
40. However, only one report for - Audit of Provision of Services to Persons with Disabilities by the National Council for Persons with Disabilities has so far been discussed by Parliament. An additional report on Flood Mitigation is also currently under discussion by the Departmental Committee on Regional Development.
41. Performance Audits have the potential of contributing to the country's development by ensuring there is accountability, good governance, and effective impact and outcome in the management of public resources. Ultimately, this will contribute to improved and sustainable service delivery and promote trust between citizens and the government.
42. In addition, Performance Audit Reports can inform resource allocations decisions by highlighting areas of inefficiencies, wasteful expenditures, duplications in programmes and suboptimal outcomes.

43 Delay by Parliament to discuss and take-action based on the presented Performance Audit Reports implies that the public is denied the benefits that could accrue from implementing the recommendations. Similarly, there is no value for money from the resources applied in undertaking the Performance Audits.

44. Parliament should prioritize consideration and deliberation of performance audit reports presented and address the identified inefficiencies, wastefulness and other bottlenecks with a view to informing improved service delivery to the public and national development goals

IV. Amendment to the Public Audit Act, 2015

45. The Public Audit (Amendment) Bill, 2023 which has been tabled in Parliament is crucial in fortifying the independence of the Office of the Auditor-General. The Bill is meant to cure the sections that were declared unconstitutional and also state the mandate of the Office with clarity where there is ambiguity.

46. The Bill also seeks to enhance the operational independence and autonomy of the Office through the establishment of the OAG Fund as recommended by the Budget and Appropriations Committee of the National Assembly. This will contribute to enhancing our efficiency and effectiveness in auditing and reporting to Parliament and lead to heightened transparency and accountability in the use of public resources.

47. We appeal to the National Assembly to support and expedite the Public Audit Amendment Bill, 2023.

V. Exchequer Funding Under One-Line Budget

48. As previously submitted to the Budget and Appropriations Committee of the National Assembly, we are seeking for the Enhancement of our Independence and Autonomy in managing our oversight role through establishment of One-Line-Budget funding arrangements for OAG. The Budget and Appropriations Committee in its report on the Budget Policy Statement for FY 2023/2024 adopted by Parliament 15 March, 2023 directed the National Treasury to facilitate the Office of the Auditor-General to have a Single Line Budget to enhance our efficiency in responding to emerging audit needs. This directive has not been complied with by The National Treasury to date.

49. This will give the Office some degree of financial independence and facilitate effective and efficient responses in addressing emerging audit issues and in responding to Parliament and County Assemblies requests for special audits without resulting to The National Treasury to seek for reallocations. Indeed, as I had indicated earlier, when the Office is subjected to performance peer reviews and assessments, we score poorly in regard to independence due to the budgeting process and release of funds. We request the Liaison Committee and the National Assembly to facilitate implementation of this resolution.

VI. Enhancement of OAG Funding from Audit Fees

50. Section 41(c) of the Public Audit Act, 2015 recognizes audit fees charged at rates prescribed by the Auditor-General as one source of funds for OAG. However, the Office has been very conservative in imposing audit fees and currently this revenue source contributes to only about five percent (5%) of OAG budget as Appropriation-in-Aid (AIA). The Office previously engaged the Budget and Appropriation Committee on the development and implementation of strategies that would enhance the financial independence of the Office. Among the strategies was the revision of the audit fees policy and guidelines.

51. Currently, only a few of our auditees are subjected to audit fees charge as AIA for cost recovery purposes but even then, not all are paying as majority do not budget for it.

52. In order to entrench our financial independence and reduce reliance on Exchequer funding, the Office has developed a draft audit fees policy and guidelines that proposes to subject all our auditees to audit fee charges. The guidelines provide for full recovery of audit costs incurred in terms of staff time charge out and other direct audit costs incurred.

53. The implementation of proposed audit fees policy and guidelines will change the funding model of OAG as audit fees can contribute up to 50% of the Office budget. However, this encompasses a major policy shift and will require support from the Parliament and other key stakeholders including, the Executive, Judiciary, County Governments, and our auditees. Implementation of the Policy and Guidelines without the necessary support from key stakeholders can

precipitate a funding crisis for OAG due to lack of audit fees payment enforcement mechanism

- 54 I am appealing to the Liaison Committee and the Parliament as a whole for support in embracing and implementation of the proposed audit fees policy and guidelines. This can be achieved by establishing a requirement that all public entities make provisions for audit fees in their respective budgets and prioritize the same in making payments.

VII. The Challenge of Asset Valuation in Transitioning to IPSAS Accrual

55. The Government migrated to IPSAS Accrual Basis of Accounting and Reporting effective 1 July, 2024 and adopted a three-year transitional road map. One of the main challenges in migration to IPSAS accrual is the requirement for valuation of all government assets for inclusion in the financial statements. There is a proposal that private valuers be hired to undertake the assets valuation. However, this has major budgetary implications since it will require very huge outlay of public resources bringing an unnecessary burden to the tax payers
56. There is a need for the Parliament to take lead in this discussion so that a viable approach is adopted in the determination of the values of government assets and the process to be followed to ensure minimal costs

E. Conclusion

Honorable Chair

Honorable Members

- 57 I once again thank the Liaison Committee for according me the opportunity to make my presentation on the proposed changes in Supplementary Estimates II for FY 2024/2025. I believe this will assist in addressing the highlighted funding gaps and enable us to discharge our constitutional mandate effectively.
- 58 I am appealing to the Committee to address the request as summarized below;
- a) Enhance the **Recurrent Budget** by **Kshs.145,732,220**. This is to address the **Kshs.100 million** shortfall in the requirements for Public Secondary Schools and TVETs Audits and the shortfall of **Kshs.45,732,220** on the requirements for facilitation of the Forensic Audit on Public Debts Stock.

- b) Allocate **Kshs.200 million for the Mombasa Regional Office Project** to enable us to procure a contractor and commence the works in the current financial year.
- c) Parliament to amend the Public Finance Management Act, 2012 to include **sanctions for non-implementation of Audit and Parliamentary Recommendations** as this will instill fiscal discipline.
- d) Support from the Liaison Committee for the National Assembly to amend the **Public Finance Management Act, 2012 to reduce the timeline for submission of the financial statements** by public entities to within two months after the end of the financial year.
- e) Parliament to prioritize **consideration and deliberation of Performance Audit Reports** presented and address the identified inefficiencies, wastefulness and other bottlenecks with a view to informing improved service delivery to the public and national development goals.
- f) Appeal to the National Assembly to support and expedite the **Public Audit Amendment Bill, 2023**.
- g) Request the Liaison Committee and the National Assembly to facilitate implementation of the resolution that the National Treasury facilitates the Office of the Auditor-General to have a **Single Line Budget** to enhance our efficiency in responding to emerging audit needs.
- h) Appeal to the Liaison Committee and the National Assembly to support in embracing and implementation of **the proposed Audit Fees Policy and Guidelines** once finalized.
- i) Parliament to take lead in this discussion on a viable approach in the determination of the **values of government assets** and the process to be followed to ensure minimal costs

I thank you for this opportunity


 FCPA Nancy Gatungu, CBS
AUDITOR-GENERAL

07 March, 2025

Appendix 1-OAG Budget Implementation Status for FY 2024/2025

Title and Details	Approved Estimates (Kshs.)	Total Expenditure (Kshs.)	Balance (Kshs.)	rate %
RECURRENT BUDGET				
Personnel Emoluments				
Basic Salaries	2,918,007,600	1,921,442,949	996,564,651	66%
Personal Allowances Paid as Part of Salary	1,680,461,800	1,030,262,002	650,199,798	61%
Pension Contribution	578,230,600	405,491,310	172,739,290	70%
Total PE	5,176,700,000	3,357,196,261	1,819,503,739	65%
Utility Expenses	8,000,000	3,039,714	4,960,286	38%
Communication Supplies and Services	102,874,320	74,713,077	28,161,243	73%
Domestic Travel and Subsistence, and other Transportation costs	1,126,025,605	770,331,084	355,694,521	68%
Foreign Travel and Subsistence, and other Transportation costs	103,461,280	75,808,304	27,652,976	73%
Printing, Advertising, and information Supplies and Services	39,834,420	20,933,364	18,901,056	53%
Rentals of Produced Assets	208,853,600	92,129,753	116,723,847	44%
Training Expense (including capacity building)	54,779,200	43,220,077	11,559,123	79%
Hospitality Supplies and Services	91,826,300	86,164,577	5,661,723	94%
Insurance Costs -Medical & Accident	487,685,400	361,780,321	125,905,079	74%
Specialized Materials and Supplies	7,768,800	4,618,000	3,150,800	59%
Office and General Supplies & Services	41,636,100	25,698,821	15,937,279	62%
Fuel Oil and Lubricants	80,973,700	43,901,593	37,072,107	54%
Other Operating Expenses	85,623,505	36,356,554	49,266,951	42%
Use of Goods and Services	2,439,342,230	1,638,695,239	800,646,991	67%
Routine Maintenance - Vehicles	52,924,050	26,173,418	26,750,632	49%
Routine Maintenance - Other Assets	275,567,550	139,131,632	136,435,918	50%
Routine Maintenance	328,491,600	165,305,050	163,186,550	50%

Title and Details	Approved Estimates (Kshs.)	Total Expenditure (Kshs.)	Balance (Kshs.)	rate %
Government Pensions and Retirement Benefits	3,400,000	2,086,750	1,313,250	61%
Purchase of Office Furniture and General Equipment	17,500,000	14,109,922	3,390,078	81%
Purchase of Specialized Plant, Equipment and Machinery	59,465,200	44,267,876	15,197,324	74%
Acquisition of Assets	76,965,200	58,377,798	18,587,402	75%
Gross Expenditure	8,024,899,030	5,221,661,098	2,803,237,932	65%
Rent of Government Buildings and Housing	(7,000,000)	(4,678,596)	(2,321,404)	67%
Appropriation - in - Aid	(400,000,000)	(197,114,338)	(202,885,662)	49%
Net Expenditure	7,617,899,030	5,019,868,164	2,598,030,866	66%
DEVELOPMENT BUDGET				
OAG Mombasa Office Block	24,000,000	24,000,000	-	100%
Capital Grants from International Organizations (AFDB)	55,000,000	9,143,001	45,856,999	17%
Total Development	79,000,000	33,143,001	45,856,999	42%
Gross Budget	8,103,899,030	5,254,804,099	2,849,094,931	65%
Net Budget	7,696,899,030	5,053,011,165	2,643,887,865	66%



REPUBLIC OF KENYA

THE NATIONAL TREASURY

OFFICE OF THE PRINCIPAL SECRETARY

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

THE NATIONAL TREASURY
P O BOX 30007 - 00100
NAIROBI

When Replying Please Quote

Ref: TNT/CONF./282/18/02 'AL' (16)

4th March, 2025

Mr. Samuel Njoroge, CBS
Clerk of the National Assembly
Parliament Building
NAIROBI

Dear

Clerk

RE: MEETING WITH THE DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING TO CONSIDER THE SUPPLEMENTARY ESTIMATES NO. 2 FOR FY 2024/25

Your letter Ref. No. NA/DDC/F&NP/2025/014 dated 4th March, 2025 on the above subject refers.

Attached, please find twenty (20) copies of The National Treasury Vote 1071 submission on the Supplementary Estimates No. II for FY 2024/25 for your further action. We look forward to appear before the Committee as scheduled on **Thursday 6th March, 2025, at the in Committee Room No.18 and 19, 3rd floor, Bunge Tower.**

Yours

Sincerely

Dr. Chris Kiptoo, CBS
PRINCIPAL SECRETARY/THE NATIONAL TREASURY

Encls.



REPUBLIC OF KENYA
THE NATIONAL TREASURY & ECONOMIC PLANNING

**TALKING NOTES FOR THE CABINET SECRETARY FOR THE
NATIONAL TREASURY AND ECONOMIC PLANNING**

FOR:
**THE MEETING WITH THE LIAISON COMMITTEE OF THE
NATIONAL ASSEMBLY ON THE FINANCIAL YEAR 2024/25
SUPPLEMENTARY ESTIMATES NO. II**

MARCH 2025

I. INTRODUCTION

1. **Mr. Chairman**, the Financial Year 2024/25 Supplementary Estimates No. II has been prepared in line with Article 223 of the Constitution and Section 44 of the Public Finance Management Act, CAP 412A.

II. FISCAL PERFORMANCE FOR THE FY 2024/25 BUDGET AS AT END DECEMBER 2024

(i) Revenue

2. **Mr. Chairman**, total revenue collection including ministerial appropriation in aid (A-i-A) for the period was **KSh.1,368.7 billion** against a target of **KSh.1,431.6 billion** recording a shortfall of **KSh.62.8 billion**. The below target performance in the total revenue was on account of shortfall registered in Ordinary Revenue of **KSh.93.2 billion**. Ministerial AIA recorded overperformance of **KSh.30.4 billion**.

(ii) Expenditure

3. **Mr. Chairman**, the total expenditure and net lending for the period under review amounted to **KSh.1,986.2 billion**, against a target of **KSh.1,796.0 billion**, a 16.5 percent growth compared to the same period in the FY 2023/24. Transfers to County Governments were below target by **KSh.27.6 billion**. Recurrent expenditure for National Government amounted to **KSh.1,492.3 billion** (excluding **KSh.30.4 billion** for Parliament and Judiciary), against a target of **KSh.1,299.4 billion** which is above by **KSh.192.9 billion**. The above target expenditure in recurrent category was mainly due to higher than targeted expenditures on pension payments, domestic interest payment, and Operation and Maintenance.

- **Fiscal Deficit Including Grants**

4. **Mr. Chairman**, considering total revenues and expenditures, the overall fiscal deficit including grants (on cash basis) amounted to a deficit of **KSh.391.3 billion** (2.2 percent of GDP). This was financed through Net Foreign Financing amounting to (**KSh.8.1 billion**) and Net Domestic Financing amounting to **KSh.399.4 billion**.

- **Exchequer Issues as at End December 2024**

5. **Mr. Chairman**, as at 31st December, 2024, the National Treasury had issued Exchequer amounting to **KSh.1,714.1 billion** as provided in Table 1.

Table 1: Summary of Exchequer Issues for Period Ending December, 2024

S/NO	Items	Approved Estimates (SUPP I)	Total Issues	% of Issues
1	Recurrent Estimates	1,307,942,915,648.00	654,543,090,015.10	50.0%
2	Development Estimates	351,292,250,486.00	129,820,487,067.65	37.0%
3	Consolidated Fund Services	2,137,837,413,910.31	738,090,112,597.45	34.5%
4	County Allocation	410,833,969,281.00	191,615,344,281.00	46.6%
Total Exchequer Issues		4,207,906,549,325.31	1,714,069,033,961.20	40.7%

6. During the same period, the outstanding Exchequer requests amounted to **KSh.141.4 billion** in view of demands for expenditures and the underperformance in revenues.

- **Outlook to End June 2025**

7. **Mr. Chairman**, the revenue performance as at end December 2024 indicate that meeting the overall revenue target for the FY 2024/25 remains a challenge. In view of this, the ordinary revenue target has been reviewed downwards taking into account the performance and the Tax Laws Amendment Act, 2024. Ordinary revenue is therefore projected at **KSh.2,580.9 billion** and AIA at **KSh.484.3 billion** giving a total revenue projection of **KSh.3,065.2 billion**. In this regard, we have prepared FY 2024/25 Supplementary Estimates No. II to accommodate the changes and align the Budget with the above developments.

III. FY 2024/25 SUPPLEMENTARY ESTIMATES NO. II

8. **Mr. Chairman**, further to the approval of the FY 2024/25 Supplementary Estimates No. I in July 2024, the National Treasury has received and approved requests from MDAs for reallocations, additional funding to cater for shortfalls, and emerging priorities, emergencies and unforeseen expenditures.

9. In line with Article 223 of the Constitution of Kenya and section 44 of the Public Finance Management Act, (CAP 412A), these changes necessitated the preparation of the FY 2024/25 Supplementary Estimates No. II.

10. **Mr. Chairman**, the FY 2024/25 Supplementary Estimates No. II, seeks to address the following:

- (i) Approved Additional Expenditures for both GOK and Externally Financed Projects;
- (ii) The Approved Reallocations;
- (iii) Compensation to Employees (Personnel Emoluments) and Gratuity;
- (iv) Adjustment of Receipts of Appropriation in Aid (A-I-A); and

- (v) Realignment of Budgetary Provisions to Projected Levels of Absorption.

a) Additional Expenditures

11. Since the approval of the FY 2024/25 Supplementary Estimates No. I, The National Treasury has received requests for additional funding from MDAs' amounting to **KSh.900.1 billion**. These include;

Recurrent Expenditures	-	KSh. 493.0 billion
<u>Development Expenditures</u>	-	<u>KSh. 407.1 billion</u>
Total		KSh. 900.1 billion

12. However, in view of fiscal constraints, and to ensure we maintain macro-economic stability and access to external financial markets, we have only accommodated Approvals granted under Article 223 of the Constitution, salaries shortfalls for MDAs, allocations to SAGAs, and other critical expenditures amounting to **KSh.199.9 billion** in the FY 2024/25 Supplementary Estimates No. II.

b) Approvals under Article 223 of the Constitution

13. The recommended additional expenditures include approvals granted under Article 223 of the Constitution of Kenya amounting to **KSh.88.2 billion**. These comprise **KSh.65.9billion** from GoK and **KSh.22.3 billion** for Development Partner Funded projects. The details of the expenditures granted under Article 223 of the Constitution and the disbursement status are provided in **Annex 1**.

c) Budget Rationalization

14. **Mr. Chairman**, in order to reflect actual trend of Development Budget absorption rate to end June, 2025 and also to finance some of the additional

expenditures, the GoK Development Budget Estimates have been rationalized by **KSh.39billion**. Further, the Development Partners Funded Projects have been reduced by **KSh.77.3billion**.

d) Reallocation of Funds

15. **Mr. Chairman**, the National Treasury has also approved re-allocations of expenditures in accordance to Section 43 of the PFMA, CAP 412A. This is to address negative balances and other emerging issues in budget implementation. The re-allocations have been reflected in the FY2024/25 Supplementary Estimates No. II.

e) Adjustments in Appropriations in Aid (A-I-A).

16. **Mr. Chairman**, MDAs have proposed a net adjustment in Appropriations in Aid (AIA) amounting to **KSh.56.4 billion** of which **KSh.33.9billion** is for Recurrent Estimates and **KSh.22.5 billion** for Development Estimates as indicated in Table 2.

Table 2: FY 2024/25 Supplementary Estimates No. II- AIA Adjustment (KSh.)

Vote Code	Vote	AIA
	Recurrent	
R1024	State Department for Immigration and Citizen Services	2,722,453,780.0
R1025	National Police Service	90,487,600.0
R1026	State Department for Internal Security & National Administration	32,100,000.0
R1036	State Department for the ASALs and Regional Development	7,245,000.0
R1041	Ministry of Defence	(1,476,673,894)
R1053	State Department for Foreign Affairs	132,978,526.0
R1064	State Department for Technical Vocational Education and Training	6,440,722,988.0
R1065	State Department for Higher Education and Research	9,639,140,344.0
R1071	The National Treasury	409,054,511.0
R1072	State Department for Economic Planning	2,287,480.0
R1082	State Department for Medical Services	3,169,000,000.0
R1083	State Department for Public Health and Professional Standards	223,870,855.0
R1092	State Department for Transport	2,356,163,577.0

Table 2: FY 2024/25 Supplementary Estimates No. II- AIA Adjustment (KSh.)

Vote Code	Vote	AIA
	Recurrent	
R1093	State Department for Shipping and Maritime Affairs	(10,000,000.0)
R1094	State Department for Housing & Urban Development	1,926,600,000.0
R1095	State Department for Public Works	2,100,000.0
R1109	State Department for Water & Sanitation	445,000,000.0
R1112	State Department for Lands and Physical Planning	420,000,000.0
R1122	State Department for Information Communication Technology & Digital Economy	(1,200,000,000.0)
R1123	State Department for Broadcasting & Telecommunications	50,000,000.0
R1132	State Department for Sports	1,500,000.0
R1134	State Department for Culture and Heritage	219,933,260.0
R1135	State Department for Youth Affairs and Creative Economy	8,558,224.0
R1162	State Department for Livestock Development	184,849,750.0
R1169	State Department for Agriculture	1,713,000,000.0
R1174	State Department for Trade	20,000,000.0
R1175	State Department for Industry	313,000,000.0
R1176	State Department for Micro, Small and Medium Enterprises Development	344,500,000.0
R1177	State Department for Investment Promotion	229,000,000.0
R1185	State Department for Social Protection and Senior Citizens Affairs	70,000,000.0
R1192	State Department for Mining	300,000,000.0
R1193	State Department for Petroleum	8,000,000.0
R1202	State Department for Tourism	4,634,108,192.0
R1213	State Department for Public Service	13,000,000.0
R1291	Office of the Director of Public Prosecutions	3,000,000.0
R2061	Commission on Revenue Allocation	1,000,000.0
R2081	Salaries and Remuneration Commission	150,000.0
R2091	Teachers Service Commission	454,000,000.0
	Sub Total	33,900,130,193.0
	Development	
D1024	State Department for Immigration and Citizen Services	2,703,158,000.0
D1025	National Police Service	500,000,000.0
D1091	State Department for Roads	16,000,000,000.0
D1094	State Department for Housing & Urban Development	468,537,398.0
D1112	State Department for Lands and Physical Planning	1,800,000,000.0
D1122	State Department for Information Communication Technology & Digital Economy	90,000,000.0
D1152	State Department for Energy	540,000,000.0
D1169	State Department for Agriculture	9,265,034.0
D1192	State Department for Mining	160,000,000.0
D1202	State Department for Tourism	150,000,000.0
D2091	Teachers Service Commission	39,000,000.0
	Sub Total	22,459,960,432.0
	Grand Total	56,360,090,625.0

f) Overall Expenditures

17. **Mr. Chairman**, the gross Ministerial Expenditure in the FY 2024/25 Supplementary Estimates No. II has decreased by 2.5 per cent from the original approved Ministerial Estimates. However, the Recurrent Expenditure has increased by 5.9 per cent while the Development Expenditure has decreased by 20.9 per cent. This is within the 10 per cent allowable threshold for variation of a Supplementary Budget as stipulated in the Public Finance Management Act, CPA 412A.

18. The overall change in the Budget including Consolidated Fund Services from the original approved Budget is a decrease of **KSh. 30.5 billion** which reflects a 0.8 per cent decrease as indicated in Table 3. This is within the provisions of Article 223 of the Constitution.

Table 3: Overall Change in the FY 2024/25 Budget Estimates Amount in KSh. Million

S/No.	Expenditure Estimates	Original Approved Budget	Supplementary Estimates No.I	Supplementary Estimates No.II	Gross Change Between Suppl Estimates No.I &II	Gross Change Between Suppl Estimates II and Original Approved	% Gross Change of Suppl. Estimates No.II from Suppl Estimates No.I (f) =(d)/(b)	% Gross Change of Suppl. Estimates No.II from Original Estimates (g) = (e)/(a)
		(a)	(b)	(c)	(d) = (c)-(b)	(e) = (c) - (a)		
1	Ministerial National Government Expenditure Estimates	2,378,432.5	2,232,756.5	2,318,630.1	85,873.7	(59,802.4)	3.8	(2.5)
	Recurrent Expenditure Estimates	1,632,096.6	1,591,590.2	1,728,550.2	136,959.9	96,453.6	8.6	5.9
	Development Expenditure Estimates	746,335.9	641,166.2	590,080.0	(51,086.2)	(156,255.9)	(8.0)	(20.9)
2	Consolidated Fund Services	1,213,453.2	1,237,233.8	1,242,735.5	5,501.7	29,282.3	0.4	2.4
3	Total	3,591,885.7	3,469,990.3	3,561,365.6	91,375.4	(30,520.1)	2.6	(0.8)

g) Adherence to Fiscal Responsibility Principles

19. **Mr. Chairman**, the National Government's Ministerial Development Budget Estimates in the FY 2024/25 Supplementary Estimates No. II is 25.4 per cent of the

cent. This is below the legal threshold of at least 30 percent allocation to the Development Budget.

20. To address this, the National Treasury will be implementing expenditure re-alignments to ensuring that over the medium term, a minimum of thirty percent of the National Budget shall be allocated to Development Expenditure in compliance with the fiscal responsibility principles as set out in the Public Finance Management Act, 2012.

21. **Mr. Chairman**, the Ministerial Expenditure for compensation of employees in the FY 2024/25 Supplementary Estimates No. II is **KSh.624.7 billion** representing **23.6 per cent** of the National Government's equitable share of revenues and other revenues raised. This is within the 35 per cent threshold required in the PFM regulations.

IV. AMENDMENTS TO THE FY 2024/25 SUPPLEMENTARY ESTIMATES NO. II

22. **Mr Chairman**, further to the submission of the FY 2024/25 Supplementary Estimates No. II, the National Treasury has received requests for additional funding to cater for emerging priorities amounting to **KSh.3.3 billion**. Table 4 provides the details.

Table 4: Amendments to the FY 2024/25 Supplementary Budget Estimates No. 2 (KSh. Million)

S/No.	Vote & Item Description	
1	1082 State Department for Medical Services	2,077.0
	Susan Foundation Buffet Foundation	2,077.0
2	1013 Office of the Prime Cabinet Secretary	100.0
	Operations and Maintenance	100.0
3	1017 State House	400.0
	Refurbishment	400.0
4	1023 State Department for Correctional Services	100.0
	Fy 2023/24 Carry Overs for Damaged Infrastructure & Civil Works in Various Penal Institutions	100.0
5	1071 The National Treasury	50.0
	Multi-Agency Technical Working Group Committee Implementing State Corporations Reforms	50.0
6	1174 State Department for Trade	50.0
	Operations and Maintenance	50.0
7	1091 State Department for Roads	200.0
	Biretwa - Aror- Chesongoh Road (for the Environmental and Social Impact Assessments, Feasibility Studies and Designs);	200.0
8	1252 State Law Office	50.0
	Operations and Maintenance	50.0
9	1026 State Department for Internal Security & National Administration	159.3
	Taskforce on Campaigns against Gender Based Violence and Femicide	109.3
	Public Benefit Organization Regulatory Authority	50.0
10	2042 National Assembly	120.0
	Operations and Maintenance	120.0
	Total	3,306.3

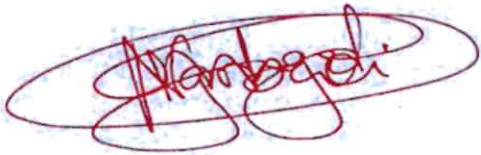
23. **Mr. Chairman**, the additional funding will be financed through rationalization of budget, foreign financed and enhancement of revenues as indicated in Table 5.

Table 5: Amendments to the FY 2024/25 Supplementary Budget Estimates No. 2(KSh. Million)

S/No	Item	
1	Foreign Financed	2,077.0
2	National Intelligence Service	500.0
3	The National Treasury	504.3
4	Revenue Enhancement	225.0
	Total	3,306.3

V. CONCLUSION

24. **Mr. Chairman**, allow me to thank you once again for this opportunity to engage with you on the FY 2024/25 Supplementary Estimates No.II. The National Treasury and Economic Planning is ready to provide any additional information/documentation required by the National Assembly to facilitate the approval of the FY 2024/25 Supplementary Estimates No. II.



HON. FCPA JOHN MBADI NG'ONGO, EGH
CABINET SECRETARY

Annex I: FY 2024/25 Approvals Granted Under Article 223 of the Constitution

Vote/Programme/Project/Item	Approved Additional			Date of Approval	Exchequer Disbursement	Disbursement Dates	Remarks
	Current	Capital	Total				
1013 Office of the Prime Cabinet Secretary	-	65,000,000	65,000,000	-	-	-	
0755000 Government Coordination and Supervision	-	65,000,000	65,000,000	-	-	-	
Middle Income Country Technical Assistance Fund(MICTAF)	-	65,000,000	65,000,000	16/10/2024	-	-	
1017 State House	1,500,000,000	-	1,500,000,000	-	-	-	
0704000 State House Affairs	1,500,000,000	-	1,500,000,000	-	-	-	
Operations and Maintenance	1,500,000,000	-	1,500,000,000	20/1/2025	-	-	
1024 State Department for Immigration and Citizen Services	2,722,453,780	2,703,158,000	5,425,611,780	-	-	-	
0605000 Migration & Citizen Services	2,722,453,780	2,703,158,000	5,425,611,780	-	-	-	
Contracted Professional	2,722,453,780	2,703,158,000	5,425,611,780	19/09/2024, 8/10/2024, 12/11/2024 & 29/11/2024	-	-	Funded through Appropriation-in-Aid (AIA)
1025 National Police Service	2,161,366,223	-	2,161,366,223	-	770,832,389	-	
0601000 Policing Services	2,161,366,223	-	2,161,366,223	-	770,832,389	-	
Security Operations	2,161,366,223	-	2,161,366,223	11/09/2024& 7/10/2024	770,832,389	23/09/2024 & 28/10/2024& 27/11/2024, 7/11/2025, 24/11/2025, 25/11/2025	Multinational Security Support Mission to Haiti
1026 State Department for Internal Security & National Administration	4,400,000,000	2,500,000,000	6,900,000,000	-	4,500,000,000	-	
0629000 General Administration and Support Services	4,400,000,000	2,500,000,000	6,900,000,000	-	4,500,000,000	-	
Operations and Maintenance	4,400,000,000	-	4,400,000,000	-	-	27/11/2024,10/12/2024 & 20/12/2024	
Police Modernization	-	2,500,000,000	2,500,000,000	-	-	5/12/2024	
1036 State Department for the ASALs and Regional Development	3,600,000,000	150,000,000	3,750,000,000	-	2,558,553,594	-	
0733000 Accelerated ASAL Development	3,600,000,000	150,000,000	3,750,000,000	-	2,558,553,594	-	
Transfer(Relief) & Operations and Maintenance	3,600,000,000	-	3,600,000,000	-	-	28/10/2024, 6/11/2024, 13/11/2024, 2/12/2024, 16/12/2024 & 20/12/2024, 24/12/2024, 8/1/2025, 9/1/2025	Drought Related Intervention
Kenya Social Economic Inclusion Programme	-	150,000,000	150,000,000	-	-	-	
1053 State Department for Foreign Affairs	523,843,746	-	523,843,746	-	-	-	
0714000 General Administration Planning and Support Services	523,843,746	-	523,843,746	-	-	-	
Operations and Maintenance	523,843,746	-	523,843,746	11/27/2024	-	-	
1065 State Department for Higher Education and Research	1,500,000,000	-	1,500,000,000	-	500,000,000	-	
0504000 University Education	1,500,000,000	-	1,500,000,000	-	500,000,000	-	
Current Grants to Government Agencies and other Levels of Government	1,500,000,000	-	1,500,000,000	-	500,000,000	14/1/2025	Moi University- Shortfall in Personnel Emolument & Operations & Maintenance
1066 State Department for Basic Education	-	8,014,742,616	8,014,742,616	-	-	-	
0501000 Primary Education	-	7,400,000,000	7,400,000,000	-	-	-	
School Infrastructure in North Nyanira/Borabu	-	1,400,000,000	1,400,000,000	-	-	-	Foreign Financed
Kenya Primary Education Equity in Learning Program	-	6,000,000,000	6,000,000,000	-	-	-	Foreign Financed

Vote/Programme/Project/Item	Approved Additional			Date of Approval	Exchequer Disbursement	Disbursement Dates	Remarks
	Current	Capital	Total				
0502000 Secondary Education	-	614,742,616	614,742,616	-	-	-	Foreign Financed
Kenya Secondary Education Quality Improvement Project		614,742,616	614,742,616				
1071 The National Treasury	1,250,000,000	1,893,653,677	3,143,653,677	12/9/2024			
0718000 Public Financial Management	1,250,000,000	1,893,653,677	3,143,653,677	19/09/2024			
E-Government Procurement System		560,000,000	560,000,000				
Equity Acquisition- ATDB		1,333,653,677	1,333,653,677				
Operations and Maintenance	1,250,000,000		1,250,000,000				
1072 State Department for Economic Planning	-	2,300,000,000	2,300,000,000	-	2,300,000,000		
0707000 National Statistical Information Services		2,300,000,000	2,300,000,000		2,300,000,000		
Ke-Eastern Africa Regional Statistics Program for Results		2,300,000,000	2,300,000,000	21/08/2024	2,300,000,000	1/10/2024	
1082 State Department for Medical Services	1,500,000,000	-	1,500,000,000	-	-		
0402000 National Referral & Specialized Services	1,500,000,000	-	1,500,000,000	-	-		
Current Transfer to Kenya Medical Supplies Agency	1,500,000,000		1,500,000,000				
1083 State Department for Public Health and Professional Standards	3,495,000,000	-	3,495,000,000	-	1,750,000,000		Settlement of outstanding Basic Salary Arrears accrued by the Medical Officers both in the National and County Governments
0412000 General Administration	1,750,000,000	-	1,750,000,000	-	1,750,000,000		
Current Transfers to Other Levels of Government	1,750,000,000		1,750,000,000		1,750,000,000	12/24/2024	
0407000 Health Resources Development and Innovation	1,745,000,000	-	1,745,000,000	-	-		Stipend for HealthCare Professional Interns
Basic Wages - Temporary Employees	1,745,000,000		1,745,000,000		8,000,000,000		
1091 State Department for Roads	-	18,940,000,000	18,940,000,000	-	8,000,000,000		
0202000 Road Transport	-	18,940,000,000	18,940,000,000	-	8,000,000,000		
Roads Construction		12,000,000,000	12,000,000,000			18/12/2024	
South Sudan Eastern Africa Transport, Trade & Development Facilitation Project		3,240,000,000	3,240,000,000	23/08/2024			Foreign Financed Project
Bagamoyo-Hordehoru-Lunga Lungu Malindi Road		3,700,000,000	3,700,000,000				Foreign Financed Project
1092 State Department of Transport	73,700,000	44,800,000	118,500,000	-	-	-	
0201000 General Administration, Planning and Support Services	73,700,000	44,800,000	118,500,000				
Current Grants to Government Agencies and other Levels of Government	73,700,000		73,700,000				
Refurbishment of Transion House Repair of Lifts		44,800,000	44,800,000				
1109 State Department for Water & Sanitation	200,000,000	-	200,000,000	-	-	-	
1004000 Water Resources Management	200,000,000	-	200,000,000	-	-	-	
Current Grants to Government Agencies and other Levels of Government	200,000,000		200,000,000				Water Resources Authority- Personnel Emoluments Shortfall
1112 State Department for Lands and Physical Planning	200,000,000	-	200,000,000	-	-	-	
0101000 Land Policy and Planning	200,000,000	-	200,000,000	-	-	-	
Operations and Maintenance	200,000,000		200,000,000				Funded through Appropriation in Aid(AlA)
1122 State Department for Information Communication Technology & Digital Economy	512,000,000	-	512,000,000	-	-	-	
0217000 E-Government Services	512,000,000	-	512,000,000	-	-	-	
Current Grants to Government Agencies and other Levels of Government	512,000,000		512,000,000				Personnel Emoluments for ICTA
1123 State Department for Broadcasting & Telecommunications	627,692,112	-	627,692,112	-	354,395,739		
0208000 Information and Communication Services	627,692,112	-	627,692,112	-	354,395,739		
Advertising, Awareness and Publicity Campaigns	627,692,112		627,692,112	29/11/2024	354,395,739.0	20/12/2024	Pending Bills under Government Advertising Agency

Vote/Programme/Project/Item	Approved Additional		Date of Approval	Exchequer Disbursement	Disbursement Dates	Remarks
	Current	Capital				
1135 State Department for Youth Affairs and Creative Economy	-	500,000,000	-	-	-	
0711000 Youth Empowerment Services	-	500,000,000	-	-	-	
Vijana Yuka na Afya (VIVA)			13/08/2024			KSh. 400million for Grant AIA and KSh 100 Grant Revenue
1152 State Department for Energy	-	500,000,000				
0213000 Power Transmission and Distribution	-	4,607,626,510		-		
Kenya Tanzania Power Interconnection	-	2,407,626,510		-		
Last Mile Connectivity- Electrification of Public Facilities (REREC)		190,000,000	27/08/2024			
under OPEC Fund for Development						
Export Import Bank of India Funded Projects		405,866,572	12/8/2024			Loan AIA
Rural Electrification and Renewable Energy Corporation (OPEC Fund for Development)		180,004,856	10/9/2024			Loan AIA
Last Mile Connectivity Project funded by Agency Française De Development (AFD)		243,755,082	30/08/2024			Loan AIA OPEC Fund
0212000 Power Generation			17/10/2024			Loan Revenue
Olkaria 1 and IV (Olkaria 1 Unit 6) funded by European Investment Bank (EIB)		1,388,000,000				
1169 State Department for Agriculture		2,200,000,000				
0108000 Crop Development and Management	-	756,000,000	28/10/2024			Loan European Investment Bank
Kenya Cereal Enhancement Programme (KCEP-CRAL)		756,000,000				
1176 State Department for Micro, Small and Medium Enterprises Development	-	700,000,000	4/10/2024			Loan Revenue -KSh. 296M & Grant Revenue KSh. 460M
0316000 Promotion and Development of MSMEs	-	700,000,000				
Kenya Job and Economic Transformation (KJET)	-	700,000,000		-		
1221 State Department for East African Community	214,000,000	700,000,000	18/12/2024			Foreign Financed
0305000 East African Affairs and Regional Integration	214,000,000	-		-		
Operations and Maintenance	214,000,000	214,000,000		-		
1331 State Department for Environment & Climate Change	-	159,100,000		-		
1002000 Environment Management and Protection	-	159,100,000		-		
ETF Reporting Programme for UNFCCC		90,000,000				Foreign Financed
Lake Naivasha Ecosystem Project		69,100,000				Foreign Financed
2071 Public Service Commission	263,600,000	-				
0725000 General Administration, Planning and Support Services	263,600,000	-				
Operations and Maintenance	263,600,000					
2091 Teachers Service Commission	-	403,800,000		-		
Secondary Education Quality Improvement Project		403,800,000				
Consolidated Fund Services	19,685,136,690	-				19,685,136,690
Guaranteed Debt	19,685,136,690				12/31/2024	
Total	44,428,792,550	43,737,880,803		40,418,918,412		



REPUBLIC OF KENYA

THE NATIONAL TREASURY AND ECONOMIC PLANNING

**STATEMENT BY THE PRINCIPAL SECRETARY TO THE
NATIONAL TREASURY (TNT), DR. CHRIS KIPTOO, CBS,
WHEN PRESENTING THE FY 2024/25 SUPPLEMENTARY
ESTIMATES NO. II FOR VOTE 1071 – TNT, TO THE
NATIONAL ASSEMBLY (NA) DEPARTMENTAL
COMMITTEE ON FINANCE AND NATIONAL PLANNING.**

THURSDAY 6th FEBUARY, 2025

I. INTRODUCTION

Hon. Chairperson and Hon. Members, thank you for inviting us to this meeting to consider and deliberate on the FY 2024/25 Supplementary Estimates No. II for The National Treasury (TNT) Vote 1071 as submitted to the National Assembly.

Vision and Mission

In carrying out its mandate, Hon. Chairperson, TNT is guided by its Vision and Mission as stated herein:

Vision: An institution of excellence in economic and public financial management.

Mission: Promote economic transformation for shared growth through formulation, implementation and monitoring of prudent economic and financial policies at national and county levels of government.

Source of Mandate

Hon. Chairperson, TNT derives its mandate from Article 225 of the Constitution, Public Finance Management Act 2012 and the Executive Orders issued from time to time. Further, The National Treasury executes its mandate in consistency with all other legislations developed and/or reviewed by Parliament from time to time.

II. STRUCTURE

Hon. Chairperson, to effectively achieve the mandate, TNT currently has six (6) Directorates comprising five (5) Technical and the General Administration, Planning and Support Service. The Directorates are further structured into Departments, Units and Sections to ensure smooth service delivery. In addition, TNT oversees nineteen (19) Semi-Autonomous Government Agencies (SAGAs) and relates closely with autonomous constitutional establishments including the Central Bank of

Kenya, Office of the Controller of Budget, Commission on Revenue Allocation and Office of Auditor General, among others.

III. STRATEGIC OBJECTIVES

Hon. Chairperson, TNT will be pursuing the following key strategic objectives to achieve its vision and mission while addressing the mandate:

- 1) To collect Government revenue when due through fair and uniform application of the law.
- 2) To promote economic transformation for shared growth through formulation, implementation and monitoring of prudent economic and financial policies at the National and County levels of Government.
- 3) To ensure low and stable inflation and interest rates including a stable exchange rate.
- 4) To improve mobilization and management of external resources.
- 5) To manage public debt efficiently and effectively.
- 6) To optimize cash management and effectively administer the Government's financial system.
- 7) To enforce proper management, control and accounting of public funds.
- 8) To provide independent, objective assessments of the soundness of risk management strategies and practices, management control frameworks, systems and practices.

IV. RECENT ECONOMIC DEVELOPMENTS

1. Global economic growth continues to recover and is projected to improve to 3.3 percent in 2025 from an estimate of 3.2 percent in 2024, supported by strong growth in the United States and India, and improved prospects for growth in the United Kingdom. The main risks to global growth outlook relate to elevated uncertainty on trade policy amid rising tariffs on imports, and further escalation of geopolitical tensions particularly the conflict in the Middle East and the Russia-Ukraine war.

2. Kenya's economic **performance remains robust**: The economy grew by **4.0%** in Q3 of 2024, **4.6%** in Q2 and **5.0%** in Q1. Overall, the economy is estimated to grow by **4.6%** in 2024 and accelerate to **5.3%** in 2025. This growth is way above the growth of **3.2%** in 2024 for global growth and 3.8% for sub-Saharan Africa.
3. Macroeconomic fundamentals have strengthened:
- **Overall inflation** has declined from a peak of 9.6 percent in October 2022 to **3.3 percent in January 2025** as compared with 6.9% in January 2024. This level is below the mid-point of the target range of 5 ± 2.5 percent and reflects the lagged effect of the earlier tight monetary policy, declines in energy prices and continued easing of food prices. CBK has gradually eased monetary policy by lowering the Central Bank Rate (CBR) from 12.5% in December 2023 to 11.25% in December 2024 and down further to 10.75% in February 2025. The Cash Reserve Ratio (CRR) was also lowered in February 2025 by 100 basis points to 3.25% from 4.25% to the growth of credit to the private sector.
 - **Interest rates** have declined in line with the easing of the monetary policy. The interbank rate declined to 11.2% by January 2025 compared to 13.7% in January 2024. The 91-day Treasury Bills rate declined to 9.6% in January 2025 from 16.1% in January 2024. The rate has further declined to 8.9% in February 2025.
 - **Credit to private sector** is expected to recover with the strong easing of monetary policy as lending rates decline. By December 2024, credit to the private sector contracted by 1.4% in December 2024 from a growth of 13.9% in December 2023. With the lending rates declining from **17.2 percent in October 2024 to 16.9 percent in December 2024** as banks revised their base lending rates downwards a phenomenon that has been seen to continue amongst the commercial banks supported by reduction of in the CBR and CRR.
 - **The Exchange rate** against the US dollar has stabilized to an average of Kshs. 128-130 to the US dollar since January 2024. The exchange rate appreciated from an average of Kshs. 160.8 to the US dollar in January 2024 to Kshs. 129.4 in January 2025, an appreciation of 19%.
 - **The usable foreign exchange reserves** remain adequate at **USD 9,397.4 million (4.79 months of import cover)** as of February 14, 2025. These continue to provide adequate cover and a buffer against short-term shocks in the foreign exchange market.

- The current account deficit is estimated at **3.7 percent of GDP** in 2024 compared to 4.0 percent of GDP in 2023, reflecting improved goods exports, strong diaspora remittance inflows, and lower oil imports. The current account is projected to remain relatively stable at 3.8 percent of GDP in 2025.

4. Implementation of FY 2024/25 Budget

Budget implementation to January 2025 was initially impeded by the rejection of the Finance bill 2024 and protests that led to a slowdown of economic activities. As at 31st January 2025, total revenues amounted to **Kshs. 1,585.1 billion** against a target of Kshs. 1,695.3 billion, resulting in a shortfall of **Kshs. 110.0 billion** (Table 1). This shortfall was mainly on account of a shortfall in ordinary revenues of **Kshs. 113.1 billion** as Ministerial A-I-A surpassed target by **Kshs. 3.1 billion**. Total revenues grew by **5.7%** in January 2025 compared with a growth of 14.4% by end January 2024 while ordinary revenues grew by **7.3%** compared with 10.4% over the same period.

Table 1: Revenue performance by January 2025

	January 2024			January 2025				
	Actual	% of GDP	% Growth	Target (Suppl.1)	Per. Act.	Deviation	% of GDP	% Growth
A. Total Revenue (1+2)	1,499.7	9.3	14.4	1,695.3	1,585.3	(110.0)	8.8	5.7
1. Ordinary Revenue	1,257.5	7.8	10.4	1,462.6	1,349.5	(113.1)	7.5	7.3
Import Duty	80.1	0.5	1.1	91.8	83.2	(8.6)	0.5	3.9
Excise Duty	163.4	1.0	6.0	184.9	167.0	(17.9)	0.9	2.2
Income Tax	559.7	3.5	8.7	643.2	605.2	(38.1)	3.4	8.1
PAYE	302.8	1.9	10.5	352.2	327.9	(24.3)	1.8	8.3
Other Income Tax	256.9	1.6	6.7	291.0	277.3	(13.8)	1.5	7.9
VAT	375.0	2.3	20.3	407.6	365.3	(42.3)	2.0	-2.6
Other Revenue	79.4	0.5	0.6	135.0	128.7	(6.3)	0.7	62.1
2. Appropriation In Aid	242.2	1.5	40.7	232.7	235.8	3.1	1.3	-2.6
B. External Grants	7.6	0.0	(2.7)	10.2	7.9	(2.3)	0.0	0.0
Total Revenue and External Grants (A+B)	1,507.3	9.3	14.3	1,705	1,593	(112.3)	8.8	5.7
Nominal GDP (Fiscal Year)	16,131.5			18,054.3	18,054.3	-		

Total expenditure for period ending January 2025 at **Kshs. 2,106.6 billion** was below target by **Kshs. 47.9 billion** mainly due to below target disbursements to Counties of **Kshs. 34.9 bn** in equitable share and Kshs. 18.0 billion in additional allocation.

Fiscal operations by end of January 2025 therefore resulted in an overall fiscal deficit of **Kshs. 513.5 billion (2.8% of GDP)** against a target of Kshs. 441.1 billion (2.4%

of GDP). The deficit was largely financed through net domestic financing of **Kshs. 530.8 billion** as net foreign financing was a repayment of **Kshs. 29.3 billion**.

5. Challenges encountered during the six months to December 2024

- i. In the six months to December 2024, **revenue shortfalls** and **emerging expenditures pressures** affected the ability to execute the FY 2024/25 budget in a timely manner. During the period, revenue collection was below target partly associated with, among others:
 - The Civil Protests (by Gen-Z) in June, July and August 2024 that affected businesses;
 - The withdrawal of the rejected Finance Bill 2024 that was to raise an additional revenue amounting to Kshs. 344.3 billion; and
 - Continued slowdown of the economic activity in the first three quarters of 2024;
 - The implementation of Collective Bargaining Agreements and the expenditure pressures associated with the new education funding model for the Universities and salary shortfalls in the budget.
- ii. Given the above challenges, the National Treasury in November 2024 introduced measures in Parliament to optimize on tax instruments, raise revenues and streamline business processes and operations. This was through the Tax Laws (Amendment) Bill, 2024; the Tax Procedures (Amendment) Bill, 2024; and the Business Laws Amendment Bill 2024. These bills which have now been enacted are expected to generate **Kshs. 70,024 million** with the half-year impact estimated at **Kshs. 49,930 million**.

6. Revision of Budget: Supplementary Estimates No. II for FY 2024/25

Mr. Chairman, taking into account ordinary revenue shortfall to December 2024 (**Kshs. 93.5 billion**) and the half year revenue yields to June 2024 from the measures approved in December 2024, and assuming current trends, the target for ordinary revenues for Supplementary Estimates No. II is projected at **Kshs. 2,580.9 billion**, being **Kshs. 50.5 billion** lower than **Kshs. 2,631.4 billion** in Supplementary I.

Total revenues are therefore projected at **Kshs. 3,065.2 billion (17.6% of GDP)** in the FY 2024/25. Of this ordinary revenues are projected at **Kshs. 2,580.9 billion**, being **Kshs. 50.5 billion** lower than **Kshs. 2,631.4 billion** in Supplementary I. Total expenditures in the FY 2024/25 are projected at **Kshs. 3,978.3 billion (22.8% of**

GDP). This implies that the overall fiscal deficit including grants is projected at Kshs. 862.7 billion (4.9% of GDP) from Kshs. 768.6 billion (4.3% of GDP) in Supplementary I. The fiscal deficit will be financed by Kshs. 208.1 billion (1.6% of GDP) in net foreign financing and Kshs. 582.7 billion (3.3% of GDP) in net domestic financing.

V. FY 2024/25 SUPPLEMENTARY ESTIMATES NO. II – VOTE 1071 TNT

(1) THE IMPLEMENTATION STATUS OF THE FY 2024/25 BUDGET AS AT 31ST DECEMBER 2024.

Hon. Chairperson, allow me to briefly highlight the implementation status of the 2024/25 budget of the National Treasury as at 31st December, 2024 to the Committee.

The overall absorption level for both Recurrent and Development budgets combined was 35% against a target of 50%. The absorption level for the Recurrent was 51.2% against a target of 50% while that of Development was 14.53%. The over-absorption under Recurrent is attributed to some votes like Insurance to Civil Servants being given full year access. The absorption for Development is low because of transfers under Equalization and Contingency fund which are yet to be transferred to the relevant bodies.

Hon. Chairperson, below we have tabulated the TNT expenditure per Programme and Sub-Programme for appreciation.

Table 2: Programme & Sub-Programme (Financial) Performance Report as at 31st December 2024 (Figures in Kshs. Millions)

Name of the Programme & Sub-Programme	Printed Estimates (Kshs.)			Gross Expenditure (Kshs.)			Absorption Rate (%)
	Recurrent	Development	Gross	Recurrent	Development	Total	
	a	b	c=a+b	d	e	f=d+e	
General Administration	52,187.65	6,552.50	58,740.15	29,986.12	1,300.15	31,286.27	53.26%
Planning and Support Services							
Human Resources Management Services	114.84	-	114.84	57.64	-	57.64	50.19%
Administration Services	20,238.16	5,286.10	25,524.26	10,444.75	1,140.67	11,585.43	45.39%
Financial Services	31,788.35	1,266.40	33,054.75	19,462.51	159.48	19,621.98	59.36%
ICT Services	46.29	-	46.29	21.22	-	21.22	45.83%
Public Financial Management	12,537.49	37,524.68	50,062.17	3,222.89	4,671.73	7,406.82	14.80%
Public Financial Management Reforms	76.41	450.00	526.41	0.14	150.00	150.14	28.52%
Supply Chain Management Services	1,129.20	560.00	1,689.20	542.24	10.54	552.78	32.72%
Resource Mobilization	651.54	24,064.68	24,716.22	211.82	1,678.56	1,402.57	5.67%

Budget Formulation Coordination and Management	5,143.59	12,000.00	17,143.59	522.24	2,500.00	3,022.24	17.63%
Accounting Services	1,992.02	350.00	2,342.02	973.15	282.63	1,255.78	53.62%
Audit Services	861.17	-	861.17	374.99	-	374.99	43.54%
Government Investment and Assets	2,683.56	100.00	2,783.56	598.32	50.00	648.32	23.29%
Economic and Financial Policy Formulation and Management	1,487.79	8,987.17	10,474.96	761.31	1,740.26	2,501.58	23.88%
Micro Finance Sector Support and Development	230.89	1,878.00	2,108.89	101.18	271.82	372.99	17.69%
Debt Management	148.36	-	148.36	71.48	-	71.48	48.18%
Fiscal Policy Formulation, Development and Management	1,108.54	7,109.17	8,217.71	588.66	1,468.45	2,057.10	25.03%
Market Competition	508.50	-	508.50	148.82	-	148.82	29.27%
Elimination of Restrictive Trade Practices	508.50	-	508.50	148.82	-	148.82	29.27%
Grand Total	66,721.43	53,064.36	119,785.78	34,119.15	7,712.15	41,343.48	34.5

While the foregoing is the financial status of FY 2024/25 budget implementation to 31st December 2024, **Annex 4** provides the non-financials performance of the same.

(2) PROGRAMMES VARIATION AND JUSTIFICATION BY THE SUPPLEMENTARY ESTIMATE NO. II FY 2024/25

Hon. Chairperson, Supplementary II of FY 2024/25 affected critical programmes including those under the BETA initiatives. The Tables that follow show the effects by the Economic Classification as well as Programmes/Sub-Programmes. Detailed breakdown however by projects and budget heads and sub-heads and itemization for some cases is as per **Annex 3a** and **Annex 3b**.

**Table 3: Highlights of Supplementary Estimates No. II for FY 2024/25
Variations by Economic Classification (Figures in Kshs. Millions)**

No.	Expenditure Classification	Approved Estimates	Supplementary Estimates II	Changes in Estimates
1)	Current Expenditure	66,721.43	80,120.04	13,398.61
a	Compensation to Employees	3,880.20	3,938.65	58.45
b	Use of Goods and Services	10,692.88	17,610.91	6,918.03
c	Current Transfers to Govt. Agencies	52,122.54	58,529.68	6,407.13
d	Other Recurrent	25.80	40.80	15.00
2)	Capital Expenditure	52,504.36	35,588.71	(16,915.64)
a	Acquisition of Non-Financial Assets	1,675.80	1,594.85	(80.95)
b	Capital Grants to Govt Agencies	25,106.94	20,757.09	(4,349.85)
c	Other Development	25,721.62	13,236.78	(12,484.84)
	Total (1+2)	119,225.78	115,708.75	(3,517.03)

Hon. Chairperson, Table 4 is a Summary of Supplementary Estimates No. II for FY 2024/25 by Programmes/Sub-Programmes showing variations from Approved Estimates and justifications thereof.

Table 4: Summary of Supplementary Estimates II for FY 2024/25 by Programmes/Sub-Programmes (Figures in Kshs. Millions)

No.	Programme/Sub-Programmes	Approved Estimates	Supp Estimates II	Variance	Remarks/Justifications
1	General Administration, Planning and Support Services	58,740.15	79,417.21	20,677.06	Budget increment in General Administration is in on account of leasing programme and KRA budget enhancement for revenue mobilization effort.
	Administration Services	25,508.16	38,147.55	12,639.39	
	Human Resource Management Services	114.84	114.84		
	Financial Services	33,070.85	40,608.52	7,537.67	
	ICT Services	46.29	546.29	500.00	
2	Public Financial Management	49,502.17	29,108.21	(20,393.96)	Global fund budget was rationalized downwards especially the donor component and some activities ending in December 2024; Contingency and equalization funds were rationalized for fiscal space and transfer to beneficiary State Departments as ASAL for latter; Accounting Services and Public Procurement Directorate had additional funding for Cash to Accrual Accounting migration and roll-out of e-GP system
	Resource Mobilization	24,716.22	13,088.87	(11,627.34)	
	Budget Formulation, Coordination and Management	17,143.59	6,681.92	(10,461.67)	
	Audit Services	861.17	861.17		
	Accounting Services	2,342.02	3,350.02	1,008.00	
	Supply Chain Management	1,129.20	1,689.20	560.00	
	Public Financial Management Reforms	526.41	544.41	18.00	
	Government Investment and Assets	2,783.56	2,892.61	109.05	
3	Economic and Financial Policy Formulation and Management	10,474.96	6,565.34	(3,909.62)	FLLoCA and RK FINFA budgets reduced in line with fiscal space constraints of donor financed projects.
	Fiscal Policy Formulation and Management	8,217.71	5,386.09	(2,831.62)	
	Debt Management	148.36	148.36		
	Micro Finance Sector Support and Development	2,108.89	1,030.89	(1,078.00)	
4	Market competition	508.50	617.99	109.49	The increment is on account insufficient budget for staff salaries for Competition Authority.
	Elimination of Restrictive Trade Practices	508.50	617.99	109.49	
Grand Total		119,225.78	115,708.75	(3,517.03)	

(3) REVISED SCHEDULE OF OUTPUTS AND PERFORMANANCE TARGETS BY SUPPLEMENTARRY II OF FY 2024/25.

Hon. Chairperson, The National Treasury is implementing activities with Key Performance Indicators, Targets by Programmes and Delivery Units, with clear and defined Outputs. However, due to experienced budget rationalization, some of these deliverables may not be achieved especially under BETA Programmes and Projects. The Revised Schedule of the Outputs is attached as **Annex 1**.

(4) EXPECTED IMPACT OF BUDGET REVISION ON CAPITAL PROJECTS

Hon. Chairperson, the National Treasury implements various projects which are at various levels of completion. Due to tight fiscal space some donor funding has been rationalized downwards. **Annex 2** is the updated list of various projects which include the BETA projects as highlighted.

It is observed that the Supplementary Estimates II for FY 2024/25 has had more effect on the development vote where many projects have been affected by budget rationalization as already shown in **Annex 2**. For the recurrent vote, the estimates were affected more in Supplementary Estimates I for FY 2024/25, the effect of which is still being experienced.

For most donor supported projects, the adjustments were informed by mainly absorption capacity and fiscal framework. Some specific impacts however, would include the following:

- a) In PFMR project, supporting MDAs and activities shall receive lesser amount for planned activities hence triggering lesser budget support on the basis of non-achievement of Disbursement Linked Indicators (DLIs).
- b) Under Equity Participation for AfDB, Kenya being member of the Bank, shall be enabled to access credit from the organization subject to other compliance matters.
- c) Part of the outstanding bills for the IFMIS maintenance services and e-Procurement shall not be settled, as the additional only addressed reinstatement of amounts lost during the Supplementary Estimates I for FY 2024/25.
- d) The additional allocation under Data Recovery Centre (DRC) is a court award in regard to construction of data centre in Naivasha that has accrued over time. Non-payment of the full court award leads to continuing accruing of interest.
- e) Rationalization of Equalization fund will lead to lesser disbursements and beneficiary projects and Counties shall receive lesser funding than anticipated, hence compliance issues with the law may arise.

- f) Implementation of e-Procurement of GoK budget was enhanced in line with Cabinet directive of digitising Procurement Services in Government and therefore the pilot roll-out is expected soon.
- g) Global Fund CPF, FFLoCA, RK-FINFA and SAFER budgets were adjusted downward in line with absorption capacity and fiscal framework for the FY 2024/25. Some of the planned deliverables under FY 2024/25 may not be achieved.
- h) Directorate of Accounting Services increased allocation will support the activities linked to migration of Cash to Accrual Accounting in Government.

(5) EXPENDITURES UNDER ARTICLE 223 OF THE CONSTITUTION

Hon. Chairperson, additional expenditures under Article 223 of the Constitution were approved by the CS/TNT&EP of **Kshs.3,143.55 million**. Of this amount, **Kshs.1,100.00** is in Recurrent and **Kshs.2,043.55** in Development votes. The **Table 5** that follows provides the status of the funds utilization as guided in your letter.

(a)Table 5: Schedule of Article 223 of the Constitution Additional Funds

Department or Project	Amount (Kshs. Million)	Withdrawal Date	Purpose	Documentation (Annex 5)
Recurrent				
Administrative Services	500.00	December 2024	Various outstanding payments and pending bills payment	Approval letters
Strategic Intervention	600.00	December 2024	Pending bills for Motor Vehicle leasing Programme (MVLN) and its fuel	Approval letters
Sub Total	1,100.00			
Development				
Refurbishment for National Treasury Buildings.	26.00	December 2024	Pending bills payment of office refurbishment	Approval letters
Equity Participation (AfDB)	1,333.65	February 2025	Addressing outstanding payment for equity shares allocation arrears	Pay Advice, AfDB and Approval letters
Upgrading, Integration of Pension Management System.	37.10	February 2025	Settle pending bills and on-going deliverables	Approval letters
National Treasury Capacity Strengthening Project	13.00	February 2025	Capacity building for the PFM officials on public financial reforms	Approval letters
Treasury Security Systems CCTV and Scanners and PABX installation and commissioning.	73.90	February 2025	Settle pending bills for CCTV cameras in Bima House and PABX in the Treasury	Approval letters.
Implementation of e-Procurement Systems of GOK.	560.00	December 2024	Implementing Presidential Directives on E-Procurement	Approval letters.
Sub Total	2,043.55			
Total	3,143.55			

Annex 5 provides the copies of the approved additional expenditures supporting documentation for the Article 223 of the Constitution allocations as required.

(b) Justification for Reallocations of Additional Expenditures

The National Treasury undertook only one reallocation that is incorporated in these Supplementary Estimates No. II for FY 2024/25, being a reallocation in favour of Motor Vehicle Leasing Programme (MVLP) expenditures of **Kshs.2.775 billion** to cater for the pending invoices' claims for the service providers, some of whom threatened to discontinue services and others were already impounding vehicle that go for service and/or repair.

CONCLUSION

The TNT acknowledges that it may not have been possible to provide for all these needs of the various Directorates/Departments/Units/SAGAs of the TNT in view of the tight fiscal space that we are operating in and the many competing priorities of Government submitted during the preparation of the Supplementary Estimates No. II of the FY 2024/25. A number of requests have however, been proposed for review in the next budget revision subject to the performance of the economy and implementation of the budget estimates up to the time of consideration.

Hon. Chairperson, as I conclude my statement, I wish to sincerely thank you and your members as well as the Secretariat once again, for giving me and my team this important opportunity to present to this Ccommittee the Supplementary Estimates No. II for FY 2024/25 for Vote 1071 TNT. We look forward that your Committee finds TNT justifications appropriate.

Thank you.



DR. CHRIS KIPTOO, CBS
THE PRINCIPAL SECRETARY/TNT

Encls.

ANNEXTURES

- Annex 1: Revised Schedule of Outputs and Performance Targets
- Annex 2: Expected Impact of Budget Revision on Capital Projects
- Annex 3a: Summary Itemization and Justification of Supplementary Estimates Variations
- Annex 3b: Summary Justification of Supplementary Estimates Variations by Programmes and Sub-Programmes
- Annex 4: Non-Financial Performance to 31st December, 2024
- Annex 5: Documentation in Respect of Funding under Article 223 of the Constitution

NAME OF THE MDA: THE NATIONAL TREASURY

ANNEX 1

PROGRAMME AND SUB-PROGRAMME NON-FINANCIAL PERFORMANCE REPORT FOR THE FIRST SIX MONTHS OF FY 2024/2025

a	Delivery Unit	Key output	Key Performance Indicators	Annual Target 2024/25	Actual as at 31st December 2024	Revised Targets for FY 24/25	Remarks
THE NATIONAL TREASURY							
Programme 1: General Administration, Planning and Support Services							
Programme Outcome: Efficient and effective service delivery							
SP 1. Administration Services	Headquarters Administrative Services	Vehicles Leased	No. of vehicles leased	3,548	3,546	3,546	Optimum No. vehicles required in leasing have not been achieved due to funding challenges
	Economic Stimulus Programme	Payment of outstanding bills	Amount of pending bills paid (KSh. Billions)	4	3	-	This was subjected to reallocation to meeting leasing programme funding challenges.
	Refurbishment of National Treasury Buildings	Administrative Services	% Completion level of rehabilitation	-	-	35	Budget was cut during Supp 1 of FY 2024/25
	Equity and Subscriptions in International Financial Institutions	Benefits from international organization	Amount of annual subscription (KSh.Millions)	-	-	1,333,653,678	Kenya risked defaulting agreed membership obligation due to lack of funding.
	Upgrading, Integration of Pensions Management Information System	Pension Services	% level of operationalization of PMIS system	-	6	20	Upgrading of services is ongoing
	Treasury-Bima- Herufi Security System: Car Scanners Fire Systems CCTV	Administrative Services	% of project completion	-	50	65	Ongoing project
	Kenya Affordable Housing Project - BETA	Affordable Housing Services	% of funds disbursed to Kenya Mortgage Refinance Company	100	100	100	This will end this FY year
SP 3. Financial Services	Horn of Africa Gateway Development Project	Integrating Horn of Africa	Integrating Horn of Africa	4	2	4	Ongoing project

	East Africa Transport, Trade & Development Facilitation Project	Complete border points	No. of border points completed	5	5	5	To end this FY year
	Kenya Revenue Authority	Ordinary revenue collected	Revenue collected as % of GDP	17	8	18	KRA is on target to meet revenue collection
ICT Services	Installation, Operational'n of DRC Equipment-Government Data Centre	Government Data Centre	% level of completion	-	-	50	This is court award pending bill of Data centre construction
Programme 2: Public Financial Management							
Programme Outcome: Transparent and accountable management of public resources							
SP 5. Resource Mobilization	Fund for Economic Development - Aid Effectiveness for Development Res	Capacity Development Services	Funds disbursed to MDAs as a % of the external resources mobilized	30	10	10	Target is on track.
	Infrastructure Finance & Public Private Partnership Project 2 - BETA	Project approved	No. of PPP projects approved	2	2	2	First and second quarter targets achieved
	Public Debt Management Support Project	Public Debt Management Services	No. of Public Debt Framework developed	2	1	2	Target achieved
	Special Global Fund - TB NFM 3 - BETA	Disease Control Services	% of TB cases treated	85	20	20	This will this FY year
	Special Global Fund - TB NFM 3 - BETA	Disease Control Services	No. of people tested for HIV % of people receiving ART	7632177 98.4	3089788 75	100	This will this FY year
	Special Global Fund - Malaria NFM 3 - BETA	Disease Control Services	% of universal coverage of LLINs	100	54	54	This will this FY year
			% of population protected through IRS within a year	100	54	54	This will this FY year

	Kenya Co-operation and Partnership Facility	Capacity Development Services	No. of trained officers	30	10	10	Ongoing project
	Special Global Fund-TB NFM 4	Disease Control Services	% of TB cases treated	85	75	75	This will replace NFM 3 That will end this FY year.
	Special Global Fund-HIV NFM 4	Disease Control Services	No. of people tested for HIV	100	100		This will replace NFM 3 That will end this FY year.
			% of People receiving ART	98	98	100	This will replace NFM 3 That will end this FY year.
	Special Global Fund-HIV NFM 4	Disease Control Services	% of universal coverage of LLNs	100	100	100	This will replace NFM 3 That will end this FY year.
			% of population protected through IRS within a year	98	98	98	Ongoing project
	National Treasury Capacity Strengthening Project	Capacity Development Services	No. of trained officers	15	15	30	Target achieved
SP 6. Budget Formulation Coordination and Management	Budget Department	National Budget	Annual Appropriation Bill	1	1	-	Target achieved
			Supplementary Appropriation Bills	2	2	-	Target achieved
	Contingency Fund Transfers	Contingency Fund Services	Amount of contingency fund maintained (KSh.Billions)	4	-	-	This was subjected to rationalised and therefore may not meet its objectives.
	Equalisation Fund Transfers - BET	Equal development across the country	Amount of Equalization Funds transferred (KSh.Billions)	8	36	-	This was subjected to rationalised and therefore may not meet its objectives.
SP 8. Accounting Services	Accounting Services Department	Accounting Services	No. of Consolidated Financial Statements prepared	4	-	4	Target achieved
	Government Accounting Services	Accounting Services	% of of revenue collected and disbursed	100	100	100	First and second quarter targets achieved due digitization of government services
	Financial Management Information Services	Capacity Development Services	No. of PFM Users trained on IFMIS modules	1,000	1,000	1,000	Ongoing project albeit with funding challenges.
	Renewal of Oracle Licenses, Annual Support for IFMIS Apps. Hardware	Financial Management services	No. of licenses renewed	1	1	1	Target risks in event of termination of services because is not sufficiently funded.

SP 9. Supply Chain Management Services (SCMs)	Public Procurement Department	Procurement Services	No. of Government Institutions on e-Government Procurement System	-	-	12	Target surpassed due to enhanced sensitization
SP 10. Public Financial Management Reforms	Public Finance Management Reforms (PFMR) Secretariat	Skills and capacity building in PFM	No. of officers trained on Public Finance Management	8,000	8,150	8,000	Quarter Target overachieved due to high reforms uptake by the MDAs
			Cummulative % of PFM reforms implemented in PFMR Strategy 2023-2028	40	25	80	The annual work plans were approved and implementation of the reforms outlined in the PFMR Strategy is ongoing
SP 11. Government Investment and Assets	Government Investment and Public Enterprises	Govt. Investment Management Services	% of State Corporations Budgets reviewed	100	100	-	Target achieved, relevant Budgets for SC reviewed
			No. of Govt. Investment policies developed	1	1	1	Target achieved
			No. of Govt. Investment reports prepared	1	1	1	Target achieved
			No. of Govt. Investment regulations developed	1	1	1	Target achieved
			No. of reports on assessment of State Corporations and Govt. Linked Corporations on their fiscal exposure	1	1	1	Target achieved
Programme 3: Economic and Financial Policy Formulation and Management							
Programme Outcome: Stable macroeconomic environment for economic growth							
SP 12. Fiscal Policy Formulation, Development and Management	Inter-Governmental Fiscal Relations	Financial Services	% absorption of budget funds in capacity building for regional integration with COMESA and EAC	100	50	100	In line with the target
	Kenya Financing Locally Led Climate Action Programme (FLLCoA) - BETA	Climate Change Adaptation and Mitigation Services	No. of counties with CCF operationalized	30	22	22	Target may not be achieved due to budget cuts

	Green Climate Fund Readiness Project	Climate Change Adaptation and Mitigation Services	No. of local Climate projects financed	30	27	27	In line with the target
	Supporting Access to Finance & Enterprise Recovery (SAFER) - BETA	Financial Access Services	% of enterprises with financial access	100	100	100	Target may not be achieved due to budget cuts
SP 14. Microfinance Sector Support and Development	Rural Kenya Financial Inclusion Facility (RK-FINFA) - BETA	Financial Access Services	% of enterprises with financial access	100	100	100	Target may not be achieved due to budget cuts
Programme 4: Market Competition and Creation of Enabling Business Environment							
Programme Outcome: Sustained high productivity and competitive markets							
SP 15. Elimination of Restrictive Trade Practices	Competition Authority of Kenya	Consumer Protection and Regulatory Services	% of consumer complaints investigated and concluded	100	70	100	485 cases handled out of which 332 were finalized.

ANNEX 2
NAME OF THE MDA: THE NATIONAL TREASURY

Project Implementation Status as of 31st December 2024

Project Name (a)	Estimate Cost of the Project	Project Financing	Geographical Location	Timeline	Actual Cumulative Expenditure upto 31st December 2024	Outstanding cost as at 31st December 2024	% completion as at 31st December 2024	Approved Estimates for FY 2024/25	Actual Expenditure for FY 2024/25 as at 31st December 2024	Revised Estimates for FY 2024/25	Remarks (e.g. Percentage of Completion and Challenges faced in implementing the Project)					
GoK	Foreign	GoK	Foreign	County	Sub County	Start Date	Expected Completion Date	GoK	Foreign	GoK	Foreign	GoK	Foreign	GoK	Foreign	
027110201 Electricity Acquisition and Operation & Maintenance at 15.64M	755.26		GoK	Western	Western	01/01/16	01/01/17	517.00	-	171.00	-	78.93%	-	-	-	Admitted by budget cuts
027110202 Electricity and Substations in Rural Areas of Western Highlands	32,533.00		GoK	Western	Western	01/01/16	01/06/18	16,722.00	-	21,811.00	-	32.96%	-	1,333.66	-	Admitted by budget cuts
027110203 Electricity and Substations in Rural Areas of Western Highlands	884.00		GoK	Western	Western	01/06/16	01/06/18	563.00	-	421.00	-	51.23%	-	23.42	-	Admitted by budget cuts
027110204 PAF&T Installation and Commissioning of Temporary Bridge Rural Electricity Systems	64.30		GoK	Western	Western	01/06/16	-	30.00	-	-	-	46.51%	-	-	-	Admitted by budget cuts
027110205 PAF&T Installation and Commissioning of Temporary Bridge Rural Electricity Systems	200.00		GoK	Western	Western	01/06/16	06/30/2019	14.00	-	147.00	-	29.50%	-	69.96	-	Admitted by budget cuts
027110206 Installation of National Trunkline Buildings	146.00		GoK	Western	Western	01/01/17	12/31/17	34.00	-	108.00	-	24.20%	-	28.00	-	Admitted by budget cuts
027110207 Upgrade of Rural of Temporary Building	25,000.00		Foreign	Western	Western	01/01/17	06/30/2019	-	-	-	-	-	-	-	-	Admitted by budget cuts
027110208 Upgrade of Rural of Temporary Building	-	-	Foreign	Western	Western	01/01/17	06/30/2019	5,190.14	-	14,809.86	-	20.19%	-	4,000.00	-	Admitted by budget cuts
027110209 Operationalization of the Rural Bridge Electricity Company (PAC&T)	10,264.00		Foreign	Western	Western	01/01/17	06/30/2019	4,629.00	-	5,635.00	-	46.10%	-	2,150.00	-	Admitted by budget cuts
027110210 Electricity Resources Planning (R&P) and Customer Relations	1,045.00		GoK	Western	Western	03/31/16	06/30/2019	868.00	-	186.00	-	84.69%	-	-	-	Admitted by budget cuts
027110211 Electricity Resources Planning (R&P) and Customer Relations	1,032.00		GoK	Western	Western	01/01/16	01/06/19	630.00	-	272.00	-	79.33%	-	-	-	Admitted by budget cuts
027110212 Electricity Resources Planning (R&P) and Customer Relations	1,136.00		GoK	Western	Western	01/01/16	01/06/19	639.00	-	291.00	-	61.66%	-	10.00	-	Admitted by budget cuts
027110201 Construction of Accessible Data Recovery Centers	1,208.00		GoK	Western	Western	01/06/16	01/06/19	996.00	-	209.00	-	84.22%	-	5.90	-	Admitted by budget cuts
027110202 Upgrade of Rural of Temporary Building	800.00		GoK	Western	Western	01/06/16	06/30/19	5.00	-	296.00	-	24.23%	-	80.50	-	Admitted by budget cuts
027110203 Upgrade of Rural of Temporary Building	1,412.00		Foreign	Western	Western	03/01/16	12/31/17	560.00	-	766.00	-	64.99%	-	37.00	-	Admitted by budget cuts
027110204 Upgrade of Rural of Temporary Building	1,819.00		GoK	Western	Western	01/06/16	01/06/17	500.00	-	1,319.00	-	28.63%	-	-	-	Admitted by budget cuts
027110205 Installation, Operation of DRC, Equipment, Government Data Center	5,350.00		GoK	Northern	Northern	08/15/09	06/30/2019	1,140.00	-	4,110.00	-	21.71%	-	900.00	-	Admitted by budget cuts
027110206 Support to Public Finance Management (PFM) OF GOKE	32,000.00		GoK	Foreign	Western	01/01/16	01/06/19	5,500.00	-	27,500.00	-	16.83%	-	300.00	-	Admitted by budget cuts
027110207 Implementation of a Procurement System for the Government of Kenya	5,049.00		GoK	Foreign	Western	01/06/16	08/31/19	879.00	-	4,114.00	-	17.23%	-	17.34	-	Admitted by budget cuts
027110208 Fund for Economic Development And Interventions for Development	2,840.00		GoK	Foreign	Western	01/01/11	01/06/2019	84.00	-	2,040.00	-	20.92%	-	67.60	-	Admitted by budget cuts
027110209 Fund for Economic Development And Interventions for Development	1,124.00		GoK	Foreign	Western	01/01/11	01/06/2019	396.00	-	2,460.00	-	12.66%	-	60.00	-	Admitted by budget cuts
027110210 Fund for Economic Development And Interventions for Development	560.00		GoK	Foreign	Western	01/01/17	06/30/19	111.50	-	1,912.41	-	29.83%	-	50.00	-	Admitted by budget cuts
027110211 Fund for Economic Development And Interventions for Development	46.00		Foreign	Western	Western	01/01/16	06/30/19	12.11	-	32.79	-	27.13%	-	2.21	-	Admitted by budget cuts
027110212 Upgrade of Rural of Temporary Building	80.00		GoK	Foreign	Western	01/01/16	06/30/19	29.11	-	50	-	0.00%	-	10.00	-	Admitted by budget cuts
027110201 National Treasury Capital Budgeting Project	75.00		GoK	Western	Western	01/01/17	06/30/19	75.00	-	75.00	-	100%	-	75.00	-	Admitted by budget cuts
027110202 National Treasury Capital Budgeting Project	75.00		GoK	Western	Western	01/01/17	06/30/19	75.00	-	75.00	-	100%	-	75.00	-	Admitted by budget cuts
027110203 National Treasury Capital Budgeting Project	75.00		GoK	Western	Western	01/01/17	06/30/19	75.00	-	75.00	-	100%	-	75.00	-	Admitted by budget cuts
027110204 National Treasury Capital Budgeting Project	75.00		GoK	Western	Western	01/01/17	06/30/19	75.00	-	75.00	-	100%	-	75.00	-	Admitted by budget cuts
027110205 National Treasury Capital Budgeting Project	75.00		GoK	Western	Western	01/01/17	06/30/19	75.00	-	75.00	-	100%	-	75.00	-	Admitted by budget cuts
027110206 National Treasury Capital Budgeting Project	75.00		GoK	Western	Western	01/01/17	06/30/19	75.00	-	75.00	-	100%	-	75.00	-	Admitted by budget cuts
027110207 National Treasury Capital Budgeting Project	75.00		GoK	Western	Western	01/01/17	06/30/19	75.00	-	75.00	-	100%	-	75.00	-	Admitted by budget cuts
027110208 National Treasury Capital Budgeting Project	75.00		GoK	Western	Western	01/01/17	06/30/19	75.00	-	75.00	-	100%	-	75.00	-	Admitted by budget cuts
027110209 National Treasury Capital Budgeting Project	75.00		GoK	Western	Western	01/01/17	06/30/19	75.00	-	75.00	-	100%	-	75.00	-	Admitted by budget cuts
027110210 National Treasury Capital Budgeting Project	75.00		GoK	Western	Western	01/01/17	06/30/19	75.00	-	75.00	-	100%	-	75.00	-	Admitted by budget cuts
027110211 National Treasury Capital Budgeting Project	75.00		GoK	Western	Western	01/01/17	06/30/19	75.00	-	75.00	-	100%	-	75.00	-	Admitted by budget cuts
027110212 National Treasury Capital Budgeting Project	75.00		GoK	Western	Western	01/01/17	06/30/19	75.00	-	75.00	-	100%	-	75.00	-	Admitted by budget cuts
027110201 Investment Operation of DRC, Equipment, Government Data Center	5,350.00		GoK	Northern	Northern	08/15/09	06/30/2019	1,140.00	-	4,110.00	-	21.71%	-	900.00	-	Admitted by budget cuts
027110202 Support to Public Finance Management (PFM) OF GOKE	32,000.00		GoK	Foreign	Western	01/01/16	01/06/19	5,500.00	-	27,500.00	-	16.83%	-	300.00	-	Admitted by budget cuts
027110203 Implementation of a Procurement System for the Government of Kenya	5,049.00		GoK	Foreign	Western	01/06/16	08/31/19	879.00	-	4,114.00	-	17.23%	-	17.34	-	Admitted by budget cuts
027110204 Fund for Economic Development And Interventions for Development	2,840.00		GoK	Foreign	Western	01/01/11	01/06/2019	84.00	-	2,040.00	-	20.92%	-	67.60	-	Admitted by budget cuts
027110205 Fund for Economic Development And Interventions for Development	1,124.00		GoK	Foreign	Western	01/01/11	01/06/2019	396.00	-	2,460.00	-	12.66%	-	60.00	-	Admitted by budget cuts
027110206 Fund for Economic Development And Interventions for Development	560.00		GoK	Foreign	Western	01/01/17	06/30/19	111.50	-	1,912.41	-	29.83%	-	50.00	-	Admitted by budget cuts
027110207 Fund for Economic Development And Interventions for Development	46.00		Foreign	Western	Western	01/01/16	06/30/19	12.11	-	32.79	-	27.13%	-	2.21	-	Admitted by budget cuts
027110208 Upgrade of Rural of Temporary Building	80.00		GoK	Foreign	Western	01/01/16	06/30/19	29.11	-	50	-	0.00%	-	10.00	-	Admitted by budget cuts
027110209 National Treasury Capital Budgeting Project	75.00		GoK	Western	Western	01/01/17	06/30/19	75.00	-	75.00	-	100%	-	75.00	-	Admitted by budget cuts
027110210 National Treasury Capital Budgeting Project	75.00		GoK	Western	Western	01/01/17	06/30/19	75.00	-	75.00	-	100%	-	75.00	-	Admitted by budget cuts
027110211 National Treasury Capital Budgeting Project	75.00		GoK	Western	Western	01/01/17	06/30/19	75.00	-	75.00	-	100%	-	75.00	-	Admitted by budget cuts
027110212 National Treasury Capital Budgeting Project	75.00		GoK	Western	Western	01/01/17	06/30/19	75.00	-	75.00	-	100%	-	75.00	-	Admitted by budget cuts
027110201 Investment Operation of DRC, Equipment, Government Data Center	5,350.00		GoK	Northern	Northern	08/15/09	06/30/2019	1,140.00	-	4,110.00	-	21.71%	-	900.00	-	Admitted by budget cuts
027110202 Support to Public Finance Management (PFM) OF GOKE	32,000.00		GoK	Foreign	Western	01/01/16	01/06/19	5,500.00	-	27,500.00	-	16.83%	-	300.00	-	Admitted by budget cuts
027110203 Implementation of a Procurement System for the Government of Kenya	5,049.00		GoK	Foreign	Western	01/06/16	08/31/19	879.00	-	4,114.00	-	17.23%	-	17.34	-	Admitted by budget cuts
027110204 Fund for Economic Development And Interventions for Development	2,840.00		GoK	Foreign	Western	01/01/11	01/06/2019	84.00	-	2,040.00	-	20.92%	-	67.60	-	Admitted by budget cuts
027110205 Fund for Economic Development And Interventions for Development	1,124.00		GoK	Foreign	Western	01/01/11	01/06/2019	396.00	-	2,460.00	-	12.66%	-	60.00	-	Admitted by budget cuts
027110206 Fund for Economic Development And Interventions for Development	560.00		GoK	Foreign	Western	01/01/17	06/30/19	111.50	-	1,912.41	-	29.83%	-	50.00	-	Admitted by budget cuts
027110207 Fund for Economic Development And Interventions for Development	46.00		Foreign	Western	Western	01/01/16	06/30/19	12.11	-	32.79	-	27.13%	-	2.21	-	Admitted by budget cuts
027110208 Upgrade of Rural of Temporary Building	80.00		GoK	Foreign	Western	01/01/16	06/30/19	29.11	-	50	-	0.00%	-	10.00	-	Admitted by budget cuts
027110209 National Treasury Capital Budgeting Project	75.00		GoK	Western	Western	01/01/17	06/30/19	75.00	-	75.00	-	100%	-	75.00	-	Admitted by budget cuts
027110210 National Treasury Capital Budgeting Project	75.00		GoK	Western	Western	01/01/17	06/30/19	75.00	-	75.00	-	100%	-	75.00	-	Admitted by budget cuts
027110211 National Treasury Capital Budgeting Project	75.00		GoK	Western	Western	01/01/17	06/30/19	75.00	-	75.00	-	100%	-	75.00	-	Admitted by budget cuts
027110212 National Treasury Capital Budgeting Project	75.00		GoK	Western	Western	01/01/17	06/30/19	75.00	-	75.00	-	100%	-	75.00	-	Admitted by budget cuts
027110201 Investment Operation of DRC, Equipment, Government Data Center	5,350.00		GoK	Northern	Northern	08/15/09	06/30/2019	1,140.00	-	4,110.00	-	21.71%	-	900.00	-	Admitted by budget cuts
027110202 Support to Public Finance Management (PFM) OF GOKE	32,000.00		GoK	Foreign	Western	01/01/16	01/06/19	5,500.00	-	27,500.00	-	16.83%	-	300.00	-	Admitted by budget cuts
027110203 Implementation of a Procurement System for the Government of Kenya	5,049.00		GoK	Foreign	Western	01/06/16	08/31/19	879.00	-	4,114.00	-	17.23%	-	17.34	-	Admitted by budget cuts
027110204 Fund for Economic Development And Interventions for Development	2,840.00		GoK	Foreign	Western	01/01/11	01/06/2019	84.00	-	2,040.00	-	20.92%	-	67.60	-	Admitted by budget cuts
027110205 Fund for Economic Development And Interventions for Development	1,124.00		GoK	Foreign	Western	01/01/11	01/06/2019	396.00	-	2,460.00	-	12.66%	-	60.00	-	Admitted by budget cuts
027110206 Fund for Economic Development And Interventions for Development	560.00		GoK	Foreign	Western	01/01/17	06/30/19	111.50	-	1,912.41	-	29.83%	-	50.00	-	Admitted by budget cuts
027110207 Fund for Economic Development And Interventions for Development	46.00		Foreign	Western	Western	01/01/16	06/30/19	12.11	-	32.79	-	27.13%	-	2.21	-	Admitted by budget cuts
027110208 Upgrade of Rural of Temporary Building	80.00		GoK	Foreign	Western	01/01/16	06/30/19	29.11	-	50	-	0.00%	-	10.00	-	Admitted by budget cuts
027110209 National Treasury Capital Budgeting Project	75.00		GoK	Western	Western	01/01/17	06/30/19	75.00	-	75.00	-	100%	-	75.00	-	Admitted by budget cuts
027110210 National Treasury Capital Budgeting Project	75.00		GoK	Western	Western	01/01/17	06/30/19	75.00	-	75.00	-	100%	-	75.00	-	Admitted by budget cuts
027110211 National Treasury Capital Budgeting Project	75.00		GoK	Western	Western	01/01/17	06/30/19	75.00	-	75.00	-	100%	-	75.00	-	Admitted by budget cuts
027110212 National Treasury Capital Budgeting Project	75.00		GoK	Western	Western	01/01/17	06/30/19	75.00	-	75.00	-	100%	-	75.00	-	Admitted by budget cuts
027110201 Investment Operation of DRC, Equipment, Government Data Center	5,350.00		GoK	Northern	Northern	08/15/09	06/30/2019	1,140.00	-	4,110.00	-	21.71%	-	900.00	-	Admitted by budget cuts
027110202 Support to Public Finance Management (PFM) OF GOKE	32,000.00		GoK	Foreign	Western	01/01/16	01/06/19	5,500.00	-	27,500.00	-	16.83%	-	300.00	-	Admitted by budget cuts
027110203 Implementation of a Procurement System for the Government of Kenya	5,049.00		GoK	Foreign	Western	01/06/16	08/31/19	879.00	-	4,114.00	-	17.23%	-	17.34	-	Admitted by budget cuts
027110204 Fund for Economic Development And Interventions for Development	2,840.00		GoK	Foreign	Western	01/01/11	01/06/2019	84.00	-	2,040.00	-	20.92%	-	67.60	-	Admitted by budget cuts
027110205 Fund for Economic Development And Interventions for Development	1,124.00	</														

Annex 3a: Summary Variations of Supplementary Estimates II for FY 2024/25 by Budget Head and Sub-Head (Figures in Kshs. Millions) under Development and Recurrent.

Development Vote 1071 The National Treasury (TNT)

No.	Budget Code	Description/Department/SAGA/Projects	Supplementary Adjustments (+Ve/-Ve) in Kshs.	Comments/Remarks
1	1-1001-01	PFMR -Donor Revenue	18,000,000	Being grants revenue
2	1-1024-01	Refurbishment of Treasury Building	26,000,000	Under Article 223 of the constitution for pending bills
3	1-1026-01	Equity Participation (AfDB)	1,333,653,678	Under Article 223 of the constitution
4	1-1035-01	Upgrading, Integration of pensions management Information Systems	137,100,000	37.1M for bills under Article 223 of the constitution and 100M to complete system.
5	1-1040-01	Renewal of Oracle Licenses	450,000,000	Support IFMIS operations across government
6	1-1043-01	Installation of Data Recovery Centre	500,000,000	Part settlement of long outstanding legal claim.
7	1-1044-01	Contingency Funds Transfers	(4,000,000,000)	Rationalized in order to finance beneficiary State Departments as ASAL
8	1-1045-01	Equalization Fund Transfers	(5,500,000,000)	Rationalized in view of fiscal space, and available resources in the Fund is sufficient to cater for the running projects for now
9	1-1054-01	Treasury Security Systems-CCTV and Scanners	23,921,180	Total of Kshs. 73.9M under Article 223 of the constitution for bills
	1-1054-02	PABX Installation and commissioning	49,978,820	
10	1-1079-01	Infrastructure Finance and Public Private Partnership project2	(35,113,117)	Being donor loans revenue
11	1-1081-01	Kenya Affordable Housing Project	5,000,000,000	To fast-track implementation of the project activities.
12	1-1082-01	Kenya Financing Locally Led Climate Action Programme (FLLOCA)	(2,595,174,000)	Being donor loans revenue
13	1-1084-01	Public Debt Management Support Project	(18,000,000)	Being donor grants AIA
14	1-1085-01	Implementation of e-Government Procurement System	560,000,000	Under Article 223 of the constitution in preparation of roll-out to government entities as directed by Cabinet.

15	1-1088-01	Operationalization of the Kenya Mortgage Refinance Company (KMRC)	485,000,000	Being donor loans revenue
16	1-1090-01	Horn of Africa Gateway Development Project	(100,000,000)	Being donor funding loans AIA and balance moved to loans revenue
17	1-1091-01	East Africa Transport, Trade & Development Facilitation Project	(362,330,580)	Being donor loan AIA and revenue
18	1-1103-01	Special Global Fund-TB NFM 3 BETA	(1,804,777,663)	Being donor component
19	1-1104-01	Green Climate Fund Readiness Project	(3,000,000)	Being donor grants revenue
20	1-1105-01	Special Global Fund-HIV NFM 3 BETA	(2,203,207,487)	Being mostly donor component
21	1-1106-01	Special Global Fund-Malaria NFM 3 BETA	(2,185,753,592)	Being mostly donor component
22	1-1107-01	Kenya Co-operation and Partnership Facility	(195,000,000)	Being donor with grants revenue
23	1-1108-01	National Treasury Capacity Strengthening Project	(15,400,000)	Being donor grants AIA and revenue
			13,000,000	Under Article 223 of the constitution as GoK
24	1-1117-01	Supporting Access to Finance & Enterprise Recovery (SAFER-BETA)	(300,000,000)	Being donor loans revenue reduction
25	1-1133-01	Rural Kenya Financial Inclusion Facility (RK-FINFA)	(1,078,000,000)	Being donor loans revenue
26	1-1136-01	Special Global Fund-TB NFM 4	(674,423,271)	Being mostly donor component
27	1-1137-01	Special Global Fund-HIV NFM 4	(3,544,104,465)	Being mostly donor component
28	1-1138-01	Special Global Fund-Malaria NFM 4	(902,063,868)	Being mostly donor component
TOTAL DEVELOPMENT VOTE			(16,915,640,808)	
RECURRENT VOTE 1071 TNT				
1	0-0001-01	Headquarters	58,447,044	To cater for personnel emoluments shortfall.
	0-0001-01	Headquarters	500,000,000	Under Article 223 of the constitution to cater for operations and settlement of pending bills
	0-0001-11	Strategic Intervention-Security Operations under Motor Vehicle Leasing Programme (MVLP)	600,000,000	Under Article 223 of the constitution pending bills
			5,275,000,000	Under Supplementary 2 inclusive reallocation of Kshs. 2.775bn

	0-0001-11-2630141		116,092,724	Being unconditional additional allocation to Counties from proceeds of court fines (Municipal)
	Total		5,991,092,724	
2	0-0002-04-2630141	National Government Budget Process	(961,670,000)	Reallocation to Motor Vehicle Leasing Program (MVLP) to pay pending bills
3	0-0005-01	Competition Authority of Kenya	109,485,610	To cater for salary shortfall.
4	0-0012-02	Government Digital Payment Unit	300,000,000	Across various items of operations and netted off by AIA of equivalent amount of member staff.
	0-0012-04	Pending Bills Verification Committee (PBVC)	50,000,000	For monthly allowances and operations
6	0-0012-01	Accounting Services	200,000,000	To support implementation of the Accrual Accounting
7	0-0021-01	Integrated Financial Management Information Systems (IFMIS)	8,000,000	For Consultant offering technical support to the Budget Hyperion System.
8	0-0022-03	Kenya Trade Network (Ken-Trade)	109,054,511	To cater for salaries and support other operations.
9	0-0074-01	Kenya Revenue Authority (KRA)	8,000,000,000	For support of revenue mobilization measures
10	0-0097-01	Pending Bills	(965,830,000)	Reallocation to Motor Vehicle Leasing Program (MVLP)
TOTAL RECURRENT VOTE INCREASE			12,989,555,756	

Annex 3b: Summary Variations of Supplementary Estimates II for FY 2024/25 by Programme and Sub-Programme (Figures in Kshs. Millions)

No	Budget Code	Description/Department/SAGA/ Projects	Supplementary Adjustments (+Ve/-Ve) in Kshs.	Comments/Remarks
DEVELOPMENT VOTE 1071 THE NATIONAL TREASURY				
GENERAL ADMINISTRATION, PLANNING AND SUPPORT SERVICES PROGRAMME				
Administration Services Sub-Programme				
1	1-1054-01	Treasury Security Systems-CCTV and Scanners	23,921,180	Total of Kshs. 73.9M under Article 223 of the constitution for bills
	1-1054-02	PABX Installation and commissioning	49,978,820	
2	1-1024-01	Refurbishment for Treasury Building	26,000,000	Under Article 223 of the constitution for bills
3	1-1026-01	Equity Participation (AfDB)	1,333,653,678	Under Article 223 of the constitution
	1-1035-01	Upgrading, Integration of pensions management Information Systems	137,100,000	37.1M for bills under Article 223 of the constitution and 100M to complete system.
5	1-1081-01	Kenya Affordable Housing Project	5,000,000,000	To fast-track implementation of the project activities.
6	1-1088-01	Operationalization of the Kenya Mortgage Refinance Company (KMRC)	485,000,000	Being donor loans revenue
ICT Services Sub-Programme				
7	1-1043-01	Installation of Data Recovery Centre	500,000,000	Part settlement of long outstanding legal claim.
Financial Services Sub-Programme				
8	1-1090-01	Horn of Africa Gateway Development Project	(100,000,000)	Being donor funding loans AIA and balance moved to loans revenue
	1-1091-01	East Africa Transport, Trade & Development Facilitation Project	(362,330,580)	Being donor loan AIA and revenue
	Total		7,093,323,098	
PUBLIC FINANCIAL MANAGEMENT PROGRAMME				
Public Financial Management Reforms Sub-Programme				
10	1-1001-01	PFMR -Donor Revenue	18,000,000	Being grants revenue
Accounting Services Sub-Programme				
11	1-1040-01	Renewal of Oracle Licenses	450,000,000	Support IFMIS operations
Budget Formulation Coordination Management Sub-Programme				
12	1-1044-01	Contingency Funds Transfers	(4,000,000,000)	Rationalized in order to finance beneficiary State Departments as ASAL
13	1-1045-01	Equalization Fund Transfers	(5,500,000,000)	Rationalized in view of fiscal space and available resources in the Fund is sufficient to cater for the running projects for now

Resource Mobilization Sub-Programme				
14	1-1079-01	Infrastructure Finance and Public Private Partnership project ²	(35,113,117)	Being donor loans revenue
15	1-1084-01	Public Debt Management Support Project	(18,000,000)	Being donor grants AIA
16	1-1103-01	Special Global Fund-TB NFM 3 BETA	(1,804,777,663)	Being mostly donor component
17	1-1105-01	Special Global Fund-HIV NFM 3 BETA	(2,203,207,487)	Being mostly donor component
18	1-1106-01	Special Global Fund-Malaria NFM 3 BETA	(2,185,753,592)	Being mostly donor component
19	1-1107-01	Kenya Co-operation and Partnership Facility	(195,000,000)	Being donor with grants revenue reducing.
20	1-1108-01	National Treasury Capacity Strengthening Project	(15,400,000)	Being donor grants AIA and revenue
			13,000,000	Under Article 223 of the Constitution as GoK
21	1-1136-01	Special Global Fund-TB NFM 4	(674,423,271)	Being mostly donor component
22	1-1137-01	Special Global Fund-HIV NFM 4	(3,544,104,465)	Being mostly donor component
23	1-1138-01	Special Global Fund-Malaria NFM 4	(902,063,868)	Being mostly donor component
Supply Chain Management Services Sub-Programme				
24	1-1085-01	Implementation of e-Government Procurement System	560,000,000	Under Article 223 of the constitution in preparation of roll-out to government entities as directed by Cabinet.
Total			(20,036,843,463)	
ECONOMIC AND FINANCIAL POLICY FORMULATION AND MANAGEMENT PROGRAMME				
Fiscal Policy Formulation, Development and Management Sub-Programme				
25	1-1082-01	Kenya Financing Locally Led Climate Action Programme (FLOCA)	(2,595,174,000)	Being donor loans revenue
26	1-1104-01	Green Climate Fund Readiness Project	(3,000,000)	Being donor grants revenue
27	1-1117-01	Supporting Access to Finance & Enterprise Recovery (SAFER-BETA)	(300,000,000)	Being donor loans revenue reduction
Micro-Finance Sector Support and Development				
28	1-1133-01	Rural Kenya Financial Inclusion Facility (RK-FINFA)	(1,078,000,000)	Being donor loans revenue
Total			(3,976,174,000)	
SUB-TOTAL DEVELOPMENT VOTE			(16,919,694,365)	

RECURRENT VOTE 1071 THE NATIONAL TREASURY

GENERAL ADMINISTRATION PLANNING AND SUPPORT SERVICES PROGRAMME

Administration Services Sub-Programme

1	0-0001-01	Headquarters	58,447,044	To cater for personnel emoluments shortfall.
	0-0001-01	Headquarters	500,000,000	Under Article 223 of the constitution to cater for operations and settlement of pending bills
	0-0001-11	Strategic Intervention-Security Operations under Motor Vehicle Leasing Programme (MVLP)	600,000,000	Under Article 223 of the constitution
			5,275,000,000	Under Supplementary 2 inclusive reallocation of Kshs. 2.775B
	0-0001-11-2630141		116,092,724	Being unconditional additional allocation to Counties from proceeds of court fines.
2	0-0097-01	Pending Bills	(965,830,000)	Reallocation to Motor Vehicle Leasing Program (MVLP)

Financial Services Sub-Programme

3	0-0074-01	Kenya Revenue Authority (KRA)	8,000,000,000	For support of revenue mobilization measures
		Total	13,583,709,768	

PUBLIC FINANCIAL MANAGEMENT PROGRAMME

Budget Formulation Coordination and Management Sub-Programme

4	0-0002-04-2630141	National Government Budget Process	(961,670,000)	Reallocation to Motor Vehicle Leasing Program (MVLP)
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Accounting Services Sub-Programme

5	0-0012-02	Government Digital Payment Unit	300,000,000	Across various items of operations and netted off by AIA of equivalent amount of member staff.
6	0-0012-04	Pending Bills Verification Committee (PBVC)	50,000,000	For monthly allowances and operations
7	0-0012-01	Accounting Services	200,000,000	To support implementation of the Accrual Accounting
8	0-0021-01	Integrated Financial Management Information Systems (IFMIS)	8,000,000	For Consultant offering technical support to the Budget Hyperion System.

Government Investment and Assets Sub-Programme

9	0-0022-03	Kenya Trade Network (Ken-Trade)	109,054,511	To cater for salaries and support other operations.
		Total	(294,615,489)	

MARKET COMPETITION PROGRAMME				
Elimination of Restrictive Trade Practices Sub-Programme				
10	0-0005-01	Competition Authority of Kenya	109,485,610	To cater for salary shortfall.
		Total	109,485,610	
TOTAL RECURRENT VOTE INCREASE			13,398,579,889	



THE NATIONAL TREASURY AND ECONOMIC PLANNING
DIRECTORATE OF BUDGET FISCAL AND ECONOMIC AFFAIRS
INTERGOVERNMENTAL FISCAL RELATIONS DEPARTMENT
INTERNAL MEMO

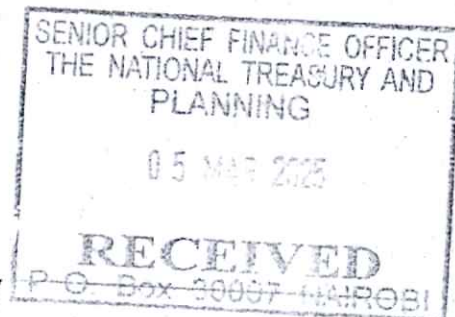
SPFO
This is noted. Plse include
as support document with
Annex 3a & 3b of the report
to NA on SUPP II for FY 2024
05/04/25

REF : IGFR/CF/01/A (27)

TO : S/CFO

THRU' : D/IGFRD

DATE : 4TH FEBRUAR 2025



RE: SCHEDULE FOR KSh. 116,092,724 ADDITIONAL ALLOCATIONS TO COUNTY GOVERNMENTS FROM COURT FINES AND FEES FOR THE FINANCIAL YEARS 2023/2024 AND 2024/2025

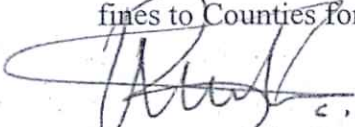
This is to draw your attention to the above subject matter.

Reference is made a memo ref IGFR/CF/01/A (24) dated 2nd January 2025 requesting inclusion of the additional allocations to County Government from Court fines emanating from contravention of County legislation in the proposed Supplementary Budget estimates II for FY 2024/25.

This aggregate additional allocation amounting to **KSh. 116,092,724** is contained in the proposed Supplementary Budget Estimates No. II FY 2024/25 of the National Treasury, as unconditional additional allocations to beneficiary County Governments, being the accumulated total arrears from court fines emanating from contravention of County legislation up to and including 30th June, 2023, as reported by the Judiciary. The allocation of **KSh. 116,092,724** to Counties has been included in the republished County Additional Allocation Bill 2025 currently under consideration by Parliament. Enclosed herewith please find a schedule of the transfers to Counties.

Note that the disbursement of the above additional allocations to Counties is contingent upon Parliament approving the County Additional Allocation Bill 2025 and the proposed Supplementary Budget II FY 2024/25. Further Section 17(7) of the Public Finance Management Act 2012 requires that transfers to County Governments shall be based on a Disbursement Schedule approved by the Senate.

The purpose of this memo, therefore, is to forward to you the schedule of the transfers to Court fines to Counties for your further necessary action.


CYRUS M. KAHIGA
DEPUTY DIRECTOR/IGFRD
FOR: DIRECTOR OF PLANNING
Encls.

**COURT FINES ALLOCATION FRAMEWORKS/SCHEDULE IN THE REPUBLISHED
COUNTY GOVERNMENT ADDITIONAL ALLOCATION BILL 2025**

S/No.	County	Allocations for Court Fines FY 2023/24	Allocations for Court Fines FY 2024/25	Cumulative Total allocation for Court Fines
1.	Baringo	-	-	-
2.	Bomet	-	-	-
3.	Bungoma	-	-	-
4.	Busia	-	-	-
5.	Elgeyo/Marakwet	-	-	-
6.	Embu	-	-	-
7.	Garissa	-	-	-
8.	Homa Bay	-	-	-
9.	Isiolo	-	-	-
10.	Kajiado	-	-	-
11.	Kakamega	-	-	-
12.	Kericho	-	-	-
13.	Kiambu	5,084,684.00	5,697,644.00	10,782,328.00
14.	Kilifi	-	-	-
15.	Kirinyaga	-	-	-
16.	Kisii	-	-	-
17.	Kisumu	233,000.00	66,912.00	299,912.00
18.	Kitui	50,000.00	50,000.00	100,000.00
19.	Kwale	-	-	-
20.	Laikipia	1,515,334.00	-	1,515,334.00
21.	Lamu	-	-	-
22.	Machakos	14,436,324.00	1,617,189.00	16,053,513.00
23.	Makueni	-	-	-
24.	Mandera	-	-	-
25.	Marsabit	-	-	-
26.	Meru	-	-	-
27.	Migori	974,165.00	-	974,165.00
28.	Mombasa	13,428,433.00	-	13,428,433.00
29.	Murang'a	-	-	-
30.	Nairobi	70,740,842.00	-	70,740,842.00
31.	Nakuru	1,948,197.00	-	1,948,197.00
32.	Nandi	-	-	-
33.	Narok	-	-	-
34.	Nyamira	-	-	-
35.	Nyandarua	-	-	-
36.	Nyeri	250,000.00	-	250,000.00
37.	Samburu	-	-	-
38.	Siaya	-	-	-
39.	Taita Taveta	-	-	-
40.	Tana River	-	-	-
41.	Tharaka Nithi	-	-	-

COURT FINES ALLOCATION FRAMEWORKS/SCHEDULE IN THE REPUBLISHED COUNTY GOVERNMENT ADDITIONAL ALLOCATION BILL 2025				
S/No.	County	Allocations for Court Fines FY 2023/24	Allocations for Court Fines FY 2024/25	Cumulative Total allocation for Court Fines
42	Trans Nzoia	-	-	-
43	Turkana	-	-	-
44	Uasin Gishu	-	-	-
45	Vihiga	-	-	-
46	Wajir	-	-	-
47	West Pokot	-	-	-
	TOTAL	108,660,979.00	7,431,745.00	116,092,724.00



NAME OF THE MDA:THE NATIONAL TREASURY

ANNEX 4

PROGRAMME AND SUB-PROGRAMME NON-FINANCIAL PERFORMANCE REPORT FOR THE FIRST SIX MONTHS OF FY 2024/2025

a	Delivery Unit	Key output	Key Performance Indicators	Annual Target 2024/25	Actual as at 31st December 2024	Variance	Remarks
THE NATIONAL TREASURY							
Programme 1: General Administration, Planning and Support Services							
Programme Outcome: Efficient and effective service delivery							
SP 1. Administration Services	Administration	Records management automated	% of implementation of activities	100	25	-75	5 activities ongoing including records appraisal survey, business system analysis, user requirement analysis, preparation of system design workflow and preparation of Terms of Reference for software installation.
		Vehicles Leased	No. of vehicles leased	3,548	3,546	-2	
		National Treasury Media Centre Operationalized	% Operationalisation of the Media Centre	60	0	-60	The target is planned for the 4th quarter of FY 2024/25
	State Corporations Appeals Tribunal (SCAT)	Appeal cases determined	No. of appeal cases determined	10	8	-2	8 cases received and 5 determined
		New Tribunal Court registries /circuit hearing established in counties	No. of court registries	2	1	-1	Operationalized the Nairobi registry and started receiving cases
SP 2. Human Resources Management Services	Administration	Reorganized Structure of the TNT	Reorganized Structure of the TNT	1	0	-1	There is a draft organogram awaiting Management Approval
		Career Guidelines for TNT	Approved Career Guidelines	1	0	-1	Awaiting approval of the NT organogram
SP 3. Financial Services	Public Service Superannuation Scheme (PSSS)	Onboarding of Public Servants onto PSSS	% level of eligible Public Servants onboarded onto PSSS	100	100	0	Eligible public servants are onboarded in real-time, while current employees are supported through ongoing contributions to the PSSS.
	Pensions Department	Processed pension claims	No. of Pension claims processed	28,745	18,459	10,286	First and second quarter targets achieved
			No. of days taken to process and pay pensions claims	60	60	0	Target achieved

		Acquire and operationalise a new Pensions Management Information System (PMIS)	% level of operationalisation of PMIS system	65	30	-35	It is expected that 65% of the System will be operational by close of the FY. Theafter, training on the system will be undertaken in 2025/26
	Kenya Revenue Authority	Ordinary revenue collected	Revenue collected	2,704,433,518,120.00	1,243,114,197,901.00	1,461,319,320,219.00	
Programme 2: Public Financial Management							
Programme Outcome: Transparent and accountable management of public resources							
SP 5. Resource Mobilization	Resource Mobilization Department	Donor Funds Disbursed	Funds disbursed to MDAs as a % of the external resources mobilized	100	77	-23	Target is on track.
			External resources mobilized as a % of fiscal gap	55	26	-29	First and second quarter targets achieved
		Annual Borrowing Plan	No of Annual Borrowing Plans	1	1	0	Target achieved
	Debt Policy Strategy and Risk Management	Bonds Issued	No. of Sovereign/ Green bonds issued	1	1	0	Target achieved, the government issued 1.5 billion dollar, whose proceeds were used to buy back part of USD 2 billion Eurobond Maturing in June 2024
			No. of benchmark bonds issued	12	6	-6	First Quarter Target achieved, this was due to 3 new benchmark bonds were issued and 3 early issued were re-opened to new investors.
	PPP Directorate	Government Projects under PPP framework	No. of PPP projects approved	12	10	-2	First and second quarter targets achieved.
	Global Fund	Anti-Retroviral Therapy (ART) Supplies	No. of patients receiving ART (Millions)	1.37	1.36	-0.01	Target achieved

SP 6. Budget Formulation and Coordination and Management		Artemisinin-Based Combination Therapy (ACT) Supplies	No. of People receiving ACT (Millions)	5.9	5.7	-0.2	The total number of confirmed malaria cases annually is about 6 million. The number of doses of ACT distributed to ensure continuous supply at facility is 7 million doses annually. On a quarter about 1.5 million doses are expected to be issued to facilities.
			% of TB patients treated and tested for HIV	100	100	0	Target achieved
	Macro and fiscal Affairs Department	National Budget	Budget Review and Outlook Paper	1	1	0	Target achieved
			Budget Policy Statement	1	1	0	Target achieved
			Finance Bill	1	1	0	Target achieved
			Annual Appropriation Bill	1	1	0	Target achieved
			Supplementary Appropriation Bills	2	2	0	Target achieved
	Budget Department	National Budget	Guidelines for FY 2025/2026 MTEF Budget issued by 30th August 2024.	1	1	0	Treasury Circular No. 11/2024 issued on 23 rd August, 2025 (see attached).
			FY 2025/26 Budget Estimates finalized and submitted to Parliament by 30th April 2025.	1	1	0	The process of preparing the FY 2025/26 Budget Estimates is underway with the Sector Reports already finalized and submitted. The BPS 2025 is being finalized that forms a basis of the FY 2025/26 Budget estimates.
			No. of Value for Money (VFM) Audits reports	30	14	-16	14 audit reports
			Government Entities capacity built on IRMF	8	36	28	Target surpassed due to more requests from MDAs to be trained
SP 7. Audit Services	Internal Audit Department	Value for Money Audits	No. of Audit Committees Capacity Built.	8	26	18	Target overachieved due to more requests from county government to be trained.

SP 8. Accounting Services	Accounting Services Department	Consolidated Financial Statements	No. of Consolidated Financial Statements prepared	4	4	0	Target achieved
		Officers trained on International Public Sector Accounting Standards (IPSAS)	No. of officers trained on International Public Sector Accounting Standards (IPSAS)	2,500	2,000	-500	First and second quarter targets achieved,
		Transition and re-engineer the system to Accrual Accounting	Percentage of transition	100	50	-50	Work plan completed. Procurement of consultant ongoing.
		Treasury Single Account designed and documented	Percentage of achievement	100	100	0	Target met
		Capacity Built Accounting Personnel on implementation of transition to accrual accounting and TSA	No. of Accounting Personnel Capacity Built on implementation of transition to accrual and TSA	100	0	-100	Training will be undertaken once TSA is rolled out
	National Sub-County Treasuries	Operational Votebook Mangement System for National sub-County Treasuries roled out	No. of sub-County Treasurie with Operational Votebook Mangement System	315	315	0	Target met
		Sensitized National sub-County Accountants on Migration from Cash accounting to accrual accounting	No. of NSC Accountants sensitized	1000	470	-530	Annual target on track
	IFMIS Department	PFM users trained on IFMIS Modules	No. of PFM users trained on IFMIS Modules	2,000	2,100	100	Target surpassed due to government digitizing most of its services
		IFMIS upgrade to the latest version	No of IFMIS versions running on version 12.2.10	1	1	0	Target met
		Exchequer rollout to the counties	Number of counties requisitioning online	10	10		Target met
		Treasury single account designed and documented	Percentage of achievement	100	100	0	Target met

		Exchequer release process to MDACs automated	Percentage of automation	100	50	50	Requirement gathering and design completed
		IFMIS integrated with Debt Management Systems	Percentage of integration	100	25	-75	Requirements and integration design completed
	Kenya Accountants and Secretaries National Examinations Board (KASNEB)	Offering financial support to trainees pursuing financial management courses	No. of Trainees offered financial Support Services	106,000,000	112,064,675	6,064,675	
		Engaging training institutions offering kasneb courses	No of Trainees trained in KASNEB Foundation Financial management & Literacy Programs	500	620	120	
		Institutions and schools sensitized on financial management	No of Institutions / schools sensitized on financial support services	50	12	-38	
		Institutions and schools sensitized on Financial Support Services	No. of Trainees offered financial Support Services	5000	2986	-2014	
SP 9. Supply Chain Management Services (SCMs)	Public Procurement Department	AGPO enterprises registered	No. of AGPO enterprises registered	21,000	21,335	335	Target surpassed due to enhanced sensitization
		AGPO beneficiaries trained	No. of AGPO beneficiaries trained	2,000	2,235	235	Target overachieved due to partnerships with other Government Institutions to train more beneficiaries.
		PFM staff trained on Public Procurement and Asset Disposal System	Percentage of achievement	100	100	0	Target achieved
		e-Government Procurement System Government deployed in Government institutions	No. of government procuring Entities on e-Government Procurement System	12	0	-12	Awaiting budgetary allocation
		Reviewed Public Procurement Legal Frameworks	No. of Reviewed Public Procurement Legal Frameworks	1	0	-1	Awaiting budgetary allocation
		Public Procurement and Asset Disposal Manuals /guidelines developed	No. of Public Sector entities monitored for compliance with IPSAS	1	0	-1	Awaiting budgetary allocation

	Public Procurement Administrative Review Board (PPARB)	Procurement Services	% of Public Procurement dispute cases resolved within 21 days	100	100	0	All cases filed at the Review Board in the first half of FY 2024/25 were heard and determined within 21 days
	Public Procurement Regulatory Authority (PPRA)	Procurement Services	No of MCDAs monitored on compliance with Public Procurement and Asset Disposal Act, 2015	2650	1686	964	More entities monitored as the Authority adopted monitoring of PEs through transactiona and reports posted in Public Procurement Information Portal (PIIP) with physical verification of status being done on the select sampled entities
SP 10. Public Financial Management Reforms	Public Finance Management Reforms (PFMR) Secretariat	Skills and capacity building in PFM	No. of officers trained on Public Finance Management	8,000	8,150	150	Quarter Target overachieved due to high reforms uptake by the MDAs
			Cumulative % of PFM reforms implemented in PFMR Strategy 2023-2028	40	25	-15	The annual work plans were approved and implementation of the reforms outlined in the PFMR Strategy is ongoing
SP 11. Government Investment and Assets	Government Investment and Public Enterprises	Govt. Investment Management Services	% of State Corporations Budgets reviewed	100	100	0	Target achieved. relevant Budgets for SC reviewed
			No. of national government investment reports prepared	1	1	0	Target Achieved. Report prepared and sent to Parliament.
	National Assets and Liabilities Management Unit	MDAs sensitized on Government Assets and Liabilities management policy and guidelines	No. of MDAs sensitized	100	186	86	Target overachieved
		Asset registers from MDAs analyzed	Percentage of analyzed asset registers	100	100	0	Target achieved
		Asset and Inventory Management Modules rolled out to 40 MDAs and 24 Counties	Percentage of MDAs and Counties rolled out	2.5	0.63	1.87	The Department has already rolled out to 56 MDAs, independent offices and constitutional commissions and 5 counties - The other counties will be rolled out in 3 rd & 4 th quarter.

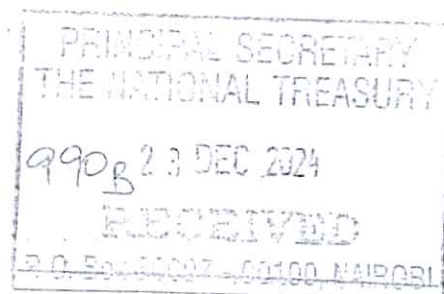
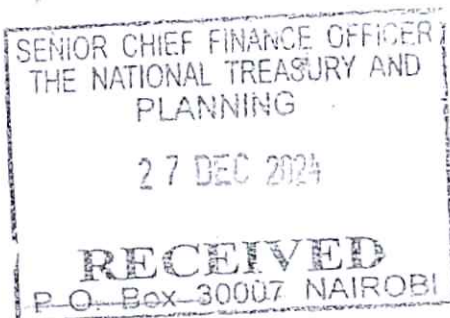
	Quarterly feedback provided to MDAs	Percentage of achievement	2.5	0.63	1.87	Feedback in form of quarterly scores and evaluation reports were given to all the 56 state departments and a total of 425 SAGAs
Privatisation Commission	Government Privatization Services	No. public entities privatized	4.00	-	-4	The following (3) transactions were taken to market through an advertisement for Expression of Interest (EOI), which was evaluated successfully and Request for Proposal (RfP) documents sent to the qualifying bidders. However, the sales were not sealed as the bids received were below the reserve prices: (a) International Hotel Kenya Limited (Hilton). (b) Kenya Hotel Properties Limited (Intercon Hotel); and (c) Kenya Wines Agencies Limited (KWAL). The fourth, Mountain Lodge Limited (MLL) was not taken to the market as its valuation is dependent on another transaction whose valuation is still underway

			No. of specific privatisation proposals developed	4.00	-	(4.00)	The preparation of four detailed proposals was premised on a new privatization programme being gazetted. However, the programme proposed by the National Treasury currently a subject of a court case. The Current programme has only two transactions left, Agro-Chemical and Food Company Limited (ACFC) and the Kenya Meat Commission (KMC), for which detailed proposals are to be prepared. On this basis, the Commission prepared an advisory on ACFC to the National Treasury on challenges noted during due diligence work that need to be addressed to pave way for the development of viable privatization options. This was prepared in lieu of a specific privatization proposal. For KMC, the information required to complete the development of a specific privatization proposal for KMC was only partially generated due to initial challenges in the completion of preparatory work that have since been addressed. Preparation of
	Kenya Trade Network Agency	Cargo dwelling time at ports of entry reduced	No. of days taken to clear goods at the ports of entry	3	3	0	Target Achieved
Programme 3: Economic and Financial Policy Formulation and Management							
Programme Outcome: Stable macroeconomic environment for economic growth							
SP 12. Fiscal Policy Formulation, Development and Management	Macro and Fiscal Affairs	Stable Inflation	Inflation rate (%)	5 ± 2.5	3	2	Target surpassed due to tight monetary policy measures
	Financial Reporting Centre	Complete Terrorism Financing risk assessment	TF Risk assessment report	1	0	-1	This is an annual Target and will be measured at the end of 30th June 2025

	Update national Anti-Money Laundering and Countering Financing of Terrorism strategies	Updated AML/CFT strategies	1	0	-1	This is an annual Target and will be measured at the end of 30th June 2025
	Onsite and offsite inspections of DNFBPs and Non-Banking Financial Institutions	Number of inspections on DNFBPs	2,317	0	-2317	This is an annual Target and will be measured at the end of 30th June 2025
	Outreach sessions of Customer Due Dilligence, Enhanced Due Dilligence, Beneficial Ownership and Politically Exposed Persons on DNFBPs	Number of sessions for CDD, EDD, BO and PEPs on DNFBPs	40	0	-40	This is an annual Target and will be measured at the end of 30th June 2025
	Registration of Reporting entities	Number of registered reporting entities	2,000	0	-2000	This is an annual Target and will be measured at the end of 30th June 2025
Inter-Governmental Fiscal Relations	County Allocation of Revenue Bill (CARB) Division of Revenue Bill (DORB) & County Governments Additional Allocations Bill prepared	County Allocation of Revenue Bill (CARB) & Division of Revenue Bill (DORB), County Governments Additional Allocations Bill prepared (CGAAB), and Cash Disbursement Schedule	4	0	-4	Target is for the 3rd quarter
	Inter Governmental Fiscal Relations Repository System	% level of of Inter Governmental Fiscal Relations Repository System development	50	0	-50	Target is planned for the 3rd and 4th quarter
	Draft review of PFM (PIM) Regulations, 2022 produced	Percentage of review	100	25	-75	Draft proposed amendments to the PFM (PIM) Regulations, 2022 in place
	Public Investment Management/ Public Private Partnership (PIM/PPP) Framework developed	% level of development of PIM/PPP Framework	100	25	-75	Draft framework in place

Nairobi International Financial Centre Authority	Investments and Regional Financial Institutions certified with NIFC	No. of Certified NIFC firms	3	0	-3	Target is for the 4th quarter. Activities towards attracting firms are in progress
	Legislative framework in financial & Sectoral developed.	No. of legal frameworks developed (three Capital Markets Regulations, and Unclaimed Financial Assets Regulations	1	0	-1	Target is for the 4th quarter. Activities towards attracting firms are in progress
	Kenya Credit Guarantee Company (KCGC) incorporated and operationalized	% level of guarantee company operationalized	10	0	-10	Awaiting approvals for operationalisation. Target will be measured in the 4th quarter
	Green Financing Facility (GFF) loans disbursed	No of farmers benefiting from the GFF loans	3,000	0	-3,000	The GFF operations manual along with the green taxonomy developed. Progress to be assessed in the 4th quarter
SP 13. Debt Management	Debt Policy, Strategy and Risk Management Department	Medium Term Debt Strategy Developed	1	1	0	Target achieved
	Published Annual Debt Report	No. of Annual Debt Reports Published	1	1	0	Target achieved
	Annual Public Debt Management Performance report	No. of developed Annual Public Debt Management performance report	1	1	0	Target achieved
	Debt Recording and Settlement Department	Mature serviceable public debt serviced	100	100	0	Target achieved
SP 14. Microfinance Sector Support and Development	Published External Public Debt Register on the TNT website	No. of Published External Public Debt Stock & Register on the TNT website	1	1	0	Target achieved
	Operationalize the Credit Guarantee Scheme (CGS)	Capital injected into the Credit Guarantee Scheme in KSh. (Billions)	1	0	-1	Awaiting prioritisation in the budget
Programme 4: Market Competition and Creation of Enabling Business Environment						
Programme Outcome: Sustained high productivity and competitive markets						

SP 15. Elimination of Restrictive Trade Practices	Competition Authority of Kenya	Consumer Protection and Regulatory Services	% of consumer complaints investigated and concluded	70	68.5	-1.5	485 cases handled out of which 332 were finalized.
			% of Merger and acquisitions applications determined	100	96.3	-3.7	26 out of 27 received mergers finalized
			Cases of Deterrence of Abuse of Buyer Power concluded as a % of total investigations	65	34.9	-30.1	43 cases received out of which 15 were finalized
			% of cases on restrictive trade practices investigated and finalized	100	28.8	-71.2	52 cases handled out of which 15 were finalized
SP 17. Access to Justice	State Corporations Appeals Tribunal (SCAT)	Improve access to courts and reduction of average distance to courts	No. of registries operationalized	2	1	-1	Operationalized the Nairobi registry and started receiving cases
		Appeal cases received & determined	Number of appeal cases determined	10	8	-2	The Tribunal had targeted to receive 10 cases but it received 8 cases and 5 cases were determined
	Competition Tribunal	Cases on restrictive trade practices investigated, finalised and determined	% of cases on restrictive trade practices investigated, finalised and determined	100	100	0	Target achieved



REPUBLIC OF KENYA

THE NATIONAL TREASURY AND ECONOMIC PLANNING

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

THE NATIONAL TREASURY
P O BOX 30007 - 00100
NAIROBI

When Replying Please Quote

Ref. No. RES 1071/24/01 'B' (12)

Date: 20th December, 2024

Dr. Chris K. Kiptoo, CBS
Principal Secretary
The National Treasury
NAIROBI

Dear

REQUEST FOR ADDITIONAL FUNDS FOR THE NATIONAL TREASURY VOTE 1071 FOR BOTH RECURRENT AND DEVELOPMENT

This is in reference to the letter Ref. No. TNT/CONF.282/18/02 'AK'(81) dated 17th December, 2024 on the above subject.

The National Treasury has reviewed the request for additional funds amounting to **KSh.1.25 billion** comprising **KSh.150 million** to cater for Development Vote bills, **KSh.500 million** for operations and maintenance, and **KSh.600 million** for the Motor Vehicle Leasing Programme.

In view of the request, the Cabinet Secretary, the National Treasury and Economic Planning has granted approval to the National Treasury to spend additional funds of **KSh.1.25 billion** under Article 223 of the Constitution to settle contractual obligations to service providers who have submitted invoices for payment and to support the operations of the Motor Vehicle Leasing Programme.

Please note that these funds are approved under Article 223 of the Constitution. In this regard, you are 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

Economic 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 as at	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 (CAP.412A); Public Procurement and Asset Disposal Act (CAP.412C) and the Attendant Regulations; and any other Government Laws and Regulations while implementing the budget.

You may therefore, take necessary action.

Yours

HON. FCPA JOHN MBADING'ONGO, EGH
CABINET SECRETARY

Copy to: FCPA Nancy Gathungu, CBS
Auditor General
Office of the Auditor General
Anniversary Towers
NAIROBI

FCPA Dr. Margaret Nyakang'o, CBS
Controller of Budget
Office of the Controller of Budget
Bima House
NAIROBI



REPUBLIC OF KENYA
THE NATIONAL TREASURY AND ECONOMIC PLANNING

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

THE NATIONAL TREASURY
P O BOX 30007 - 00100
NAIROBI

When Replying Please Quote

Ref. No. DV/ES 1071/24/01 'A' (22)

Date: 19th September, 2024

Dr. Chris K. Kiptoo, CBS
Principal Secretary
The National Treasury
NAIROBI

Dear

PS

**BUDGETARY ALLOCATION (ADDITIONAL FUNDS) OF
KSHS.560MILLION TO FACILITATE COMPLETION OF E-GP
PROJECT AND RELATED ACTIVITIES UNDER ARTICLE 223 OF
THE CONSTITUTION**

This is in reference to the letter Ref. No. TNT/CONF.282/18/02 AK (49) dated 29th August, 2024 on the above subject.

The National Treasury has reviewed the request for additional funds amounting to **KSh.560million** to cater for implementation of the Electronic Government Procurement (e-GP) System Project.

In view of the request, the Cabinet Secretary, the National Treasury and Economic Planning has granted approval to the National Treasury to spend additional funds of **KSh.560million** under Article 223 of the Constitution in implementation of the e-GP System Project pending regularization in the FY 2024/25 Supplementary Estimates No.2.

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 (CAP.412A). You are 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

Economic 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.)

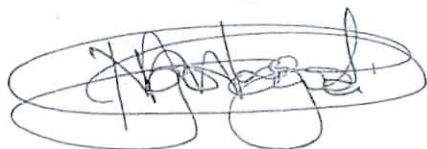
Description		Approved Additional Expenditure	Actual Expenditure as at	Justification/ Supporting Documentation
Vote Code & Vote Title	Total			
	Programme			
	Sub-programme			
	Activity/Project			

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 (CAP.412A); Public Procurement and Asset Disposal Act (CAP.412C) and the attendant Regulations; and any other Government Laws and Regulations while implementing the project.

You may therefore, take necessary action.

Yours *Sincerely*



HON. CPA JOHN MBADI NG'ONGO, EGH
CABINET SECRETARY

Copy to: FCPA Nancy Gathungu, CBS
Auditor General
Office of the Auditor General
Anniversary Towers
NAIROBI

FCPA Dr. Margaret Nyakang'o, CBS
Controller of Budget
Office of the Controller of Budget
Bima House
NAIROBI



REPUBLIC OF KENYA
THE NATIONAL TREASURY AND ECONOMIC PLANNING

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

THE NATIONAL TREASURY
P O BOX 30007 - 00100
NAIROBI

When Replying Please Quote

Ref. No. DV/ES 1071/24/01 'A' (42)

Date: 29th November, 2024

Dr. Chris K. Kiptoo, CBS
Principal Secretary
The National Treasury
NAIROBI

Dear PS

**PAYMENT OF THE BALANCE OF THE FIFTH INSTALMENT TO
THE AFRICAN DEVELOPMENT BANK UNDER GCI-VII**

This is in reference to the letter Ref. No. TNT/CONF.36/011 'M'(54) dated 20th November, 2024 on the above subject.

The National Treasury has reviewed the request for additional funds amounting to **USD 10,258,874.44 (KSh.1,333,653,677.20)** to cater for payment of the fifth equity subscription installment to the African Development Bank (AfDB) under GCI-VII.

In view of the request, the Cabinet Secretary, the National Treasury and Economic Planning has granted approval to the National Treasury to spend additional funds of **KSh.1,333,653,677.20** under Article 223 of the Constitution for payment of the fifth equity subscription installment to the African Development Bank (AfDB) under GCI-VII.

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 (CAP.412A). You are 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

Economic 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 as at	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 (CAP.412A); Public Procurement and Asset Disposal Act (CAP.412C) and the Attendant Regulations; and any other Government Laws and Regulations while implementing the project.

You may therefore, take necessary action.

Yours



HON. CPA JOHN MBADING'ONGO, EGH
CABINET SECRETARY

Copy to: **FCPA Nancy Gathungu, CBS**
Auditor General
Office of the Auditor General
Anniversary Towers
NAIROBI

FCPA Dr. Margaret Nyakang'o, CBS
Controller of Budget
Office of the Controller of Budget
Bima House
NAIROBI



REPUBLIC OF KENYA

THE NATIONAL TREASURY AND ECONOMIC PLANNING

Telegraphic Address: 22921
FINANCE - NAIROBI
Fax No. 315779
Telephone: 2252299

THE NATIONAL TREASURY
P.O. Box 30007 - 00100
NAIROBI
KENYA

When replying please quote

Ref: DGIPE/P/7/157 'A' (63)

17th January, 2025

Hon. FCPA John Mbadi Ng'ongo, EGH
Cabinet Secretary
The National Treasury and Economic Planning
NAIROBI

Dear 

RE: BUDGETARY REQUIREMENTS FOR GOK EQUITY SUBSCRIPTION

The Government of Kenya is occasionally required to provide budgetary allocations for Equity Subscriptions and Capital Calls participation in Regional and International bodies. However, in the recent past, there have been low budgetary allocations coupled with inadequate funds to honoring the payment commitments. This has led to unpaid arrears in those organizations where G.o.K is a member. It is worth noting that there is no budgetary allocation for subscriptions in the FY 2024/25 budget.

In view of the above, the National Treasury is requesting for additional funding for Equity Subscription in a phased out manner under FY2024/25 Supplementary Estimates No. 2 and FY 2025/2026 Estimates as indicated below;

Organization	Outstanding Balance	Proposed Amount under Supp. 2	Balance to be considered under FY 2025/26 Budget
The Eastern and Southern African Trade and Development Bank (TDB)	Ksh.28,006,852	Ksh.28,006,852	-
Africa Finance Corporation (AFC)	USD 21,166,591	USD 10,000,000	USD 11,166,591
Asian Infrastructure Investment Bank (AIIB)	USD 2,578,052	USD 1,000,000	USD 1,578,052
The African Marine Systems Limited (TEAMS)	USD 182,112	USD 182,112	-

Organization	Outstanding Balance	Proposed Amount under Supp. 2	Balance to be considered under FY 2025/26 Budget
European Bank for Reconstruction and Development (EBRD)	EUR 370,000	EUR 370,000	-
Africa50	USD 46,506,517	-	USD 46,506,517
Shelter Afrique	USD 17,640,640.4	-	USD 17,640,640.4

This request is submitted for your review, consideration and further guidance.

Yours

Sincerely


DR. CHRIS K. KIPTOO, CBS
PRINCIPAL SECRETARY/THE NATIONAL TREASURY

CONFIDENTIAL

REPUBLIC OF KENYA

ORIGINAL

FORM P.A No.

136616

Ref No.

The Director CA/144
Financial Markets Department
Central Bank of Kenya
P.O. Box 60000-00200
NAIROBI



The National Treasury
P.O BOX 30007- 00100
NAIROBI
11/2/2025

Date

GOVERNMENT REMITTANCES IN FOREIGN EXCHANGE

The Central Bank of Kenya is hereby authorised to pay as detailed below, for debit to Paymaster General Account

No. 1000181664 - DEVELOPMENT

THE NATIONAL TREASURY

Ministry of

1. AMOUNT (Currency in figures and words. If in KES, indicate foreign currency required)

EQUIVALENT OF KSHS. 666,826,838.60 (KENYA SHILLINGS SIX HUNDRED SIXTY SIX MILLION EIGHT HUNDRED
TWENTY SIX THOUSAND EIGHT HUNDRED THIRTY EIGHT CENTS SIXTY ONLY) IN USD

2. RECEIVING BANK (Address, Account Number and Swift code) -

ACCOUNT NAME: AFRICAN DEVELOPMENT BANK

ACCOUNT NO: 021.080.300

BANK: FEDERAL RESERVE BANK

ADDRESS: FEDERAL RESERVE BANK, NEW YORK, NY
10045, USA

3. Beneficiary Name and Address

AFRICAN DEVELOPMENT BANK

4. References, Reason for payment and Value date

BEING BALANCE PAYMENT OF GOVERNMENT OF KENYA FIFTH INSTALMENT TO THE AFRICAN DEVELOPMENT
BANK UNDER GCI-VII VIDE INVOICE DATED 30 OCTOBER 2024.

5. Authorised Signatories:-

Signed JUSTUS M. KARURI
(Head/Deputy of Accounting Unit)

Signed LILIAN V. ATIENO
(Authorised Officer)

6. Approved by the Principal Secretary

For instructions see back page

FOR CENTRAL BANK USE ONLY

Verification of Signatures (No. 5&6 above)

Verification of Signatures (No. 5&6 above)

CONFIDENTIAL

REPUBLIC OF KENYA

ORIGINAL

FORM P.A No. 136517

Ref No. CA/144

The Director
Financial Markets Department
Central Bank of Kenya
P.O. Box 60000-00200
NAIROBI



The National Treasury
P.O BOX 30007- 00100
NAIROBI
11/2/2025

Date

GOVERNMENT REMITTANCES IN FOREIGN EXCHANGE

The Central Bank of Kenya is hereby authorised to pay as detailed below, for debit to Paymaster General Account

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THE NATIONAL TREASURY

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5. Authorised Signatories:-

Signed JUSTUS M. KARURI
(Head/Deputy of Accounting Unit)

Signed LILIAN V. ATIENO
(Authorised Officer)

6. Approved by the Principal Secretary

For instructions see back page

FOR CENTRAL BANK USE ONLY

Verification of Signatures (No. 5&6 above)

Verification of Signatures (No. 5&6 above)

ANNEX 5-1-1



REPUBLIC OF KENYA

The Chief Banking Manager,
Foreign Department,
Central Bank of Kenya,
NAIROBI.

11/02/2025

Dear Sir,

RE: GOVERNMENT REMITTANCES IN FOREIGN EXCHANGE

The foreign payment authorities have gone through the necessary process and are hereby submitted for your necessary action.

Item No.	P.A. No.	P.A. Date	Curr.	Amount	sch. Rn	KShs. Equivalent	Beneficiary Name	Reason for Payment
1	136616	11/02/2025	KSH			666,826,838.60	AFRICAN DEVELOPMENT BANK	BEING BALANCE PAYMENT OF GOVERNMENT OF KENYA FIFTH INSTALMENT TO THE AFRICAN DEVELOPMENT BANK UNDER GCI-VII
2	136617	11/02/2025	KSH			666,826,838.60	AFRICAN DEVELOPMENT BANK	BEING BALANCE PAYMENT OF GOVERNMENT OF KENYA FIFTH INSTALMENT TO THE AFRICAN DEVELOPMENT BANK UNDER GCI-VII
						1,333,653,677.20		

List forwarded & checked by:-

LILLIAN V. ATIENO
ASSISTANT ACCOUNTANT GENERAL

[Signature]

Date 11/02/2025

Authorised by:-

[Signature]

DR. CHRIS KIPTOO, CBS
PRINCIPAL SECRETARY

11/2/25

Date

Received by:-
Central Bank of Kenya

Date



THE NATIONAL TREASURY AND ECONOMIC PLANNING
BUDGET DEPARTMENT
MEMO

Ref. No.: RES 1071/24/01 'B' (39)

Date: 7th February, 2025

To: Director/IFMIS

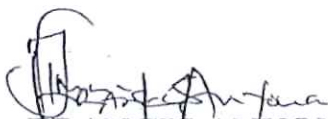
Subject: REALLOCATION OF FUNDS TO SUPPORT PAYMENT OF
MOTOR VEHICLE LEASING PROGRAMME (MVLP)
PENDING AND OUTSTANDING BILLS

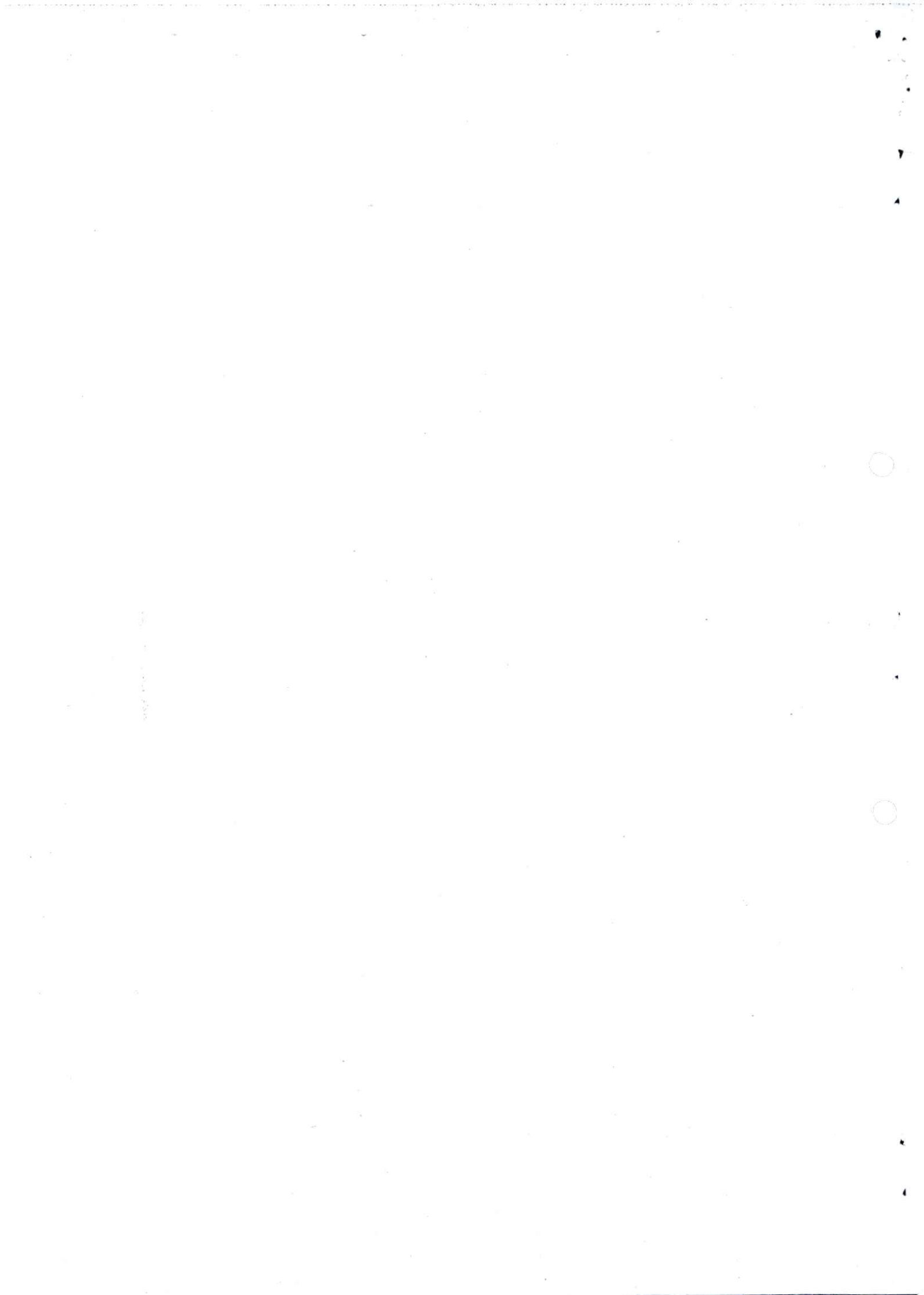
The above subject matter refers.

The CS/TNT&EP through letter Ref. No. RES 1071/24/01 'B' (36) dated 3rd February, 2025 granted approval to the National Treasury to reallocate KSh.2,775,000,000 within the Recurrent Budget to cater for settlement of pending bills and outstanding payments under the Motor Vehicle Leasing Programme (See attached copy of approval letter).

Subsequently, the PS/TNT has reallocated funds amounting to KSh.2,775,000,000 comprising KSh.1,809,170,000 from Sub-Item 2630141 Current Transfers to Other Levels of Government under Sub-Head 1071000204 National Government Budget Process, and KSh.965,830,000 from Sub-Item 2630141 Current Transfers to Other Levels of Government under Sub-Head 1071009701 Pending Bills to Sub-Item 2211313 Security Operations under Sub-Head 1071000111 Strategic Interventions to cater for payment of invoices already processed and one month fuel (See attached duly signed reallocation forms, F.O.3 (Revised)).

The purpose of this memo is therefore, to forward the CS/TNT&EP's approval, and the duly signed reallocation forms, F.O.3 (Revised) to facilitate uploading the reallocated budget of KSh.2,775,000,000 as per the attached Annex V.


FRANCIS ANYONA, MBS
DIRECTOR OF BUDGET



REFERENCE NO: TNT/CONF/282/18/02 'TY9'(87)
*Delete not applicable.**APPLICATION FOR REALLOCATION OF PROVISION**
(to be submitted in Quadruplicate)

FINANCIAL YEAR: 2024/2025

To: THE PRINCIPAL SECRETARY TO THE NATIONAL TREASURY
P. O. Box 30007, NAIROBI.

1. I hereby apply for permission to incur excess expenditure on the subhead(s) shown below:

VOTE, SUBHEAD(S) AND ITEM(S) (state in full)	PROVISION IN PRINTED ESTIMATES	PREVIOUS REALLOCATION OR SUPPLEMENTARY ESTIMATES			EXCESS EXPENDITURE TO BE INCURRED
R 1071 – The National Treasury Head/Subhead: 0- 0001-11-2211313 Security Operations	Kshs	No.	Kshs Increase	Kshs Decreases	Kshs
	6,100,000,000	RES 1071/24/01 'B' (12)	600,000,000	-	2,775,000,000
TOTAL(Kshs)	6,100,000,000		600,000,000		2,775,000,000

2. I confirm that savings are sufficient to cover the total of excess expenditure applied for above. This will be found from the following:

SUBHEADS(S)/ITEMS(S) (STATE IN FULL)

VOTE, SUBHEAD(S) AND ITEM(S) (state in full)	AMOUNT(Kshs)
Head/Subhead: 0-0002-04-2630141 Current Transfers to Other levels of Government	1,809,170,000
Head/Subhead: 0-0097-01-2630141 Current Transfers to Other levels of Government	965,830,000
TOTAL(Kshs)	2,775,000,000

Date.....23rd January, 2025

Dr. Chris Kiptoo, CBS
 Accounting Officer

MINISTRY /DEPARTMENT.... THE NATIONAL TREASURY

REFERENCE..... TNT/CONF/282/18/02 "TY9"(87)

For Treasury use

3. TO ACCOUNTING OFFICER (two copies)

THE NATIONAL TREASURY

The additional provision applied for above is approved, subject to the excess expenditure being covered by the savings from the subhead(s)/item(s) specified in para. 2


Dr. Chris Kiptoo, CBS
 Principal Secretary to The National Treasury
Copy to: The Auditor-General,
NAIROBI.



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/F&NP/2025/006

24th February, 2025

Dr. Chris K. Kiptoo, CBS
Principal Secretary
The National Treasury
Ministry of National Treasury and Economic Planning
Treasury Buildings
NAIROBI.

Mr. James Muhati
Principal Secretary,
State Department for Economic Planning
Ministry of National Treasury and Economic Planning
NAIROBI

CPA Roble Said Nuno
Ag Chief Executive Officer/ Commission Secretary
Commission on Revenue Allocation
14 Riverside Drive, Grosvenor Suite, 2nd Floor
NAIROBI

Dr. Margaret Nyakang'o
Controller of Budget
The Office of Controller of Budget
Bima House, 12th Floor Harambee Avenue
NAIROBI

Dear

**RE: MEETING WITH THE DEPARTMENTAL COMMITTEE ON FINANCE
AND NATIONAL PLANNING TO CONSIDER THE SUPPLEMENTARY
ESTIMATES NO. 2 FOR FY 2024/25**

The Departmental Committee on Finance and National Planning is established pursuant to National Assembly Standing Order 216, and is mandated to *inter alia*, 'investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations, and estimates of the assigned Ministries and Departments; and study the program and policy objectives of Ministries and Departments and the effectiveness of the implementation'.

As you may be aware, the Supplementary Estimates II for 2024/2025 Financial Year were tabled in the National Assembly on Tuesday 18th February, 2025 and subsequently committed to Departmental Committees for consideration in line with Section 44(1) of the Public Finance Management Act, 2012 as read together with Standing Order 243(3B). The Committees are required to consider the Supplementary Estimates for the Ministries, Departments and Agencies under their purview, Office of the Controller of Budget and The Commission on Revenue Allocation and thereafter report to the Budget and Appropriations Committee, which will report to the House.

In this regard, the Departmental Committee on Finance and National Planning is scheduled to hold meetings with the Cabinet Secretary for National Treasury and Economic Planning, The Office of Controller of Budget and The Chairperson, Commission on Revenue Allocation on **Tuesday 11th March, 2025 and on Wednesday 12th March 2025** as per the attached programme in **Committee Room 18 & 19 3rd floor, Bunge Towers, Parliament buildings, Nairobi** to consider the Supplementary Estimates. You may be accompanied by **not more than Fifteen (15)** technical officers who may be resourceful in responding to issues that may arise in the course of proceedings.

The purpose of this meeting is to deliberate on matters of policies, programmes and expenditure ceiling of the State Departments under the Ministry's purview, Office of the controller of budget and the Commission on Revenue Allocation as contained in the Supplementary Estimates No. 2 for FY 2024/25. To aid the Committee to effectively review the Supplementary Estimates, you are requested to submit detailed information on the following:

1. The implementation status of the Financial Year 2024/25 budget as at 31st December 2024;
2. Highlight of the variations to the MDAs approved budget for FY 2024/25 by programme and justification for the variations;
3. Revised schedule of outputs and performance targets (in the format provided in Annex 1);
4. Expected impact of budget revisions on capital projects (in the format provided in Annex 2);
5. Where money has already been withdrawn as per Article 223 of the Constitution:
 - i) The date of the first withdrawal of the money,
 - ii) The purpose for which the money was spent,
 - iii) Necessary financial documents as evidence for the money spent.

Further, you are requested to submit twenty (20) copies of your written submissions for the meeting. Electronic copies may be shared through email address cna@parliament.go.ke.

By a copy of this letter, the Principal Secretary for the National Treasury is requested to send a representative to the meetings in order to respond to any matter that may require the attention of the National Treasury.

The Committee's Liaison Officers for the meeting are **Mr. Benjamin Magut**, who may be contacted on Tel. No. 0712974966 or email address: benjamin.magut@parliament.go.ke or **Mr. Benson Kamande** of Tel. No 0789459387 or email address benson.kamande@parliament.go.ke and **Ms. Winfred Kambua Kilonzo** of Tel. 0720571777 or email address winfred.kilonzo@parliament.go.ke

Yours

JEREMIAH NDOMBI, MBS



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/F&NP/2025/014

4th March, 2025

Dr. Chris K. Kiptoo, CBS
Principal Secretary
The National Treasury
Ministry of National Treasury and Economic Planning
Treasury Buildings
NAIROBI.

Mr. James Muhati, CBS.
Principal Secretary,
State Department for Economic Planning
Ministry of National Treasury and Economic Planning
NAIROBI

CPA Roble Said Nuno
Ag Chief Executive Officer/ Commission Secretary
Commission on Revenue Allocation
14 Riverside Drive, Grosvenor Suite, 2nd Floor
NAIROBI

Dr. Margaret Nyakang'o
Controller of Budget
The Office of Controller of Budget
Bima House, 12th Floor Harambee Avenue
NAIROBI

Dear *Dr. Kiptoo,*

**RE: MEETING WITH THE DEPARTMENTAL COMMITTEE ON FINANCE
AND NATIONAL PLANNING TO CONSIDER THE
SUPPLEMENTARY ESTIMATES NO. 2 FOR FY 2024/25**

Reference is made to above subject.

Further, to our letter Ref NA/DDC/F&NP/2025/006 dated 24th February, 2024, we wish to inform you that, upon further consultation within the Leadership of the House, the Departmental Committees have been requested to fastrack the consideration of the Supplementary Estimates No II for FY 2024/25.

Consequently, it was resolved that all Departmental Committees hold meetings with the MDAs under their purview to consider Supplementary Estimates 2 for FY 2024/25 on **Thursday 6th March, 2025 and Friday 7th March, 2025.**

In this regard, the Departmental Committee on Finance and National Planning invites the Cabinet Secretary for National Treasury and Economic Planning, The Office of Controller of Budget and The Chairperson, Commission on Revenue Allocation for meetings on **Thursday 6th March, 2025 instead of Tuesday, 11th March, 2025 and on Wednesday 12th March 2025** as earlier communicated, as per the attached programme

The meeting will be held on **Thursday 6th March, 2025 in Committee Room 18 & 19, 3rd floor, Bunge Tower, Parliament buildings, Nairobi.** You may be accompanied by **not more than Fifteen (15)** technical officers who may be resourceful in responding to issues that may arise during proceedings.

The Committee's Liaison Officers for the meeting are **Mr. Benjamin Magut**, who may be contacted on **Tel. No. 0712974966** or email address: benjamin.magut@parliament.go.ke or **Mr. Benson Kamande** of Tel. No **0789459387** or email address benson.kamande@parliament.go.ke and **Ms. Winfred Kambua Kilonzo** of Tel. **0720571777** or email address winfred.kilonzo@parliament.go.ke

Yours Sincerely,


PETER K. CHEMWENO
For: CLERK OF THE NATIONAL ASSEMBLY

Copy: **Hon. FCPA John Mbadi Ng'ongo, EGH**
Cabinet Secretary
The National Treasury and Economic Planning
Treasury Buildings
Harambee Avenue
NAIROBI

CPA Mary Wanyonyi Chebukati
Chairperson
Commission on Revenue Allocation
14 Riverside Drive, Grosvenor Suite, 2nd Floor
NAIROBI

For: CLERK OF THE NATIONAL ASSEMBLY

Copy: Hon. FCPA John Mbadi Ng'ongo, EGH
Cabinet Secretary
The National Treasury and Economic Planning
Treasury Buildings
Harambee Avenue
NAIROBI

CPA Mary Wanyonyi
Chairperson
Commission on Revenue Allocation
14 Riverside Drive, Grosvenor Suite, 2nd Floor
NAIROBI

ANNEX 1: IMPACT OF SUPPLEMENTARY ESTIMATES NO. 2 FOR FY 2024/25 ON NON-FINANCIAL PERFORMANCE

S/No.	Programme	Sub-Programme	Key Output	Key Performance Indicator	Annual Target for FY 2024/25	Actual Achievement as at 31 st December 2024	Revised Target for FY 2024/25	Remarks
1								
2								
3								
4								
5								

ANNEX 2: IMPACT OF SUPPLEMENTARY ESTIMATES NO. 2 FOR FY 2024/25 ON DEVELOPMENT PROJECTS

[illegible]

(ii) 1. EMERGENCY
2. OSCAR
Please note
FAA
25/2/25



(iii) FAHA
please deal
FAA
25/2/25

REPUBLIC OF KENYA
THE NATIONAL TREASURY AND ECONOMIC PLANNING

Telegraphic Address: 22921
FINANCE - NAIROBI
Fax No. 315779
Telephone: 2252299

THE NATIONAL TREASURY
P.O. Box 30007 - 00100
NAIROBI
KENYA

When replying please quote

Ref. No. ES 1/02 'L' (35)

February 18, 2025

Mr. Samuel Njoroge, CBS
Clerk of the National Assembly
Parliament House
NAIROBI

Dear Clerk

AMENDMENTS TO THE FY 2024/25 SUPPLEMENTARY ESTIMATES NO. II

Further to the submission of the FY 2024/25 Supplementary Estimates No. II, vide letter Ref: ES 1/02/02 'L' (33) dated 14th February, 2025, the National Treasury has received a request for additional funding amounting to **KSh.2.1billion** on account of a grant under Susan Thomson Buffet Foundation Reproductive, Maternal, New Born, Child and Adolescent Health Project and **KSh.25million** under State Law Office for Public Participation.

The National Treasury included in the FY 2024/25 Supplementary Estimates No. II **KSh.1.8billion** on account of the said grant. However, the total grant requirement is **USD30million** (equivalent to **KSh.3.877billion**) therefore resulting to a deficit of **KSh.2.077billion**. The funding is essential for sustaining healthcare services, particularly in areas previously supported by the United State Government (USG) in Reproductive, Maternal, New-Born, Child and Adolescent Health. The additional funding does not affect deficit of 4.9 percent of GDP.

NATIONAL ASSEMBLY
RECEIVED

24 FEB 2025

CLERK'S OFFICE
P.O. Box 41842, NAIROBI

25 FEB 2025

In light of the above, the National Treasury has proposed amendments for consideration and inclusion to the FY 2024/25 Supplementary Estimates No. II as follows:

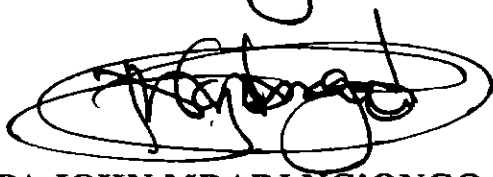
- 1) **KSh. 2.1billion** under State Department for Medical Services; and
- 2) **KSh.25million** under State Law Office.

Vote and Programme details are as indicated in Annex 1.

Please take necessary action.

Yours

Sincerely



HON. FCPA JOHN MBADI NG'ONGO, EGH
CABINET SECRETARY

Copy to: Mr. Felix Koskei, EGH
Chief of Staff & Head of Public Service
Executive Office of the President
State House
NAIROBI

Chairperson
Budget and Appropriations Committee
Parliament Building
NAIROBI

Annex 1: Amendment to FY 2024/25 Supplementary Estimates No. II

Annex 1: Amendment to FY 2024/25 Supplementary Estimates 100.11									
Vote and Programmes	Submitted Estimate			Proposed Adjustment			Revised Estimates		
	Current	Capital	Total	Current	Capital	Total	Current	Capital	Total
1082 State Department for Medical Services	76,513,418,255	24,150,892,428	100,664,310,683	-	2,077,000,000	2,077,000,000	76,513,418,255	26,227,892,428	102,741,310,683
04020000 National Referral & Specialized Services		4,939,931,900	56,205,624,110				51,265,692,210	4,939,931,900.0	56,205,624,110
04100000 Curative & Reproductive Maternal New Born Child									
Adolescent Health RMNCAH	1,572,964,945	16,731,960,528	18,304,925,473		2,077,000,000	2,077,000,000	1,572,964,945	18,808,960,528.0	20,381,925,473
04110000 Health Research and Innovations	3,125,450,000	430,000,000	3,555,450,000				3,125,450,000	430,000,000.0	3,555,450,000
04120000 Health Research and Innovations	20,598,311,100	2,049,000,000	22,598,311,100				20,598,311,100	2,049,000,000.0	22,598,311,100
04130000 General Administration	5,337,956,328	157,000,000	5,494,956,328	25,000,000	0	25,000,000	5,362,956,328	157,000,000	5,519,956,328
1252 State Law Office	2,992,894,185	0	2,992,894,185				2,992,894,185	-	2,992,894,185
06060000 Legal Services									
06070000 Governance, Legal Training and Constitutional Affairs	1,529,103,006	35,000,000	1,564,103,006				1,529,103,006	35,000,000.0	1,564,103,006
06090000 General Administration, Planning and Support Services	815,959,137	122,000,000	937,959,137	25,000,000		25,000,000	840,959,137	122,000,000.0	962,959,137
Total	81,851,374,583	24,307,892,428	106,159,267,011	25,000,000	2,077,000,000	2,102,000,000	81,876,374,583	26,384,892,428	108,261,267,011

PARLIAMENT OF KENYA



PARLIAMENTARY SERVICE COMMISSION

COMMISSION COMMITTEE ON FINANCE

**PRESENTATION TO THE LIAISON COMMITTEE OF THE
NATIONAL ASSEMBLY**

ON

SUPPLEMENTARY ESTIMATES 2 FOR FY 2024/25

MARCH, 2025

A. BACKGROUND

1. The Parliamentary Service Commission is established under Article 127 of the Constitution. It is responsible for, among other things, providing services and facilities to ensure the efficient and effective functioning of Parliament and under Article 127(6)(c), it is responsible for preparing annual estimates of expenditure of the Parliamentary Service Commission and submitting them to the National Assembly for approval and exercising budgetary control.
2. The Parliamentary Service Commission vide a letter Ref: NA/PBO//BAC/2025/ (12) dated 3rd March, 2025 has been invited to appear before the National Assembly's Liaison Committee to discuss Supplementary Estimates No. II on Friday, 7th March, 2025. To facilitate the discussion, the Commission has been requested to prepare a brief on the following issues-
 - (a) status of Budget implementation for the first half of FY 2024/25
 - (b) a schedule of the Programmes and or projects affected by the proposed Supplementary II.
 - (c) justification for additional expenditure and reallocations sought.
 - (d) indicative impact of Supplementary Estimates II on the performance targets.
 - (e) where money has been withdrawn as per Article 223 of the constitution:
 - (i) The date of the first withdrawal of the money;
 - (ii) The purpose for which the money was spent; and
 - (iii) Necessary financial documents as evidence of the money spent
3. The Commission now addresses the issues raised.

B. STATUS OF BUDGET IMPLEMENTATION FOR THE FIRST HALF OF FY 2024/25

4. The table below gives a Summary of the overall Recurrent and Development budget performance for the four (4) Votes on the Parliamentary Service

No.	VOTE	Revised Estimates (KES.)	Half Year Budget Allocation (KES.)	Cumulative Expenditure (KES.)	Half year Absorption (%)
1.	PSC R2041	1,287,266,307	643,633,153.50	463,927,037	72
2.	National Assembly R2042	24,873,564,577	12,436,782,288.50	10,626,417,571	85
3.	PJS R2043	6,187,382,408	3,093,691,154	2,864,899,430	93
4.	PJS D2043	1,118,109,114	Full budget access	1,003,661,264	90
5.	Senate	7,403,177,595	3,723,588,797	3,317,304,452	89

***Development was granted full budgetary access*

VOTE 2041: PARLIAMENTARY SERVICE COMMISSION

5. The Parliamentary Service Commission (PSC), Vote 2041, is implementing two Programmes in the FY 2024/25, namely-
- (a) General Administration, Planning and Support Services Programme; and
 - (b) Human Resource Management and Development Programme.

BUDGETARY ALLOCATION FOR FY 2024/25

6. The Parliamentary Service Commission Vote 2041 had printed budget estimates of **KES. 1.167 billion** when the Financial Year 2024/25 commenced, out of which the General Administration, Planning and Support Services Programme accounts for KES. 1.127 billion, while the Human Resources Management and Development Programme accounts for KES. 40 million. It is observed that an additional amount of KES. 120.266 million was also allocated to the Vote during Supplementary Estimates I. Consequently, the total gross recurrent approved budget allocation for the Vote is **KES.1.287 Billion** in the FY 2024/25.

Table 1: Budget Estimates for PSC Vote 2041 by Programme Classification

S/No.	Programmes	Objectives	Total Recurrent Printed Budget Estimates in KES	Supplementary I in KES	Total Recurrent Approved Budget Estimates in KES
1.	General Administration, Planning and Support Services (GAPSS)	To enhance efficiency and effectiveness in service delivery, enhance Programmes implementation and improve the working environment.	1,127,000,000	(29,733,693)	1,097,266,307
2.	Human Resource Management and Development (HRM/D)	To enhance institutional and human resource capacity for quality delivery of services.	40,000,000	150,000,000	190,000,000
Total Recurrent Budget for VOTE 2041			1,167,000,000	120,266,307	1,287,266,307

EXPENDITURE PERFORMANCE FOR VOTE 2041 FY 2024-2025

7. The half-year budget performance covers the period of July 2024 to 31st December 2024. It is important to note that as of the end of quarter two, the Vote had access to full-year *budgetary provision* for most operations budgets. The total actual expenditure as of 31st December 2024 is **KES. 463.9 million, which represents 72% of the half-year** budget allocation.

Table 2: Vote 2041 Summary of Quarter Two financial performance by economic classification

Economic Classification	Printed Estimates for FY 2024/25 (KES..)	Supplementary /Reallocations (KES..)	Revised Estimates (KES..)	Half Year Budget Allocation (KES..)	Cumulative Expenditure (KES..)	Absorption (%)
Compensation to Employees	888,726,500	(5,000,000)	883,726,500	441,863,250.00	329,531,524	75
Use of Goods and Services	231,173,500	164,266,307	395,439,807	197,719,903.50	131,500,485	67
Social Benefits	2,300,000	-	2,300,000	1,150,000.00	612,446	53
Acquisition of Non-Financial Assets	44,800,000	(39,000,000)	5,800,000	2,900,000.00	2,282,582	79
GROSS EXPENDITURE	1,167,000,000	120,266,307	1,287,266,307	643,633,153.50	463,927,037	72

PROGRAMME	SUB-PROGRAMME	Delivery Unit	Key Output	Key Performance Indicator	Annual Target(s)	Actual as of 31 st December, 2024
General Administration, Planning and Support Services Programme	(1) General Administrative Services	Office of the Secretary	Policy Advisory	No. of Policy Advisory	99 Board Papers	46 Board Papers
			Management/ Board Resolutions	No. of Management/ Board Resolutions	35 Board Resolutions	15 Board Resolutions
		Office of the Chairman	PSC Annual Report	No. of Annual report prepared	1 Annual Report	-
			Stakeholder Engagement / Forum for Chairpersons of Independent Commissions	No. of Stakeholder Engagements	4 Stakeholder Engagement	2 Stakeholder Engagements
		Strategy and Administrative Committees	Strategy and Policy Advisory services	No. of Policy Papers and Advisories tabled	30 Policy Papers & Advisories	10 Policy Papers & Advisories tabled
		Commission Committees	Policy Papers considered	No. of Policy Papers considered	302 Policy Papers	126 Policy Papers
			Commission Resolutions passed	No. of Resolutions passed	131 Resolutions	76 Resolutions
		Litigation and Compliance Services	Litigation matters handled	No. of Cases / Litigation matters handled	22 Cases	17 Cases
			Comprehensive Legal Opinions given	No. of Comprehensive Legal Opinion given	30 Legal Opinions	29 Legal Opinions
			Pleadings drafted	No. of Pleadings drafted	22 Pleadings drafted	17 Pleadings drafted
	(2) Public Participation and Outreach	Public Participation and Outreach	Outreach and Public Participation Events undertaken	No. of Outreach and Public Participation Events undertaken	1 Outreach and Public Participation Event	1 Outreach and Public Participation Event
	(3) Diplomacy and Parliamentary Democracy	Diplomacy and Parliamentary Democracy	Parliamentary Diplomacy Engagements	No. of Parliamentary Diplomacy Engagements	1 Parliamentary Diplomacy Engagements	Parliamentary Diplomacy Engagements

	(4) Internal Audit Services	Internal Audit Department	County and Constituency offices operations audited	No. of Counties and Constituencies audited	200 offices	15 offices
			Systems review audit	No. of actionable audit reports	12 audit reports	9 audit reports completed and issued to Commission Audit Committee
Human Resources Management and Development Programme	(1) Human Resources Management	Human Resources Department	Recruitment / Selection Panels facilitated	No. of Recruitment / Selection Panels facilitated	15 Recruitment / Selection panels facilitated	2 Recruitment / Selection panels facilitated
	(2) Human Resources Development	Human Resources Department	Training and capacity building activities	No. of officers trained	7 officers	officers

VOTE 2042: NATIONAL ASSEMBLY

8. The National Assembly implements one Programme i.e. National Legislation, Representation and Oversight. The budget and Programme performance report provided covers the period first half of FY 2024/2025; July 2024 to December 2024.

BUDGET ALLOCATION

9. During the current Financial Year 2024/2025 the National Assembly Vote 2042 has an approved Budget allocation of KES. 24.864 billion after Supplementary Estimates I 2024/2025 as shown in table below;

Table 3: Summary of Funding by Programmes FY 2024/25 (Supp. No. I)

Vote	Programme	Objective	Printed Estimates Recurrent KES. Billion	Supplementary Estimates Recurrent KES. Billion	Approved Estimates Recurrent KES Billion
The National Assembly	National Legislation,	To strengthen the legislative capacity and	26.770	1.906	24.864

Vote 2042	Representation & Oversight	oversight function of the National Assembly			
TOTAL FOR VOTE 2042			26.770	1.906	24.864

EXPENDITURE PERFORMANCE FOR VOTE 2042 FY 2024-2025

10. The Budget performance covers the period July 2024 to 31st December 2024. The total actual expenditure and commitments as at 31st December, 2024 was KES. 10.608 billion, against a half-year budget allocation of KES. 12.432 billion, hence an absorption rate of 43%.

Table 4: Vote 2042 Summary of budget performance by economic classification

Economic Classification	Printed Estimates FY 2024/2025	Supplementary Estimates FY 2024/2025	Approved Estimates FY 2024/2025	Half-Year Budgetary Allocations FY 2024/2025	Total Expenditure @31.12.2024	Absorption Rate
Compensation to employees	13,871,622,876	561,118,672	13,310,504,204	6,655,252,102.00	5,674,411,182	85%
Use of goods and services	12,436,377,124	1,345,316,751	11,101,060,373	5,550,530,186.50	4,839,059,095	87%
Grants & Transfers	186,000,000	-	186,000,000	93,000,000.00	43,402,025	47%
Other Recurrent	276,000,000	-	276,000,000	138,000,000.00	69,545,269	50%
Total Vote 2042	26,770,000,000	1,906,435,423	24,873,564,577	12,436,782,288.50	10,626,417,571	85%

PROGRAMME ACTUAL KEY OUTPUTS FOR QUARTER TWO ENDING 31ST DECEMBER 2024

Table 5: Vote 2042 Key performance output by Programme.

VOTE	PROGRAMME	KEY OUTPUTS	TARGETS ACHIEVED FY (2022/23)		TARGETS ACHIEVED FY (2023/24)		FY 2024/25		VARIANCE
			Planned Targets	Achieved Targets	Planned Targets	Achieved	Planned Targets	Achieved in 2nd Quarter FY 2024/2025	
2042	National Legislation, Representation and Oversight								
		Bills Processed	90	97	100	155	100	46	(44)
		Sittings held	132	104	150	127	150	65	(67)

VOTE	PROGRAMME	KEY OUTPUTS	TARGETS ACHIEVED FY (2022/23)		TARGETS ACHIEVED FY (2023/24)		FY 2024/25		VARIANCE
		Motions	150	162	200	222	200	90	(60)
		House Business Committee Meetings	30	31	50	28	50	16	(14)
			Planned Targets	Achieved Targets	Planned Targets	Achieved	Planned Targets	Achieved in 2nd Quarter FY 2024/2025	
		Petitions	80	133	100	123	100	61	(19)
		Statutory Instruments/ Regulations	70	52	100	78	100	38	(32)
		Administration of Oath	5	All Members	5	0	5	0	(5)
		Questions	200	437	300	525	300	60	(140)
		Statements	350	56	350	245	350	184	(166)
		Messages	30	38	50	57	50	23	(7)
		Papers Laid	1000	1,971	1000	1663	1000	747	(253)
		Communications issued by the Chair	70	84	70	96	70	34	(36)
		House Leadership Retreats/ Meetings	1	3 (orientation, Induction, and Post-Election seminar)	1	1	1	1	0
		Sessional Papers	3	4	3	5	3	4	1
		President's address Joint Sitting	1	1	1	1	1	1	0
		Committee Reports	200	73	200	278	200	132	(68)
		Reports on Vetting of state officers	15	16	20	5	20	11	(4)

VOTE 2043: PARLIAMENTARY JOINT SERVICES

11. The Parliamentary Joint Services implements two Programmes namely: General Administration, Planning and Support Services Programme and Legislative Training and Knowledge Management Programme under Joint Services and Centre for Parliamentary Studies and Training, respectively.

BUDGETARY ALLOCATION FY 2024/25

12. In FY 2024/25, Parliamentary Joint Services, Vote 2043 was allocated a total budget of **KES 7.305 billion**, where **KES 6.187 billion** relate to recurrent expenditures and **KES 1.118 billion** is for Development projects.
13. The General Administration Programme accounts for **KES 5.996Billion** while the Legislative training, research and knowledge management Programme accounts for **KES.186 .9 Million**.

Table 6: Summary of Budget Allocation and Expenditure by Programmes

VOTE	PROGRAMMES	OBJECTIVE	RECURRENT BUDGET Billion	CAPITAL BUDGET Billion	TOTAL Billion
The Parliamentary Joint Services - Vote 2043	General Administration, Planning and Support Services	To enhance service delivery, staff performance and improve the working environment	6,000,461,246	1,118,100,000	7,118,561,246
	Legislative training, research and knowledge management		186,921,162	0	186,921,162
TOTAL GROSS ESTIMATES FOR VOTE 2043			6,187,382,408	1,118,100,000	7,305,482,408
APPROPRIATION IN AID			34,000,000	0	34,000,000
TOTAL NET ESTIMATES FOR VOTE 2043			6,153,382,408	1,118,100,00	7,271,482,408

EXPENDITURE PERFORMANCE FOR VOTE 2042 FY 2024-2025

14. The budget performance is analyzed from the beginning of July 2024 up to 31st December 2024.In FY2024/25;

15. As at 31st December, 2024, the Parliamentary Joint Services had realized a total expenditure of KES. 2.870 billion in recurrent and KES. 1.004 billion in capital expenditures out of the total revised allocations of KES. 6.187 billion and KES. 1.118 billion, respectively, thus translating to utilization rates of 93% for recurrent expenditures and 90% for development expenditures.
16. The expenditures have been used to cater for general expenses including personnel expenditures for staff of the Joint Services and payment suppliers of goods procured and services rendered to Parliament.
17. The general recurrent expenditure trend for Vote 2043 is as indicated in the tables below:

Table 7: Summary of Expenditure by Economic Classification

PARLIAMENTARY JOINT SERVICE	FY 2023/24 FULL YEAR BUDGET (A)	SECOND QUARTER BUDGET ALLOCATION (B)	EXPENSES AS AT 31st DECEMBER 2024 (C)	ABSORPTION RATE (D)=B-C
COMPENSATION TO EMPLOYEES	2,674,754,225	1,337,377,113	1,211,206,298	91
USE OF GOODS AND SERVICES	3,377,485,203	1,688,742,602	1,589,686,335	94
GRANTS AND TRANSFERS	5,500,000	2,750,000	1,130,000	41
OTHER RECURRENT	129,642,880	64,821,440	62,876,796.80	97
TOTAL EXPENDITURE(PJS) VOTE 2043	6,187,382,308	3,093,691,154	2,864,899,430	93

18. The Expenditure analysis indicates that as of 31st December, 2024, the budget is at 93% absorption of the half-year budgetary allocation, which is within the required rate. The PJS Vote has so far absorbed KES.2.870 billion under the recurrent budget.

19. The economic item on **Other recurrent**, which entails the purchase of furniture and fittings, purchase of ICT and networking equipment among others has been sufficiently utilized for the quarter.

DEVELOPMENT EXPENDITURE

20. The Development budget for FY 2024/25 was allocated **KES. 1.118 Billion**. The cumulative Development (D2043) expenditure and commitments for the period under review is **KES 1.004 Billion, representing a 90%** absorption rate.

Table 8: Development Expenditure for 2024/25 FY by Cost Centers.

ITEM DESCRIPTION	APPROVED ESTIMATES FY2024/2025	HALF-YEAR BUDGET ALLOCATION	TOTAL EXPENDITURE	UTILIZATION
Joint services	KES.		KES.	%
Construction of Multi Storey Office Block	358,109,114	179,054,557	305,385,027	170
Installation of Integrated Security System				
Purchase of Police and Security Equipment	225,000,000	112,500,000	204,157,753	181
Purchase of ICT Networking and Communication Equipment	100,000,000	50,000,000	97,960,000	196
Purchase of Buildings PSC	10,000,000	5,000,000	0	0
Refurbishment of Various Buildings	75,000,000	Full budget access	46,158,484	90
Development of CPST Complex	350,000,000	Full budget access	350,000,000	90
Total Net Expenditure Vote D2043	1,118,109,114	Full budget access	1,003,661,264	90

NB: the Development Budget was fully accessed by the end of the period under review thus the high percentages of absorptions indicated.

Table 9: Programme Actual Key Outputs for Quarter Three Ending 31st December 2024

PROGRAMME	Sub-Programme	Delivery Unit	Key Output	Key Performance Indicator	Annual Target(s)	Quarter 2 targets	Actual As of 31 st December, 2024	Variance	Remarks
General Administration, Planning and	General Administration,	Joint Services	Policies adoption and implementation	No of policies made and adopted	100	50	50	-	

PROGRAMME	Sub-Programme	Delivery Unit	Key Output	Key Performance Indicator	Annual Target(s)	Quarter 2 targets	Actual As of 31 st December, 2024	Variance	Remarks
Support Services	Planning and Support Services		Signed Service Contracts	No. of Services Contracts signed	340	340	330	20	Contracts are continuously renewed, and new ones are signed as the need arises
			Parliamentary Joint Services Charter Developed Implementation of Quality Management System	Parliamentary Joint Services Charter in Place	1	1	-	1	
			Capacity Building for Staff	No of Officers Trained	250	150	120	30	Inadequate funds
			Provision of furniture and equipment for a conducive working environment	Furniture and equipment in place	100%	75%	70%	5%	Slow procurement process and inadequate access to budgetary allocation
			Work plans, draft budget estimates for FY 2024/25	No. of workplans, and drafts budget	6	2	1	1	The budget validation workshops yet to be undertaken
			Acquire goods for general office operation	Goods acquired	100%	50%	50%		Inadequate finances to procure all office consumables and computer accessories
			Payment of Utility Bills	Processed and Settled Bills	100%	100%	100%		All utility bills claims settled
			Rentals of Produced Assets	Processed and settled bills for rent/rates	100%	100%	70%	30%	inadequate budgetary allocation to settle All rent claims
			Insurance Costs	Processed and Settled Premiums	Annual premiums paid	Annual premiums paid	Annual premiums paid		Annual premiums paid
			Provision of Staff Medical Cover	Medical Bills Settled	100%	100%	100%		Insurance premiums paid
			Provision of Medical Insurance for Members	Medical Bills Settled	100%	100%	100%		Insurance premiums paid
			Purchase of computers, ICT software, furniture, vehicles, plant, equipment & Machinery	No of acquired assets	100%	50%	30%	20%	Limited budget access to cater for the cost of the entire tender/quotation
			Printing and Advertisement, Brochures, Calendars and Magazines	Placed Adverts and Increased awareness	100 %	50%	40%	10%	Delayed bills from suppliers
			Installation of Telephone infrastructure services in the new building, Issuance of calling cards to Members and eligible staff	Number of telephone sets installed and Schedule of Members and staff issued with calling cards	100 %	50%	50%		
			Hold annual sports day Synergized, physical fit staff and cohesive team	No of staff participating in the sporting activities	1	1	0	1	To be held in the subsequent quarter
			Safe and Secure Working Environment through Estate Management and Maintenance of Equipment and Buildings	Inventory of Assets	Parliamentary Residential and non-residential properties	Parliamentary Residential and non-residential properties	Parliamentary Residential and non-residential properties	-	
			Parliamentary Outreach for Cohesive and healthy workforce	EALA sporting activities held	1	1	1	-	
	Legislative Training Research & Knowledge Management	Centre for parliamentary studies	Certification of officers Trained on PSC Mandatory Promotional Courses	No. of officers Trained	200	100	50	50	Inadequate training funds
			Programme for Training of Trainers	No. of Trainings held	3	2	1	1	Inadequate training funds
			Programmes for Members of Parliament	Number of members facilitated	200	100	100	-	

PROGRAMME	Sub-Programme	Delivery Unit	Key Output	Key Performance Indicator	Annual Target(s)	Quarter targets	Actual As of 31 st December, 2024	Variance	Remarks
			Curriculum for Senior members of PSC Staff	No. of Senior staff trained	300	150	80	70	Inadequate training funds
General Administration, Planning and Support Services	General Administration, Planning and Support Services	Construction of Multi-Storey office block	Increased office space	No. of members office & committee rooms	350	350	-	-	Project Ongoing
		Installation of integrated security system	ISMS system in place	ISMS system in place	1		1	-	Project Ongoing
		Purchase of buildings PSC	Increased office space	No. of staff offices	200		-	200	Negotiations ongoing
		Purchase and development of CPST land	Development of CPST Complex	% Completion	20%	20%	9%	11%	The project has insufficient budget allocation during this FY

VOTE 2044: THE SENATE

21. The Senate Vote implements three Programmes i.e.
- (i) Senate Legislation and Oversight
 - (ii) Senate Representation, Liaison and Intergovernmental Relations
 - (iii) General Administration Planning and Support Services

BUDGETARY ALLOCATION

22. During the current Financial Year 2024/2025, Senate Vote 2044 was allocated a Budget of **KES. 7.404 billion** against a resource requirement of **KES. 14.419 billion**. The approved allocation is voted in the three Programmes as tabulated in Table 1 below-

Table 10: Budget Estimates for Senate Vote 2044 by Programme Classification

VOTE	PROGRAMMES	OBJECTIVE	RECURRENT KES Billion	CAPITAL KES Billion	TOTAL KES Billion
Senate Vote 2044	<i>Senate Legislation and Oversight</i>	To strengthen the legislative capacity and oversight function of the Senate.	3.083	0	3.083
	<i>Senate Representation, Liaison</i>	To strengthen the representation and enhance the	1.877	0	1.877

VOTE	PROGRAM MES	OBJECTIVE	RECUR RENT KES Billion	CAPITA L KES Billion	TOTAL KES Billion
	<i>and Intergovernm ental Relations</i>	parliamentary outreach function of the Senate.			
	<i>General Administratio n Planning and Support Services</i>	To strengthen the capacity of staff to facilitate Members in discharging their constitutional duties in an effective and efficient manner.	2.444	0	2.444
TOTAL FOR VOTE 2044			7.404	0	7.404

23. The budget performance provided covers the period of July 2024 to 31st December 2024. It is important to note that as at the end of quarter two the Vote had access to full year budgetary provision on Outreach, Wellness and Sports to facilitate the hosting of the 2024 East Africa Community EALA Inter-Parliamentary Games. The total actual expenditure and commitments as at end of March is **KES 3.317 Billion** which represents **89%** of the budget allocation for the half year.

Table 11: Vote 2044 Summary of Half Year financial performance by Economic Classification

Economic Classification	Printed Estimates 2024/2025	Half Year Allocation	Supplementary Estimates / Reallocations FY2024/25	Half-Year Approved Estimates 2024/2025	Total Payments and Commitments @31/03/2024	Absorption Rate (%)
Compensation to employees	4,105,745,601	2,052,872,801	-	2,052,872,801	1,879,032,906	92
Use of goods and services	3,138,434,057	1,591,217,028	-	1,591,217,028	1,383,304,253	87
Current transfers	47,550,000	23,775,000	-	23,775,000	20,000,000	84
Social benefits	47,833,147	23,916,574	-	23,916,574	6,441,547	27
Non-financial assets	63,614,790	31,807,395	-	31,807,395	28,525,746	90
Total Senate Vote	7,403,177,595	3,723,588,797	-	3,723,588,797	3,317,304,452	89

PROGRAMME ACTUAL KEY OUTPUTS FOR QUARTER THREE ENDING 31ST MARCH 2024

Table 12: Vote 2044 Summary of Half Year key performance output by Programme.

Programme 1: Senate Legislation and Oversight	Sub- Programme	Delivery Unit	Key Output	Key Performance Indicator	Annual Targets	Actual As of 31st December 2024
	Legislative, Procedural and Oversight	Legislative and Procedural Services	Senate Sitzings	Number of Sittings	93	47
		Legislative and Procedural Services	Motions	Number of Motions	100	48
		Legislative and Procedural Services	Petitions	Number of Petitions	80	9
		Legislative and Procedural Services	Statements	Number of Statements requested	300	204
		Legislative and Procedural Services	Vetting of State Officers	Number of officers	4	2
		Legislative and Procedural Services	Impeachment	Number of Impeachments	1	2
		Office of the Speaker	Reports	Number of Outreach reports	8	5
		Office of Speaker/ DLPS	Communication from the Chair	Number of Communications issued	150	27
		Committee Services	Reports	Number of reports	250	72
	Legislative Support Services	Legal services	Bills	Number of Bills published	30	9
		Sergeant at Arms	Safe and orderly Chamber	% of safety and orderly	100	100
		Sergeant at Arms	Public education and Outreach	Number of programmes	80	34
		Hansard and Audio Services	Reports	% of Hansard reports provided based on requests	100	100
Programme 2: Senate Representation, Liaison and Intergovernmental Relations	Senate Representation	County Offices	Reimbursement of funds	% of offices funded	100%	100%
	Liaison and Outreach	Office of Speaker/ Clerk/ DLPS/SAA	Visiting delegations	Number of delegations	120	13

Programme 1: Senate Legislation and Oversight	Sub- Programme	Delivery Unit	Key Output	Key Performance Indicator	Annual Targets	Actual As of 31st December 2024
	Legislative, Procedural and Oversight	Legislative and Procedural Services	Senate Sitzings	Number of Sittings	93	47
		Legislative and Procedural Services	Motions	Number of Motions	100	48
		Legislative and Procedural Services	Petitions	Number of Petitions	80	9
		Legislative and Procedural Services	Statements	Number of Statements requested	300	204
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		Legislative and Procedural Services	Impeachment	Number of Impeachments	1	2
		Office of the Speaker	Reports	Number of Outreach reports	8	5
		Office of Speaker/ DLPS	Communication from the Chair	Number of Communications issued	150	27
		Committee Services	Reports	Number of reports	250	72
	Legislative Support Services	Legal services	Bills	Number of Bills published	30	9
		Sergeant at Arms	Safe and orderly Chamber	% of safety and orderly	100	100
		Sergeant at Arms	Public education and Outreach	Number of programmes	80	34
		Hansard and Audio Services	Reports	% of Hansard reports provided based on requests	100	100
		Senate Liaison Office/ DLPS	Conferences	Number of Conferences	4	4
		Outreach Wellness and Sports/ Office of the Clerk	Outreach programmes	Number of programmes	4	3
Programme 3: General Administration Planning and Support Services	General Administration	Office of the Clerk	Capacity Building	Number of staff trained	500	103
	Planning and Support Services	Finance Management Services	Reports	Number of Financial and Budget	8	6

Programme 1: Senate Legislation and Oversight	Sub- Programme	Delivery Unit	Key Output	Key Performance Indicator	Annual Targets	Actual As of 31st December 2024
	Legislative, Procedural and Oversight	Legislative and Procedural Services	Senate Sitings	Number of Sittings	93	47
		Legislative and Procedural Services	Motions	Number of Motions	100	48
		Legislative and Procedural Services	Petitions	Number of Petitions	80	9
		Legislative and Procedural Services	Statements	Number of Statements requested	300	204
		Legislative and Procedural Services	Vetting of State Officers	Number of officers	4	2
		Legislative and Procedural Services	Impeachment	Number of Impeachments	1	2
		Office of the Speaker	Reports	Number of Outreach reports	8	5
		Office of Speaker/ DLPS	Communication from the Chair	Number of Communications issued	150	27
		Committee Services	Reports	Number of reports	250	72
		Committee Services	Reports	Number of reports	250	72
	Legislative Support Services	Legal services	Bills	Number of Bills published	30	9
		Sergeant at Arms	Safe and orderly Chamber	% of safety and orderly	100	100
		Sergeant at Arms	Public education and Outreach	Number of programmes	80	34
		Hansard and Audio Services	Reports	% of Hansard reports provided based on requests	100	100
				implementation reports		
		Litigation and Compliance Services	Legal advisory	% of legal advisory request	100	100
		Litigation and Compliance Services	Legal representation	% of representation	100	100
		Maintenance and Estate Management	Estate Maintenance	% Maintenance	100	100

Programme 1: Senate Legislation and Oversight	Sub- Programme	Delivery Unit	Key Output	Key Performance Indicator	Annual Targets	Actual As of 31st December 2024
	Legislative, Procedural and Oversight	Legislative and Procedural Services	Senate Sitzings	Number of Sittings	93	47
		Legislative and Procedural Services	Motions	Number of Motions	100	48
		Legislative and Procedural Services	Petitions	Number of Petitions	80	9
		Legislative and Procedural Services	Statements	Number of Statements requested	300	204
		Legislative and Procedural Services	Vetting of State Officers	Number of officers	4	2
		Legislative and Procedural Services	Impeachment	Number of Impeachments	1	2
		Office of the Speaker	Reports	Number of Outreach reports	8	5
		Office of Speaker/ DLPS	Communication from the Chair	Number of Communications issued	150	27
		Committee Services	Reports	Number of reports	250	72
		Legislative Support Services	Legal services	Number of Bills published	30	9
		Sergeant at Arms	Safe and orderly Chamber	% of safety and orderly	100	100
		Sergeant at Arms	Public education and Outreach	Number of programmes	80	34
		Hansard and Audio Services	Reports	% of Hansard reports provided based on requests	100	100
		Policy, ICT & Research Services	Reports	Number of advisory/policy reports	80	57

C. SCHEDULE OF THE PROGRAMMES AND/OR PROJECTS AFFECTED BY THE PROPOSED SUPPLEMENTARY II

24. The approved budgetary allocation FY 2024/2025 and the proposed Supplementary Estimates II for the Votes of Parliament are as given under the following tables.

Table 13: Summary of Funding by Programmes FY 2024/25 (Proposed Supp. No. II)-V2041

Vote 2041	Programme	Approved Estimates FY 2024/25 (Kshs.)	Proposed Supplementary No. II (Kshs.)	Gross Total Estimates (Kshs.)	Additional Resource Requirement (Kshs.)
The Parliamentary Service Commission-V2041	<i>General Administration, Planning and Support Services</i>	1,097,266,307	-	1,097,266,307	1,698,000,000
	<i>Human Resources Management and development</i>	190,000,000	-	190,000,000	90,000,000
Total		1,287,266,307	-	1,287,266,307	1,788,000,000

Table 14: Summary of Funding by Programmes FY 2024/25 (proposed Supp. No. II)-V2042

Vote 2042	Programme	Approved Estimates FY 2024/25 (Kshs.)	Proposed Supplementary No. II (Kshs.)	Gross Total Estimates (Kshs.)	Additional Resource Requirement (Kshs.)
The National Assembly	<i>National Legislation, Representation & Oversight</i>	24,868,564,575	75,330,000	24,943,894,575	1,024,438,350

Table 15: Summary of Funding by Programmes FY 2024/25 (proposed Supp. No. II)-V2043

Vote 2043	Programme	Expenditure	Approved Estimates FY 2024/25 (Kshs.)	Proposed Supplementary No. II (Kshs.)	Gross Total Estimates (Kshs.)	Additional Resource Requirement (Kshs.)
The Parliamentary Joint Services <i>General Administration, Planning and Support Services</i>	Recurrent Expenditure		6,000,461,246	-	6,000,461,246	365,270,000
	Capital expenditure		1,118,109,114	-	1,118,109,114	700,000,000
Sub-total Amount			7,118,570,360	-	7,118,570,360	1,065,270,000
Legislative Training and Knowledge Management	Recurrent Expenditure		186,921,162		186,921,162	-
	Capital expenditure		-	-	-	-
Sub-total Amount			186,921,162	-	186,921,162	-
Gross Total Estimates-V2043			7,305,491,522	-	7,305,491,522	1,065,270,000

Table 16: Summary of Funding by Programmes FY 2024/25 (proposed Supp. No. II)-V2044

Vote 2044	Programme	Approved Estimates FY 2024/25 (Kshs.)	Proposed Supplementary No. II (Kshs.)	Gross Total Estimates (Kshs.)	Additional Resource Requirement (Kshs.)
Senate	<i>Senate Legislation and Oversight</i>	3,112,827,595	(74,000,000)	3,038,827,595	1,370,448,050
	<i>Senate Representation, Liaison and Intergovernmental relations</i>	1,846,199,100	40,830,000	1,887,029,100	
	<i>General Administration, Planning and Support Services</i>	2,445,150,900	52,700,000	2,497,850,900	
		7,404,177,595	19,530,000	7,423,707,595	

D. JUSTIFICATION FOR ADDITIONAL EXPENDITURE AND REALLOCATIONS SOUGHT

VOTE 2041: PARLIAMENTARY SERVICE COMMISSION

25. The additional expenditures and reallocations are meant to cater for the following activities:

- (a) Approve the regularization of the reallocation of **KES. 19 million**, which facilitated the settling of pending bills relating to FY 2023/24, forming first charge

in the FY 2024/25 and also enhanced expenditure on contracted professional services, respectively.

- (b) Approve additional finding request of **KES. 1,400 billion** in Supplementary 2 to cater for Post-Service Medical Scheme for Members of Parliament
- (c) Approve the additional funding request of **KES. 388 million** in Supplementary 2 is with respect to the following priority areas-
 - (i) undertaking, singly or jointly with other relevant organizations, Programmes to promote the ideals of parliamentary democracy as envisioned under Article 127(6)(d) of the Constitution;
 - (ii) the implementation of the PSC Strategic Plan (2019-2030) and mid review of the same (the Strategic Plan Implementation Committee has a resource requirement of KES. 75 Million for midterm review);
 - (iii) parliamentary outreach to build public trust;
 - (iv) additional NSSF contribution of KES. 3 Million;
 - (v) training and capacity building of staffers;
 - (vi) facilitation of statutory and administrative committees that generate business for the Commission and advise the Commission on technical matters touching on its mandate;
 - (vii) facilitation for the Board of Senior Management and the PSC Vote 2041 Management Team;
 - (viii) facilitation of Vote administrative activities that act as enablers for the Commissioners to achieve their Constitutional mandate such as boosting of the fuel budget with KES. 5M and Routine maintenance of motor vehicles budget line with KES. 8 Million. Others include general office supplies KES.13.5 Million, refurbishments of non-residential buildings KES. 4.5 million and Purchase of office furniture of KES. 5 Million;

- (ix) boosting of the IEBC Selection Panel budget by KES 90 Million as some of the allocated amount was utilized to settle pending bills relating to FY23-24 which formed a first charge for the current FY budget; and
- (d) Litigation and arbitration budget by **KES. 150 Million** to cater for legal suits for and against the Commission and solving internal disputes respectively

VOTE 2042: THE NATIONAL ASSEMBLY

Reallocations

- 26. The Vote didn't have reallocation for the period under review.

Additional Funding

- 27. The Vote the following proposed additional funding:
 - (i) Additional funding of KES. 225 Million for Members' Bodyguards and Driver's allowance;
 - (ii) Additional funding of KES. 877 Million for settlement of the Tax claimed by KRA with respect to motor vehicle reimbursement allowance for Members of Parliament; and
 - (iii) Additional NSSF contribution of KES. 6 million.

VOTE 2043: THE PARLIAMENTARY JOINT SERVICE

Approved Reallocations

- 28. The Parliamentary Joint Services has not undertaken any reallocations as at 31st December 2024

Pending Bills Status

- 29. The total pending bills for the FY 2023/2024 were **KES. 1,577,986,761.48** out of which **KES. 522,470,763.53** was for recurrent expenditure while **KES. 1,055,515,997.95** was for

capital expenditures. As at the time of reporting, **KES. 498,859,935.00** for recurrent and **KES. 593,755,505.57** for development had been processed and paid.

Additional Funding

30. The Parliamentary Joint Services seeks an additional **KES. 1.065 Billion**, of which **KES 371.27 Million** will cater for recurrent expenses and **KES. 700 Million** will cater for development expenditures.

Table 17: Summary of additional resource requirement

S/NO.	BUDGET LINE ITEM	AMOUNT in Millions
Recurrent Budget		
1.	Contracted professional services	50
2.	Contracted guards and cleaning services	41.47
3.	Refined fuel and lubricants for transport	32.8
4.	Rents and rates non residential	191
5.	Medical expenses	50
6.	Additional NSSF contribution	6
	Total Recurrent Resource Requirement	371.27
Development Budget		
6.	Construction of CPST Complex	400
7.	Furnishing of the Bunge Towers	200
8.	Installation of Integrated Security System	100
	Total Development resource requirement	700
	Total Additional Resource Requirement	1,071.27

31. At the beginning of the financial year 2024/2025, the budget allocation was utilized to settle pending bills incurred in the previous financial year as they formed the first charge. This has resulted in some budget lines being depleted.
32. It is also noted that there are some budget line items which will be strained during the financial year as a result of Supplementary I budget cuts as well as under provision in the budget allocation. Such line items are:
33. **Contracted Professional Services**
- The Parliamentary Joint Services runs approximately over 300 contracts, which are budgeted for under contracted professional services.

- In the current FY 2024/2025, the budget line item has an allocation of KES 286.5 million, of which a large sum of KES 250 million is attributed to settling broadcasting costs for services rendered.
- In FY 2023/24, the vote accumulated a pending bill of KES 85 Million owed to K.B.C., which formed the first charge during the settlement of bills.
- This budget line is also utilized to pay the cost of maintenance contracts undertaken by the institution. The increased costs of contracts, as well as high costs in the replacement of spare parts, may strain the budget as this was not captured in the budget preparation.
- This budget line requires an additional 50 million in budget allocation to cater for activities and services in the remaining quarters of the year.

34. Contracted Guards and Cleaning Services

- This budget line is utilized to settle a wide spectrum of contracts whose costs have increased over the years. Due to limited budgetary allocation in comparison to increasing costs, the institution has incurred huge pending bills. The contracts and costs under this item are summarized in the table below:

Table 18: Summary of Projected Resource Requirement for Contracted Guards and Cleaning Services

S/No.	SERVICE	MONTHLY COST	ANNUAL COST
1.	Provision of Shampooing of parliamentary offices	10,000,000	120,000,000
2.	Provision of Cleaning services of the bunge tower	2,835,000	34,020,000
3.	Provision of Cleaning services of other parliamentary Buildings	2,039,829	24,477,948
4.	Provision of flowers Protection 911,500 Senate reception 190,000 NAwalkway 170,400	1,271,900	15,262,800
5.	Provision of dry cleaning services · Health club 950,000 · Linen room 390,000 · Senate/Cpst catering 330,000	1,670,000	20,040,000

S/No.	SERVICE	MONTHLY COST	ANNUAL COST
6.	Provision of Sanitary services	330,330	3,963,960
7.	provision of Fumigation bunge towers	286,600	3,439,200
8.	Provision of garbage collection sevices	245,000	2,940,000
9.	Provision of Gardening services	168,432	2,021,184
10.	Provision of Fumigation-other parliament buildings	124,500	1,494,000
		18,971,591	227,659,092

- The table above summarizes the monthly and annual approximate costs per contract. It is noted that in FY 2024/25, the budget line on contracted guards and cleaning services was allocated a total of **KES 233.25 Million** against an annual budgetary requirement is **KES 227.7 Million**.
- Additionally, the vote incurred a pending bill of KES 35.92 million chargeable to this budget line, as tabulated below.

Table 19: Summary of Pending Bills under Contracted Guards and Cleaning Services

PENDING BILLS UNDER CONTRACTED GUARDS AND CLEANING SERVICES			
PO No.	SUPPLIER	MONTH	AMOUNT
5729	Shampooing services	May 2024	9,858,758
5817	Shampooing services	March 2024	6,281,522
5811	Shampooing services	January 2024	2,206,936
5818	Shampooing services	September 2023	4,913,091.50
5560	Shampooing services	April 2024	12,659,723.50
Total pending bill			35,920,031

- Since pending bills form the first charge, this expenditure will impact on the contractual obligations of the current FY. The vote requires an additional **KES 41.47 Million** to finance the deficit and meet all its contractual obligation.

35. Refined fuel and lubricants for transport

- The total budget allocation for the line item Refined fuel and lubricants for FY 2024/25 under vote 2043 is KES 9.2 million against a resource requirement of KES 42 million, resulting in a deficit of KES 32.8 million.

- This expenditure arose after the implementation of the 2024/25 budget; hence, it had not been factored into the current budget. It was necessitated by the opening and operationalization of the Bunge towers in April 2024, which required the purchase of fuel for generators that serve the building.
- Parliament has entered into a contract for the supply of fuel for the generators and vehicles owned by Parliamentary Joint Services. Based on consumption, the average monthly bill from the supplier is KES 3.5 million, translating to an annual cost of KES 42 million.
- There is need for an additional **KES 32.8 million** for this budget line

36. Rents and rates non residential

- The budget allocation for the current FY is **KES 114.4million**, while the sustainable and required budget is **KES 218.18 million** as supported in the table below;

Table 20: Summary of Budget Allocation, Expenditure and Projection Resource requirement for Rent and rates for non-residential

DESCRIPTION	QUARTER RATES	ANNUAL RATE	TOTAL
Budgetary Allocation FY 2024/25			114,437,870.00
UTILIZATION			
Harambee Sacco Ltd quarterly rate	7,350,000*4 quarters	29,400,000.00	
KICC Parking quarterly rate	36,812,484.38*4	147,249,937.52	
Ukulima House initially Tysons quarterly rate	6,876,202*4	27,504,808.00	
Ukulima house basement and adjacent parking's	54+30 @1,169,280 pm and 3,507,840pq	14,031,360.00	
Actual Annual rent requirement		218,186,105.52	(218,186,105.52)
Deficit			-103,748,235.52

- Upon analysis, the Rent and Rates budgetary allocation for the financial year 2024/25 is **KES 114 Million**. This is way underprovided for being that the actual rent and rates to be paid during the FY is **KES 218 million** as supported in the table above. As a result, there is an under-budgeting of KES 103.7 million.

- Additionally, in the FY 2023/24, Parliamentary Joint Services accumulated a pending bill on rent as a result of a lack of exchequer funding and is summarized below:

Table 21: Summary of Pending bill for Rent and Rates

SUPPLIER	PERIOD	AMOUNT PENDING
Harambe DT Sacco society ltd	March-May2024	7,350,630.00
Harambe DT Sacco society ltd	June-August2024	7,350,630.00
KICC	July -sept 2023	36,812,484.38
KICC	Jan -March 2024	36,812,484.38
TOTAL PENDING BILL		88,326,228.76

- Pending Bills pending from the first charge during payment, hence the expenditure of KES 88 Million has utilized the budget for the current financial year and will result in a deficit, which will affect the operations of the current financial year.
- The vote therefore requires an additional **KES. 191 Million** for this budget line.

37. Medical Expenses

- The increased number of staff and their dependents has stretched the medical expenses incurred to pay hospital bills. The budget allocation for medical expenses in the current FY is KES 600 Million, while the monthly utilization amounts to KES. 52 Million per month.
- The vote also accumulated a pending bill of KES35 million in the last FY which formed the first charge during settlement of claims in this FY2024/25.
- This budget line item therefore requires an additional **KES. 50 million** to enable members of staff and their dependants access medical facilities and services

38. Development Projects

- There is a need for additional funding for the development of the CPST Complex which has been adversely affected by budget cuts in the FY 2023/24 and 2024/25.
- The additional funds required to clear the outstanding bill for this project is **KES. 700 million** to clear the outstanding bills.

VOTE 2044: SENATE

REALLOCATIONS

39. The Vote had an approved reallocation of **KES. 30 Million** to facilitate the hosting and Senators participation in the 2024 East Africa Community EALA Inter-Parliamentary Games vide National Treasury Letter Ref: REC/EST/ 2044/24/01/'A' (6) dated 27th November 2024. Further, a full year of access to budgetary provision on items under Outreach, Wellness and Sports Subhead was approved to facilitate the 2024 East Africa Community EALA Inter-Parliamentary Games.

ADDITIONAL FUNDING FOR SENATE PROGRAMMES AND ACTIVITIES

40. During the budget-making process for the Financial Year 2024/25 and Medium term, the Senate Vote 2044 bid for **KES 14.419 Billion** as per its resource requirements. However, at the end of the process, it was allocated **KES. 8.009 billion**, which was further cut by **KES. 605 million during the Supplementary Estimates No. 1, even before the commencement of the Financial Year**, resulting in a final allocation of **KES. 7.404 Billion**.
41. The Senate Vote therefore still continues to be grossly underfunded to the tune of **KES. 7.015 Billion**.
42. It is important to note that the Senate's previous funding needs requests still remain. The resulting financing gap has led to serious operational challenges, especially with regard to Committees. The additional funding requests were with respect to the following priority areas-
- a) Overhaul of the Multimedia Senate Chamber System- **KES. 300 Million**
 - b) Funding for the operations of Committees – **KES. 431 Million**
 - (a) Parliamentary diplomacy, including activities of inter-parliamentary organizations undertaken by the Office of the Speaker and the Leadership Offices- **KES. 247 Million**

SENATE OVERSIGHT FUNCTION IMPLEMENTATION

43. During the Financial Year 2023/2024 Senate oversight function had a budget estimate of **KES. 500 million**. The Parliamentary Service Commission subsequently ratified the implementation framework for the Senate Oversight Function for the forty-seven Senators elected under Article 98 (1(a) of the Constitution of Kenya. Ninety (90) percent of the appropriated funds amounting to **KES. 450 million** was to be shared on the basis of geographical representation amongst the elected Senators.
44. All the 47 County offices were facilitated in the first half of the financial year 2023/2024 (July- December, 2023) following a High Court's decision varying its conservatory orders, which had previously halted disbursement of the said funds.
45. In the third quarter (January-March, 2024), the County Liaison Office was able to disburse funds to 32 out of the 47 County Senate offices that submitted their oversight activities' financial returns and Work-Plan status reports in line with the implementation framework before the High Court issued orders stopping further disbursements of funds in respect to the Senate Oversight function on 26th April, 2024.

37. The following 15 County offices were not reimbursed due to restraining High Court Orders issued before they submitted their financial returns:

Table 22: Analysis of pending disbursement funds to Counties Offices

No.	County Office	Amount (KES.)
1.	Homa Bay County	2,172,414
2.	Muranga County	1,900,862
3.	Tharaka Nithi County	814,655
4.	Kiambu County	3,258,621

No.	County Office	Amount (KES.)
5.	Kwale County	1,086,207
6.	Kericho County	1,629,310
7.	Tana River County	814,655
8.	Bungoma County	2,443,966
9.	Meru County	2,443,966
10.	Bomet County	1,357,759
11.	Mombasa County	1,629,310
12.	Isiolo County	543,103
13.	Samburu County	814,655
14.	Machakos County	2,172,414
15.	Nyandarua County	1,357,759
	TOTAL	24,439,656

46. During the fourth quarter (April-June) of the Financial Year 2023/2024 All the 47 County Offices were not facilitated despite incurring expenses related to the Senate oversight function due to the subsisting High Court Order on disbursements. The budget estimates for this purpose amounting to **KES. 112,500,000** that remained unutilized for the financial year lapsed on 30th June, 2024.

MEMBERS' BODYGUARDS AND DRIVER'S NIGHT OUT ALLOWANCES

47. In the last Financial Year 2023/2024, all County offices were facilitated with the Bodyguards and Driver's Night Out allowances for having accompanied the Hon. Senators outside Nairobi on official travel assignments in line with the PSC Resolution.
48. In the current financial year 2024/2025 the budgetary provision of **KES. 87,796,800**, which had been provided for this purpose, was part of the budget cut for the Senate Vote. Therefore, approved budget estimates do not have a provision to cater for payments of Bodyguards' and Driver's night-out allowances; this has stalled the implementation of the PSC resolution on this matter.

FOBSERVATIONS

49. From the analysis in Table 2 above, the operations budget of the Senate Vote 2044 is exhausted with critical items already with outstanding bills. This is on account of underfunding and settlement of a large number of pending bills from the previous Financial Year, 2022/2023.
50. The activities of the Committees, Legislative and Office of the Speaker continue to be adversely affected by underfunding.
51. In light of the above prevailing circumstances without any mitigating measures, the Vote will certainly forward into the next Financial Year 2024/2025 and have a large pending bill thereof impacting operations of that financial year adversely.
52. The Supplementary Estimates No. 1 budget cut of **KES. 605,822,405** has significantly affected the implementation of various Senate Programmes, notably the oversight function.
53. The additional resources required for the Senate oversight function for the Senate vote up to 30th June of Financial Year 2024/2025 is **KES. 228,736,456** disaggregated as—
 - (a) **KES. 136,939,656** on account of arrears for the FY 2023/24 due to the lapse of budgetary provision.
 - (b) **KES. 87,796,800** for Members' Bodyguards and Drivers' Allowance on account of budget cuts during supplementary No. 1.
 - (c) additional NSSF contribution of KES. 4 million.

E. INDICATIVE IMPACT OF THE SUPPLEMENTARY ESTIMATES II ON THE PERFORMANCE TARGETS

54. The proposed additional funding under the Supplementary Estimates II for Parliament Votes is not sufficient for the various Programmes. Consequently, the institution may end up accumulating a huge amount of pending bills at the end of the FY 2024/25, which will affect the funding of core activities in the FY 2025/26.

F. WHERE MONEY HAS ALREADY BEEN WITHDRAWN AS PER ARTICLE 223 OF THE CONSTITUTION

55. The Parliamentary Service Votes (V2041, V2042, V2043 and V2044) have not made any withdrawal of money as per Article 223 of the Constitution.

G. ADDITIONAL RESOURCE REQUIREMENTS PER VOTE

56. The total additional resource requirement for Parliament during Supplementary, as summarized in the Tables below, is **Kshs. 4.59 Billion** for Recurrent and **Kshs. 700 million** for Development

Table 23: Summary of Additional Resource Requirements Per Vote

S/NO.	BUDGET LINE ITEM	AMOUNT in Millions
Vote 2041 Recurrent Budget		
	PSC programmes	388
2.	Post-Retirement Medical Scheme	1400

S/NO.	BUDGET LINE ITEM	AMOUNT in Millions
Vote 2042 Recurrent Budget		
1.	drivers and bodyguard allowances	225
2.	Tax Reimbursement for Motor Vehicles (KRA)	877
3.	Additional NSSF contribution	6

S/NO.	BUDGET LINE ITEM	AMOUNT in Millions
Vote 2043 Recurrent Budget		

S/NO.	BUDGET LINE ITEM	AMOUNT in Millions
1.	Contracted professional services	50
2	Contracted guards and cleaning services	41.47
3.	Refined fuel and lubricants for transport	32.8
4.	Rents and rates non residential	191
5.	Medical expenses	50
6.	Additional NSSF contribution	6
	Total Recurrent Resource Requirement	371.27
Vote 2043 Development Budget		
7.	Construction of CPST Complex	400
8.	Furnishing of the Bunge Towers	200
9.	Installation of Integrated Security System	100
	Total Development resource requirement	700
Total Additional Resource Requirement		1,071.27

S/NO.	BUDGET LINE ITEM	AMOUNT in Millions
Vote 2044 Recurrent Budget		
1.	Senate chamber system and drivers and bodyguard allowances	1,200
2.	Tax Reimbursement on Motor Vehicles (KRA	
3.	Additional NSSF contribution	

SUMMARY OF ADDITIONAL RESOURCE REQUIREMENTS FOR SUPPLEMENTARY 2

Table 24: Summary of total additional resource requirement per Vote

Vote	Additional Resource Requirements
R 2041	1,788,000,000
R 2042	1,030,438,350
R 2043	371,270,000
D 2043	700,000,000

R 2044	1,374,448,050
TOTAL	5,264,156,400

H. RESOLUTION SOUGHT

57. The Liaison Committee of the National Assembly is requested to consider the contents of this Paper and approve an additional resource requirement for the Parliamentary Service Commission for the FY 2024/2025 Supplementary Estimates II as follows-

VOTE	ADDITIONAL REQUIREMENTS	RESOURCE
R 2041	1,788,000,000	
R 2042	1,030,438,350	
R 2043	371,270,000	
D 2043	700,000,000	
R 2044	1,374,448,050	
TOTAL	5,264,156,400	

