


ANNEX II: SUBMISSIONS FROM THE PUBLIC

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|  THE NATIONAL ASSEMBLY PAPERS LAID | |
| DATE: 11 MAR 2025 | DAY. Tuesday |
| TABLED BY: | Hon. Gladys Bass (Chairperson, Liaison Committee) |
| CLERK-AT THE-TABLE: | Geetruke Chebet |

Kachumbi
TNA
25/2/2025
DPBO

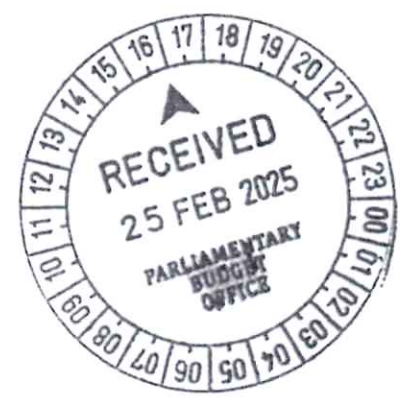
World Vision

① DPBO
Please deal.
25/02/25

P.O. Box 50816-00200, Nairobi, Kenya
Telephone: (+254) 732 126 100 or (+254) 711 086 000
Email address: wv_kenya@wvi.org

24/02/2025

Hon. FCPA John Mbadi, EGH
Cabinet Secretary
The National Treasury and Economic Planning
Harambee Avenue, Treasury Building,
P. O Box 30007-00100
NAIROBI.



Dear Sir,

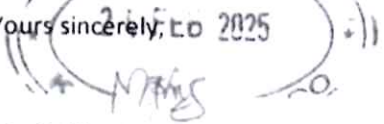
RE: SUBMISSIONS ON THE 2025 DRAFT BUDGET POLICY STATEMENT

Greetings from the World Vision International Kenya (WVI-Kenya).

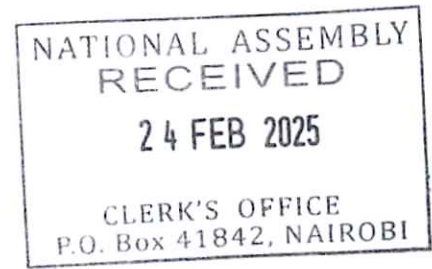
World Vision International Kenya (WVI-Kenya) was founded in 1974, with efforts encompassing diverse developmental projects, emergency relief initiatives, and advocacy work to social inclusion in Kenya. World Vision is an international partnership of Christians, whose mission is to follow our Lord and Saviour Jesus Christ, in working with the poor and oppressed to promote human transformation, seek justice and bear witness to the good news of the Kingdom of God.

Following the call by your esteemed office to make submissions on the 2025 Budget Policy Statement for the MTEF FY 2025/26 - 2027/28 Budget, WVI is pleased to submit its comments and recommendations on the 2025 Budget Policy Statement for your consideration. Our submissions highlight the necessity for an effective and robust Budget Policy Statement that upholds the standards as encapsulated in Section 25 of the Public Finance Management (PFM) Act, 2012.

We strongly believe WVI's contributions will contribute to the development of a robust, inclusive, and efficient budget policy framework for the 2025 fiscal year.

Yours sincerely,


Mr. Tobias Maroa
Program Manager- World Vision International Kenya



BUDGET POLICY STATEMENT 2025 MEMORANDUM

COMMENTS ON THE DRAFT 2025 BUDGET POLICY STATEMENT FOR THE FY 2025-26 TO 2027-28 BUDGET Introduction

The 2025 Budget Policy Statement (BPS) serves as a pivotal framework for advancing Kenya's socio-economic transformation under the Kenya Kwanza Administration, with a strong focus on the Bottom-Up Economic Transformation Agenda (BETA), aligned with the Fourth Medium-Term Plan of Vision 2030. BETA prioritizes inclusive green growth through strategic investments in smallholder agriculture, micro, small, and medium enterprises (MSMEs), and the informal sector, aiming to empower those at the base of the economic pyramid. BETA has special focus on the following six (6) objectives: *bringing down the cost of living; eradicating hunger; creating jobs; expanding the tax base; improving foreign exchange balances; and fostering inclusive growth*. The government's efforts have focused on stabilizing the economy, driving agricultural recovery, and implementing fiscal consolidation measures to reduce public debt vulnerabilities. Key strategies for the medium-term include enhancing tax revenue through reforms, improving public spending efficiency, rationalizing expenditures, and promoting public-private partnerships (PPPs) for infrastructure projects. The government seeks to ensure efficient resource allocation, with emphasis on high-priority areas like job creation, economic recovery, and poverty alleviation, while leveraging a value-chain approach to enhance production, value addition, and market access, stimulating sustainable growth.

This document outlines the comments and recommendations for the 2025 Draft Budget policy statement with special focus on the Environment Protection, Water and Natural Resources sector.



| Section of BPS 2025 | BPS Statement | Comment | World Vision International-Kenya Recommendation |
|--|--|---|---|
| BSP Paragraph 38 & 100 Enablers for actualization of BETA including environment and climate change | The BPS states that Government's Bottom – Up Economic Transformation Agenda (BETA) for inclusive green growth will be underpinned by sound and innovative policy and structural reforms targeted at all socio-economic sectors such as building efficient infrastructure; harnessing the manufacturing sector; climate-change mitigation and adaptation mechanisms; building human capital; social protection among others | The adverse effects on climate change affects various sectors of the economy. This has led to unpredictable weathers patterns occasioned by floods and drought leading to loss of lives, food insecurity and loss of livelihoods, deforestation, degradation of landscapes, destruction of catchment areas and loss of biodiversity due to natural and human made triggered disasters | The government intervention should focus on implementing National Climate Change Action Plan 2023-2027. Additionally, there is need to enhance transparency and accountability in the administration and management of the FloCCA Fund at the county level to ensure trickle down of resources to ward levels through funding of Ward Climate Change Planning Committees proposals and action plans |
| BSP Paragraphs 9 Interventions for agricultural sector transformation | The BPS outlines that the government has embarked on implementation of interventions and boost investments intended to transform the agriculture sector by raising productivity of key value chains in the sector that includes fisheries and aquaculture, horticulture, food crops like maize, rice, edible oils, livestock, beekeeping, and rangeland development. | The focus on these key value chains is significant. However, overreliance on a few value chains, a limited diversification may increase vulnerability to climate change variability and market shocks. While some interventions like rangeland development and water supply improvements are mentioned, there's limited emphasis on sustainable agricultural practices, soil health, or ecosystem preservation. Lack of explicit focus on climate-smart agriculture may undermine long-term | The government should invest more resources in non-extractive value-chains such as beekeeping/ apiary, milk production, Agro-forestry including fodder crops, horticulture, while divesting in extractive sectors such as mining that have far reaching consequences such as land degradation and greenhouse gas emissions (GHGs). Small holder farmers should be organized into cooperatives, supported to add value to their produce and linkage to markets to cut-off middlemen and brokers from exploiting such farmers |

| | | | |
|--|---|--|---|
| | | agricultural productivity, ecosystems balance, and public health. | |
| BSP Paragraph 100 National Tree Growing Programme and paragraph 101 to fulfil the commitments to reduce emissions by 32 percent by 2030 as contained in Kenya's Nationally Determined Contribution (NDC) | BPS outlines the Programme aims to grow 15 billion trees across the country by 2030 to promote and support more resilient livelihoods. The project adopts Whole-of-Government and Whole-of-Society approaches which involve: <i>supporting production of 7.9 billion seedlings, the expansion of the existing 300 Kenya Forestry Service tree nurseries to produce 300 million seedlings annually; the refurbishing existing 300 and establishment of 50 new tree nurseries, drilling and equipping of 300 boreholes in all tree nurseries; equipping the 11 constructed seed centres, and constructing and equipping of seven (7) new seed centres. It also covers procurement and growing of 1.75 billion tree seedlings from private tree nurseries; and rehabilitation and restoration of 175,000 Ha of degraded public natural forest areas.</i> As part of climate change mitigation and adaptation efforts, the Government has strengthened actions to prevent deforestation, halt and reverse biodiversity loss, combat desertification and restore degraded landscapes as part of a broader programme to fulfil the commitments to reduce emissions by 32 percent by 2030 as contained in Kenya's Nationally Determined Contribution (NDC) and in line with the National Climate Change Action Plan (NCCAP) III 2023-2027. In addition, the Government has adopted a Bottom-Up 3P solutions with greater focus on the People, Planet and Profit through prioritizations of biomass energy (wood fuel), agro-forestry and solid waste management value chains. To facilitate attainment of these goals, the Government has developed and is | The focus on tree seeds and seedlings production, tree planting and management programmes aimed at promoting resilient livelihoods with whole government and whole society approach in climate change mitigation is a novel idea. Similarly drilling of boreholes and interventions to prevent deforestation, combat degradation are timely interventions that has an impact in contributing towards reduction in greenhouse gas emission for Kenya's Nationally Determined Contribution (NDC) | The National Government should work closely with the county governments in establishing and strengthening Community Forest Associations. More emphasis should be on promoting agro-forestry to enhance food security and increase tree cover nationally. The national and county governments should embark on aggressive awareness and sensitization campaigns targeting communities for better understanding of climate change adaptation and mitigation efforts and the emerging discourse around climate change financing. |

| | | | |
|---|--|--|--|
| | <p>implementing policies and strategies to tap into the global <i>carbon market opportunities, green and climate financing mechanisms such as Green Climate Fund, promote green bonds and debt for climate swaps among others.</i></p> | | |
| <p>BSP Paragraph 40 water access and irrigation & paragraph 41 water harvesting for domestic use and recharge of ground water in 23 ASAL counties</p> | <p>Government has increased access to improved water services by connecting an additional 5,843,258 people; improved access to sanitation services by connecting an additional 280,000 households; reclaimed, rehabilitated and restored 3,183 acres of degraded land; and equipped 25 public schools with boreholes, greenhouses and irrigation kits.</p> <p>To address the issue of land degradation, the Government is finalizing the development of the Land Reclamation Policy 2024 in order to enhance reclamation of degraded lands, marginal lands, wastelands, and wastewater; establish a new legal and institutional framework to support land reclamation; and secure land neutrality.</p> <p>Over the medium term, the Government will build on the progress made in order to provide reliable safe and clean water through water harvesting for domestic use and recharge of ground water in 23 ASAL counties, 100 small towns and 300 schools. This will entail supporting 1,150 water harvesting projects for irrigation to provide 517.5 million cubic metres of water in ASALs; construction of small dams and water pans, and drilling of boreholes; water harvesting from "laggahs" and exploitation of ground water for irrigation in arid counties; and building capacity on uptake of irrigation in schools by drilling and equipping 465 boreholes and installing 510 greenhouses.</p> | <p>The BPS focus on water access to the ASAL counties is timely, even with the worsening of the effects of climate change due to prolonged periods of drought and devastating effects of flooding leading to loss of lives, livelihoods and infrastructure. The focus in provision of water services in schools should translate into improved learning outcomes.</p> <p>The strategy of water harvesting, construction of small dams, water pans and drilling of ground water should improve access</p> | <p>The national government should enforce the implementation of Water Act,2016 and support counties to develop Water Master Plans to support in mapping out available water sources, devise managements and strategies for efficient utilizations of the sources. Focus should be on construction of small dams, water pans and spring water protection and rehabilitation in ASAL counties to mitigate the effects of drought. This is attributed to the fact that major water dam projects in the country have stalled due to mismanagement and misappropriation of resources.</p> |

Subject Objection to Proposed Increase in State Officers' Remuneration and Benefits FY 2025/2026

From Ng'ang'a Rachael <rachaelnganga91@gmail.com>

To cna@parliament.go.ke <cna@parliament.go.ke>

Date Monday February 24, 2025 10:48:20 AM

① DPBO
Please deal.
25/02/25

CAUTION: This Mail Originated from outside of the Organization. Do not click links or open attachments unless you can confirm the sender and know the content is safe.

② Kachumbo
TNA
25/2/2025
DPBO

Dear Clerk of the National Assembly,

I trust this email finds you well. I am writing to formally object to the proposed increase in remuneration and benefits for State officers for the Financial Year 2025/2026.

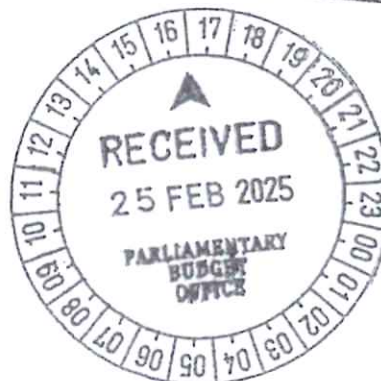
In these tough economic times, our state officers do not need a pay rise as their citizens suffer. My objection is based on the following grounds:

1. Fiscal Impact: Any increase will negatively impact the total public wage bill, which is already substantial. This comes at a time when the country needs to focus on debt management and essential public services.
2. Economic Disparity: State officers in Kenya are already among the highest-paid public servants, earning significantly more than other public officers and private sector employees. This disparity does not justify further increases.
3. Constitutional Violations: The proposed increases would violate several constitutional provisions, including:
 - Article 10(2) on national values and principles of governance
 - Article 201 on principles of public finance
 - Article 230(5) on the role and responsibilities of the Salaries and Remuneration Commission
4. Public Interest: With the majority of Kenyans facing economic hardships and living in poverty, increasing benefits for State officers would be insensitive and counterproductive to national development goals.
5. Historical Precedent: Following the #RejectFinanceBill2024 protests and the COVID-19 pandemic, SRC demonstrated sound judgment by freezing and vacating planned increases. Similar prudence should be exercised for FY 2025/2026.

I urge the relevant authorities to consider these objections and maintain current remuneration levels for State officers.

Thank you for your attention to this matter.

Yours faithfully,
Rachael Ng'ang'a





From: Mabuti <butiengugi@gmail.com>
To: cna <cna@parliament.go.ke>
Date: Wednesday, 26 February 2025 11:55 AM EAT
Subject: Strong Objection to Proposed Increase in State Officers' Remuneration and Benefits FY 2025/2026

CAUTION: This Mail Originated from outside of the Organization. Do not click links or open attachments unless you can confirm the sender and know the content is safe.

Dear Clerk of the National Assembly,

I trust this email finds you well. I am writing to formally and vehemently object to the proposed increase in remuneration and benefits for State officers for the Financial Year 2025/2026 and it's soon to follow years

In these extremely tough economic times, our state officers do not need a pay rise as their citizens suffer and remain jobless...

My objection is based on the following grounds:

1. **Fiscal Impact:** Any increase will negatively impact the total public wage bill, which is already substantially exorbitant. This comes at a time when the country needs to focus on debt management and essential public services.
2. **Economic Disparity:** State officers in Kenya are already among the highest-paid public servants, earning significantly more than other public officers and private sector employees. This disparity does not justify any further increases, for a long time to come.
3. **Constitutional Violations:** The proposed increases would violate several constitutional provisions, including:
 - Article 10(2) on national values and principles of governance
 - Article 201 on principles of public finance
 - Article 230(5) on the role and responsibilities of the Salaries and Remuneration Commission
4. **Public Interest:** With the majority of Kenyans facing economic hardships, joblessness and living in poverty, increasing benefits for State officers would be inappropriate, gross, insensitive and counterproductive to national development goals.
5. **Historical Precedent:** Following the #RejectFinanceBill2024 protests and the COVID-19 pandemic, SRC demonstrated sound judgment by freezing and vacating planned increases. Similar prudence should be exercised for FY 2025/2026 and the next three years.

I urge the relevant authorities to consider these objections and maintain current remuneration levels for State officers.

Thank you for your attention to this matter.

Yours faithfully,
Mabuti N.



Reply





From: IRENE <mulimimatua@gmail.com>
To: cna <cna@parliament.go.ke>
Date: Monday, 24 February 2025 3:35 PM EAT
Subject: Objection to Proposed Increase in State Officers' Remuneration and Benefits FY 2025/2026

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Dear Clerk of the National Assembly,

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In these tough economic times, our state officers do not need a pay rise as their citizens suffer. My objection is based on the following grounds:

- 1. Fiscal Impact:** Any increase will negatively impact the total public wage bill, which is already substantial. This comes at a time when the country needs to focus on debt management and essential public services.
- 2. Economic Disparity:** State officers in Kenya are already among the highest-paid public servants, earning significantly more than other public officers and private sector employees. This disparity does not justify further increases.
- 3. Constitutional Violations:** The proposed increases would violate several constitutional provisions, including:
 - Article 10(2) on national values and principles of governance
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 - Article 230(5) on the role and responsibilities of the Salaries and Remuneration Commission
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- 5. Historical Precedent:** Following the #RejectFinanceBill2024 protests and the COVID-19 pandemic, SRC demonstrated sound judgment by freezing and vacating planned increases. Similar prudence should be exercised for FY 2025/2026.

I urge the relevant authorities to consider these objections and maintain current remuneration levels for State officers.

Thank you for your attention to this matter.

Yours faithfully,
Irene Mutua

Regards,



Reply



MEMORANDUM

ON THE 2025/2026 BUDGET POLICY STATEMENT

SUBMITTED TO THE NATIONAL ASSEMBLY

SUBMITTED BY UNICEF KENYA OFFICE (Child Protection Section)

ON 24TH FEBRUARY 2025

| # | Issue | Recommendations | Justification |
|----|---|--|--|
| 1. | <p>No adequate budget allocated to Directorate of Children Services, the and the Directorate of Social Services to enable them implement the November 2024 Government of Kenya's Bogota (Colombia) on ending violence against children on</p> <p>To Support parents and Caregivers, below were the GoK pledges.</p> <p>i) Invest Ksh.2.6 billion to strengthen the capacity of families to foster healthy and</p> | <p>a) In the budget of State Department for Social Protection, under Children Services have a sub-programme known as <i>Prevention and Response Services violence against Children.</i></p> <p>b) Increase the budget under Directorate of Social Development by 250 million National Parenting programme to fast-track the training on positive parenting</p> <p>c) Increase the amount in the budgetline of alternative care for children by Kshs. 200 million, this will be a bridge</p> | <p>1. For effective implementation of the:</p> <p>a) Article 53(e) of the Constitution;</p> <p>b) Children Act 2022;</p> <p>c) The National Care Reform Strategy (2022-2032)</p> <p>d) The Government's Commitment of ending Violence Against Children (VAC) (Bogota Pledge).¹</p> <p>e) In compliance with the Budget preparation guidelines for financial year 2025/26 and MTB paragraph 53 and 54.</p> |

¹ <https://endviolenceagainstchildrenconference.org/wp-content/uploads/2024/11/Kenya-pledge.pdf>

| # | Issue | Recommendations | Justification |
|---|--|--|--|
| | <p>equitable family relationships by rolling out the National Positive Parenting Programme (NPPP) to reach 2 million families by 2027.</p> <p>ii) Invest Ksh.600 millions for the implementation of the Child Care Reform Strategy countrywide, transitioning 70% of children in residential institutions of care to safe, loving and supported families by 2027.</p> <p>iii) Invest Ksh.16 billion for the establishment and operationalization of the Child Welfare Fund by 2027 to support 4.2million families to safeguard the right to social security.</p> | <p>fund before the child welfare fund is established</p> | <p>f) High numbers of children experiencing violence.</p> <p><i>Children in Kenya continue to experience various forms of violence, abuse, neglect and exploitation. The 2019 Study on Violence Against Children(KNBS & UNICEF 2019) in Kenya found that 52.2% of boys and 41.1% of girls experienced some form of violence prior to the age of 18 years. It is estimated that VAC costs the Kenyan economy about 4.89% of its GDP each year (UNICEF 2024-unpublished)</i></p> |

| # | Issue | Recommendations | Justification |
|----|--|--|--|
| 2. | <p>Underfunding of National Council of Children Services (NCCS), who has the function on meeting one of the critical pledges of Bogota (Colombia) which states;</p> <p>i) Operationalize the coordination structures (Children Advisory Committees) at 336 sub counties and all 47 counties through capacity building and resourcing by 2027</p> | <p>Increase by budget allocation to NCCS by Kshs. 200 million to enable them establish, train, supervise and monitor the 47 county and 336 sub-county Children Advisory Committees.</p> | <ul style="list-style-type: none"> • Children Act 2022 • Bogota Pledges • These committees are the gatekeeping structures for supporting prevention and response to violence against children |
| 3. | <p>Inadequate number of children officers to respond to the cases of abuse and violence against children</p> | <p>Increase budget to Directorate of children services to enable recruitment of at least 1,184 officers, which is the gap between authorized officers (2,280) against the filled posts (1,094) , hence a deficit of 52%</p> | <ul style="list-style-type: none"> ▪ 52 per cent of authorized posts in Directorate of Children Officers have NOT been filled (2024 UNICEF Study on Social Service Workforce-2024 unpublished) ▪ Only 11% of children who experience sexual violence are provided with the services they require (KNBS & UNICEF) Study on Violence against Children 2019.. ▪ Hence government not meeting their legal obligation in providing child protection services to children |
| 5. | | | |



Email: cna@parliament.go.ke
website: www.parliament.go.ke/the-national-assembly

X: @NASsemblyKE
Facebook: Parliament of Kenya

—Original Message—

From: Njambi <njambiwawarui@gmail.com>
To: cna <cna@parliament.go.ke>
Date: Monday, 24 February 2025 6:07 PM EAT
Subject: Objection to Proposed Increase in State Officers' Remuneration and Benefits FY 2025/2026

CAUTION: This Mail Originated from outside of the Organization. Do not click links or open attachments unless you can confirm the sender and know the content is safe.

Dear Clerk of the National Assembly,

I trust this email finds you well. I am writing to formally object to the proposed increase in remuneration and benefits for State officers for the Financial Year 2025/2026.

In these tough economic times, our state officers do not need a pay rise as their citizens suffer. My objection is based on the following grounds:

1. Fiscal Impact: Any increase will negatively impact the total public wage bill, which is already substantial. This comes at a time when the country needs to focus on debt management and essential public services.
2. Economic Disparity: State officers in Kenya are already among the highest-paid public servants, earning significantly more than other public officers and private sector employees. This disparity does not justify further increases.
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5. Historical Precedent: Following the #RejectFinanceBill2024 protests and the COVID-19 pandemic, SRC demonstrated sound judgment by freezing and vacating planned increases. Similar prudence should be exercised for FY 2025/2026.

I urge the relevant authorities to consider these objections and maintain current remuneration levels for State officers.

Thank you for your attention to this matter.

Yours faithfully,
Njambi Warui

Sent from my iPhone



Reply





From: Claudio <claudiowangu@gmail.com>
To: cna <cna@parliament.go.ke>
Date: Monday, 24 February 2025 7:02 PM EAT
Subject: Objection to Proposed Increase in State Officers' Remuneration and Benefits FY 2025/2026

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Thank you for your attention to this matter.

Yours faithfully,
Claudio

Ready.



Reply





X:@NAssemblyKE
Facebook: Parliament of Kenya

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Yours faithfully,
Njambi Warui

Sent from my iPhone

Regards,



Reply

Ready.





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I urge the relevant authorities to consider these objections and maintain current remuneration levels for State officers.

Thank you for your attention to this matter.

Yours faithfully,
Claudio



Reply

Ready.



99+





MEMORANDUM

**SUBMISSION OF INPUTS ON THE NATIONAL
BUDGET POLICY STATEMENT 2025**

**TO
THE BUDGET AND APPROPRIATIONS
COMMITTEE, AND THE PUBLIC DEBT AND
PRIVATIZATION COMMITTEE.**

**FROM
HENNET, IN COLLABORATION WITH BAJETI
HUB, CSOS IN THE HEALTHCARE SECTOR,
COMMUNITY, AND DRM CHAMPIONS**



Introduction

We, the undersigned of Hennet Members, submit this memorandum in response to the Public Notice dated 15th February 2025 calling for public participation in the 2025 Budget Policy Statement (BPS). This submission is made following Article 118(1)(b) of the Constitution of Kenya, which mandates Parliament to facilitate public participation in legislative and budgetary processes, and Section 25 of the Public Finance Management Act, 2012, which requires the National Treasury to ensure transparency, accountability, and inclusivity in budget planning and implementation.

Background and context

The health sector is a critical pillar in Kenya's socio-economic development, contributing to the well-being and productivity of the population. The 2025 Budget Policy Statement (BPS) outlines the government's fiscal priorities and resource allocation for healthcare in alignment with the country's Vision 2030 and the Bottom-Up Economic Transformation Agenda (BETA). The sector has witnessed both progress and challenges, necessitating strategic investments and policy interventions to ensure accessible and quality healthcare for all Kenyans. The Constitution of Kenya (2010) under Article 43(1)(a) guarantees the right to the highest attainable standard of health, including reproductive healthcare. Further, Article 53(1)(c) and Article 56 emphasize the need for special provisions for children and marginalized communities. The Health Act of 2017 operationalizes these rights by establishing a framework for Universal Health Coverage (UHC) and healthcare service delivery.

Our submission aims to ensure that the 2025 Budget Policy Statement prioritizes key health sector needs. We advocate for policies that guarantee accessible, affordable, and high-quality healthcare for all while addressing critical gaps in universal health coverage funding, healthcare system management, limited access to essential primary healthcare, healthcare worker shortages, and the need for a facility improvement fund, among other pressing issues.



We therefore recommend,

1. Fast-Track Medical Bill Processing and Payment Clearance by strengthening claim reimbursement mechanisms under SHIF, ensuring funds are disbursed promptly to prevent service delays and debt accumulation.
2. Increase budgetary allocations for critical health priorities, including chronic disease management, emergency medical services, and community health programs. This aligns with Kenya's commitments under the Abuja Declaration (2001), which calls for allocating at least 15% of the national budget to the health sector.
3. Develop Sustainable Domestic Healthcare Financing Models to reduce reliance on donor funding and promote long-term sustainability, in line with the Kenya Health Financing Strategy (2020-2030).
4. Invest in Healthcare Workforce Development by increasing recruitment, offering competitive remuneration, and institutionalizing community health workers, as outlined in Section 27 of the Health Act, 2017.
5. Ensure Proper Utilization of Facility Improvement Financing (FIF) by enhancing transparency in fund management, upgrading medical equipment, and ensuring all level 2-4 hospitals have adequate and functional medical tools.
6. Strengthen Healthcare Access for Persons with Disabilities (PWDs) by ensuring hospitals have disability-friendly infrastructure, training healthcare workers in disability-sensitive service delivery, and automatically enrolling PWDs into SHIF with a dedicated fund for specialized services.
7. Enhance Governance and Accountability by promoting transparency in procurement, strengthening oversight mechanisms, and enforcing anti-corruption measures, as stipulated in the Public Procurement and Asset Disposal Act, 2015.
8. We Appreciate the 5% RMNCAH budget increase in FY 2025/26 but are cautious of the 8% projected cuts in FY26/27. Kenya's maternal mortality stands at 355/100,000 live births. Progressive decrease in the projected allocations will water down the efforts made in the upcoming FY 205/26. Additionally, we anticipate that the 5% will reflect in sustained procurement of Family Planning commodities and high impact MNCH HPTS.



9. Increase Domestic Funding for HIV Programs: To mitigate the impact of the stop order on donor-funded HIV programs, the government should allocate additional resources to ensure uninterrupted access to treatment, procurement of essential commodities, and strengthened health systems for effective HIV prevention and care.

10. Increase immunization financing in Kenya as Gavi, the vaccine alliance, plans to transition out of Kenya by 2029. Kenya needs to be self-sufficient in financing its immunization needs.

| Section No./Provision | Sector Highlighted | Gaps Identified | Proposed Amendments | Rationale |
|---|--|---|---|---|
| 3.3 Budgetary Allocations for FY 2025/26 | Overall, Health Budget | The increase is not proportionate to the growing healthcare needs, population growth, and inflation rates The allocation remains insufficient at Ksh 127 billion. | Increase health sector allocation to 15% of the national budget. | The government should conduct an expenditure analysis to ensure optimal utilization of funds and allocate additional resources based on sector priorities. |
| 1.2.4 Healthcare | Universal Health Coverage (UHC) | SHIF under Taifa Care is not fully funded. | Allocate additional resources to SHIF with progressive taxation mechanisms. | Ensures financial sustainability for universal coverage. |
| 3.5 Public Participation and Stakeholder Involvement | Public-Private Partnerships (PPPs) | Lack of incentives for private sector investment in healthcare. | Establish a structured PPP framework for healthcare infrastructure. | Enhance healthcare access through shared resources. |
| 2.4.2 Expenditure Reforms | HIV Response & Donor Dependency | HIV programs are heavily donor-funded. | Allocate a portion of tax revenue specifically for HIV response. | Reduces donor dependency and ensures sustainability. |
| 5.3.5 Other Fiscal Risks | Corruption and Resource Wastage | Public funds are mismanaged due to corruption. | Strengthen financial oversight and implement digital tracking systems. | Ensures resources are used effectively for service delivery. |
| | The US stop Work order on HIV Programs | Donor dependency has led to critical health programs staggering with significant budget/funding gaps as shown below <ul style="list-style-type: none"> i. Blood and products Ksh. 2.7 B ii. Family planning. Ksh 598M iii. Nutrition. ksh. 2.8B iv. Immunization ksh. 585M gap (refer to Appendix I) | Increase health sector allocation to 15% of the national budget and avoid supplementary budgets in the health sector to cover this substantial financing gap. More allocation to honor the country's co-financing obligations. | Reduce the number of mortality rates; Reduce routine vaccine stockouts due to late honoring of the Gavi co-financing obligations. Reduce the number of zero-dose children; Reduce deaths from blood deficiency and related products. Increase access to family planning services. |

| | | | | |
|---|-----------------------|---|---|---|
| 4.7.2 Integrated County Revenue Management Systems | County Health Budgets | Counties experience delays in receiving funds. | Implement timely disbursement policies and increase conditional grants. | Guarantees uninterrupted healthcare services at the county level. |
| 4.3.2 Division of Revenue for FY 2025/26 | Treaty Commitments | Kenya has not met the commitment of 15% of the health budget. | Enforce legal provisions to achieve compliance. | Aligns with global health funding standards. |
| 5.3.1 Fiscal Risks Associated with Public Debt | Healthcare Financing | Public debt servicing reduces the health budget. | Prioritize health in budget allocations and explore health bonds. | Ensures long-term financing of healthcare services. |
| 4.7 Emerging Issues and Policy Interventions | Health-Related Levies | Fines and levies are not reinvested into health. | Mandate revenue from health-related fines is allocated to health. | Provides additional financial resources for healthcare. |

Conclusion and Recommendation:

By adopting these recommendations, the government will improve healthcare delivery, ensure financial sustainability, and uphold its commitments to global health standards.

Signed by:



Dr. Margaret Lubaale

Executive Director

Health NGOs Network (**HENNET**)



List of Contributing Organizations:

- HENNET
- Bajeti Hub
- World Vision Kenya
- KELIN
- NAYA
- Ministry of Health-Kenya
- Lamu Rural Women for Social Justice Initiative
- WRUA
- YAPBEC
- KESHO KENYA
- Kibauni CBO
- Young Professionals for Development
- Rural Action Development Program CBO
- Machakos county Health CSOs Network
- Safe Water and AIDS Project (SWAP)
- KP Consortium
- Community-Led Solutions CBO
- BACSOFF
- Wote Youth Development Projects CBO
- Swop ambassadors
- Youth and Women Advocacy Network
- Grassroots Poverty Alleviation Program
- Lean On Me Foundation
- Global Initiative for Economic Social and Cultural Rights (GI-ESCR)
- GIGI
- NTBC-K
- PRB



- KETAM
- Manee Kenya
- Community Change Advocates
- Inuka Bidii Youth Organization
- VICOIH
- Kenya Sign Language Interpreter
- Make Me Smile Kenya

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Nairobi

Submission of Draft Budget Policy Statement (BPS) 2025

Page | 1

1.0 Introduction

Section 25 of the Public Finance Management Act, 2012, requires the National Treasury to prepare and submit to the cabinet a Budget Policy Statement (BPS) for approval. The BPS sets out broad strategic priorities and policy goals to guide the National Government and the County Governments in preparing their budgets for the subsequent fiscal year and over the medium term.

Following the call for public comments, The Coast Regional Budget Hub is Pleased to submit, their views on the draft BPS 2025. The Coast Regional Budget Hub is a platform for Public Finance Management (PFM) practitioners that brings together regional voices for collective efforts and synergy to enhance public budgets and services across the Coast Region of Kenya. The Hub operates in six Coastal counties: Mombasa, Kwale, Kilifi, Lamu, Taita-Taveta, and Tana River Counties. The Hub comprises budget coordinators, facilitators, and champions from various organizations/ institutions, informal groups, academia, and individuals across the Coast.

The submission focuses on financing the 2025/26 budget, revenue and expenditure, public debt, financing devolution and sector-based analysis of water and health sectors.

2.0 Financing 2025/26 Budget

2.1. Revenue and expenditure

The Kenya Kwanza government's fiscal consolidation plan aims to contain expenditures and increase revenue collection to curb public debt without compromising service delivery. The government banks on the ongoing tax policy and revenue administration reforms to raise an additional Kshs.387.4 billion in FY 2025/26.

According to the Draft Budget Policy Statement 2025, the government targets raising Kshs. 3,018.8 billion (15.7% of GDP) in FY 2025/26, compared with Kshs.2,631.4 billion (14.6%) from ordinary revenue. The total revenue, including appropriation-in-aid, is projected at Kshs.3,516.6 billion (18.2% of GDP), compared with Kshs. 3,060.0 billion (16.9% of GDP) projected in FY 2024/25.

Figure 1: Snippet of Government Revenue projections in FY 2025/26 and medium Term

Annex Table 2: Government Fiscal Operations, Ksh Billion

| | 2022/23 | | 2023/24 | | 2024/25 | | 2025/26 | | 2026/27 | | 2027/28 | | 2028/29 | |
|----------------------------------|----------------|----------------|------------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------|----------|
| | Act. | Act. | Budget Estimates | Suppl. 1 Budget | BROP 2024 | BPS 2025 | BROP 2024 | BPS 2025 | BROP 2024 | BPS 2025 | BROP 2024 | BPS 2025 | BROP 2024 | BPS 2025 |
| TOTAL REVENUE | 2,355.1 | 2,702.7 | 3,343.2 | 3,060.0 | 3,516.6 | 3,516.6 | 3,968.1 | 3,968.1 | 4,470.4 | 4,470.4 | 5,090.9 | 5,090.9 | | |
| Ordinary Revenue | 2,041.1 | 2,288.9 | 2,917.2 | 2,631.4 | 3,018.8 | 3,018.8 | 3,424.7 | 3,424.7 | 3,876.4 | 3,876.4 | 4,441.7 | 4,441.7 | | |
| Income Tax | 941.6 | 1,042.8 | 1,230.2 | 1,180.3 | 1,320.7 | 1,320.7 | 1,473.3 | 1,473.3 | 1,643.4 | 1,643.4 | 1,845.2 | 1,845.2 | | |
| Import duty (net) | 130.1 | 133.9 | 187.4 | 160.0 | 201.3 | 201.3 | 222.5 | 222.5 | 253.3 | 253.3 | 279.9 | 279.9 | | |
| Excise duty | 264.5 | 276.7 | 429.6 | 324.8 | 389.6 | 389.6 | 454.4 | 454.4 | 516.5 | 516.5 | 564.7 | 564.7 | | |
| Value Added Tax | 550.4 | 645.5 | 812.2 | 723.8 | 820.3 | 820.3 | 941.2 | 941.2 | 1,049.0 | 1,049.0 | 1,182.6 | 1,182.6 | | |
| Investment income | 41.3 | 47.8 | 65.0 | 72.3 | 81.2 | 81.2 | 88.1 | 88.1 | 101.0 | 101.0 | 114.0 | 114.0 | | |
| Other | 113.2 | 142.2 | 192.8 | 170.2 | 205.7 | 205.7 | 245.3 | 245.3 | 313.2 | 313.2 | 455.3 | 455.3 | | |
| Ministerial Appropriation in Aid | 313.9 | 413.7 | 426.0 | 428.6 | 497.8 | 497.8 | 543.4 | 543.4 | 594.0 | 594.0 | 649.2 | 649.2 | | |

Source: Draft BPS 2025

The total expenditure and net lending are projected at Ksh 4,329.3 billion (22.5 per cent of GDP) in FY 2025/26 from the projection of Ksh 3,880.8 billion (21.5 per cent of GDP) in FY 2024/25. The total budget deficit in 2025/26 is estimated at Kshs.t Ksh 759.4 billion (3.9 per cent of GDP), compared to the Ksh 768.6 billion (4.3 per cent of GDP) in FY 2024/25. The fiscal deficit in FY 2025/26 will be financed by a net external financing of Ksh 213.7 billion (1.1 per cent of GDP) and a net domestic financing of Ksh 545.8 billion (2.8 per cent of GDP).

Concerns: Although the Kenya Kwanza government is relying on the success of the fiscal consolidation plan, the projected revenue targets are overly ambitious due to the persistent historical revenue shortfall and risk increasing the budget deficit that results to increased borrowing. Further, implementing the tax policy and revenue administration reform may take time to materialize, leaving uncertainty in achieving the projected revenue targets and increasing the tax burden to the citizens. Finally, The Draft BPS 2025 has failed to give departmental expenditure performance for the half year. This becomes difficult to track departmental absorption and to ascertain if the ceilings provided are realistic.

Key recommendation: *The national treasury should strictly cut expenditure on non-core spending as per the fiscal consolidation plan while ensuring alignment of revenue projections with historical performance and realistic economic growth assumptions to avoid creating a funding gap that may require excessive borrowing. The government should have a clear and transparent communication strategy on how the additional revenue is effectively used to improve public service.*

2.2. Public debt servicing

The total gross debt stock in 2025/26 is estimated at Ksh.12,089.1 billion, representing 62.7% of the GDP. The external debt stock is at Ksh.5,720.0 billion and domestic debt is at Kshs.6,369.1 billion representing 29.7% and 30.0% of GDP, respectively. The total debt servicing in 2025/26 is expected to be Kshs.1081.2 billion, out of which Kshs.817.5 for domestic and Kshs.263.8 billion for servicing external debt interests. (See the snippet below).

Figure 2: Snippet of Public Debt Stock and deficit financing in FY 2025/26 and medium Term

| | | | | | | | | | | | | |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| TOTAL FINANCING | 770.3 | 818.3 | 597.0 | 768.6 | 759.4 | 759.4 | 750.3 | 750.3 | 771.9 | 771.9 | 753.3 | 753.3 |
| Net Foreign Financing | 310.8 | 322.7 | 333.8 | 355.5 | 213.7 | 213.7 | 174.9 | 174.9 | 152.0 | 152.0 | 202.4 | 202.4 |
| Disbursements | 548.2 | 760.5 | 664.5 | 686.2 | 713.9 | 713.9 | 662.3 | 662.3 | 779.7 | 779.7 | 739.3 | 739.3 |
| Commercial Financing | 102.2 | 286.9 | 168.8 | 168.8 | 221.2 | 221.2 | 145.6 | 145.6 | 224.1 | 224.1 | 140.0 | 140.0 |
| Sovereign Bond & Other Commercial Financing | 102.2 | 286.9 | 168.75 | 168.75 | 221.2 | 221.2 | 145.6 | 145.6 | 224.1 | 224.1 | 140.0 | 140.0 |
| Total Project loans (AIA - Revenue) | 136.2 | 155.8 | 226.0 | 225.0 | 300.9 | 300.9 | 324.9 | 324.9 | 363.8 | 363.8 | 407.5 | 407.5 |
| o/w: Project loans (ALA) | 74.2 | 68.3 | 113.8 | 113.8 | 157.9 | 157.9 | 163.6 | 163.6 | 183.3 | 183.3 | 205.3 | 205.3 |
| Project Loans Revenue | 62.0 | 87.4 | 112.1 | 111.2 | 143.0 | 143.0 | 161.2 | 161.2 | 180.6 | 180.6 | 202.2 | 202.2 |
| Programme Loans | 266.9 | 317.8 | 269.8 | 292.4 | 191.8 | 191.8 | 191.8 | 191.8 | 191.8 | 191.8 | 191.8 | 191.8 |
| Debt repayment - Principal | -237.4 | -517.8 | -330.7 | -330.7 | -500.2 | -500.2 | -487.4 | -487.4 | -627.8 | -627.8 | -536.9 | -536.9 |
| Net Domestic Financing | 459.5 | 595.6 | 263.2 | 413.1 | 545.8 | 545.8 | 575.4 | 575.4 | 619.9 | 619.9 | 550.9 | 550.9 |
| Memo Items | | | | | | | | | | | | |
| Gross Debt (Stock) | 10,278.9 | 10,561.1 | 11,158.1 | 11,329.7 | 12,089.1 | 12,089.1 | 12,839.4 | 12,839.4 | 13,611.3 | 13,611.3 | 14,364.6 | 14,364.6 |
| External Debt | 5,446.6 | 5,150.8 | 5,484.7 | 5,506.3 | 5,720.0 | 5,720.0 | 5,894.9 | 5,894.9 | 6,046.9 | 6,046.9 | 6,249.3 | 6,249.3 |
| Domestic Debt (gross) | 4,832.3 | 5,410.3 | 5,673.5 | 5,823.4 | 6,369.1 | 6,369.1 | 6,944.5 | 6,944.5 | 7,564.4 | 7,564.4 | 8,115.4 | 8,115.4 |
| Domestic Debt (net) | 4,347.7 | 4,884.1 | 5,147.2 | 5,297.2 | 5,842.9 | 5,842.9 | 6,418.3 | 6,418.3 | 7,038.2 | 7,038.2 | 7,589.1 | 7,589.1 |
| Financing gap | -72.6 | -62.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Nominal GDP | 14,299.2 | 15,826.4 | 18,054.3 | 18,053.7 | 19,971.6 | 19,272.8 | 22,051.5 | 21,285.6 | 24,399.5 | 23,529.5 | 27,021.5 | 26,018.8 |

Source: Draft BPS 2025

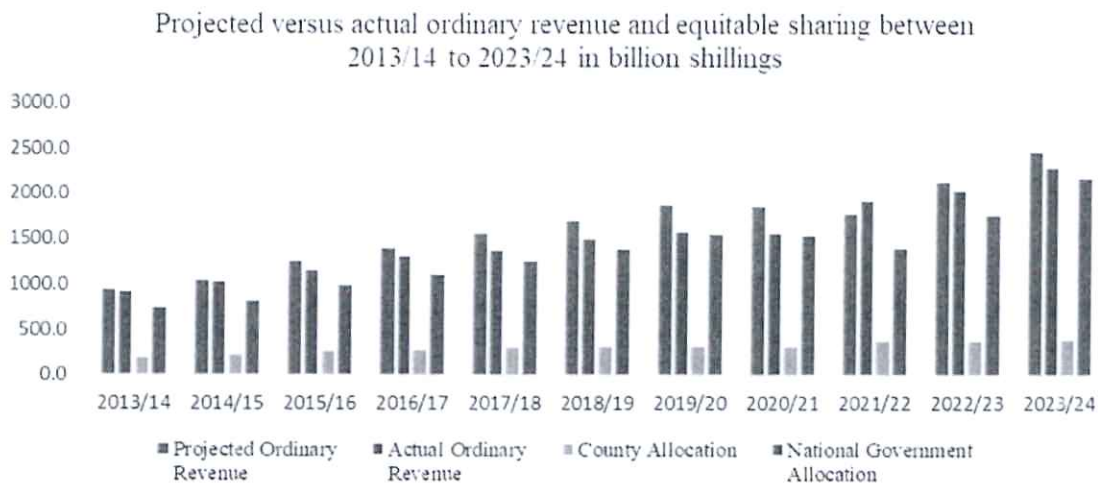
Concern: The high level of public debt stock and the associated servicing costs present a significant challenge to fiscal sustainability. The growing allocation of resources to debt servicing has constantly reduced the fiscal space for essential public services such as health, education, and social security among others, hence risking underfunding the most needed development priorities, and in turn, affecting service access and the well-being of Kenyans. Further, the increased government domestic borrowing risks crowding out small businesses and the private sector, which also relies on loans for business, hence a retrogressive move.

Key ask: The national treasury should strengthen debt management strategies to reduce the reliance on expensive domestic borrowing, focusing instead on concessional external financing with favorable terms to lower overall debt servicing costs.

3.0 Financing devolution

The BPS draft 2025/26 proposes the counties receive Kshs.442.7 billion, Kshs.405.1 billion as equitable share, Kshs.37.7 billion as conditional grants and Kshs.5.0 billion as equalization fund. The National Treasury indicates in the BPS 2025 that the Kshs.405.1 billion represents 25.79% of the audited and approved actual revenue for FY 2020/2021. According to the [CRA Recommendation on Revenue Sharing 2025/26](#), the Commission on Revenue Allocation recommended counties be allocated Kshs. 417.4 billion as an equitable share, in FY 2025/26.

Figure 3: Projected Versus Actual Ordinary revenue and equitable sharing between 2013/14 and 2023/24 in billion shillings.



Source: National Treasury.

Concern: Over the years, we have noted the differences in recommendation of county allocation between what is proposed by the CRA against what is proposed by the national treasury. It is noted that the proposed allocation to the counties amounting to Kshs.405.1 billion is 25.79% of the latest audited and approved actual revenues raised nationally amounting to Ksh 1,570,563 in FY 2020/21, this is unfair to the counties. Going per the Kshs.405.1 billion allocations as equitable share, several counties risk receiving less amount of what they received in FY 2024/25 if the 4th Criteria of revenue sharing is to be applied, further disadvantaging some counties and disrupting services. In addition, the 405.1 billion represents 9% of the total shareable revenue. Article 203 (2) sets out that the equitable share revenue raised nationally that is allocated to counties shall not be less than fifteen per cent.

Key Asks: Secondly, the National Assembly should expedite the approval of the latest audited accounts of national raised revenue to reflect the clear actual Governments collection and to avoid being unfair to counties by relying on FY 2020/21 accounts.

Thirdly, the National Treasury should adhere to the constitution as far as the allocation of equitable shares is concerned.

3.1 Equalization Fund

The Equalization Fund in Kenya is a fund that receives 0.5% of the national government's yearly revenue. The fund is used to improve basic services in marginalized areas. This funding aims to bridge development gaps and improve access to essential services such as water, healthcare, and infrastructure

Key Ask

The National Treasury's proposed allocation of Ksh 7.85 billion to the Equalization Fund, along with an additional Ksh 2.74 billion for arrears in FY 2025/26, this signals an effort to enhance service delivery in marginalized areas.

The failure to timely and transparently disburse funds could further widen the gap between marginalized areas and more developed regions, defeating the fund's core objective. To maximize impact, it is crucial for the government to ensure timely, transparent, and accountable disbursement of Equalization Fund resources, with clear reporting on their utilization and effectiveness.

4.0 Sector ceilings and priorities

Over the medium term, the Government will consolidate the gains realized under the BETA for inclusive green growth with a special focus on the following six (6) objectives: bringing down the cost of living; eradicating hunger; creating jobs; expanding the tax base; improving foreign exchange balances; and inclusive growth. Emphasis will be placed on promoting investment in BETA core pillars and enablers and harnessing implementation of the targeted interventions through a value chain approach. The five core pillars are: **Agricultural Transformation; Micro, Small and Medium Enterprise (MSME) Economy; Housing and Settlement; Healthcare; and Digital Superhighway and Creative Economy.**

4.1. HealthCare

The Government has prioritized healthcare delivery as one of the core pillars according to the Draft 2025 BPS.

4.1.1. Concern: Health Insurance Scheme

The Draft BPS 2024 indicates significant milestones have been realized and in accelerating the implementation of Universal Health Coverage, the Government enacted the Social Health

Insurance Act, 2023; ii) Primary Health Care Act, 2023; iii) Facility Improvement Financing Act, 2023; and iv) Digital Health Act, 2023. The Social Health Insurance Act replaced the National Health Insurance Fund and established the Social Health Authority (SHA), which administers three essential funds primary healthcare funds in a way that ensures every Kenyan, especially the most vulnerable, can access quality healthcare services when they need them most.

The shift from the National Health Insurance Fund model to Taifa Care is fundamental

and radical in both scale and character. NHIF served a few salaried Kenyans and those who could pay, but Taifa Care covers every Kenyan regardless of their employment status. Secondly, despite serving a limited class of citizens, NHIF nevertheless accumulated billions of shillings of debt because of misalignment between contributions and the actual cost of healthcare. Taifa Care has undertaken an accurate costing of all healthcare-related goods and services, to provide timely, effective and efficient service to everyone. Page | 5