

Approved for tabling in the House.

Bat
SNA
22/3/2022




REPUBLIC OF KENYA
KENYA NATIONAL ASSEMBLY

② Paper laid by
the Hon. Kamini Koga
Chair, BAC
Moses Lemu @ 16:57 pm.
22/3/2021

TWELFTH PARLIAMENT - SIXTH SESSION

REPORT OF THE BUDGET AND APPROPRIATIONS COMMITTEE ON THE
SUPPLEMENTARY ESTIMATES NO. 1 OF 2021/2022

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 22 MAR 2022	DAY: TWO
TABLED BY:	Hon. Kamini Koga Chair, Budget
CLERK-AT-THE-TABLE:	Moses Lemu

MARCH, 2022

Table of Contents

CHAIRPERSON'S FOREWORD	3
EXAMINATION OF THE SUPPLEMENTARY ESTIMATES NO. 1 2021/2022	3
a. Policy Recommendations.....	4
b. Financial Recommendations.....	4
ACKNOWLEDGMENTS.....	4
1.0 PREFACE.....	6
1.1 Establishment and Mandate of the Committee	6
1.2 Membership of the Committee	6
1.3 Committee Secretariat.....	7
2.0 INTRODUCTION	8
2.1 COMPLIANCE TO LEGAL PROVISIONS	9
3.0 STATE OF THE ECONOMY	10
4.0 IMPLEMENTATION OF THE BUDGET AS APPROVED	11
6.0 FINANCING OF THE SUPPLEMENTARY ESTIMATES NO. 1 OF 2021/2022	12
7.0 CONSOLIDATED FUND SERVICES (CFS).....	13
8.0 RECOMMENDATIONS BY THE BUDGET AND APPROPRIATIONS COMMITTEE.....	14
a. Policy Recommendations.....	14
b. Financial Recommendations.....	14

CHAIRPERSON'S FOREWORD

In line with the provisions of the National Assembly Standing Order 207(3)(b), I hereby present the report of the Budget and Appropriations Committee on the Supplementary Estimates No. 1 for financial year 2021/2022. The Estimates were tabled in the National Assembly on Tuesday, 1st February 2022 pursuant to Article 223 of the Constitution and section 44 of the Public Finance Management Act 2012. These legal provisions allow for supplementary appropriation for any purpose if the amount allocated in the Appropriation Act is insufficient or a need has arisen for expenditure that was unforeseen and had therefore not been provided for in the Appropriation Act; or if money has been withdrawn from the Contingencies Fund.

In a departure from the recent past, the first Supplementary Estimates for financial year 2021/2022 have been brought to the House six months into the financial year which allows the budget adequate time to gain traction for policies to be implemented by the various MDAs. The Committee observed however, that the implementation of the budget has not been uniform. A review of exchequer releases indicates that as at December 2021, 50 MDAs had received less than 50% of their approved budgets with 9 MDAs having received less than 30% of their approved budgets. Indeed, even county transfers have been below target with Counties having receiving only 39% of the total Equitable Share as at December 2021. The Committee is concerned that this skewed release of resources could jeopardize budget implementation for the affected MDAs.

It is indicated that this supplementary budget has been prepared mainly to provide additional funding for drought related interventions, security, COVID-19, pending bills, salary shortfall, 2022 elections and expansion of CBC infrastructure.

EXAMINATION OF THE SUPPLEMENTARY ESTIMATES NO. 1 2021/2022

In reviewing of the Supplementary Estimates No. 1 for FY 2021/2022, the Committee held nine (9) Sittings including one (1) consultative meeting with the National Treasury. Furthermore, the Committee received submissions from the Departmental Committees in relation to proposed expenditure changes within their purview. Discussions were also held with the Office of the Auditor General as well as the Parliamentary Service Commission on proposed revisions to their budgets as this fall under the purview of the Budget and Appropriations Committee.

The outcome of these deliberations has informed the various recommendations which are contained in this report. If approved by the House, these recommendations will form the basis for the passage of the first Supplementary Appropriation Bill for financial year 2021/2022.

RECOMMENDATIONS

Arising from the above deliberations, the Committee recommends the following:

a. Policy Recommendations

- i. That, in the 13th Parliament, the Public Finance Management Act, 2012 and attendant Regulations should be reviewed to provide succinct guidelines on the budget items that should be funded under Article 223 of the Constitution.
- ii. That, any funds withdrawn from Contingency Fund should be outlined on a separate schedule when supplementary estimates are tabled in the House.
- iii. That, once a supplementary budget is submitted to the House, any addendum to the revised budget will NOT be accepted.

Additionally, reference should be made to the observations and policy recommendations from the Departmental Committees on the Supplementary Estimates No. 1. for Financial Year 2021/2022 attached in Annex 1 and relevant MDAs should take action.

b. Financial Recommendations

I. That, the Committee further recommends that this House approves;

- i. An increase of Kshs. 138,860,936,287 of which;
 - (i) Executive -Kshs.138,180,887,040
 - (ii) Judiciary- Kshs. 1,152,244,108
 - (iii) Parliament- Kshs. 527,805,139

II. That, Schedule 1 and 2 form the basis for the finalization of the Supplementary Appropriations Bill, 2022

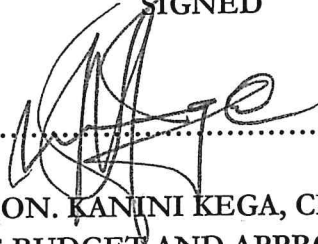
ACKNOWLEDGMENTS

The Committee wishes to thank the Office of the Speaker and the Clerk of the National Assembly for the support extended in fulfilling its mandate; as well as all the Departmental Committees for their well thought-out recommendations which have formed the backbone of this report. Our sincere gratitude is extended to all the Ministries, Departments and Agencies as well as the National Treasury for honouring the invitation by the National Assembly to be a part of this critical process of reviewing the supplementary budget for financial year 2021/2022.

Finally, the Committee would like to thank the Parliamentary Budget Office; the Directorate of Appropriations, Audit and other Select Committees and the Directorate of the Departmental Committees for the extensive work undertaken in the review and processing of the supplementary estimates No. 1 of 2021/2022.

It is therefore my pleasant undertaking, on behalf of the Budget and Appropriations Committee, to table this Report in this House and recommend it for adoption.

SIGNED



.....

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

22/03/2022

.....

DATE

1.0 PREFACE

1.1 Establishment and Mandate of the Committee

1. Article 221 (4 and 5) of the Constitution and Section 7 of the Public Finance Management Act, 2012 provide for the establishment of a Committee of the National Assembly whose main role is to take the lead in budgetary oversight by the National Assembly. Pursuant to this constitutional provision, Standing Order 207 establishes the Budget and Appropriations Committee with specific mandates as follows:
 - ii. Investigate, inquire into and report on all matters relating to coordination, control and monitoring of the national budget;
 - iii. Discuss and review the budget estimates and make recommendations to the House;
 - iv. Examine the Budget Policy Statement presented to the House
 - v. Examine bills related to the national budget including appropriation bills;
 - vi. Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays; and
 - vii. Examine the Division of Revenue Bill.

1.2 Membership of the Committee

2. Pursuant to Standing Order 207(2), the Budget and Appropriations Committee as currently constituted comprises of the following Honourable Members:

MEMBER	CONSTITUENCY	PARTY
1. Hon. Kanini Kega, CBS, M.P. – Chairperson	Kieni	Jubilee
2. Hon. Benard Masaka Shinali, M.P. – Vice Chairperson	Ikolomani	Jubilee
3. Hon. CPA John Mbadi, EGH, CBS, M.P.	Suba South	ODM
4. Hon. Emmanuel Wangwe, CBS, M.P.	Navakholo	Jubilee
5. Hon. Fatuma Gedi Ali, CBS, M.P.	Wajir County	PDR
6. Hon. Wangari Mwaniki, OGW, M.P.	Kigumo	Jubilee
7. Hon. CPA Moses K. Lessonet, CBS, M.P.	Eldama Ravine	Jubilee
8. Hon. Samwel Moroto, M.P.	Kapenguria	Jubilee
9. Hon. Millie Odhiambo, M.P.	Suba North	ODM
10. Hon. Richard Onyonka, M.P.	Kitutu Chache South	Ford Kenya
11. Hon. (Dr.) Makali Mulu Benson, M.P.	Kitui Central	Wiper
12. Hon. Twalib Bady, M.P.	Jomvu	ODM
13. Hon. Jude Njomo, M.P.	Kiambu Town	Jubilee
14. Hon. Sarah Paulata Korere, M.P.	Laikipia North	Jubilee
15. Hon. Josephine Naisula Lesuuda, OGW, M.P.	Samburu West	KANU
16. Hon. Alfred Kiptoo Keter, M.P.	Nandi Hills	Jubilee
17. Hon. Sakwa Bunyasi, M.P.	Nambale	ANC

MEMBER	CONSTITUENCY	PARTY
18. Hon. Florence Chepng'etich Koskey Bore, M.P.	Kericho County	Jubilee
19. Hon. James Gichuki Mugambi, M.P.	Othaya	Jubilee
20. Hon. Danson Mwashako, M.P.	Wundanyi	Wiper
21. Hon. (Eng.) Mark Nyamita, M.P.	Urii	ODM
22. Hon. Paul Abuor, M.P	Rongo	ODM
23. Hon. Mercy Wanjiku Gakuya, M.P.	Kasarani	Jubilee
24. Hon. CPA Francis Kuria Kimani, M.P	Molo	Jubilee
25. Hon. Samuel Atandi, M.P	Alego Usonga	ODM
26. Hon. Joseph Manje, M.P	Kajiado North	Jubilee
27. Hon. Marselino Arbelle, M.P	Laisamis	Jubilee

1.3 Committee Secretariat

3. The Committee Secretariat is comprised of the following:

1. Mr. Joseph Ndirangu Fiscal Analyst I/ Clerk of the Budget and Appropriations Committee
2. Mr. Danson Kachumbo Fiscal Analyst I/ Clerk of the Budget and Appropriations Committee
3. Mr. Benard Omondi Serjeant-at-arms
4. Mr. Eugene Luteshi Audio Officer
5. Mr. George Mbaluka Office Assistant

4. The Committee also received technical support from the Macroeconomic Analysis and Statistics department of the Parliamentary Budget Office; under the leadership and guidance of the Director Ms. Phyllis Makau, OGW; the Senior Deputy Director, Dr. Martin Masinde; and the Deputy Director, Mr. Robert Nyaga.

2.0 INTRODUCTION

5. The first supplementary budget for the financial year 2021/2022 has been prepared by the National Treasury at a time when the economy is experiencing a rebound in growth with revenue estimated to have performed above target by Ksh. 16.6 billion (June – December 2021). The supplementary budget seeks to adjust expenditure upwards by **Ksh. 126.3 billion**; mainly to provide additional funding for drought related interventions, security, COVID-19, pending bills, salary shortfall, 2022 elections and expansion of CBC infrastructure.
6. The upward adjustment of the budget is mostly on account of recurrent rather than development expenditure. The recurrent budget has increased by Ksh. 113.25 billion (8.9%) whereas the development budget has only increased by Ksh. 13 billion (1.9%). The Committee is concerned that if this trend continues, it could eventually crowd out ‘growth-enhancing’ expenditures under the development budget. Indeed, there is reported under-absorption of the development budget, most of which is attributed to foreign financed projects. Many donor funded projects are facing implementation challenges, mainly relating to low absorptive capacity by the recipient MDA or lack of GoK counterpart funding. The Committee notes that many donor funded projects are not aligned to the budget cycle and therefore face challenges being assimilated by the recipient MDA.
7. Article 223 of the Constitution provides the leeway for the National Government to spend monies that have not been appropriated by Parliament if the amount appropriated for any purpose under the Appropriation Act is insufficient or a need has arisen for expenditure for a purpose for which no amount has been appropriated by that Act; or money has been withdrawn from the Contingencies Fund. So far, the National Treasury has granted approvals under Article 223 of the Constitution amounting to Ksh. 75.366 billion; of which Ksh.40.264 billion is recurrent and Ksh.35.101 billion is development. Of this amount, only Ksh. 29.15 billion has been disbursed to the spending agencies. The Committee is of the opinion that the failure to disburse funds already approved under Article 223 of the Constitution implies that the expenditure items were probably not emergency in nature and should therefore not constitute Article 223 expenditure.
8. The Committee notes with concern that failure to submit the full amount approved under Article 223 of the Constitution raises questions on whether the undisbursed expenditures were indeed emergency in nature. Indeed, the Committee observed that some of the Article 223 expenditures do not appear to meet the spirit of the Constitution. There are allocations cutting across various MDAs towards enhanced operations and maintenance as well as salary shortfalls which could’ve been reasonably provided for within the prevailing budget constraints during the annual budget process and should ideally not constitute a supplementary budget. PFM regulation 40(4)(a) clarifies that the purpose for which approval is sought for a supplementary budget DOES NOT include expenditure that, although known when finalising the original budget estimates, **could not be accommodated within allocations.**

2.1 COMPLIANCE TO LEGAL PROVISIONS

9. The legal provisions underpinning the supplementary budget are contained in Article 223 of the Constitution, Section 44 of the Public Finance Management Act, 2012, Section 40 of PFM regulations, 2015 and National Assembly Standing Order 243. This includes information with regard to the basis, content and procedure of processing the supplementary estimates.
10. The Committee observed that the Supplementary budget has flouted two significant provisions. Firstly, contrary to PFM regulation 40(8), there are many new projects which have been introduced in the supplementary budget. To illustrate, there are 16 new projects in the State Department for Transport; and 50 new level III hospitals in the Ministry of Health. The State Department for crop development and the Ministry of Energy also have new projects. Secondly, some expenditure adjustments to programmes have exceeded 10%. These include programmes under State Department for Transport, Trade, Energy, and Finance among others. To this extent, the National Treasury has indicated that it is seeking special approval of these adjustments in line with regulation 40(9) of the PFM regulations, 2015.
11. The fiscal framework underpinning the 2021/2022 budget is grounded on fiscal consolidation with the aim of reducing the overall fiscal deficit over the medium term. This is also in line with the IMF performance benchmark for fiscal deficit under the 38 month IMF facility programme which the country entered into in 2021. The Committee observed that due to the significant increase in spending, the overall fiscal deficit level inclusive of grants is projected to increase from 7.5 percent to 8.1 per cent of GDP contrary to the fiscal consolidation path. Additional borrowing will therefore be required to plug the deficit. This is a concern given the constrained fiscal space with the country about to breach the legally binding Ksh. 9 trillion debt ceiling. It is further noted that most of the budgetary increases are in the recurrent budget which mostly comprises of 'non-core' as opposed to 'growth-enhancing' development expenditure.
12. The policy direction of the approved budget was anchored on the Big Four Agenda and the post-COVID-19 Economic Recovery Strategy (ERS). There is concern however that some of the deductions could potentially alter the policy direction of the budget. For instance there are deductions on expenditures relating to Economic Recovery Strategy as well as to Big four interventions under housing, under livestock management and coordination; and the development and coordination of the Blue Economy.
13. The Committee further observed that budget implementation appears to be skewed towards the National Government and indeed towards specific MDAs within the National government. As at December 2021, only 39.2% of the County Equitable Share (Ksh. 144.98 billion) had been disbursed to counties against the total amount of Ksh. 370 billion. Further, within the National Government, approximately 50 MDAs had received less than 50% of their total budget; with 9 MDAs receiving less than 30% of their total budget. This is a concern as it hinders effective budget implementation for these entities.

14. The Committee is concerned that despite major adjustments in the supplementary budget, an assessment of the fiscal impact of the proposed reductions and/or increases to various programmes has not been provided. Further, it is noted that some expenditure adjustments are not consistent with the targets which have remained the same despite the changes in budgetary allocation. For instance, in the Ministry of Defence, there are some budget cuts but no changes in the targets of the affected programmes. Similarly in the Ministry of Sports and Ministry of Finance, there are budget cuts under some programmes but the overall targets for the affected have remained the same.

3.0 STATE OF THE ECONOMY

15. The Supplementary Budget for FY 2021/22 has been prepared at a time when the economy is experiencing a rebound in growth following a period of economic underperformance brought about by the COVID-19 pandemic. The average growth for the first three quarters of 2021 is estimated at 7.9 percent. It is worth noting however that the base effect is a significant factor in the recorded growth. Most sectors were coming from negative growth rates experienced in 2020 and the full reopening of the economy led to the unusual spike in growth. Therefore, as much as the economy is in recovery, the recorded growth for 2021 is more of a 'statistical' than 'real' growth.
16. Going forward, there are still some inherent risks to the economic outlook which, if they materialize, could affect the outcome of budget implementation. These include the ongoing drought in some parts of the country, lingering COVID-19 pandemic effects, increasing public expenditure pressures and the impact of a heightened election mood on investment decisions. These risks have a potentially adverse effect on the economic growth outlook and therefore revenue collection which could impact negatively on budgetary spending in 2022.
17. Overall inflation has remained within the target threshold of 2.5 percent to 7.5 percent; declining steadily from 6.9 percent in September 2021 to 5.4 percent in January 2022. Going forward, the risks to inflation will largely emanate from higher food prices due to weather related shocks as well as the rise in global food prices. Fuel inflation is likely to remain stable due to the EPRA fuel subsidy but if the subsidy ends then fuel prices could increase rapidly.
18. Private Sector credit has been resilient but still faces some risks. As at December 2021, private sector credit stood at 8.6 percent - an increase from 7.8 percent in October 2021. The recovery in credit growth was mainly observed in the Transport and Communication sector, Manufacturing sector and Consumer Durables sector. In terms of the outlook however, private sector credit growth is likely to remain subdued on account of the risk profile, especially of the MSMEs due to non-performing loans. Delayed payments to suppliers and contractors by the government also limit their repayment ability.
19. The current account deficit has widened from an estimated 4.6 percent of GDP in 2020 to 5.4 percent in 2021. This is mainly attributed to a higher import bill, which more than offset

increased receipts from horticulture, manufactured exports and diaspora remittances. Going forward, the government should re-think its export strategy, particularly addressing product competitiveness concerns. This includes putting in place measures to support export oriented MSMEs.

4.0 IMPLEMENTATION OF THE BUDGET AS APPROVED

20. The total approved budget for 2021/2022 (excluding CFS) was estimated at Ksh. 1.942 trillion; of which recurrent expenditure was estimated at Ksh. 1.274 trillion and development expenditure at Ksh. 668.378 billion. However, the supplementary budget has proposed major changes cutting across various Ministries, Departments and Agencies.
21. The Committee observed that there were several upward adjustments in the Operations and Maintenance budget of some MDAs. Ideally, a supplementary budget should constitute emergency and unforeseen expenditure. The practice of undertaking significant increases in O&M spending during the supplementary budget has the potential to be abused as there is usually no justification provided. Furthermore, given the resource constraints, higher O&M spending could 'crowd out' development related spending with adverse effects on economic growth outcome.
22. Pending bills continue to present a challenge. Despite the national government policy on pending bills to constitute a first charge (Treasury Circular No.7/2019), it appears that this has not been followed. Latest statistics indicate that as at 30th September 2021, pending bills amounted to Ksh. 423.2 billion. Of this amount, State Corporations accounted for 87.8% (Ksh. 371.5 billion) and MDAs accounted for 12.2% (Ksh. 51.6 billion). The Committee is concerned that some reductions in the development budget could potentially lead to further pending bills accumulation especially where commitments had already been undertaken or there are contractual obligations.
23. The management of the Contingencies fund is in question. The Committee observed that the fund has been allocated Ksh. 3.7 billion in the supplementary budget yet no amounts have been withdrawn and spent from the Fund. Ideally, any allocation of funds to the Contingencies Fund during a supplementary budget is supposed to be a reinstatement of monies withdrawn and spent from the fund. The purpose is to finance unforeseen and unpredictable expenditures which were not budgeted for but must be incurred in the public interest before a supplementary budget is approved. Since no money was withdrawn from the fund, the arbitrary increase in allocation to the fund is not procedural.
24. Some donor funded projects appear to be facing implementation challenges. The Committee noted that the low implementation of the development budget is mainly due to disruptions in donor funded projects. There appears to be a challenge in how donor funded projects are conceived, structured and implemented which then leads to poor outcomes. A framework

should be developed on how donor funded projects should be implemented. More importantly, this should be aligned to the budget cycle.

25. There are several drought mitigation interventions scattered across various MDAs. These include interventions in the State Department for social protection and senior citizens affairs; state department for livestock; State department for devolution; Ministry of Water, Sanitation and Irrigation as well as Regional Development Authorities in the Ministry of Defence. This fragmented approach may lead to duplication of efforts as well as possible pilferage of resources and failure to take responsibility. There is need for a centralized approach in order to effectively handle drought mitigation.

5.0 ADDENDUM TO THE SUPPLEMENTARY ESTIMATES NO.1 OF 2021/2022

26. On 18th of February 2022, the National Treasury submitted an addendum to the supplementary budget, proposing further changes to the 2021/2022 Budget Estimates. The addendum proposed to increase the supplementary budget further by Ksh. 3.768 billion. The recurrent budget was adjusted upwards by Ksh. 9.485 billion whereas the development budget was reduced by Ksh. 5.717 billion.
27. The committee noted with concern that a further reduction of the development budget could disrupt policy implementation and could also lead to further accumulation of pending bills. Additionally, the reduction of the development budget by Ksh. 5.717 billion has slightly reduced the share of the development estimates in the total revised budget from 32.9% to 32.6%. Given the risk of under-absorption of the development budget, the cumulative expenditure at the end of the financial year could fall below the 30% threshold. Indeed, the latest net exchequer issues indicate that as at December 2021, only 36.98% of development exchequer had been released compared to 47.7% of the recurrent budget.
28. The committee observed that the introduction of an addendum to the supplementary budget simply isn't good budget practice. Firstly, it presents a risk of abuse as it is typically brought at the tail end of the review process and therefore isn't subjected to adequate scrutiny. Secondly, the submission of two separate documents adjusting the budget can mask the real impact of the proposed expenditure adjustments. Thirdly, the practice suggests a certain level of unpreparedness on the part of the National Treasury with regard to the supplementary budget.

6.0 FINANCING OF THE SUPPLEMENTARY ESTIMATES NO. 1 OF 2021/2022

29. The total revenue and grants projection has increased by 3.95% from Ksh. 2,101 billion to Ksh. 2,184 billion; mainly due to an upward revision in Appropriations-in Aid collection by 20.2% (Ksh. 53 billion). There are notable increases in Appropriations-in-Aid (A-in-A) estimation across a number of agencies including Universities; the Road Maintenance Levy Fund; Kenya Accreditation Service; Tourism Fund; Bomas of Kenya; Tourism Promotion Fund among others. The Committee observed that accurate estimation of A in A collection continues to be a challenge. According to the Parliamentary Budget Office, the higher revenue targets for both

Appropriations in Aid and foreign grants may not be met. Should this materialize, then it implies that the actual fiscal deficit may be higher than what has been projected by the National Treasury.

30. Ordinary revenue collection is projected to increase by 1.4% (Ksh. 25 billion) from Ksh. 1,776 billion to Ksh. 1,801 billion. This is attributed to an increase in Excise duty by 7.7 % (Ksh. 19 billion) and other tax revenues by 17.1% (Ksh. 18 billion) respectively. Conversely, income tax collection has been revised downwards by 1.9% (Ksh. 16 billion) from Ksh 834 billion to Ksh. 819 billion. This is on account of underperformance of corporate tax and withholding tax at 94.5 percent which translated to a shortfall of Ksh. 10.9 billion in the first half of the 2021/2022 financial year. It is noted that Income tax accounts for approximately 50 percent of ordinary revenue collection.
31. The fiscal deficit is estimated to increase from 7.5% to 8.1% of GDP. The National Treasury projects that the additional deficit of Ksh. 88.6 billion will be financed from external sources. Specifically, the expanded deficit will be financed by programme loans and the use of IMF SDR allocation. The Committee is concerned that the National Treasury appears to be deviating from the fiscal consolidation path that underpinned the 2021/22 Medium Term Expenditure Framework.

7.0 CONSOLIDATED FUND SERVICES (CFS)

32. The Supplementary budget proposes a 2% reduction of the Consolidated Fund Services (CFS) expenditure (by Kshs 17.74 Billion); from Kshs. 1.327 trillion in the approved budget to Ksh 1.309 trillion. This reduction is mainly on account of a decrease in the debt servicing expenses by Kshs 17.87 billion, due to the Debt Service Suspension Initiative(DSSI) that has resulted in the suspension of external debt servicing expenditures by Kshs. 72.3 billion. Key development partners who have offered substantial debt service suspensions include the EXIM Bank of China, Japan, and Italy among others. On the other hand, a few creditors such as the Netherlands, China Development Bank and Spain will receive increased debt servicing payments.
33. Whereas the Committee appreciates the suspension of debt service, it is noted that there are no indications of a similar trend for the medium term. If DSSI agreements are negotiated on a long-term basis, it will provide consistency and predictability during budgeting therefore minimizing DSSI variations during the Supplementary Estimates.
34. Despite the downward revision of the public debt service, it still constitutes the largest component of the CFS; accounting for 88 % (Kshs. 1.51 trillion) of total CFS expenditures. Of this amount, domestic debt service constitutes the largest expenditure item amounting to Kshs. 823.2 billion (or 71%). There is an increase in domestic debt servicing by Ksh. 54.5 billion which can be attributed to reorganization of domestic debt and reopening of infrastructural bonds. On the other hand, external debt servicing expenditures account for only Kshs. 328.1 billion (or

29%). The Committee observed that the prevailing borrowing strategy which favours the domestic market carries a greater refinancing risk and interest risk exposure arising from domestic debt servicing expenditures.

35. The supplementary CFS budget further proposes an increase of allowances for constitutional offices by Kshs. 136 Million. These are allowances for the various commissions and constitutional office holders. Major increases relate to the following: the Teachers Service Commission - increased from Kshs. 630,000 to Kshs. 34 million (5377%); Commission on administrative Justice – increased from Kshs. 250,000 to Kshs 25.7 Million (10,207%); Salaries and Remuneration Commission – increased from Kshs 6.6 Million to Kshs 38.8 Million (489%) among others. The Committee observed that there are no explanatory notes provided to explain or support the high variations of allowances during a period of fiscal constraint that requires rationalization of expenditure.

8.0 RECOMMENDATIONS BY THE BUDGET AND APPROPRIATIONS COMMITTEE

36. Arising from the above deliberations, the Committee recommends the following:

a. Policy Recommendations

- i. That, in the 13th Parliament, the Public Finance Management Act, 2012 and attendant Regulations should be reviewed to provide succinct guidelines on the budget items that should be funded under Article 223 of the Constitution.
 - ii. That, any funds withdrawn from Contingency Fund should be outlined on a separate schedule when supplementary estimates are tabled in the House.
 - iii. That, once a supplementary budget is submitted to the House, any addendum to the revised budget will NOT be accepted.
37. Additionally, reference should be made to the observations and policy recommendations from the Departmental Committees on the Supplementary Estimates No. 1. for Financial Year 2021/2022 attached in Annex 1 and relevant MDAs should take action.

b. Financial Recommendations

38. That, the Committee further recommends that this House approves;
- I. An increase of Kshs. 138,860,936,287 of which;
 - i. Executive -Kshs.138,180,887,040
 - ii. Judiciary- Kshs. 1,152,244,108
 - iii. Parliament- Kshs. 527,805,139
 - II. That, Schedule 1 and 2 form the basis for the finalization of the Supplementary Appropriations Bill, 2022

SCHEDULE I

VOTE CODE	VOTE/PROGRAMME CODES & TITLE	APPROVED BUDGET FY 2021/22				INCREASES/DECREASES				SUPPL. BUDGET ESTIMATES FY 2021/22			
		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES			
	Executive Office of the President	25,267,713,596	9,327,249,343	34,594,962,979	500,000,000	(820,000,000)	(320,000,000)	2,415,999,861	597,600,000	3,008,599,861	131,537,500	-	-
	0702000 Cabinet Affairs	1,301,748,758	245,100,000	1,546,848,758	-	-	-	-	-	-	-	-	-
	0703000 Government Advisory Services	617,557,028	71,109,443	688,666,471	500,000,000	-	-	500,000,000	-	2,269,568,183	14,894,178	128,600,000	2,398,168,183
	0704000 State House Affairs	3,908,385,985	73,409,940	3,981,795,925	-	-	-	14,894,178	-	464,000,000	-	464,000,000	-
1011	0734000 Deputy President Services	1,400,594,532	17,630,000	1,418,224,532	-	(820,000,000)	(820,000,000)	-	-	-	-	-	-
	0745000 Nairobi Metropolitan Services	18,039,427,293	8,920,000,000	26,959,427,293	-	-	-	-	-	-	-	-	-
	State Department for Interior and Citizen Services	131,356,049,106	7,233,055,015	138,589,104,121	2,062,500,100	830,000,000	2,892,500,100	3,420,454,995	1,201,001,130	4,621,456,125	139,599,452	30,133,316	450,711,620
	0601000 Policing Services	98,902,945,708	1,669,000,000	100,571,945,708	1,452,825,525	150,000,000	1,602,825,525	30,133,316	-	440,330,000	-	-	450,711,620
	0603000 Government Printing Services	694,265,604	50,000,000	744,265,604	-	-	-	10,381,620	-	180,000,000	550,000,000	730,000,000	-
1021	0605000 Migration & Citizen Services	2,037,089,656	852,152,400	2,889,242,056	-	-	-	326,288,909	(15,000,000)	311,288,909	-	-	-
	Management	2,204,400,000	530,865,215	2,735,265,215	150,000,000	50,000,000	200,000,000	6,000,000	-	6,000,000	-	-	-
	0625000 Road Safety	3,817,719,070	1,025,500,000	4,843,219,070	6,000,000	-	6,000,000	2,899,051,698	(104,328,870)	1,004,328,870	-	-	2,794,722,828
	0626000 Population Management Services	22,737,029,068	3,015,537,400	25,752,566,468	388,674,575	530,000,000	918,674,575	65,000,000	100,000,000	165,000,000	-	-	165,000,000
	0629000 General Administration and Support Services	962,600,000	100,000,000	1,062,600,000	65,000,000	100,000,000	165,000,000	572,151,902	(478,994,779)	93,157,123	-	-	93,157,123
	0630000 Policy Coordination Services	28,749,156,907	909,068,467	29,658,225,368	896,167,945	(200,000,000)	696,167,945	(6,941,807)	(7,360,828)	(14,302,635)	-	-	-
	State Department for Correctional Services	354,483,885	8,868,467	363,352,352	-	-	-	653,600,272	(361,338,395)	292,261,877	-	-	292,261,877
1023	0623000 General Administration, Planning and Support Services	26,529,120,000	693,200,000	27,222,320,000	896,167,945	(200,000,000)	696,167,945	(79,506,563)	(110,295,556)	(189,802,119)	-	-	(189,802,119)
	0627000 Prison Services	1,865,553,016	207,000,000	2,072,553,016	-	(200,000,000)	(200,000,000)	1,209,910,843	(251,065,353)	958,845,490	-	-	958,845,490
	0628000 Probation & After Care Services	1,753,862,706	1,489,688,414	3,243,551,120	-	(200,000,000)	(200,000,000)	11,541,011	(255,748,857)	(244,207,846)	-	-	(244,207,846)
	State Department for Devolution	1,303,239,634	1,384,688,414	2,687,928,048	-	-	-	(1,630,168)	4,683,504	3,053,336	-	-	3,053,336
1032	0712000 Devolution Services	417,407,478	-	417,407,478	-	-	-	1,200,000,000	-	1,200,000,000	-	-	1,200,000,000
	Support Services	33,215,594	105,000,000	138,215,594	-	-	-	13,224,058	1,132,367,721	1,145,591,779	-	-	1,145,591,779
	0713000 Special Initiatives	1,061,151,347	9,080,065,116	10,141,216,463	-	-	-	13,224,058	1,132,367,721	1,145,591,779	-	-	1,145,591,779
1033	ASAL	1,061,151,347	9,080,065,116	10,141,216,463	-	-	-	13,224,058	1,132,367,721	1,145,591,779	-	-	1,145,591,779
	0733000 Accelerated ASAL Development	114,671,705,987	5,080,000,000	119,751,705,987	120,200,000	-	120,200,000	14,176,898,260	1,069,565,910	15,246,464,170	-	-	15,246,464,170
	Ministry of Defence	111,786,498,176	5,080,000,000	116,866,498,176	100,000,000	-	100,000,000	14,173,000,000	1,069,565,910	15,242,565,910	-	-	15,242,565,910
	0801000 Defence	700,000,000	-	700,000,000	-	-	-	-	-	-	-	-	-
	0802000 Civil Aid	1,985,207,811	-	1,985,207,811	20,200,000	-	20,200,000	3,898,260	-	3,898,260	-	-	3,898,260
1041	0803000 General Administration, Planning and Support Services	200,000,000	-	200,000,000	-	-	-	672,009,924	(500,000,000)	172,009,924	-	-	172,009,924
	0805000 National Space Management	17,023,874,380	1,796,122,798	18,819,997,178	-	-	-	305,064,794	(110,000,000)	195,064,794	-	-	195,064,794
	Ministry of Foreign Affairs	2,056,343,640	176,482,798	2,232,826,438	-	-	-	366,945,130	(350,000,000)	16,945,130	-	-	16,945,130
	0714000 General Administration Planning and Support Services	14,775,292,180	1,499,640,000	16,274,932,180	-	-	-	-	-	-	-	-	-
1052	0715000 Foreign Relation and Diplomacy	51,823,239	-	51,823,239	-	-	-	-	-	-	-	-	-
	0741000 Economic and Commercial Diplomacy	140,415,321	120,000,000	260,415,321	-	-	-	349,232,911	(504,978,665)	(155,745,754)	-	-	(155,745,754)
	0742000 Foreign Policy Research, Capacity Development and Technical Cooperation	18,667,469,071	4,648,436,000	23,315,905,071	-	-	-	356,509,334	(515,000,000)	(158,490,666)	-	-	(158,490,666)
	State Department for Vocational and Technical Training	18,466,236,268	4,638,436,000	23,104,672,268	-	-	-	(672,808)	10,021,335	9,348,527	-	-	9,348,527
	0505000 Technical Vocational Education and Training	38,666,389	10,000,000	48,666,389	-	-	-	(6,603,615)	-	(6,603,615)	-	-	(6,603,615)
1064	0507000 Youth Training and Development Support Services	142,566,414	-	142,566,414	-	-	-	8,969,807,650	224,401,400	9,194,209,050	-	-	9,194,209,050
	0508000 General Administration, Planning and Support Services	91,057,215,304	4,355,600,000	95,412,815,304	350,000,000	260,000,000	610,000,000	8,964,153,531	224,401,400	9,188,554,931	-	-	9,188,554,931
	State Department for University Education	89,913,249,632	4,315,600,000	94,228,849,632	350,000,000	260,000,000	610,000,000	-	-	-	-	-	-

SCHEDULE I

VOTE CODE	VOTE/PROGRAMME CODES & TITLE	APPROVED BUDGET FY 2021/22			INCREASES/DECREASES			SUPP. I BUDGET ESTIMATES FY 2021/22		
		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES
1065	0506000 Research, Science, Technology and Innovation	900,995,156	40,000,000	940,995,156	-	-	-	25,768,770	-	25,768,770
	0508000 General Administration, Planning and Support Services	242,970,516	-	242,970,516	-	-	-	(20,114,651)	-	(20,114,651)
1066	State Department for Early Learning & Basic Education	91,563,708,240	11,726,600,000	103,290,308,240	(700,000,000)	125,000,000	(575,000,000)	1,281,339,883	1,236,322,991	2,517,662,874
	0501000 Primary Education	16,871,153,177	2,171,200,000	19,042,353,177	(700,000,000)	105,000,000	(595,000,000)	292,555,089	1,768,922,991	2,061,458,080
	0502000 Secondary Education	66,389,444,764	8,830,400,000	75,219,844,764	-	20,000,000	20,000,000	997,605,852	(585,600,000)	412,005,852
	0503000 Quality Assurance and Standards	3,701,012,495	650,000,000	4,351,012,495	-	-	-	(807,072)	53,000,000	52,192,928
	0508000 General Administration, Planning and Support Services	4,602,097,804	75,000,000	4,677,097,804	-	-	-	(7,993,986)	-	(7,993,986)
1068	State Department for Post Training and Skills Development	268,000,000	-	268,000,000	-	-	-	(35,880,000)	-	(35,880,000)
	0508000 General Administration, Planning and Support Services	135,961,333	-	135,961,333	-	-	-	(6,040,147)	-	(6,040,147)
	0512000 Work Place Readiness Services	85,017,951	-	85,017,951	-	-	-	(20,354,207)	-	(20,354,207)
	0513000 Post Training Information Management	47,020,716	-	47,020,716	-	-	-	(9,485,646)	-	(9,485,646)
1069	State Department for Implementation of Curriculum Reforms	-	-	-	-	-	-	87,600,000	-	87,600,000
	0514000 Coordination of the Curriculum Reform Implementation	-	-	-	-	-	-	87,600,000	-	87,600,000
1071	The National Treasury	57,409,488,083	100,335,945,886	157,745,433,969	(2,650,000,000)	(2,486,922,907)	(5,136,922,907)	668,479,826	6,685,182,129	7,353,661,955
	0203000 Rail Transport	-	34,494,000,000	34,494,000,000	-	(1,000,000,000)	(1,000,000,000)	-	500,000,000	500,000,000
	0204000 Marine Transport	-	23,214,000,000	23,214,000,000	-	-	-	-	(15,040,000,000)	(15,040,000,000)
	0717000 General Administration Planning and Support Services	49,135,652,127	13,524,527,000	62,660,179,127	-	-	-	1,320,998,665	(2,518,800,000)	(1,197,801,335)
	0718000 Public Financial Management	6,737,065,408	28,644,603,886	35,381,669,294	(2,650,000,000)	(1,486,922,907)	(4,136,922,907)	(645,323,765)	23,069,982,129	22,424,658,364
	0719000 Economic and Financial Policy Formulation and Management	1,159,910,995	428,815,000	1,588,725,995	-	-	-	1,608,971	674,000,000	675,608,971
	0720000 Market Competition	302,100,000	30,000,000	332,100,000	-	-	-	-	-	-
	0740000 Government Clearing services	74,759,553	-	74,759,553	-	-	-	(8,804,045)	-	(8,804,045)
	State Department for Planning	3,598,045,950	42,387,156,216	45,985,202,166	-	4,900,000,000	4,900,000,000	376,339,312	5,264,547,103	5,640,886,415
1072	0706000 Economic Policy and National Planning	1,804,061,110	42,095,543,216	43,899,604,326	-	4,900,000,000	4,900,000,000	146,354,439	4,883,959,600	5,030,314,039
	0707000 National Statistical Information Services	1,317,620,000	209,355,000	1,526,975,000	-	-	-	210,000,000	376,337,503	586,337,503
	0708000 Public Investment Management Monitoring and Evaluation Services	171,954,648	82,258,000	254,212,648	-	-	-	(14,735,388)	4,250,000	(10,485,388)
	0709000 General Administration Planning and Support Services	304,410,192	-	304,410,192	-	-	-	34,720,261	-	34,720,261
1081	Ministry of Health	64,870,742,503	56,219,322,127	121,090,064,630	-	(1,850,000,000)	(1,850,000,000)	862,228,005	12,239,151,648	13,101,379,653
	0401000 Preventive, Promotive & Reproductive Health	3,020,736,859	22,498,282,514	25,519,019,373	-	-	-	(22,286,788)	8,563,051,148	8,540,764,360
	0402000 National Referral & Specialized Services	36,103,560,722	11,595,242,623	47,698,803,345	-	(250,000,000)	(250,000,000)	608,154,796	1,211,000,000	1,819,154,796
	0403000 Health Research and Development	9,665,500,000	787,500,000	10,453,000,000	-	(400,000,000)	(400,000,000)	400,000,000	500,000,000	900,000,000
	0404000 General Administration, Planning & Support Services	5,938,224,324	1,060,000,000	6,998,224,324	-	-	-	764,631,874	-	764,631,874
	0405000 Health Policy, Standards and Regulations	10,142,720,598	20,278,406,990	30,421,127,588	-	(1,200,000,000)	(1,200,000,000)	(888,271,877)	1,965,100,500	1,076,828,623
1001	State Department of Infrastructure	57,169,918,367	138,033,707,987	195,203,626,354	-	1,730,000,000	1,730,000,000	17,335,204,819	(8,305,013,660)	9,030,191,159

SCHEDULE 1

VOTE CODE	VOTE/PROGRAMME CODES & TITLE	APPROVED BUDGET FY 2021/22				INCREASES/DECREASES				SUPP. I BUDGET ESTIMATES FY 2021/22			
		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES
1091	0202000 Road Transport	57,169,918,367	138,033,707,287	195,203,626,354	-	1,730,000,000	1,730,000,000	17,335,201,819	(8,305,013,660)	9,030,191,159	-	9,030,191,159	
	State Department of Transport	9,428,200,336	1,346,300,000	10,774,500,336	-	-	-	940,315,526	(361,500,000)	578,815,526	-	578,815,526	
1092	0201000 General Administration, Planning and Support Services	271,768,567	70,000,000	341,768,567	-	-	-	(32,858,833)	(47,000,000)	(79,858,833)	-	(79,858,833)	
	0204000 Marine Transport	801,705,287	327,000,000	1,128,705,287	-	-	-	(468,646)	(59,000,000)	(59,468,646)	-	(59,468,646)	
	0205000 Air Transport	8,342,347,789	603,000,000	8,945,347,789	-	-	-	974,914,744	(225,500,000)	749,414,744	-	749,414,744	
	0216000 Road Safety	12,378,693	346,300,000	358,678,693	-	-	-	(1,271,739)	-	(1,271,739)	-	(1,271,739)	
1093	State Department for Shipping and Maritime Affairs	2,037,305,572	750,200,000	2,787,505,572	-	-	-	62,023,042	(90,000,000)	(27,976,958)	-	(27,976,958)	
	0220000 Shipping and Maritime Affairs	2,037,305,572	750,200,000	2,787,505,572	-	-	-	-	-	-	-	-	
	State Department for Housing and Urban Development	1,233,607,313	14,054,600,000	15,288,207,313	-	(700,000,000)	(700,000,000)	(71,630,090)	2,620,340,000	2,548,709,910	-	2,548,709,910	
1094	0102000 Housing Development and Human Settlement	632,561,525	8,178,000,000	8,810,561,525	-	-	-	(42,526,679)	(140,000,000)	(182,526,679)	-	(182,526,679)	
	0105000 Urban and Metropolitan Development	223,947,762	5,876,600,000	6,100,547,762	-	(700,000,000)	(700,000,000)	(7,503,962)	2,760,340,000	2,752,836,038	-	2,752,836,038	
	0106000 General Administration Planning and Support Services	377,098,026	-	377,098,026	-	-	-	(21,599,449)	-	(21,599,449)	-	(21,599,449)	
	State for Public Works	3,111,710,821	1,127,800,000	4,239,510,821	-	-	-	13,884,817	(100,000,000)	(87,115,183)	-	(87,115,183)	
	0103000 Government Buildings	515,938,500	598,309,300	1,114,267,800	-	-	-	(33,321,516)	(42,500,000)	(75,821,516)	-	(75,821,516)	
	0104000 Coastline Infrastructure and Pedestrian Access	159,522,728	158,990,700	318,513,428	-	-	-	(284,344)	31,800,000	31,515,656	-	31,515,656	
1095	0106000 General Administration Planning and Support Services	308,977,163	14,000,000	322,977,163	-	-	-	48,051,054	-	48,051,054	-	48,051,054	
	0218000 Regulation and Development of the Construction Industry	2,127,252,430	337,000,000	2,464,252,430	-	-	-	(1,560,377)	(89,500,000)	(91,060,377)	-	(91,060,377)	
	Ministry of Environment and Forestry	10,481,631,505	4,245,400,000	14,727,031,505	-	-	-	68,466,236	(88,870,576)	(20,404,340)	-	(20,404,340)	
	1002000 Environment Management and Protection	1,949,900,000	1,368,100,000	3,318,000,000	-	-	-	40,360,318	137,029,424	177,389,742	-	177,389,742	
1108	1010000 General Administration, Planning and Support Services	421,731,505	-	421,731,505	-	-	-	87,038,492	-	87,038,492	-	87,038,492	
	1012000 Meteorological Services	1,032,000,000	403,000,000	1,435,000,000	-	-	-	(55,700,000)	(55,000,000)	(110,700,000)	-	(110,700,000)	
	1018000 Forests and Water Towers Conservation	7,078,000,000	2,474,300,000	9,552,300,000	-	-	-	(3,232,574)	(170,900,000)	(174,132,574)	-	(174,132,574)	
	Ministry of Water, Sanitation and Irrigation	6,395,728,930	71,218,500,000	77,614,228,930	-	200,000,000	200,000,000	(74,402,207)	4,429,230,862	4,354,828,655	-	4,354,828,655	
	1001000 General Administration, Planning and Support Services	761,773,283	150,000,000	911,773,283	-	-	-	(19,704,614)	(10,000,000)	(29,704,614)	-	(29,704,614)	
	1004000 Water Resources Management	1,663,850,560	14,667,000,000	16,330,850,560	-	(300,000,000)	(300,000,000)	(13,867,831)	3,870,000,000	3,856,132,169	-	3,856,132,169	
1109	1017000 Water and Sewerage Infrastructure Development	3,227,234,245	33,339,500,000	36,566,734,245	-	(5,000,000)	(5,000,000)	(11,525,499)	57,076,809	45,551,310	-	45,551,310	
	1014000 Irrigation and Land Reclamation	712,536,298	9,649,000,000	10,361,536,298	-	290,000,000	290,000,000	(28,365,532)	1,217,154,053	1,188,788,521	-	1,188,788,521	
	1015000 Water Storage and Flood Control	-	10,783,000,000	10,783,000,000	-	215,000,000	215,000,000	(938,731)	795,000,000	794,061,269	-	794,061,269	
	1022000 Water Harvesting and Storage for Irrigation	30,314,544	2,430,000,000	2,460,314,544	-	-	-	253,950,000	(378,167,806)	(124,217,806)	-	(124,217,806)	
1112	Ministry of Lands and Physical Planning	3,044,973,103	2,431,148,393	5,476,121,496	205,000,000	(25,000,000)	180,000,000	255,950,000	(378,167,806)	(124,217,806)	-	(124,217,806)	
	0101000 Land Policy and Planning	3,044,973,103	2,431,148,393	5,476,121,496	205,000,000	(25,000,000)	180,000,000	255,950,000	(378,167,806)	(124,217,806)	-	(124,217,806)	
	State Department for Information Communication and Technology & Innovation	1,585,387,615	21,203,977,790	22,789,365,405	-	(593,000,000)	(593,000,000)	210,312,422	(1,330,002,268)	(1,119,689,846)	-	(1,119,689,846)	
1122	0207000 General Administration Planning and Support Services	259,756,418	-	259,756,418	-	-	-	(2,229,479)	-	(2,229,479)	-	(2,229,479)	
	0210000 ICT Infrastructure Development	535,501,638	19,947,515,522	20,483,017,160	-	(593,000,000)	(593,000,000)	38,065,975	(1,201,602,268)	(1,163,536,293)	-	(1,163,536,293)	

SCHEDULE I

VOTE CODE	VOTE/PROGRAMME CODES & TITLE	APPROVED BUDGET FY 2021/22			INCREASES/DECREASES			SUPP. I BUDGET ESTIMATES FY 2021/22		
		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES
1123	0217000 E-Government Services	790,129,539	1,236,462,268	2,046,591,807	-	-	-	174,475,926	(128,400,000)	46,075,926
	State Department for Broadcasting & Telecommunications	6,456,916,225	496,900,000	6,953,816,225	947,500,000	-	947,500,000	1,189,773,767	(100,000,000)	1,089,773,767
1123	0207000 General Administration Planning and Support Services	197,771,168	-	197,771,168	36,000,000	-	36,000,000	53,240,323	-	53,240,323
	0208000 Information and Communication Services	5,143,839,377	271,400,000	5,415,239,377	792,500,000	-	792,500,000	1,021,199,116	(60,000,000)	961,199,116
1132	0209000 Mass Media Skills Development	224,500,000	120,300,000	345,000,000	-	-	-	-	(20,000,000)	(20,000,000)
	0221000 Film Development Services Programme	890,785,680	105,000,000	995,785,680	119,000,000	-	119,000,000	115,334,328	(20,000,000)	95,334,328
1134	0901000 Sports	1,338,830,782	15,147,791,399	16,486,642,181	-	20,000,000	20,000,000	(37,186,009)	20,000,000	(17,186,009)
	State Department for Culture and Heritage	1,338,830,782	15,147,791,399	16,486,642,181	-	20,000,000	20,000,000	(37,186,009)	20,000,000	(17,186,009)
1134	0902000 Culture / Heritage	2,931,188,547	55,896,560	2,987,085,107	-	10,000,000	10,000,000	113,304,136	10,000,000	123,304,136
	0903000 The Arts	1,880,225,273	43,600,000	1,923,825,273	40,000,000	-	40,000,000	100,710,485	10,000,000	110,710,485
1166	0904000 Library Services	142,285,698	-	142,285,698	-	-	-	(6,614,145)	-	(6,614,145)
	0905000 General Administration, Planning and Support Services	791,518,439	11,000,000	802,518,439	(40,000,000)	-	(40,000,000)	(41,784,125)	-	(41,784,125)
1162	Ministry of Energy	117,139,137	1,296,560	118,435,697	-	-	-	60,991,921	-	60,991,921
	0211000 General Administration Planning and Support Services	6,636,000,000	67,248,000,000	73,884,000,000	-	233,000,000	233,000,000	9,817,000,000	(9,500,458,575)	316,541,425
1162	0212000 Power Generation	413,000,000	130,000,000	543,000,000	-	-	-	-	-	-
	0213000 Power Transmission and Distribution	2,267,000,000	9,888,000,000	12,155,000,000	-	200,000,000	200,000,000	193,309,200	(338,000,000)	(164,690,800)
1162	0214000 Alternative Energy Technologies	3,744,000,000	54,437,000,000	58,181,000,000	-	33,000,000	33,000,000	9,642,610,808	(7,868,458,575)	1,774,152,233
	State Department for Livestock	212,000,000	2,537,000,000	2,749,000,000	-	-	-	(18,920,008)	(1,274,000,000)	(1,292,920,008)
1162	0112000 Livestock Resources Management and Development	3,428,178,143	5,651,076,726	9,079,254,869	(200,000,000)	(1,000,000,000)	(1,200,000,000)	238,520,000	(2,729,925,200)	(2,491,405,200)
	State Department for Fisheries, Aquaculture & the Blue Economy	3,428,178,143	5,651,076,726	9,079,254,869	(200,000,000)	(1,000,000,000)	(1,200,000,000)	238,520,000	(2,729,925,200)	(2,491,405,200)
1166	0111000 Fisheries Development and Management	2,267,372,675	10,736,200,000	13,003,572,675	-	(600,000,000)	(600,000,000)	(15,270,000)	(5,251,000,000)	(5,266,270,000)
	0117000 General Administration, Planning and Support Services	1,963,266,794	7,352,572,380	9,315,839,374	-	-	-	(5,262,402)	(2,851,000,000)	(2,856,262,402)
1169	0118000 Development and Coordination of the Blue Economy	187,905,881	50,000,000	237,905,881	-	-	-	(9,666,562)	-	(9,666,562)
	State Department for Crop Development & Agricultural Research	116,200,000	3,333,627,420	3,449,827,420	-	(600,000,000)	(600,000,000)	(341,036)	(2,400,000,000)	(2,400,341,036)
1169	0107000 General Administration Planning and Support Services	13,436,419,328	31,496,699,987	44,933,119,315	50,000,000	200,000,000	250,000,000	(53,090,000)	5,483,196,118	5,430,106,118
	0108000 Crop Development and Management	4,803,770,114	1,840,407,997	6,644,178,111	50,000,000	200,000,000	250,000,000	16,229,810	1,591,000,000	1,607,229,810
1173	0109000 Agribusiness and Information Management	2,911,708,075	27,248,291,990	30,160,000,065	-	-	-	(71,713,436)	3,892,196,118	3,820,482,682
	0120000 Agricultural Research & Development	118,875,579	1,485,000,000	1,603,875,579	-	-	-	5,621,781	-	5,621,781
1173	0304000 Cooperative Development and Management	5,602,065,560	923,000,000	6,525,065,560	-	-	-	(3,228,155)	-	(3,228,155)
	State Department for Trade and Enterprise Development	1,226,290,884	524,600,000	1,750,890,884	5,000,000	110,000,000	115,000,000	6,639,303	(90,000,000)	(83,360,697)
1174	0307000 Trade Development and Promotion	1,226,290,884	524,600,000	1,750,890,884	5,000,000	110,000,000	115,000,000	6,639,303	(90,000,000)	(83,360,697)
	State Department for Industrialization	2,286,129,067	1,739,017,429	4,025,146,496	100,000,000	65,000,000	165,000,000	211,101,960	762,900,000	974,001,960
1175	0301000 General Administration Planning and Support Services	3,112,433,120	3,272,900,000	6,385,333,120	100,000,000	65,000,000	165,000,000	211,101,960	762,900,000	974,001,960
	State Department for Trade and Enterprise Development	426,452,721	-	426,452,721	-	(260,000,000)	(230,000,000)	164,414,000	(460,000,000)	(295,586,000)
1175	Support Services	426,452,721	-	426,452,721	-	-	-	2,000,000	-	2,000,000

SCHEDULE 1

VOTE CODE	VOTE/PROGRAMME CODES & TITLE	APPROVED BUDGET FY 2021/22				INCREASES/DECREASES				SUPP. 1 BUDGET ESTIMATES FY 2021/22				
		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS TOTAL ESTIMATES			
	0302000 Industrial Development and Investments	1,439,176,689	840,266,000	2,279,442,689	-	(340,000,000)	(340,000,000)	-	-	(340,000,000)	-	-	(340,000,000)	(340,000,000)
	0303000 Standards and Business Incubation	1,246,803,710	2,432,634,000	3,679,437,710	30,000,000	80,000,000	110,000,000	162,414,000	(120,000,000)	42,414,000	(101,764,989)	(1,630,763,269)	(1,732,528,227)	42,414,000
	State Department for Labour	2,782,769,908	2,560,718,482	5,343,488,390	-	-	-	(7,971,152)	-	-	-	-	-	(7,971,152)
	0910000 General Administration Planning and Support Services	442,886,022	337,105	443,223,127	-	-	-	(68,960,799)	-	-	-	-	-	(68,960,799)
1184	0906000 Promotion of the Best Labour Practice and Productivity Management	669,101,128	63,811,177	732,912,305	-	-	-	(24,833,037)	-	(1,630,763,269)	-	-	(1,655,596,306)	1,978,852,508
	0907000 Manpower Development, Employment and Productivity Management	1,670,782,758	2,496,570,200	4,167,352,958	-	-	-	2,378,852,508	(400,000,000)	(400,000,000)	-	-	-	(6,356,474)
	State Department for Social Protection, Senior Citizen Affairs & Special Programs	30,483,432,498	3,082,638,823	33,566,071,321	-	-	-	(6,356,474)	-	-	-	-	-	-
1185	0908000 Social Development and Children Services	3,870,926,619	263,333,823	4,134,260,442	-	-	-	2,396,102,151	(400,000,000)	(400,000,000)	-	-	-	1,996,102,151
	0909000 National Social Safety Net Services	26,394,323,516	2,819,305,000	29,213,628,516	-	-	-	(10,893,169)	-	-	-	-	-	(10,893,169)
	0914000 General Administration, Planning and Support Services	220,182,363	-	220,182,363	-	-	-	31,692,984,209	(462,415,787)	(462,415,787)	-	-	-	31,230,568,422
	State Department for Petroleum and Mining	965,601,695	2,926,138,073	3,891,739,768	6,730,000,000	-	6,730,000,000	31,709,829,081	(248,415,787)	(248,415,787)	-	-	-	31,461,413,294
	0215000 Exploration and Distribution of Oil and Gas	336,000,000	2,649,400,001	2,985,400,001	6,730,000,000	-	6,730,000,000	(7,372,076)	(19,000,000)	(26,372,076)	-	-	-	(26,372,076)
1194	1007000 General Administration Planning and Support Services	275,601,695	23,338,072	298,939,767	-	-	-	(3,530,247)	(82,000,000)	(85,530,247)	-	-	-	(85,530,247)
	1009000 Mineral Resources Management	292,800,000	126,200,000	419,000,000	-	-	-	(5,942,549)	(113,000,000)	(118,942,549)	-	-	-	(118,942,549)
	1021000 Geological Surveys and Geoinformation Management	61,200,000	127,200,000	188,400,000	-	-	-	1,853,524,327	100,000,000	1,953,524,327	-	-	-	1,953,524,327
1202	State Department for Tourism	5,207,319,152	475,000,000	5,682,319,152	-	100,000,000	100,000,000	1,853,524,327	100,000,000	1,953,524,327	-	-	-	1,953,524,327
	0306000 Tourism Development and Promotion	5,207,319,152	475,000,000	5,682,319,152	-	100,000,000	100,000,000	(578,009,010)	186,800,000	(391,209,010)	-	-	-	(391,209,010)
	State Department for Wildlife	7,611,813,774	632,810,000	8,244,623,774	-	-	-	(578,009,010)	186,800,000	(391,209,010)	-	-	-	(391,209,010)
1203	1019000 Wildlife Conservation and Management	7,611,813,774	632,810,000	8,244,623,774	-	-	-	97,758,012	(156,131,043)	(58,373,031)	-	-	-	(58,373,031)
	State Department for Gender	1,035,807,321	2,632,000,000	3,667,807,321	-	-	-	55,822,945	(156,131,043)	(55,822,945)	-	-	-	(55,822,945)
	0911000 Community Development	-	2,130,000,000	2,130,000,000	-	-	-	40,935,067	(156,131,043)	(115,195,976)	-	-	-	(115,195,976)
1212	0912000 Gender Empowerment	729,915,304	502,000,000	1,231,915,304	-	-	-	1,000,000	-	1,000,000	-	-	-	1,000,000
	0913000 General Administration, Planning and Support Services	305,892,017	-	305,892,017	-	-	-	1,178,683,855	(10,000,000)	1,178,683,855	-	-	-	1,178,683,855
	State Department for Public Service	18,325,020,000	568,012,066	18,893,032,066	20,000,000	-	20,000,000	86,253,269	(10,000,000)	76,253,269	-	-	-	76,253,269
	0710000 Public Service Transformation	7,859,013,166	410,170,000	8,269,183,166	20,000,000	-	20,000,000	92,430,586	10,000,000	102,430,586	-	-	-	102,430,586
1213	0709000 General Administration Planning and Support Services	492,210,161	107,842,066	600,052,227	-	-	-	1,000,000,000	-	1,000,000,000	-	-	-	1,000,000,000
	0747000 National Youth Service	9,973,706,673	50,000,000	10,023,706,673	58,066,245	(38,066,245)	20,000,000	29,628,874	2,061,933,755	2,091,562,629	-	-	-	2,091,562,629
1214	State Department for Youth Affairs	1,439,989,789	3,210,491,076	4,650,480,865	58,066,245	(38,066,245)	20,000,000	29,628,874	2,061,933,755	2,091,562,629	-	-	-	2,091,562,629
	0711000 Youth Empowerment	1,439,989,789	3,210,491,076	4,650,480,865	58,066,245	(38,066,245)	20,000,000	(20,000,000)	-	(20,000,000)	-	-	-	(20,000,000)
1221	State Department for East African Community	609,846,603	-	609,846,603	-	-	-	(20,000,000)	-	(20,000,000)	-	-	-	(20,000,000)
	0305000 East African Affairs and Regional Integration	609,846,603	-	609,846,603	-	-	-	121,062,275	1,220,000,000	1,341,062,275	-	-	-	1,341,062,275
1222	State Department for Regional & Northern Corridor Development	2,785,000,000	1,095,500,000	3,880,500,000	-	620,000,000	620,000,000	121,062,275	1,220,000,000	1,341,062,275	-	-	-	1,341,062,275
	1013000 Integrated Regional Development	2,785,000,000	1,095,500,000	3,880,500,000	-	620,000,000	620,000,000	93,526,809	(50,000,000)	43,526,809	-	-	-	43,526,809
	State Law Office and Department of Justice	4,978,349,801	181,301,535	5,159,651,336	59,226,809	-	59,226,809	83,526,809	(9,500,000)	74,026,809	-	-	-	74,026,809
	0606000 Legal Services	2,395,179,956	-	2,395,179,956	59,226,809	-	59,226,809	-	(9,500,000)	(9,500,000)	-	-	-	(9,500,000)
1252	0607000 Governance, Legal Training and Constitutional Affairs	1,876,200,000	90,500,000	1,966,700,000	-	-	-	-	-	-	-	-	-	(9,500,000)

SCHEDULE I

VOTE CODE	VOTE/PROGRAMME CODES & TITLE	APPROVED BUDGET FY 2021/22			INCREASES/DECREASES			SUPP. I BUDGET ESTIMATES FY 2021/22		
		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES
	0609000 General Administration, Planning and Support Services	706,969,845	90,801,535	797,771,380	-	-	-	10,000,000	(40,500,000)	(30,500,000)
1271	Ethics and Anti-Corruption Commission	3,238,550,000	67,493,119	3,326,023,119	-	-	-	-	-	-
	0611000 Ethics and Anti-Corruption	3,238,550,000	67,493,119	3,326,023,119	-	-	-	-	-	-
1281	National Intelligence Service	42,451,000,000	-	42,451,000,000	1,250,000,000	-	1,250,000,000	3,450,000,000	-	3,450,000,000
	0804000 National Security Intelligence	42,451,000,000	-	42,451,000,000	1,250,000,000	-	1,250,000,000	3,450,000,000	-	3,450,000,000
1291	Office of the Director of Public Prosecutions	3,125,952,706	150,286,238	3,276,238,944	-	-	-	200,000,000	-	200,000,000
	0612000 Public Prosecution Services	3,125,952,706	150,286,238	3,276,238,944	-	-	-	200,000,000	-	200,000,000
1311	Office of the Registrar of Political Parties	1,961,696,750	-	1,961,696,750	1,060,000,000	-	1,060,000,000	1,384,024,100	-	1,384,024,100
	0614000 Registration, Regulation and Funding of Political Parties	1,961,696,750	-	1,961,696,750	1,060,000,000	-	1,060,000,000	1,384,024,100	-	1,384,024,100
1321	Witness Protection Agency	489,042,929	-	489,042,929	-	-	-	21,127,357	-	21,127,357
	0615000 Witness Protection	489,042,929	-	489,042,929	-	-	-	21,127,357	-	21,127,357
2011	Kenya National Commission on Human Rights	408,711,517	-	408,711,517	-	-	-	-	-	-
	0616000 Protection and Promotion of Human Rights	408,711,517	-	408,711,517	-	-	-	-	-	-
2021	National Land Commission	1,444,003,829	38,896,786	1,482,900,615	500,000,000	-	500,000,000	500,000,000	-	500,000,000
	0116000 Land Administration and Management	1,444,003,829	38,896,786	1,482,900,615	500,000,000	-	500,000,000	500,000,000	-	500,000,000
2031	Independent Electoral and Boundaries Commission	14,226,688,218	125,000,000	14,351,688,218	-	-	-	8,813,903,557	-	8,813,903,557
	0617000 Management of Electoral Processes	14,124,691,611	125,000,000	14,249,691,611	-	-	-	8,813,903,557	-	8,813,903,557
2061	The Commission on Revenue Allocation	101,996,607	-	101,996,607	-	-	-	(20,000,000)	-	(20,000,000)
	0737000 Inter-Governmental Transfers and Financial Matters	485,616,016	-	485,616,016	-	-	-	(20,000,000)	-	(20,000,000)
	Public Service Commission	485,616,016	-	485,616,016	-	-	-	(20,000,000)	-	(20,000,000)
	0725000 General Administration, Planning and Support Services	2,372,171,009	19,300,000	2,391,471,009	31,700,000	-	31,700,000	31,700,000	-	31,700,000
2071	0726000 Human Resource Management and Development	772,794,422	19,300,000	792,094,422	31,700,000	-	31,700,000	31,700,000	-	31,700,000
	0727000 Governance and National Values Management	1,419,259,243	-	1,419,259,243	-	-	-	-	-	-
	0744000 Performance and Productivity Management	145,691,191	-	145,691,191	-	-	-	-	-	-
	Salaries and Remuneration Commission	34,426,153	-	34,426,153	-	-	-	-	-	-
2081	0728000 Salaries and Remuneration Management	621,380,000	-	621,380,000	-	-	-	-	-	-
	Teachers Service Commission	621,380,000	-	621,380,000	-	-	-	-	-	-
2091	0509000 Teacher Resource Management	281,059,000,000	645,100,000	281,704,100,000	-	-	-	7,039,010,000	(130,000,000)	6,909,010,000
	0510000 Governance and Standards	272,634,269,141	600,000,000	273,234,269,141	-	-	-	7,039,523,355	(150,000,000)	6,889,523,355
	0511000 General Administration, Planning and Support Services	1,012,523,418	-	1,012,523,418	-	-	-	(1,535,303)	-	(1,535,303)
2101	National Police Service Commission	7,412,207,441	45,100,000	7,457,307,441	-	-	-	1,021,948	20,000,000	21,021,948
	0620000 National Police Service Human Resource Management	794,089,102	-	794,089,102	65,000,000	-	65,000,000	84,648,217	-	84,648,217
2111	Auditor General	794,089,102	-	794,089,102	65,000,000	-	65,000,000	84,648,217	-	84,648,217
2121	0729000 Audit Services	5,706,450,390	200,000,000	5,906,450,390	-	-	-	330,000,000	-	330,000,000
	Office of the Controller of Budget	5,706,450,390	200,000,000	5,906,450,390	-	-	-	330,000,000	-	330,000,000
2131	0730000 Control and Management of Public Finances	689,122,143	-	689,122,143	-	-	-	(33,000,000)	-	(33,000,000)
	Commission on Administrative Justice	689,122,143	-	689,122,143	-	-	-	(33,000,000)	-	(33,000,000)
	0731000 Promotion of Administrative Justice	614,821,608	-	614,821,608	-	-	-	20,000,000	-	20,000,000
		614,821,608	-	614,821,608	-	-	-	20,000,000	-	20,000,000

SCHEDULE 1

VOTE CODE	VOTE/PROGRAMME CODES & TITLE	APPROVED BUDGET FY 2021/22				INCREASES/DECREASES				SUPPL. BUDGET ESTIMATES FY 2021/22				
		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	
2141	National Gender and Equality Commission 0621000 Promotion of Gender Equality and Freedom from Discrimination	436,592,581	-	436,592,581	-	-	-	-	3,170,000	2,874,000	6,044,000	-	-	4,800,000
2151	Independent Policing Oversight Authority 0622000 Policing Oversight Services	949,758,146	-	949,758,146	10,800,000	-	10,800,000	-	3,170,000	2,874,000	6,044,000	4,800,000	-	4,800,000
	Sub-Total: Executive	1,222,228,002,992	-	1,222,228,002,992	11,501,161,099	-	11,501,161,099	-	12,266,171,947	12,266,171,947	123,987,592,254	4,800,000	-	13,180,887,040
1261	The Judiciary 0610000 Dispensation of Justice	15,003,000,000	2,333,400,000	17,336,400,000	-	-	-	-	843,320,385	258,923,723	1,102,244,108	258,923,723	-	1,102,244,108
	Sub-Total: Judiciary	15,584,800,000	2,333,400,000	17,918,200,000	-	-	-	-	50,000,000	50,000,000	50,000,000	-	-	50,000,000
2051	Judicial Service Commission 0619000 General Administration, Planning and Support Services	581,800,000	-	581,800,000	-	-	-	-	50,000,000	-	50,000,000	-	-	50,000,000
2041	Parliamentary Service Commission 0722000 Senate Affairs	6,612,314,228	-	6,612,314,228	184,000,000	-	184,000,000	-	893,320,385	258,923,723	1,152,244,108	258,923,723	-	1,152,244,108
	Sub-Total: Parliament	6,612,314,228	-	6,612,314,228	184,000,000	-	184,000,000	-	349,305,139	349,305,139	349,305,139	-	-	349,305,139
2042	National Assembly 0721000 National Legislation, Representation and Oversight	23,502,082,199	-	23,502,082,199	50,000,000	-	50,000,000	-	349,305,139	349,305,139	349,305,139	-	-	349,305,139
	Sub-Total: Parliament	23,502,082,199	-	23,502,082,199	50,000,000	-	50,000,000	-	349,305,139	349,305,139	349,305,139	-	-	349,305,139
2043	Parliamentary Joint Services 0723000 General Administration, Planning and Support Services	5,702,753,573	2,065,550,000	7,768,303,573	80,000,000	-	80,000,000	-	50,000,000	(30,000,000)	338,500,000	338,500,000	-	308,500,000
	Sub-Total: Parliament	5,702,753,573	2,065,550,000	7,768,303,573	80,000,000	-	80,000,000	-	50,000,000	(30,000,000)	338,500,000	338,500,000	-	308,500,000
	Knowledge Management	148,000,000	-	148,000,000	20,000,000	-	20,000,000	-	14,000,000	-	14,000,000	-	-	14,000,000
	TOTAL	35,817,150,000	2,065,550,000	37,882,700,000	314,000,000	-	314,000,000	-	1,893,051,139	338,500,000	5,278,051,139	338,500,000	-	5,278,051,139
	TOTAL	1,273,629,952,992	668,378,861,891	1,942,008,814,883	11,815,161,099	-	11,815,161,099	-	12,580,171,947	12,580,171,947	125,070,384,778	13,790,551,509	-	138,860,936,287

22/03/2022 15:57		SCHEDULE II FINANCIAL RECOMMENDATIONS						Comment
Vote Code	Departmental Committee ENVIRONMENTAL AND NATURAL RESOURCES	VOTE/PROGRAMME CODES & TITLE	COMMITTEE RECOMMENDATIONS			Net Change		
			Development					
			Reduction	Increase	Reduction		Increase	
1109		Ministry of Water, Sanitation and Irrigation 1001000 General Administration, Planning and Support Services			(1,000,000,000)	1,200,000,000	200,000,000	
1109		1004000 Water Resources Management			(300,000,000)		(300,000,000)	Reduce 300 million (Development) from affordable housing water supply (National Treasury Amendment)
1109		1004000 Water Resources Management			(300,000,000)		(300,000,000)	Reduce Ksh.. 415 million (Development) from the programme. Increase Ksh.. 5 million (Development) for Unaa Dam. Increase Ksh.. 5 million (Development) for Badasa Dam.
1109		1017000 Water and Sewerage Infrastructure Development			(415,000,000)	610,000,000	195,000,000	Additional Ksh.. 500 Million (development) for drought mitigation through water supply Additional 100 Million (Development) for Sivoi-Murany Water project
1109		1017000 Water and Sewerage Infrastructure Development			(200,000,000)		(200,000,000)	Reduce 200 million (Development) from big four projects UHC (National Treasury Amendment)
1109		1014000 Irrigation and Land Reclamation						
1109		1015000 Water Storage and Flood Control				370,000,000	370,000,000	Increase Ksh. 200 million (Development) for national water harvesting and ground water exploration. Reinstate Ksh. 170 million (Development) for water projects
1109		1015000 Water Storage and Flood Control			(80,000,000)		(80,000,000)	Reduce 80 million (Development) from Thwake dam (National Treasury Amendment)

SCHEDULE II FINANCIAL RECOMMENDATIONS										
COMMITTEE RECOMMENDATIONS										
Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	Recurrent			Development			Net Change	Comment
			Reduction	Increase	Reduction	Increase	Reduction	Increase		
1109		1022000 Water Harvesting and Storage for Irrigation			(5,000,000)	220,000,000	215,000,000	Reduce Ksh.. 5 million (Development) from Micro Irrigation program Additional Ksh.. 50 Million(Development) to National Irrigation Authority towards supplement irrigation to cover the already witnessed shortfalls across the country in strategic places. estimates. Additional Ksh.. 170 Million(Development) for implementation of irrigation Projects to enhance food Security by increasing food production in selected areas		
	DEPARTMENTAL COMMITTEE ON LANDS									
1112		Ministry of Lands and Physical Planning		705,000,000	(65,000,000)	40,000,000	680,000,000	Reduce Ksh.. 65 million (Development) from the Land Value Index Project.		
1112		0101000 Land Policy and Planning		205,000,000	(65,000,000)	40,000,000	180,000,000	Increase Ksh.. 20 million (Development) for settlement of landless project.		
				205,000,000	(65,000,000)	40,000,000	180,000,000	Increase Ksh.. 20 million (Development) for digitization of land registries.		
2021		National Land Commission		500,000,000			500,000,000	Increase Ksh.. 25 million (Recurrent) for O&M of the HQ Administration and planning services		
2021		0116000 Land Administration and Management		500,000,000			500,000,000	Increase Ksh. 180 million (Recurrent) for land titling		
								Additional Ksh. 500 million (Recurrent) for the National Land Commission towards offsetting pending bills		
1162	DEPARTMENTAL COMMITTEE ON AGRICULTURE AND LIVESTOCK		(200,000,000)	50,000,000	(1,770,000,000)	370,000,000	(1,550,000,000)			
1162		State Department for Livestock	(200,000,000)		(1,000,000,000)		(1,200,000,000)			
		0112000 Livestock Resources Management and Development								

		22/03/2022 15:57		SCHEDULE II FINANCIAL RECOMMENDATIONS						Comment
Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	COMMITTEE RECOMMENDATIONS							
			Development			Net Change				
			Reduction	Increase	Net Change	Reduction	Increase	Net Change		
1162		0112000 Livestock Resources Management and Development	(200,000,000)			(1,000,000,000)			(1,200,000,000)	Reduce 1 billion (Development) from livestock Export zone -Lamu (Committee had reduced by 1.2 billion) Reduce 200 million (recurrent) (National Treasury Amendment)
1166		State Department for Fisheries, Aquaculture & the Blue Economy				(770,000,000)	170,000,000		(600,000,000)	
1166		0111000 Fisheries Development and Management								
1166		0117000 General Administration, Planning and Support Services								
1166		0118000 Development and Coordination of the Blue Economy				(370,000,000)	170,000,000		(200,000,000)	Reduce Ksh. 370 million (Development) from Lamu Fish Processing Plant. Increase Ksh. 170 million (Development) for Blue Economy Capacity Building to facilitate the training of deep sea fishers.
1166		0118000 Development and Coordination of the Blue Economy				(400,000,000)			(400,000,000)	Reduce 400 million (Development) from Lamu fish processing plant (Committee had reduced same project by 500 million) (National Treasury Amendment)
1169		State Department for Crop Development & Agricultural Research		50,000,000			200,000,000		250,000,000	
1169		0107000 General Administration Planning and Support Services		500000000			200,000,000		250,000,000	Increase Ksh. 200 million (Development) for Sugar Reforms Project. Increase Ksh. 50 million (Recurrent) for the Coffee Directorate
1169		0108000 Crop Development and Management								
1169		0109000 Agribusiness and Information Management								
1169		0120000 Agricultural Research & Development	(700,000,000)		350,000,000	(378,000,000)	898,000,000		170,000,000	
1064		State Department for Vocational and Technical Training					135,000,000		135,000,000	

22/03/2022 15:57		SCHEDULE II FINANCIAL RECOMMENDATIONS							Comment
Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	COMMITTEE RECOMMENDATIONS				Net Change		
			Recurrent		Development				
			Reduction	Increase	Reduction	Increase			
1064		0505000 Technical Vocational Education and Training				135,000,000	135,000,000	135,000,000	Increase Ksh.. 135 million (Development) for infrastructure support for TTIs
1064		0507000 Youth Training and Development							
1064		0508000 General Administration, Planning and Support Services							
1065		State Department for University Education							
1065		0504000 University Education		350,000,000			260,000,000	610,000,000	Increase Ksh.. 260 million (Development) for the infrastructure support to the following Universities (Garissa University Ksh.. 30 million) (Kaimosi University College Ksh. 100 million for perimeter wall) (Masinde Muliro Ksh.. 50 million) (University of Nairobi Ksh.. 70 million) (Butula Center for Education Research and Development Ksh.. 10 million). Increase Ksh. 150 million (Recurrent) for Kenyatta University to pay pending bills. Increase Ksh.. 200 million (Recurrent) support for Government sponsored students in private University.
1065		0506000 Research, Science, Technology and Innovation							
1065		0508000 General Administration, Planning and Support Services							
1066		State Department for Early Learning & Basic Education							
1066		0501000 Primary Education	(700,000,000)				503,000,000	(575,000,000)	
1066		0501000 Primary Education	(200,000,000)				483,000,000	(95,000,000)	Reduce Ksh.. 110 million (Development) from Digital Literacy Programme
1066		0501000 Primary Education					(378,000,000)	(378,000,000)	Reduce Ksh.. 60 million (Development) from Tom Mboya TTC and Muhoto TTC to be channelled towards primary and secondary school infrastructure in the same areas.
1066		0501000 Primary Education					(378,000,000)	(378,000,000)	Reduce Ksh.. 208 million (Development) from procurement of desks for primary schools.

22/03/2022 15:57

SCHEDULE II FINANCIAL RECOMMENDATIONS

COMMITTEE RECOMMENDATIONS

Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	Recurrent		Development		Net Change	Comment
			Reduction	Increase	Reduction	Increase		
1066		0501000 Primary Education		-		430,000,000	430,000,000	1) Increase Ksh.. 430 million (Development) for infrastructure support to TTCS
1066		0501000 Primary Education	(200,000,000)			53,000,000	(147,000,000)	infrastructure support to TTCS Increase Ksh.. 53 million (Development) for infrastructure support improvement in the following schools: (Nyamunga primary Ksh.. 4 million) (Mbita High School Ksh.. 5 million) (Hon Millie Aringo Girls Ksh.. 4.5 million) (Wasira Primary School Ksh.. 4.5 million) (Mawanga Art Mlangano Ksh.. 2 million) (St. Rita Wamwangi High School Ksh.. 10 million) (Githuya Secondary Ksh.. 10 million) (Muthiga Girls High School Ksh.. 10 million) (Kokwanyo Mixed Secondary School Ksh. 3 million) Reduce Ksh. 200 million (Recurrent) from school feeding programme
1066		0501000 Primary Education	(500,000,000)				(500,000,000)	Reduce Ksh.. 500 million (Recurrent) from school feeding programme (Education committee had reduced 520 million) (National Treasury Amendment)
1066		0502000 Secondary Education		-		20,000,000.00	20,000,000	Additional Ksh.. 20 Million(Development) towards infrastructure support to Secondary school for emergency interventions.
1066		0503000 Quality Assurance and Standards		-		-	-	
1066		0508000 General Administration, Planning and Support Services		-		-	-	
	DEPARTMENTAL COMMITTEE ON DEFENCE & FOREIGN RELATIONS							
1041		Ministry of Defence		1,370,200,000		(350,000,000)	970,000,000	
1041		0801000 Defence		120,200,000		-	120,200,000	
1041		0807000 Defence		100,000,000			100,000,000	Increase Ksh.. 100 million (Recurrent) for election preparedness (National Treasury Amendment)
1041		0802000 Civil Aid						

22/03/2022 15:57		SCHEDULE II FINANCIAL RECOMMENDATIONS							Comment
Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	COMMITTEE RECOMMENDATIONS				Net Change		
			Recurrent		Development				
			Reduction	Increase	Reduction	Increase			
1041		0803000 General Administration, Planning and Support Services		20,200,000				20,200,000	Additional Ksh.. 20.2 Million (recurrent) to the Ministry of Defence to cater for the court award to Retired Army officers in reference to petition No. 587 of 2012.
1041		0805000000 National Space Management							
1222		State Department for Regional & Northern Corridor Development			(350,000,000)		970,000,000	620,000,000	
1222		1013000 Integrated Regional Development		0	(350,000,000)		970,000,000	620,000,000	Rationalize the allocation for peace dams and drought mitigation by Ksh. 350 million o ensure all arrears are covered
1281		National Intelligence Service		1,250,000,000				1,250,000,000	Increase Ksh. 320 million (Development) for various regional authorities
1281		0804000 National Security Intelligence							Increase Ksh. 200 million for Ewaso ngiro pending bills.
1281		0804000 National Security Intelligence		1,250,000,000				1,250,000,000	Ksh.. 100 Million (Development) for the Northern Kenya Water Development Authority pending bills
	DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING								
1032		State Department for Devolution	(2,750,000,000)	100,000,000	(5,250,000,000)	7,463,077,093		(436,922,907)	Increase 1.25 billion (recurrent) for security operations during election. (National Treasury Amendment)
1032		0712000 Devolution Services			(200,000,000)			(200,000,000)	
1032		0712000 Devolution Services			(200,000,000)			(200,000,000)	Reduce 200 million (Development) from Kenya Devolution support programme. (National Treasury Amendment)
1032		0732000 General Administration, Planning and Support Services							
1032		0713000 Special Initiatives							
1032		0713000 Special Initiatives							
1071		The National Treasury	(2,750,000,000)	100,000,000	(5,050,000,000)	2,563,077,093		(5,136,922,907)	Approved reallocation (National Treasury Amendment)
1071		0203000 Rail Transport							

		22/03/2022 15:57		SCHEDULE II FINANCIAL RECOMMENDATIONS						Comment
		COMMITTEE RECOMMENDATIONS								
Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	Recurrent		Development		Net Change			
			Reduction	Increase	Reduction	Increase				
1071		0203000 Rail Transport			(1,000,000,000)		(1,000,000,000)	Reduce 1 billion (Development) from Lanana - Riruta-Ngong Railway line. (National Treasury Amendment)		
1071		0204000 Marine Transport					-			
1071		0717000 General Administration Planning and Support Services					-			
1071		0718000 Public Financial Management	(2,000,000,000)		(1,600,000,000)	350,000,000	(3,250,000,000)	Reduce 1.6 billion (recurrent) 2 billion (Development) Increase Ksh.. 350 million (Development) for public participation initiatives		
1071		0718000 Public Financial Management	(750,000,000)	100,000,000	(2,450,000,000)	2,213,077,093	(886,922,907)	Reduce 750 million (Recurrent) Reduce 2.2 billion (Development) from contingency fund. Reduce 150 million (Development) from epirocurement. Reduce 100 million (Development) Increase 2.2 billion (Development) for Telkom Kenya. Increase 100 million (recurrent) for KENTRADE. (National Treasury Amendment)		
1071		0719000 Economic and Financial Policy Formulation and Management					-			
1071		0720000 Market Competition					-			
1071		0740000 Government Clearing Services					-			
1072		State Department for Planning					4,900,000,000			
1072		0706000 Economic Policy and National Planning				4,900,000,000	4,900,000,000	Increase Ksh.. 4.9 billion for NG-CDF		
1072		0707000 National Statistical Information Services					-			
1072		0708000 Monitoring and Evaluation Services					-			
1072		0709000 General Administration Planning and Support Services					-			
2081		Salaries and Remuneration Commission								
2081		0728000 Salaries and Remuneration Management								
2081		0728000 Salaries and Remuneration Management						Approved reallocation. (National Treasury Amendment)		
2121		Office of the Controller of Budget								
2121		0730000 Control and Management of Public finances								

SCHEDULE II FINANCIAL RECOMMENDATIONS								
Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	COMMITTEE RECOMMENDATIONS				Comment	
			Recurrent		Development			
			Reduction	Increase	Reduction	Increase		Net Change
1091	Departmental Committee	State Department of Infrastructure	-	-	(4,700,000,000)	5,730,000,000	1,030,000,000	Reduce Ksh.. 2.5 billion (Development) from the project 1091128000 Annuity Low Volume Seal road which cannot be absorbed.
1091	DEPARTMENTAL COMMITTEE ON TRANSPORT, PUBLIC WORKS AND HOUSING	0202000 Road Transport	-	-	(3,700,000,000)	5,430,000,000	1,730,000,000	Reduce Ksh.. 166 million (Development) from 1091164100 Spot Improvement XXX.
								Reduce Ksh.. 184 million (Development) from 1091164200 Spot Improvement XXI. Reduce Ksh.. 150 million (Development) from 1091159100 Upgrade of Lamu-Ijara-Garissa Road (A10) to All Weather Standard
								Reduce Ksh. 10 million (Development) from 1091133829 Kiritiri-Siatego
								Reduce Ksh. 50 million (Development) from 1091133847 Karbartonjo-Kipsaraman-Kinyach-Arroi.
								Reduce Ksh. 20 million (Development) from 1091133911 Timboroa Junction/A104-Miteitei-songhor-kopere
								Reduce Ksh. 50 million (Development) from 1091133924 Gatanga-Kionyo-Nyaga.
								Reduce Ksh. 50 million (Development) from 1091133946 Ngong-Suswa.
								Reduce Ksh. 70 million (Development) from 1091133972 Ngege-Mapera-Rabuor-Kawa-Nyaduong.
								Reduce Ksh. 50 million (Development) from 1091134501 Nyaru-Ilen

		22/03/2022 15:57	SCHEDULE II FINANCIAL RECOMMENDATIONS					Comment
Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	COMMITTEE RECOMMENDATIONS					
			Recurrent		Development		Net Change	
			Reduction	Increase	Reduction	Increase		
1092		State Department of Transport						
1092		0205000 Air Transport						Budget realignment. (National Treasury Amendment)
1092		0216000 Road Safety						
1094		State Department for Housing and Urban Development			(1,000,000,000)	300,000,000	(700,000,000)	
1094		0102000 Housing Development and Human Settlement						

SCHEDULE II FINANCIAL RECOMMENDATIONS									
Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	COMMITTEE RECOMMENDATIONS						Comment
			Recurrent		Development		Net Change		
			Reduction	Increase	Reduction	Increase			
1094	Departmental Committee	0105000 Urban and Metropolitan Development				300,000,000		300,000,000	Additional Ksh.. 250 Million(development) to support for implementation of slum upgrading
1094		0105000 Urban and Metropolitan Development			(1,000,000,000)		(1,000,000,000)	Additional Ksh. 50 million (Development) to Muithi Market	
1094		0106000 General Administration Planning and Support Services							Reduce 1 billion from Kazi mitaani. (National Treasury Amendment)
	THE DEPARTMENTAL COMMITTEE ON JUSTICE AND LEGAL AFFAIRS								
1252		State Law Office and Department of Justice	(5,000,000)	1,124,226,809	(229,900,000)	229,900,000		1,119,226,809	
1252		0606000 Legal Services	-	59,226,809	-	-		59,226,809	
1252		0606000 Legal Services	-	59,226,809	-	-		59,226,809	Increase 59 million (Recurrent) for legal compensation funded through A in A. (National Treasury Amendment)
1252		0607000 Governance, Legal Training and Constitutional Affairs	-	-	-	-		-	
1252		0609000 General Administration, Planning and Support Services	-	-	-	-		-	
1271		Ethics and Anti-Corruption Commission							
1271		0611000 Ethics and Anti-Corruption							
1291		Office of the Director of Public Prosecutions	-	-	-	-		-	
1291		0612000 Public Prosecution Services	-	-	-	-		-	
1311		Office of the Registrar of Political Parties	-	1,060,000,000	-	-		1,060,000,000	Increase 1 billion (Recurrent) for political parties fund
1311		0614000 Registration, Regulation and Funding of Political Parties		1,060,000,000				1,060,000,000	Increase 60 million (recurrent) for capacity building
2131		Commission on Administrative Justice	(5,000,000)	5,000,000	-	-		-	Reduce Ksh.. 5 million (Recurrent) from allocation to Access to Information (ATI) draft regulations
2131		0731000 Promotion of Administrative Justice	(5,000,000)	5,000,000	-	-		-	Increase Ksh.. 5 million (Recurrent) to African ombudsman & mediators association activities

		22/03/2022 15:57		SCHEDULE II FINANCIAL RECOMMENDATIONS							Comment	
		COMMITTEE RECOMMENDATIONS										
Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	Recurrent		Development		Net Change					
			Reduction	Increase	Reduction	Increase						
1261		The Judiciary	-	-	(229,900,000)	229,900,000	-			Reallocation of Ksh.. 229.9 million (Development) from slow moving projects to those that are better performing as per the attached schedule		
1261		0610000 Dispensation of Justice	-	-	(229,900,000)	229,900,000	-					
		DEPARTMENTAL COMMITTEE ON COMMUNICATION, INFORMATION AND INNOVATION										
1122		State Department for Information Communication and Technology & Innovation	-	947,500,000	-	(593,000,000)	354,500,000					
1122		0207000 General Administration Planning and Support Services	-	-	-	(593,000,000)	(593,000,000)					
1122		0210000 ICT Infrastructure Development	-	-	-	(593,000,000)	(593,000,000)			Reduce Ksh.. 563 million (Development) from the Digital Literacy Programme -DPL		
		0217000 E-Government Services	-	-	-	-	-			Reduce Ksh.. 30 million (Development) from Konza Buffer Zone Inter County Physical & Land development plan		
1123		State Department for Broadcasting & Telecommunications	-	947,500,000	-	-	947,500,000					
1123		0207000 General Administration Planning and Support Services	-	36,000,000	-	-	36,000,000			Increase Ksh.. 36 million (Recurrent) for communication, travel, fuel and hospitality		
1123		0208000 Information and Communication Services	-	792,500,000	-	-	792,500,000			Increase Ksh.. 50 million (Recurrent) to Office of the Government Spokesperson for publicity and awareness campaigns relating to government projects. Increase Ksh.. 288 million (Recurrent) to Media Council of Kenya to enhance media monitoring during election. Increase Ksh.. 100 million (Recurrent) for Government Advertising Agency for advertising needs Increase Ksh.. 354.5 million (Recurrent) to the Media Council of Kenya		
1123		0209000 Mass Media Skills Development	-	-	-	-	-					

		SCHEDULE II FINANCIAL RECOMMENDATIONS						Comment
		COMMITTEE RECOMMENDATIONS						
Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	Recurrent		Development		Net Change	
			Reduction	Increase	Reduction	Increase		
1123		0221000 Film Development Services	-	119,000,000	-	-	119,000,000	Increase Ksh. 119 million (Recurrent) to the Kenya Film and classification board for the following a) Ksh.. 37.6 million for acquisition of hardware and software for monitoring equipment b) Ksh.. 25 million for purchase of monitoring tracking equipment. c) Ksh.. 41.4 million for media screens, laptops and equipment d) Ksh.. 15 million for special training in preparation for enhanced film content monitoring
	DEPARTMENTAL COMMITTEE ON ADMINISTRATION & NATIONAL SECURITY							
1011		Executive Office of the President	(325,700,000)	3,911,867,945	(1,240,000,000)	1,050,000,000	3,396,167,945	
1011		0702000 Cabinet Affairs	-	500,000,000	(820,000,000)	-	(320,000,000)	
1011		0703000 Government Advisory Services						
1011		0704000 State House Affairs		500,000,000			500,000,000	Increase Ksh.. 500 million (Recurrent) for enhanced operations by the Executive Office of the President.
1011		0734000 Deputy President Services						
1011		0745000 Nairobi Metropolitan Services			(820,000,000)		(820,000,000)	Reduce Ksh.. 720 million (Development) from Environmental and Solid Waste Management Head (Rehabilitation of Uhuru Central Parks)
1021		State Department for Interior and Citizen Services	(325,700,000)	2,388,200,000	(220,000,000)	1,050,000,000	2,892,500,000	Reduce Ksh.. 100 million (Development) from Land Housing development Head (Construction of small claims courts).

		SCHEDULE II FINANCIAL RECOMMENDATIONS		COMMITTEE RECOMMENDATIONS		Comment		
Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	Recurrent		Development		Net Change	
			Reduction	Increase	Reduction	Increase		
1021		0601000 Policing Services	(97,200,000)	1,250,000,000	0	200,000,000	1,352,800,000	Administration Police Service. Reduce 97.2 million (Recurrent) from International conferences AF/CITIES Increase 950 million (Recurrent) for recruitment of police officers. Increase 300 million (recurrent) for election preparedness Increase 200 million (Development) for construction of police hospital. (National Treasury Amendment)
1021		0603000 Government Printing Services						
1021		0605000 Migration & Citizen Services Management						
1021		0625000 Road Safety		150,000,000		50,000,000	200,000,000	Increase Ksh.. 150 million (Recurrent) towards deployment of NTSAs desk in 52 Huduma Centers. Increase Ksh.. 50 million (Development) towards renovation of NTSAs Offices
1021		06256000 Population Management Services		6,000,000			6,000,000	Increase Ksh.. 6 million (Recurrent) for operationalization of 30 Civil registries
1021		0629000 General Administration and Support Services	(228,500,000)	20,000,000	(120,000,000)	150,000,000	(178,500,000)	Reduce Ksh.. 228.5 million (Recurrent) from National Integrated Identity and Management system. Reduce Ksh.. 120 million (Development) from National Integrated Identity Management System. Increase Ksh.. 150 million (Development) for security Increase Ksh.. 20 million (Recurrent) towards President's Delivery Unit (PDU)

		SCHEDULE II FINANCIAL RECOMMENDATIONS						Comment
		COMMITTEE RECOMMENDATIONS				Net Change		
Vote Code	Departmental Committee	Recurrent		Development				
		Reduction	Increase	Reduction	Increase			
	VOTE/PROGRAMME CODES & TITLE 0629000 General Administration and Support Services		597,200,000		500,000,000	1,097,200,000	Increase 100 million (recurrent) for National cohesion. Increase 200 million (recurrent) for Multi agency security operations. Increase 200 million (recurrent) for election preparedness. Increase 97.2 million (recurrent) for International conferences (AFRICITIES) Increase 500 million (Development) for huduma card. (National Treasury Amendment)	
	0630000 Policy Coordination Services		65,000,000		100,000,000	165,000,000	Increase Ksh.. 20 million (Recurrent) towards Private Security Regulatory Authority for shortfall in personnel emoluments in the new regional offices of Mombasa, Kisumu and Eldoret. Increase Ksh.. 45 million (Recurrent) towards NACADA for enhanced operations on research and development advocacy against drug abuse. Increase Ksh.. 100 million (Development) expenditure towards completion of Miritini Rehabilitation	
1023	State Department for Correctional Services	-	896,167,945	(200,000,000)	-	696,167,945		
1023	0623000 General Administration, Planning and Support Services							
1023	0627000 Prison Services			(200,000,000)		(200,000,000)	Reduce Ksh.. 200 million (Development) from Magegeza level IV Hospital on account of low absorption.	
	0627000 Prison Services		896,167,945			896,167,945	Increase 896 million (Recurrent) for recruitment of police officers Reallocate 141.6 million for food rations in the penal institutions. (National Treasury Amendment)	
1023	0628000 Probation & After Care Services							
1213	State Department for Public Service	-	20,000,000	-	-	20,000,000		

		22/03/2022 15:57		SCHEDULE II FINANCIAL RECOMMENDATIONS						COMMITTEE RECOMMENDATIONS		Comment
Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	Recurrent		Development		Net Change					
			Reduction	Increase	Reduction	Increase						
1213	Departmental Committee	0710000 Public Service Transformation		20,000,000				20,000,000			Increase Ksh.. 20 million (Recurrent) to facilitate operationalization of the Margaret Kenyatta Institute for Gender and Social Development under KSSG	
1213		0709000 General Administration Planning and Support Services										
2071		Public Service Commission										
2071		0725000 General Administration, Planning and Support Services		31,700,000				31,700,000			Increase Ksh.. 10.8 million (Recurrent) towards implementation of the Nairobi Employment and Labour Relations Court Ruling on Petition No.E161 of 2021 Increase Ksh.. 20.9 million (Recurrent) for additional Human Resource Requirement for medical cover and pension contributions	
2071		0726000 Human Resource Management and Development										
2071		0727000 Governance and National Values										
2071		0744000 Performance and Productivity Management										
2101		National Police Service Commission		65,000,000				65,000,000			Increase Ksh.. 5 million (Recurrent) for automation of Human Resource records	
2101		0620000 National Police Service Human Resource Management		15,000,000				15,000,000			Increase Ksh.. 10 million (Recurrent) towards counselling services	
2101		0620000 National Police Service Human Resource Management		50,000,000				50,000,000			Increase 50 million (Recurrent) for pre-recruitment and monitoring of police officers recruitment. (National Treasury Amendment)	
2151		Independent Policing Oversight Authority		10,800,000				10,800,000			Increase Ksh.. 10.8 million (recurrent) for payment of gratuity to five members of management whose term is lapsing in the third quarter of 2022.	
2151		0622000 Policing Oversight Services		10,800,000				10,800,000				
1173	DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY AND COOPERATIVES	State Department for Cooperatives		135,000,000	(230,000,000)		145,000,000	50,000,000				
1173				5,000,000	110,000,000			115,000,000				

Vote Code	Departmental Committee	22/03/2022 15:57	SCHEDULE II FINANCIAL RECOMMENDATIONS						Comment
			COMMITTEE RECOMMENDATIONS						
			Recurrent		Development		Net Change		
		Reduction	Increase	Reduction	Increase	Reduction	Increase		
1173	VOTE/PROGRAMME CODES & TITLE 0304000 Cooperative Development and Management			5,000,000		110,000,000		115,000,000	Increase Ksh.. 60 million (Development) for coffee Cherry Fund. Increase Ksh.. 5 million (Recurrent) for New KPCU strategic plan. Increase Ksh.. 50 million (Development) for New KCC modernization.
1174	State Department for Trade and Enterprise Development		100,000,000		65,000,000		165,000,000	Increase Ksh.. 65 million (Development) for construction of Constituency Industrial Development Centers (CIDCs). Increase Ksh.. 60 million (Recurrent) for KEPROBA to implement the national export strategy and training of SMEs with export potential Increase Ksh.. 20 million (recurrent) for HQ CPPMU. Increase Ksh.. 20 million (Recurrent) for Weights and Measures HQ Admin services	
1175	State Department for Industrialisation			30,000,000		(340,000,000)	80,000,000	(230,000,000)	Reduce Ksh.. 90 million (Development) from Kenya Industrial Training Institute. Reduce Ksh.. 35 million (Development) from Modernization of NMCs Foundry plant & fabrication workshop Reduce Ksh.. 165 million (Development) from RIVATEX. Reduce Ksh.. 25 million (Development) from Freeport & industrial parks-Special Economic Zone Reduce Ksh.. 25 million (Development) from SEZ Textile park Naivasha.
1175	0301000 General Administration Planning and Support Services 0302000 Industrial Development and Investments					(340,000,000)		110,000,000	Increase Ksh. 30 million (Recurrent) for shortfall in personnel emoluments at KIE Increase Ksh.. 80 million (Development) for Nyando Apparel textile unit

		22/03/2022 15:57		SCHEDULE II FINANCIAL RECOMMENDATIONS						Comment
		COMMITTEE RECOMMENDATIONS								
		Recurrent		Development		Net Change				
Vote Code	Departmental Committee	Reduction	Increase	Reduction	Increase	Reduction	Increase	Reduction	Increase	
1081	Departmental Committee COMMITTEE ON HEALTH			(2,300,000,000)	450,000,000	(2,300,000,000)	450,000,000	(1,850,000,000)	(1,850,000,000)	
1081	Ministry of Health									
1081	0401000 Preventive, Promotive & Reproductive Health									
1081	0402000 National Referral & Specialized Services									
1081	0402000 National Referral & Specialized Services			(100,000,000)	350,000,000			250,000,000		
1081	0402000 National Referral & Specialized Services									
1081	0402000 National Referral & Specialized Services			(500,000,000)				(500,000,000)	Reduce 500 million (Development) from construction of neuropsychiatric hospital (Committee had reduced 200 million from the same project). (National Treasury Amendment)	
1081	0403000 Health Research and Development				100,000,000			100,000,000	Increase Ksh. 100 million for KMTC	
1081	0403000 Health Research and Development									
1081	0403000 Health Research and Development			(500,000,000)				(500,000,000)	Reduce 500 million (Development) from establishment of vaccine plant (Committee had reduced same project by 400 million) (National Treasury Amendment)	
1081	0404000 General Administration, Planning & Support Services									
1081	0405000 Health Policy, Standards and Regulations									
1081	0405000 Health Policy, Standards and Regulations			(200,000,000)				(200,000,000)	Reduce 200 million (Development) from infrastructure support to Narok Hospital which is a new project	
1081	0405000 Health Policy, Standards and Regulations									
1081	0405000 Health Policy, Standards and Regulations			(1,000,000,000)				(1,000,000,000)	Reduce 1 billion (Development) from Construction of level III hospitals. (National Treasury Amendment)	
1152	DEPARTMENTAL COMMITTEE ON ENERGY									
1152	State Department for Energy									
1152	0211000 General Administration Planning and Support Services									
1152	0211000 General Administration Planning and Support Services			6,730,000,000		(100,000,000)	333,000,000	6,963,000,000		
1152	0211000 General Administration Planning and Support Services					(100,000,000)	333,000,000	233,000,000		

SCHEDULE II FINANCIAL RECOMMENDATIONS

COMMITTEE RECOMMENDATIONS

Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	COMMITTEE RECOMMENDATIONS				Comment	
			Recurrent		Development			
			Reduction	Increase	Reduction	Increase		
1152		0212000 Power Generation				200,000,000	200,000,000	Increase Ksh. 200 million (Development) to pay pending bills at GDC
1152		0213000 Power Transmission and Distribution			(100,000,000)	133,000,000	33,000,000	Reduce Ksh.. 50 million (Development) from Garissa-Daadab Line-New Project in Sup
1152		0214000 Alternative Energy Technologies						Reduce Ksh.. 50 million(Development) from Garissa-Modogashe Line-New project in Sup
1194		Ministry of Petroleum and Mining		6,730,000,000			6,730,000,000	Increase 100 million (Development) to dadajabula -wajir south
1194		0215000 Exploration and Distribution of Oil and Gas		6,730,000,000				Increase Ksh. 33 million (Development) for electricity masts in Navakholo Constituency
1214	COMMITTEE ON LABOUR AND SOCIAL WELFARE	State Department for Youth		58,066,245	(38,066,245)		20,000,000	Increase 6.7 billion (Recurrent) for fuel Stabilization. (National Treasury Amendment)
1214		0711000 Youth Empowerment		58,066,245	(38,066,245)		20,000,000	Reduce Ksh.. 38 million (Development) from youth empowerment centers
1132	COMMITTEE ON SPORTS, CULTURE AND TOURISM	State Department for Sports	(40,000,000)	40,000,000	(100,000,000)		230,000,000	Increase Ksh.. 38 million (Development) for non-residential buildings (Offices, schools and hospitals)
1132		0901000 Sports					20,000,000	Increase Ksh. 20 million (Recurrent) for YouthEnterprize Fund
1134		State Department for Heritage	(40,000,000)	40,000,000			10,000,000	Increase Ksh. 20 million (Development) for Malinya stadium


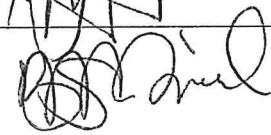

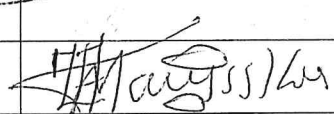





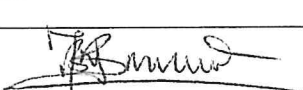
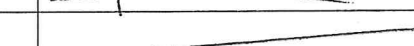





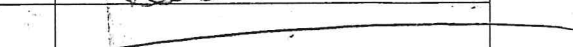
		22/03/2022 15:57		SCHEDULE II FINANCIAL RECOMMENDATIONS							Comment
Vote Code	Departmental Committee	VOTE/PROGRAMME CODES & TITLE	COMMITTEE RECOMMENDATIONS				Net Change				
			Recurrent		Development						
			Reduction	Increase	Reduction	Increase					
1134	Departmental Committee	VOTE/PROGRAMME CODES & TITLE 0902000 Culture / Heritage	-	40,000,000	-	10,000,000	50,000,000	Increase Ksh.. 40 million (Recurrent) For Kenya Cultural Center personnel emoluments and O&M Increase Ksh. 10 million (Development) for marachi cultural center			
1134		0903000 The Arts									
1134		0904000 Library Services	(40,000,000)				(40,000,000)	Reduce Ksh.. 40 million (Recurrent) from National Library Services			
1134		0905000 General Administration, Planning and Support Services									
1202		State Department for Tourism	-		(100,000,000)	200,000,000	100,000,000	Reduce Ksh.. 100 million (Development) from Construction of Ronald Ngala Ulali College			
1202		0306000 Tourism Development and Promotion			(100,000,000)	200,000,000	100,000,000	Increase Ksh.. 200 million (Development) for rehabilitation and refurbishment of Bomas of Kenya			
	BAC		(700,000,000)	1,014,000,000	-	-	314,000,000				
		Parliament	(700,000,000)	1,014,000,000	-	-	314,000,000				
2041		Parliamentary Service Commission	-	184,000,000	-	-	184,000,000	Increase Ksh. 50 million (Recurrent) for pending bills arising from provision of tickets. Increase Ksh. 134 million (Recurrent) for operations			
2042		National Assembly	(700,000,000)	750,000,000	-	-	50,000,000	Reduce Ksh. 700 million (Recurrent) from personnel emolument. Increase Ksh. 750 million(Recurrent) for purchase of goods and services, payment of pending bills and other O&M			
2043		Parliamentary Joint Services	-	80,000,000	-	-	80,000,000	Increase Ksh. 60 million (recurrent) for pjs			
2043		0723000 General Admin, planning and support services		60,000,000				Increase Ksh. 60 million (recurrent) for pjs			
2043		Legislative Training Research & Knowledge Management		20,000,000			20,000,000	Increase gross expenditure by 20 million and Increase AIA by 20 million			
2111		Auditor General									
		Executive	(4,020,700,000)	15,521,860,999	(17,521,066,245)	18,286,077,093	12,266,171,847				
		Judiciary			(229,900,000)	229,900,000	-				
		Parliament	700,000,000	1,014,000,000	-	-	314,000,000				
		Total Expenditure	(4,720,700,000)	16,535,860,999	(17,750,966,245)	18,515,977,093	12,580,171,847				



ADOPTION SCHEDULE

Budget and Appropriations Committee

Date 21/03/22 Time..... Sitting:

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

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 22 MAR 2022 DAY: Tuesday

TABLED BY: Hon. Kanini Kega
Chair, Budget

CLERK AT TABLE: MDCG Lemuna

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

Signed.....

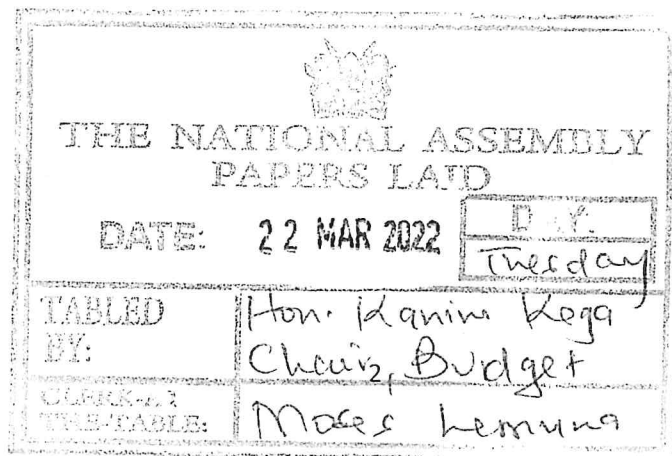
Date.....

Committee Clerk

Signed.....

Date.....

Director of Audit, Appropriations & Other Select Committees



MINUTES OF THE 17th SITTING OF THE BUDGET AND APPROPRIATIONS COMMITTEE HELD AT MINI CHAMBER, FIRST FLOOR, COUNTY HALL, PARLIAMENT BUILDINGS ON MONDAY, 21ST MARCH 2022, AT 2.00 P.M.

PRESENT:

1. Hon. Kanini Kega, CBS, M.P.- Chairperson
2. Hon. Benard Masaka Shinali, M.P.- Vice Chairperson
3. Hon. Emmanuel Wangwe, CBS, M.P.
4. Hon. Millie Odhiambo, CBS, M.P.
5. Hon. Alfred Kiptoo Keter, M.P.
6. Hon. (Dr.) Makali Mulu, M.P.
7. Hon. Fatuma Gedi Ali, CBS, M.P.
8. Hon. Wangari Mwaniki, OGW, M.P.
9. Hon. Josephine Naisula Lesuuda, OGW, M.P.
10. Hon. Paul Abuor, M.P.
11. Hon. (Eng.) Mark Nyamita, M.P.
12. Hon. Mercy Wanjiku Gakuya, M.P.
13. Hon. Samuel Atandi, M.P.
14. Hon. (CPA) Francis Kuria Kimani, M.P.
15. Hon. Joseph Manje, M.P.


ABSENT WITH APOLOGY:

1. Hon. (CPA) John Mbadi, EGH, CBS, M.P.
2. Hon. (CPA) Moses K. Lessonet, CBS, M.P.
3. Hon. Samwel Moroto, M.P.
4. Hon. Richard Onyonka, M.P.
5. Hon. Badi Twalib, M.P.
6. Hon. Jude Njomo, M.P.
7. Hon. Sarah Paulata Korere, M.P.
8. Hon. Sakwa Bunyasi, M.P.
9. Hon. Florence C. K. Bore, M.P.
10. Hon. James Gichuki Mugambi, MBS, M.P.
11. Hon. Danson Mwashako, M.P.
12. Hon. Masalino Arbelle, M.P.

PARLIAMENTARY BUDGET OFFICE

1. Mrs. Phyllis Makau, OGW
2. Dr. Martin M. Masinde
3. Ms. Julie M. Mwithiga
4. Dr. Abel Nyagwachi

Director
Senior Deputy Director
Fiscal Analyst I
Fiscal Analyst I

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 22 MAR 2022	DAY: Tue
TABLED BY:	Hon. Kanini Kega Chair, Budget + Committee
CLERK AT THE TABLE:	Moses Lemana

COMMITTEE SECRETARIAT

- 1) Mr. Joseph Ndirangu
- 2) Mr. Danson Kachumbo
- 3) Mr. Ronald Walala
- 4) Mr. Benard Omondi
- 5) Ms. Pauline Wanjiru
- 6) Mr. Eugene Luteshi
- 7) Mr. George Mbaluka

Fiscal Analyst I/ Lead Clerk
Fiscal Analyst I
Legal Counsel
Seargent at Arms
Hansard Reporter
Audio Officer
Office Attendant

AGENDA

1. *Preliminaries & Confirmation of Agenda*
2. *Adoption of the report*
3. *Any Other Business (A.O.B)*

MIN. NO. NA/BAC/2022/94: PRELIMINARY

The Chairperson welcomed the committee members to the meeting and called the meeting to order at 2.30 p.m. Thereafter, the committee confirmed and adopted minutes in the following manner:

1. Minutes to the 8th sitting were proposed by Hon. Emmanuel Wangwe, CBS, M.P. and seconded by Hon. (Dr.) Makali Mulu, M.P.
2. Minutes to the 9th sitting were proposed by Hon. (Dr.) Makali Mulu, M.P. and seconded by Hon. Paul Abuor, M.P.
3. Minutes to the 10th sitting were proposed by Hon. Fatuma Gedi Ali, CBS, M.P. and seconded by Hon. Mercy Wanjiku Gakuya, M.P.
4. Minutes to the 11th sitting were proposed by Hon. Paul Abuor, M.P. and seconded by Hon. (Eng.) Mark Nyamita, M.P.
5. Minutes to the 12th sitting were proposed by Hon. Emmanuel Wangwe, CBS, M.P. and seconded by Hon. (Dr.) Makali Mulu, M.P.
6. Minutes to the 13th sitting were proposed by Hon. (Eng.) Mark Nyamita, M.P. and seconded by Hon. Wangari Mwaniki, OGW, M.P.
7. Minutes to the 14th sitting were proposed by Hon. Mercy Wanjiku Gakuya, M.P. and seconded by Hon. Wangari Mwaniki, OGW, M.P.
8. Minutes to the 15th sitting were proposed by Hon. Paul Abuor, M.P. and seconded by Hon. Joseph Manje, M.P.
9. Minutes to the 16th sitting were proposed by Hon. Emmanuel Wangwe, CBS, M.P. and seconded by Hon. Samuel Atandi, M.P.

MIN.NO.NA/BAC/2022/95: ADOPTION OF THE DRAFT REPORT ON THE SUPPLEMENTARY ESTIMATES 1 FOR FY 2021/22

The Parliamentary Budget office took members through the draft report. The report was proposed by Hon. Paul Abour, M.P. and seconded by Hon. Emmanuel Wangwe, CBS, M.P. After deliberations the report was **ADOPTED** as follows:

1.0 INTRODUCTION

1. The first supplementary budget for the financial year 2021/2022 has been prepared by the National Treasury at a time when the economy is experiencing a rebound in growth with revenue estimated to have performed above target by Ksh. 16.6 billion (June – December 2021). The supplementary budget seeks to adjust expenditure upwards by **Ksh. 126.3 billion**; mainly to provide additional funding for drought related interventions, security, COVID-19, pending bills, salary shortfall, 2022 elections and expansion of CBC infrastructure.
2. The upward adjustment of the budget is mostly on account of recurrent rather than development expenditure. The recurrent budget has increased by Ksh. 113.25 billion (8.9%) whereas the development budget has only increased by Ksh. 13 billion (1.9%). The Committee is concerned that if this trend continues, it could eventually crowd out ‘growth-enhancing’ expenditures under the development budget. Indeed, there is reported under-absorption of the development budget, most of which is attributed to foreign financed projects. Many donor funded projects are facing implementation challenges, mainly relating to low absorptive capacity by the recipient MDA or lack of GoK counterpart funding. The Committee notes that many donor funded projects are not aligned to the budget cycle and therefore face challenges being assimilated by the recipient MDA.
3. Article 223 of the Constitution provides the leeway for the National Government to spend monies that have not been appropriated by Parliament if the amount appropriated for any purpose under the Appropriation Act is insufficient or a need has arisen for expenditure for a purpose for which no amount has been appropriated by that Act; or money has been withdrawn from the Contingencies Fund. So far, the National Treasury has granted approvals under Article 223 of the Constitution amounting to Ksh. 75.366 billion; of which Ksh.40.264 billion is recurrent and Ksh.35.101 billion is development. Of this amount, only Ksh. 29.15 billion has been disbursed to the spending agencies. The Committee is of the opinion that the failure to disburse funds already approved under Article 223 of the Constitution implies that the expenditure items were probably not emergency in nature and should therefore not constitute an Article 223 expenditure.
4. The Committee notes with concern that failure to submit the full amount approved under Article 223 of the Constitution raises questions on whether the undisbursed expenditures were indeed emergency in nature. Indeed, the Committee observed that some of the Article 223 expenditures do not appear to meet the spirit of the Constitution. There are allocations cutting across various MDAs towards enhanced operations and maintenance as well as salary shortfalls which could’ve been reasonably provided for within the

prevailing budget constraints during the annual budget process and should ideally not constitute a supplementary budget. PFM regulation 40(4)(a) clarifies that the purpose for which approval is sought for a supplementary budget DOES NOT include expenditure that, although known when finalising the original budget estimates, **could not be accommodated within allocations.**

2.1 COMPLIANCE TO LEGAL PROVISIONS

9. The legal provisions underpinning the supplementary budget are contained in Article 223 of the Constitution, Section 44 of the Public Finance Management Act, 2012, Section 40 of PFM regulations, 2015 and National Assembly Standing Order 243. This includes information with regard to the basis, content and procedure of processing the supplementary estimates.
10. The Committee observed that the Supplementary budget has flouted two significant provisions. Firstly, contrary to PFM regulation 40(8), there are many new projects which have been introduced in the supplementary budget. To illustrate, there are 16 new projects in the State Department for Transport; and 50 new level III hospitals in the Ministry of Health. The State Department for crop development and the Ministry of Energy also have new projects. Secondly, some expenditure adjustments to programmes have exceeded 10%. These include programmes under State Department for Transport, Trade, Energy, and Finance among others. To this extent, the National Treasury has indicated that it is seeking special approval of these adjustments in line with regulation 40(9) of the PFM regulations, 2015.
11. The fiscal framework underpinning the 2021/2022 budget is grounded on fiscal consolidation with the aim of reducing the overall fiscal deficit over the medium term. This is also in line with the IMF performance benchmark for fiscal deficit under the 38 month IMF facility programme which the country entered into in 2021. The Committee observed that due to the significant increase in spending, the overall fiscal deficit level inclusive of grants is projected to increase from 7.5 percent to 8.1 percent of GDP contrary to the fiscal consolidation path. Additional borrowing will therefore be required to plug the deficit. This is a concern given the constrained fiscal space with the country about to breach the legally binding Ksh. 9 trillion debt ceiling. It is further noted that most of the budgetary increases are in the recurrent budget which mostly comprises of 'non-core' as opposed to 'growth-enhancing' development expenditure.
12. The policy direction of the approved budget was anchored on the Big Four Agenda and the post-COVID-19 Economic Recovery Strategy (ERS). There is concern however that some of the deductions could potentially alter the policy direction of the budget. For instance there are deductions on expenditures relating to Economic Recovery Strategy as well as to Big four interventions under housing, under livestock management and coordination; and the development and coordination of the Blue Economy.

13. The Committee further observed that budget implementation appears to be skewed towards the National Government and indeed towards specific MDAs within the National government. As at December 2021, only 39.2% of the County Equitable Share (Ksh. 144.98 billion) had been disbursed to counties against the total amount of Ksh. 370 billion. Further, within the National Government, approximately 50 MDAs had received less than 50% of their total budget; with 9 MDAs receiving less than 30% of their total budget. This is a concern as it hinders effective budget implementation for these entities.
14. The Committee is concerned that despite major adjustments in the supplementary budget, an assessment of the fiscal impact of the proposed reductions and/or increases to various programmes has not been provided. Further, it is noted that some expenditure adjustments are not consistent with the targets which have remained the same despite the changes in budgetary allocation. For instance, in the Ministry of Defence, there are some budget cuts but no changes in the targets of the affected programmes. Similarly in the Ministry of Sports and Ministry of Finance, there are budget cuts under some programmes but the overall targets for the affected have remained the same.

2.0 STATE OF THE ECONOMY

15. The Supplementary Budget for FY 2021/22 has been prepared at a time when the economy is experiencing a rebound in growth following a period of economic underperformance brought about by the COVID-19 pandemic. The average growth for the first three quarters of 2021 is estimated at 7.9 percent. It is worth noting however that the base effect is a significant factor in the recorded growth. Most sectors were coming from negative growth rates experienced in 2020 and the full reopening of the economy led to the unusual spike in growth. Therefore, as much as the economy is in recovery, the recorded growth for 2021 is more of a 'statistical' than 'real' growth.
16. Going forward, there are still some inherent risks to the economic outlook which, if they materialize, could affect the outcome of budget implementation. These include the ongoing drought in some parts of the country, lingering COVID-19 pandemic effects, increasing public expenditure pressures and the impact of a heightened election mood on investment decisions. These risks have a potentially adverse effect on the economic growth outlook and therefore revenue collection which could impact negatively on budgetary spending in 2022.
17. Overall inflation has remained within the target threshold of 2.5 percent to 7.5 percent; declining steadily from 6.9 percent in September 2021 to 5.4 percent in January 2022. Going forward, the risks to inflation will largely emanate from higher food prices due to weather related shocks as well as the rise in global food prices. Fuel inflation is likely to remain stable due to the EPRA fuel subsidy but if the subsidy ends then fuel prices could increase rapidly.

18. Private Sector credit has been resilient but still faces some risks. As at December 2021, private sector credit stood at 8.6 percent - an increase from 7.8 percent in October 2021. The recovery in credit growth was mainly observed in the Transport and Communication sector, Manufacturing sector and Consumer Durables sector. In terms of the outlook however, private sector credit growth is likely to remain subdued on account of the risk profile, especially of the MSMEs due to non-performing loans. Delayed payments to suppliers and contractors by the government also limits their repayment ability.
19. The current account deficit has widened from an estimated 4.6 percent of GDP in 2020 to 5.4 percent in 2021. This is mainly attributed to a higher import bill, which more than offset increased receipts from horticulture, manufactured exports and diaspora remittances. Going forward, the government should re-think its export strategy, particularly addressing product competitiveness concerns. This includes putting in place measures to support export oriented MSMEs.

3.0 IMPLEMENTATION OF THE BUDGET AS APPROVED

20. The total approved budget for 2021/2022 (excluding CFS) was estimated at Ksh. 1.942 trillion; of which recurrent expenditure was estimated at Ksh. 1.274 trillion and development expenditure at Ksh. 668.378 billion. However, the supplementary budget has proposed major changes cutting across various Ministries, Departments and Agencies.
21. The Committee observed that there were several upward adjustments in the Operations and Maintenance budget of some MDAs. Ideally, a supplementary budget should constitute emergency and unforeseen expenditure. The practice of undertaking significant increases in O&M spending during the supplementary budget has the potential to be abused as there is usually no justification provided. Furthermore, given the resource constraints, higher O&M spending could 'crowd out' development related spending with adverse effects on economic growth outcome.
22. Pending bills continue to present a challenge. Despite the national government policy on pending bills to constitute a first charge (Treasury Circular No.7/2019), it appears that this has not been followed. Latest statistics indicate that as at 30th September 2021, pending bills amounted to Ksh. 423.2 billion. Of this amount, State Corporations accounted for 87.8% (Ksh. 371.5 billion) and MDAs accounted for 12.2% (Ksh. 51.6 billion). The Committee is concerned that some reductions in the development budget could potentially lead to further pending bills accumulation especially where commitments had already been undertaken or there are contractual obligations.
23. The management of the Contingencies fund is in question. The Committee observed that the fund has been allocated Ksh. 3.7 billion in the supplementary budget yet no amounts have been withdrawn and spent from the Fund. Ideally, any allocation of funds to the Contingencies Fund during a supplementary budget is supposed to be a reinstatement of monies withdrawn and spent from the fund. The purpose is to finance

unforeseen and unpredictable expenditures which were not budgeted for but must be incurred in the public interest before a supplementary budget is approved. Since no money was withdrawn from the fund, the arbitrary increase in allocation to the fund is not procedural.

24. Some donor funded projects appear to be facing implementation challenges. The Committee noted that the low implementation of the development budget is mainly due to disruptions in donor funded projects. There appears to be a challenge in how donor funded projects are conceived, structured and implemented which then leads to poor outcomes. A framework should be developed on how donor funded projects should be implemented. More importantly, this should be aligned to the budget cycle.
25. There are several drought mitigation interventions scattered across various MDAs. These include interventions in the State Department for social protection and senior citizens affairs; state department for livestock; State department for devolution; Ministry of Water, Sanitation and Irrigation as well as Regional Development Authorities in the Ministry of Defence. This fragmented approach may lead to duplication of efforts as well as possible pilferage of resources and failure to take responsibility. There is need for a centralized approach in order to effectively handle drought mitigation.

5.0 ADDENDUM TO THE SUPPLEMENTARY ESTIMATES NO.1 OF 2021/2022

26. On 18th of February 2022, the National Treasury submitted an addendum to the supplementary budget, proposing further changes to the 2021/2022 Budget Estimates. The addendum proposed to increase the supplementary budget further by Ksh. 3.768 billion. The recurrent budget was adjusted upwards by Ksh. 9.485 billion whereas the development budget was reduced by Ksh. 5.717 billion.
27. The committee noted with concern that a further reduction of the development budget could disrupt policy implementation and could also lead to further accumulation of pending bills. Additionally, the reduction of the development budget by Ksh. 5.717 billion has slightly reduced the share of the development estimates in the total revised budget from 32.9% to 32.6%. Given the risk of under-absorption of the development budget, the cumulative expenditure at the end of the financial year could fall below the 30% threshold. Indeed, the latest net exchequer issues indicate that as at December 2021, only 36.98% of development exchequer had been released compared to 47.7% of the recurrent budget.
28. The committee observed that the introduction of an addendum to the supplementary budget simply isn't good budget practice. Firstly, it presents a risk of abuse as it is typically brought at the tail end of the review process and therefore isn't subjected to adequate scrutiny. Secondly, the submission of two separate documents adjusting the budget can mask the real impact of the proposed expenditure adjustments. Thirdly, the practice suggests a certain level of unpreparedness on the part of the National Treasury with regard to the supplementary budget.

6.0 FINANCING OF THE SUPPLEMENTARY ESTIMATES NO. 1 OF 2021/2022

29. The total revenue and grants projection has increased by 3.95% from Ksh. 2,101 billion to Ksh. 2,184 billion; mainly due to an upward revision in Appropriations-in-Aid collection by 20.2% (Ksh. 53 billion). There are notable increases in Appropriations-in-Aid (A-in-A) estimation across a number of agencies including Universities; the Road Maintenance Levy Fund; Kenya Accreditation Service; Tourism Fund; Bomas of Kenya; Tourism Promotion Fund among others. The Committee observed that accurate estimation of A in A collection continues to be a challenge. According to the Parliamentary Budget Office, the higher revenue targets for both Appropriations in Aid and foreign grants may not be met. Should this materialize, then it implies that the actual fiscal deficit may be higher than what has been projected by the National Treasury.
30. Ordinary revenue collection is projected to increase by 1.4% (Ksh. 25 billion) from Ksh. 1,776 billion to Ksh. 1,801 billion. This is attributed to an increase in Excise duty by 7.7 % (Ksh. 19 billion) and other tax revenues by 17.1% (Ksh. 18 billion) respectively. Conversely, income tax collection has been revised downwards by 1.9% (Ksh. 16 billion) from Ksh 834 billion to Ksh. 819 billion. This is on account of underperformance of corporate tax and withholding tax at 94.5 percent which translated to a shortfall of Ksh. 10.9 billion in the first half of the 2021/2022 financial year. It is noted that Income tax accounts for approximately 50 percent of ordinary revenue collection.
31. The fiscal deficit is estimated to increase from 7.5% to 8.1% of GDP. The National Treasury projects that the additional deficit of Ksh. 88.6 billion will be financed from external sources. Specifically, the expanded deficit will be financed by programme loans and the use of IMF SDR allocation. The Committee is concerned that the National Treasury appears to be deviating from the fiscal consolidation path that underpinned the 2021/22 Medium Term Expenditure Framework.

7.0 CONSOLIDATED FUND SERVICES (CFS)

32. The Supplementary budget proposes a 2% reduction of the Consolidated Fund Services (CFS) expenditure (by Kshs 17.74 Billion); from Kshs. 1.327 trillion in the approved budget to Ksh 1.309 trillion. This reduction is mainly on account of a decrease in the debt servicing expenses by Kshs 17.87 billion, due to the Debt Service Suspension Initiative(DSSI) that has resulted in the suspension of external debt servicing expenditures by Kshs. 72.3 billion. Key development partners who have offered substantial debt service suspensions include the EXIM Bank of China, Japan, and Italy among others. On the other hand, a few creditors such as the Netherlands, China Development Bank and Spain will receive increased debt servicing payments.
33. Whereas the Committee appreciates the suspension of debt service, it is noted that there are no indications of a similar trend for the medium term. If DSSI agreements are negotiated on a long-term basis, it will provide consistency and predictability

during budgeting therefore minimizing DSSI variations during the Supplementary Estimates.

34. Despite the downward revision of the public debt service, it still constitutes the largest component of the CFS; accounting for 88 % (Kshs. 1.51 trillion) of total CFS expenditures. Of this amount, domestic debt service constitutes the largest expenditure item amounting to Kshs. 823.2 billion (or 71%). There is an increase in domestic debt servicing by Ksh. 54.5 billion which can be attributed to reorganization of domestic debt and reopening of infrastructural bonds. On the other hand, external debt servicing expenditures account for only Kshs. 328.1 billion (or 29%). The Committee observed that the prevailing borrowing strategy which favours the domestic market carries a greater refinancing risk and interest risk exposure arising from domestic debt servicing expenditures.
35. The supplementary CFS budget further proposes an increase of allowances for constitutional offices by Kshs. 136 Million. These are allowances for the various commissions and constitutional office holders. Major increases relate to the following: the Teachers Service Commission - increased from Kshs. 630,000 to Kshs. 34 million (5377%); Commission on administrative Justice – increased from Kshs. 250,000 to Kshs 25.7 Million (10,207%); Salaries and Remuneration Commission – increased from Kshs 6.6 Million to Kshs 38.8 Million (489%) among others. The Committee observed that there are no explanatory notes provided to explain or support the high variations of allowances during a period of fiscal constraint that requires rationalization of expenditure.

8.0 RECOMMENDATIONS BY THE BUDGET AND APPROPRIATIONS COMMITTEE

36. Arising from the above deliberations, the Committee recommends the following:

a. Policy Recommendations

- i. That, in the 13th Parliament, the Public Finance Management Act, 2012 and attendant Regulations should be reviewed to provide succinct guidelines on the budget items that should be funded under Article 223 of the Constitution.
 - ii. That, any funds withdrawn from Contingency Fund should be outlined on a separate schedule when supplementary estimates are tabled in the House.
 - iii. That, once a supplementary budget is submitted to the House, any addendum to the revised budget will NOT be accepted.
37. Additionally, reference should be made to the observations and policy recommendations from the Departmental Committees on the Supplementary Estimates No. 1. for Financial Year 2021/2022 attached in Annex 1 and relevant MDAs should take action.

b. Financial Recommendations

The Committee further recommends that this House approves;

- i. An increase of Ksh. 138,860,936,287 of which;
 - (i) Executive -Kshs.138,180,887,040
 - (ii) Judiciary- Kshs. 1,152,244,108
 - (iii) Parliament- Kshs. 527,805,139
- ii. That Schedule 1 and 2 form the basis for the finalization of the Supplementary Appropriations Bill ,2022

MIN.NO.NA/BAC/2022/96: ANY OTHER BUSINESS & ADJOURNMENT

There being no other matters to consider, the meeting was adjourned at 6.00 p.m. The next sitting will be communicated later.


SIGNED

.....
HON. KANINI KEGA, CBS, M.P.

CHAIRPERSON, BUDGET AND APPROPRIATIONS COMMITTEE


.....
DATE