

Approved for tabling



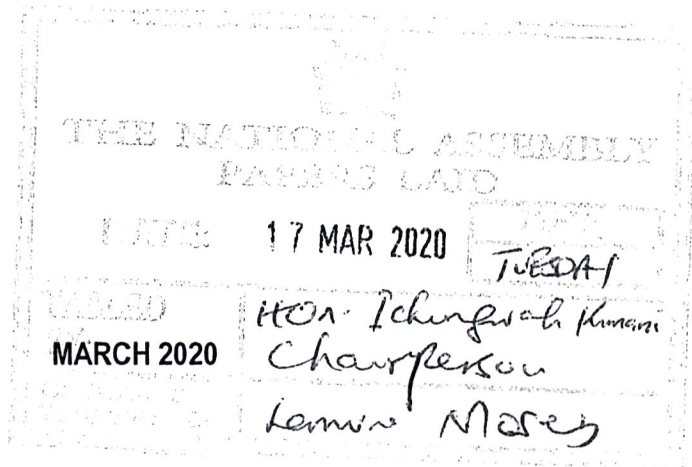
17/3/2020

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REPUBLIC OF KENYA
KENYA NATIONAL ASSEMBLY

TWELFTH PARLIAMENT – FOURTH SESSION

REPORT OF THE BUDGET AND APPROPRIATIONS COMMITTEE ON THE DIVISION OF REVENUE
BILL (NATIONAL ASSEMBLY BILL NO. 3 OF 2020)



CHAIRPERSON'S FOREWORD

Mr. Speaker, the Division of Revenue Bill (National Assembly Bill No. 3 of 2020) was read for the first time in the National Assembly during the afternoon sitting of Tuesday, March 10th, 2020. Pursuant to Standing Order 127(2), the Bill was committed to the Budget and Appropriations Committee for review and recommendations. The Bill seeks to provide for sharing of revenue raised nationally between the national government and county governments for the financial year 2020/21 in accordance with Article 202, 203, 205 and 218 of the Constitution.

To this end, **Mr. Speaker**, the enactment of the Division of Revenue Bill, 2020 is critical in setting the stage for the preparation of the County Allocation of Revenue Bill, 2020, which will inform the firming up and completion of preparation of the annual budget estimates for the forty-seven (47) county governments. The spirit and letter of Article 224 of the Constitution requires that County Governments prepare and adopt their annual budgets and appropriations bills based on the approved Division of Revenue Act. It is important therefore that we dispense with the approval and subsequent enactment of the Bill in a timely manner thus ensuring that the county budgeting process goes on undisrupted.

Mandate of the Committee

Mr. Speaker, Article 221 (4) 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:

- i. Investigate, inquire into and report on all matters relating to coordination, control and monitoring of the national budget;
- ii. Discuss and review the budget estimates and make recommendations to the House;
- iii. Examine the Budget Policy Statement presented to the House
- iv. Examine bills related to the national budget including appropriation bills;
- v. Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays; and
- vi. Examine the Division of Revenue Bill.

Membership of the Committee

Mr. Speaker, the Budget and Appropriations Committee as currently constituted comprises of the following Honourable Members:

Member	Constituency	Party
1. Hon. Kimani Ichung'wah, CBS, M.P- Chairperson	Kikuyu	Jubilee
2. Hon. Moses Lessonet, M.P- Vice Chairperson	Eldama Ravine	Jubilee
3. Hon. CPA John Mbadi, EGH, CBS, M.P.	Suba South	ODM
4. Hon. Richard Onyonka, M.P.	Kitutu Chache South	Ford Kenya
5. Hon. Samwel Moroto, M.P.	Kapenguria	Jubilee
6. Hon. Millie Odhiambo, M.P.	Suba North	ODM
7. Hon. Twalib Bady, M.P.	Jomvu	ODM
8. Hon. (Dr.) Gideon Ochanda, M.P.	Bondo	ODM
9. Hon. James Mwangi Gakuya, M.P.	Embakasi North	Jubilee
10. Hon. (Dr.) Makali Mulu Benson, M.P.	Kitui Central	Wiper
11. Hon. Moses Kiarie Kuria, M.P.	Gatundu South	Jubilee
12. Hon. Benard Masaka Shinali, M.P.	Ikolomani	Jubilee
13. Hon. John Muchiri Nyaga, M.P.	Manyatta	Jubilee
14. Hon. Jude Njomo, M.P.	Kiambu Town	Jubilee
15. Hon. (Dr.) Korei Ole Lemein, M.P.	Narok South	Jubilee
16. Hon. Sarah Paulata Korere, M.P.	Laikipia North	Jubilee
17. Hon. Naisula Lesuuda, OGW, M.P.	Samburu West	KANU
18. Hon. Sakwa Bunyasi, M.P.	Nambale	ANC
19. Hon. Danson Mwashako, M.P.	Wundanyi	Wiper
20. Hon. Fatuma Gedi Ali, CBS, M.P.	Wajir County	PDR
21. Hon. Florence Chepng'etich Koskey Bore, M.P.	Kericho County	Jubilee
22. Hon. James Gichuki Mugambi, M.P.	Othaya	Jubilee
23. Hon. (Dr.) John K. Mutunga, M.P.	Tigania West	Jubilee
24. Hon. (Eng.) Mark Nyamita, M.P.	Urii	ODM
25. Hon. Paul Abuor, M.P.	Rongo	ODM
26. Hon. Qalicha Gufu Wario, M.P.	Moyale	Jubilee
27. Hon. Wangari Mwaniki, M.P.	Kigumo	Jubilee

Parliamentary Budget Office & Committee Secretariat

1. Ms. Phyllis Makau Director, Parliamentary Budget Office
2. Mr. Martin Masinde Senior Deputy Director, Parliamentary Budget Office
3. Mr. Fredrick Muthengi Chief Fiscal Analyst

Committee Secretariat

1. Mr. Joseph Ndirangu Fiscal Analyst II; Clerk, Budget and Appropriations Committee
2. Mr. Danson Kachumbo Fiscal Analyst II; Clerk, Budget and Appropriations Committee
3. Mr. Chacha Machage Fiscal Analyst II; Clerk, Budget and Appropriations Committee

Examination of the Division of Revenue Bill (National Assembly Bill No. 3 of 2020)

Mr. Speaker, The Division of Revenue Bill (National Assembly Bill No. 3 of 2020) was read a first time during the afternoon sitting of Tuesday, March 10th, 2020. Pursuant to Standing Order 127(2), the Bill was committed to the Budget and Appropriations Committee and was reviewed in two sittings.

Mr. Speaker, given the prevailing conditions in the country and the guidelines relating to controlling the spread of the Coronavirus disease, the committee was unable to physically meet with the stakeholders. However, a call for memoranda was placed in newspapers on 12th March 2020 for the public to submit their views on the Bill. **Mr. Speaker,** I wish to inform this House that at the time of submission of this report, no memorandum on the Division of Revenue Bill had been received for consideration by the Committee.

At this juncture **Mr. Speaker,** I wish to highlight that the Division of Revenue Bill is the output of the review and finalization of the Budget Policy Statement and should therefore not be treated as other bills. Indeed, the policy underpinning the division of revenue was already subjected to substantial public hearing during the process of reviewing the Budget Policy Statement. Thus even without memoranda from the public on the Division of Revenue Bill, many key factors had already been considered.

Mr. Speaker, the Committee notes that the provisions under the DoRB, 2020 are in line with the House resolutions on the Budget Policy Statement and the Debt Management Strategy for 2020/21 and the medium term. This is in accordance with the provisions of Standing Order 232(8) (a).

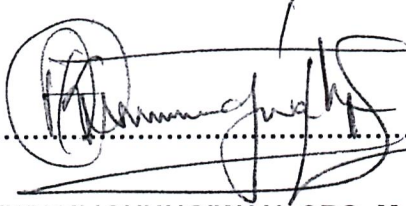
Mr. Speaker, on behalf of the Committee and Pursuant to the Standing Orders 199(6) of the National Assembly, it is therefore my pleasant duty and privilege, to table this report on the Division of Revenue Bill (National Assembly Bill no. 3 of 2020) for consideration and approval by the House.

Acknowledgements

Mr. Speaker, the Committee wishes to thank the Office of the Speaker, the office of the Clerk of the National Assembly, and the Parliamentary Budget office for the support extended in fulfilling this mandate of reviewing the Division of Revenue Bill (National Assembly Bill No. 3 of 2020).

Mr. Speaker, it is therefore my pleasant undertaking, on behalf of the Budget and Appropriations Committee, to table this report and recommend it to the House for adoption.

Signed:



HON. KIMANI ICHUNG'WAH, CBS, M.P.
CHAIRPERSON, BUDGET & APPROPRIATIONS COMMITTEE

Date:

17/03/2020.

A. INTRODUCTION

1. **Mr. Speaker**, the Division of Revenue Bill (National Assembly Bill No. 3 of 2020) provides for the sharing of revenue raised nationally between the national government and county governments for the financial year 2020/21 in accordance with Article 202, 203, 205 and 218 (2) of the Constitution. The revenue shared is calculated on the basis of the most recent audited accounts of revenue that have been approved by the National Assembly and is distributed equitably between the two levels of government then shared among counties using the formula approved under Article 217 of the Constitution. In this case, the latest audited revenues approved by Parliament relate to FY 2016/17 and stood at Kshs. 1,357.7 billion.
2. **Mr. Speaker**, apart from the sharable revenue, the Bill also sets out the indicative amounts for the conditional grants, the Road Maintenance Levy Fund, the Equalization fund and other allocations in the form of loans and grants.

B. HIGHLIGHTS OF THE DIVISION OF REVENUE BILL, 2020

3. **Mr. Speaker**, the total shareable revenue for FY 2020/21 is estimated at Kshs 1,856.7 billion and is allocated as follows;

i.	National Government	Kshs. 1.53 Trillion
ii.	County Government Equitable Share	Kshs 316.50 billion
iii.	GoK Conditional allocations	Kshs. 13.73 billion
iv.	Road Maintenance Fuel Levy Fund	Kshs. 9.43 billion
v.	Conditional allocations (loans & grants)	Kshs. 30.20 billion
vi.	Equalization Fund	Kshs 6.788 billion
4. **Mr. Speaker**, Article 202 of the Constitution sets the indicative methodology for sharing of the nationally raised revenue among the national and county governments. The proposed County Equitable Share for FY 2020/21 of Ksh. 316.5 billion is equivalent to 23.3 percent of the last approved audited revenues worth Ksh 1,357,698 million and is above the 15% set constitutional threshold.

5. **Mr. Speaker**, the following factors were also taken into consideration in calculating the County Governments' equitable revenue share allocation for FY 2020/21;
- a) Continued underperformance in ordinary revenue, which forms the base for the annual division of revenue;
 - b) The fact that the National Government continues to solely bear shortfalls in revenue in any given Financial Year;
 - c) A 10.3% projected contraction in National Government's net spending in FY 2020/21 vis-à-vis FY 2019/20; and
 - d) The proposal by the National Treasury that in case of higher revenue yield in FY 2020/21, it will be earmarked for CFS, specifically debt repayment and pensions.
6. **Mr. Speaker**, the Bill also provides for additional allocation to County Governments, either conditionally or unconditionally in line with the provisions of Article 202(2) of the Constitution. The Bill therefore proposes the allocation of Kshs. 23.16 billion for the following additional conditional allocations to support specific national policy objectives to be implemented by County Governments:
- a) Additional Conditional Allocation to facilitate the leasing of medical equipment of Ksh 6.205 billion;
 - b) Additional Conditional allocation for level-5 hospitals of Ksh. 4.3 billion;
 - c) Additional Conditional allocation of Ksh. 900 million to compensate county health facilities for user fees foregone;
 - d) Additional Conditional Allocation for Rehabilitation of Youth Polytechnics of Ksh. 2.0 billion;
 - e) Additional Conditional allocation to supplement county allocation for the construction of county headquarters of Ksh. 300 Million in five counties; and
 - f) Additional Conditional Allocation from the Road Maintenance Fuel Levy Fund of Ksh. 9.43 billion.

7. In addition **Mr. Speaker**, the following conditional allocations amounting to Ksh. 30.20 billion will be channeled to counties in the form of loans and grants;
- a) Transforming Health Systems for Universal Care Project conditional allocation of Ksh. 4.34 billion (World Bank credit);
 - b) DANIDA-Universal Healthcare for Devolved System Program of Ksh. 900 million;
 - c) National Agricultural and Rural Inclusive Growth Project; NARIGP of Ksh. 4.26 billion (World Bank credit);
 - d) Kenya Urban Support Program (KUSP) – Urban Development Grant (UDG) additional conditional allocation of Ksh.6.36 billion;
 - e) Kenya Devolution Support Program (KDSP) County Capacity Building (“level 1”) Grant of Ksh. 2.15 billion;
 - f) EU-Instruments for Devolution Advice and Support (IDEAS) grant of Ksh. 216 million;
 - g) IDA (World Bank) - Kenya Climate Smart Agriculture Project (KCSAP) of Ksh. 7.12 billion;
 - h) IDA – Water and Sanitation Development Project (WSDP) World Bank Credit of Ksh. 3.4 billion;
 - i) Agricultural Sector Development Support Programme (ASDSP) II- Ksh. 652 million;
 - j) EU- Water Tower Protection and Climate Change Mitigation and Adaptation Programme (WaTER) - Ksh. 528 million; and
 - k) Drought Resilience Programme in Northern Kenya (DRPNK) - Ksh. 300 million.
8. **Mr. Speaker**, though the importance of conditional allocations to counties cannot be gainsaid, I wish to bring to the attention of this House that lack of a proper policy framework has made it difficult to manage them and the status of some interventions is not clear. Furthermore, as reported in our report on the BPS, there isn't sufficient information provided on the rationale behind changes in some of the conditional grant allocations some of which have not been allocated any funds in the FY 2020/21. For instance, **Mr. Speaker**, the Kenya Devolution Support Program (KDSP) level 2 grant and Kenya Urban Support Program (KUSP) - UIG by the World Bank have not been allocated any resources for FY 2020/21 without any clear explanation. Furthermore, there appears to be no set timelines within which targeted outputs under the conditional grants are to be achieved.









9. **Mr. Speaker**, the Committee therefore noted that a report on the implementation of projects financed by conditional grants, particularly youth Polytechnique's and county headquarters, should be submitted to parliament to enable tracking of efficiency of use of resources. In addition, to the development of an implementation framework, this will increase transparency around the use of these resources and allow the requisite House to undertake adequate monitoring of the projects.
10. **Mr. Speaker**, in accordance with Article 187(2) of the Constitution, Schedule Four of the Constitution and Gazette Notice No. 1609 of 25th February 2020, specific functions of the Nairobi City County (NCC) were transferred to the National Government. The functions include;
- a) County Health Services that relate to: County health facilities and pharmacies, Ambulance services, Promotion of primary health care, Licensing and control of undertakings that sell food to the public among others.
 - b) County Transport Services that relate to: County roads, Street lighting, Traffic and parking, Public road transport, among others.
 - c) County Planning and Development Services that relate to: Statistics, Land survey and mapping, Boundaries and fencing, Housing and Electricity and gas reticulation and energy regulation.
 - d) County Public Works, Utilities and Ancillary services that relate to: Storm water management systems in built-up areas and Water and sanitation services.
11. **Mr. Speaker**, the Equitable share for Nairobi City County should therefore be set aside and arrangements put in place to ensure that the resources necessary for the performance of the function are transferred pursuant to Article 187 (2).



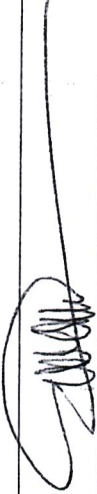



C. RECOMMENDATIONS

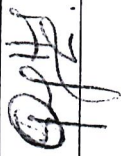
12. **Mr. Speaker**, having considered the above matters, the Committee recommends that this House approves the Division of Revenue Bill as follows:
- | | | |
|------|-----------------------------------|----------------------|
| i. | National Government | Kshs. 1.53 trillion; |
| ii. | County Government Equitable Share | Kshs 316.5 billion; |
| iii. | GoK Conditional allocations | Kshs. 13.73 billion; |

Members attendance list

Budget and Appropriations Committee: Date. 17.12.2020 Time..... Sitting:

Name	Signature
1. Hon. Kimani Ichung'wah, CBS, M.P- Chairperson	
2. Hon. (CPA) Moses Lessonet, M.P- Vice Chairperson	
3. Hon. (CPA) John Mbadi, EGH, CBS, M.P.	
4. Hon. Richard Onyonka, M.P.	
5. Hon. Samwel Moroto, M.P.	
6. Hon. Millie Odhiambo, M.P.	
7. Hon. Twalib Bady, M.P.	
8. Hon. (Dr.) Gideon Ochanda, M.P.	
9. Hon. James Mwangi Gakuya, M.P.	
10. Hon. (Dr.) Makali Mulu, M.P.	

Name	Signature
11. Hon. Moses Kiarie Kuria, M.P.	
12. Hon. Benard Masaka Shinali, M.P.	
13. Hon. John Muchiri Nyaga, M.P.	
14. Hon. Jude Njomo, M.P.	
15. Hon. (Dr.) Korei Ole Lemein, M.P.	
16. Hon. Sarah Paulata Korere, M.P.	
17. Hon. Naisula Lesuuda, M.P.	
18. Hon. Sakwa Bunyasi, M.P.	
19. Hon. Danson Mwashako, M.P.	
20. Hon. Fatuma Gedi Ali, CBS, M.P.	
21. Hon. Florence C.K. Bore, M.P.	
22. Hon. James Gichuki Mugambi, M.P.	
23. Hon. (Dr.) John K. Mutunga, M.P.	

Name	Signature
24. Hon. (Eng.) Mark Nyamita, M.P.	
25. Hon. Paul Abuor, M.P.	
26. Hon. Qalicha Gufu Wario, M.P.	
27. Hon. Wangari Mwaniki, M.P.	

Signed..... Date.....

Committee Clerk

Signed.....Date.....

Director of Committee Services

**MINUTES OF THE TWELFTH SITTING OF THE BUDGET AND
APPROPRIATIONS COMMITTEE HELD ON THURSDAY, 12TH MARCH
2020, AT SMALL DINING, NEW WING, MAIN PARLIAMENT BUILDING
AT 10.30 A.M.**

PRESENT:

- 1) **Hon. Kimani Ichung'wah, CBS, M.P. – Chairperson**
- 2) Hon. (CPA) John Mbadi, EGH, CBS, M.P.
- 3) Hon. Millie Odhiambo, M.P.
- 4) Hon. (Dr.) Makali Mulu, M.P.
- 5) Hon. James Mwangi Gakuya, M.P.
- 6) Hon. Richard Onyonka, M.P.
- 7) Hon. (Dr.) Korei Ole Lemein, M.P.
- 8) Hon. (Dr.) Gideon Ochanda, M.P.
- 9) Hon. Sarah Korere, M.P.
- 10) Hon. Sakwa Bunyasi, M.P.
- 11) Hon. Florence C. K. Bore, M.P.
- 12) Hon. (Dr.) John K. Mutunga, M.P.
- 13) Hon. Danson Mwashako, M.P.
- 14) Hon. Fatuma Gedi Ali, CBS, M.P.
- 15) Hon. Paul Abuor, M.P.
- 16) Hon. Qalicha Gufu Wario, M.P.

ABSENT WITH APOLOGY:

- 1) **Hon. (CPA) Moses Lessonet, M.P. – Vice Chairperson**
- 2) Hon. Samwel Moroto, M.P.
- 3) Hon. Bady Twalib Bady, M.P.
- 4) Hon. Jude Njomo, M.P.
- 5) Hon. Moses Kiarie Kuria, M.P.
- 6) Hon. John Muchiri Nyaga, M.P.
- 7) Hon. Naisula Lesuuda, OGW, M.P.
- 8) Hon. Benard Masaka Shinali, M.P.
- 9) Hon. James Gichuki Mugambi, M.P.
- 10) Hon. (Eng.) Mark Nyamita, M.P.
- 11) Hon. Wangari Mwaniki, M.P.

PARLIAMENTARY BUDGET OFFICE

- | | |
|---------------------------|-----------------------------|
| 1) Ms. Phyllis Makau, OGW | Director, PBO |
| 2) Mr. Martin Masinde | Senior Deputy Director, PBO |
| 3) Mr. Frederick Muthengi | Chief Fiscal Analyst |
| 4) Ms. Julie Mwithiga | Fiscal Analyst II |
| 5) Ms. Amran Yunis | Fiscal Analyst III |

COMMITTEE SECRETARIAT

- | | |
|------------------------|---------------------------|
| 1) Mr. Joseph Ndirangu | Fiscal Analyst II & Clerk |
| 2) Mr. Danson Kachumbo | Fiscal Analyst II |
| 3) Ms. Mercylyn Kerubo | Audio Officer |
| 4) Mr. George Mbaluka | Office Assistant |

AGENDA

1. Preliminaries & Confirmation of Agenda
2. Confirmation of Previous Minutes
3. Matters arising
4. *Briefing by Parliamentary Budget Office on: Division of Revenue Bill (DoRB) (National Assembly Bill No. 3 of 2020)*
5. *Briefing by Parliamentary Budget Office on: The National Treasury comments on the macro fiscal framework underpinning the FY 2020/21 Budget*
6. Any Other Business (A.O.B)

MIN. NO. NA/BAC/2020/45: PRELIMINARY

The Chairperson welcomed the committee members to the meeting and called the meeting to order at 11.00 a.m. Thereafter a prayer was said.

MIN. NO. NA/BAC/2020/46: CONFIRMATION OF THE PREVIOUS MINUTES

The committee confirmed and adopted minutes of the previous sitting held on Tuesday, 10th March 2020. Minutes to the 11th sitting were proposed by Hon. Sarah Korere, M.P. and seconded by Hon. (Dr.) Gideon Ochanda, M.P.

MIN. NO. NA/BAC/2020/47: BRIEFING BY PARLIAMENTARY BUDGET OFFICE ON DIVISION OF REVENUE BILL (DoRB) (NATIONAL ASSEMBLY BILL NO. 3 OF 2020)

The Chairperson welcomed the Parliamentary Budget Office to brief the Committee on the Division of Revenue Bill (DoRB) (National Assembly Bill No. 3 of 2020). The briefing highlighted the following:

1. Article 218 of the Constitution provides for the submission of the Division of Revenue Bill and the County Allocation of Revenue Bill to Parliament, at least two months before the end of each financial year. Further, section 191 of the Public Finance Management (PFM) Act, 2012, provides that each year when the Budget Policy Statement (BPS) is introduced, the Cabinet Secretary shall submit to Parliament a Division of Revenue Bill and County Allocation of Revenue Bill prepared by the National Treasury for the financial year to which that Budget relates.
2. The adoption of the BPS Report by both Houses paved way for the publication and subsequent introduction of the Division of Revenue Bill, 2020 in National Assembly. The Annual Division of Revenue Bill is an Act of Parliament to provide for the equitable division of revenue raised nationally between the national and county governments. The bill further sets out specific resources to be provided to counties as conditional grants and loans, and the Equalization Fund.

HIGHLIGHTS OF THE DIVISION OF REVENUE BILL, 2020

3. The Division of Revenue Bill (National Assembly Bills No. 3) was published on 9th March, 2020. The total shareable revenue is estimated at Kshs 1,856.7 billion. Therefore, from the forecasted revenue, the Bill makes the following
 - a) the National Government Kshs. 1,533.41 billion
 - b) Equitable Share Kshs 316.5 billion
 - c) GoK Conditional allocations Kshs. 13.73 billion;
 - d) Road Maintenance Fuel Levy Fund Kshs. 9.43 billion
 - e) Additional allocations (loans & grants) Kshs. 30.20 billion.
 - f) Equalization Fund – Kshs 6,788.49 billion

EQUITABLE SHARE OF REVENUE

4. Pursuant to Article 202 of the Constitution, the nationally raised revenue is shared equitably among the national and county governments. For financial year 2020/21 the equitable share is projected at Kshs 316.5 billion. The equitable share of the revenue raised nationally that is allocated to county governments shall be not less than fifteen per cent of all revenue collected by the national government and shall be calculated on the basis of the most recent audited accounts of revenue received, as approved by the National Assembly. The proposed Equitable Share for FY 2020/21 of Ksh. 316.5 billion is equivalent to 23.3 percent of the last audited accounts (**Ksh 1,357,698 million for FY 2016/17**) as approved by Parliament.
5. The following factors have been put into consideration in calculating the County Governments' equitable revenue share allocation for FY 2020/21;
- (i.) Continued underperformance in ordinary revenue, which forms the base for the annual division of revenue;
 - (ii.) The fact that the National Government continues to solely bear shortfalls in revenue in any given FY;
 - (iii.) There being a Ksh 161 billion funding gap in the FY 2019/20 budget;
 - (iv.) A 10.3% projected contraction in National Government's net spending in FY 2020/21 vis-à-vis FY 2019/20; and,
 - (v.) The proposal by National Treasury that the entire incremental revenue in FY 2020/21 be earmarked for CFS, specifically debt repayment and pensions.

GOK CONDITIONAL ALLOCATIONS TO COUNTY GOVERNMENTS

6. In line with the provisions of Article 202(2) of the Constitution that provides National Government may provide for additional allocation to County Governments from its share of revenue, either conditionally or unconditionally. The Bill, proposes to allocate Kshs. 23.16 billion for the following additional conditional allocations to support specific national policy objectives to be implemented by County Governments:
- (i.) Additional Conditional Allocation to facilitate the leasing of medical equipment of Ksh 6.205 billion.
 - (ii.) Additional Conditional allocation for level-5 hospitals of Ksh. 4.3 billion.

- (iii.) Additional Conditional allocation of Ksh. 900 million to compensate county health facilities for user fees foregone.
- (iv.) Additional Conditional Allocation for Rehabilitation of Youth Polytechnics of Ksh. 2.0 billion:
- (v.) Additional Conditional allocation to supplement county allocation for the construction of county headquarters of Ksh. 300 Million in five counties.
- (vi.) Additional Conditional Allocation from the Road Maintenance Fuel Levy Fund of Ksh. 9.43 billion.

ADDITIONAL CONDITIONAL ALLOCATIONS (LOANS & GRANTS)

7. These are conditional allocations from development partners which are disbursed through State Departments according to the respective financing agreements and in fulfilment of the set conditions. During the FY 2020/21, the following additional conditional allocations amounting to Kshs. 30.20 billion will be channeled to counties in the form of loans and grants;
- i. Transforming Health Systems for Universal Care Project conditional allocation of Ksh. 4.34 billion (World Bank credit
 - ii. DANIDA-Universal Healthcare for Devolved System Program of ksh. 900 million.
 - iii. National Agricultural and Rural Inclusive Growth Project; NARIGP of Ksh. 4.26 billion (World Bank credit).
 - iv. Kenya Urban Support Program (KUSP) – Urban Development Grant (UDG) additional conditional allocation of Ksh.6.36 billion
 - v. Kenya Devolution Support Program (KDSP) County Capacity Building (“level 1”) Grant of Ksh. 2.15 billion.
 - vi. EU-Instruments for Devolution Advice and Support (IDEAS) grant of Ksh. 216 million
 - vii. IDA (World Bank) - Kenya Climate Smart Agriculture Project (KCSAP) of Ksh. 7.12 billion
 - viii. IDA – Water and Sanitation Development Project (WSDP) World Bank Credit of ksh. 3.4 billion
 - ix. Agricultural Sector Development Support Programme (ASDSP) II- Ksh. 652 million
 - x. EU- Water Tower Protection and Climate Change Mitigation and Adaptation Programme (WaTER) - Ksh. 528 million

- xi. Drought Resilience Programme in Northern Kenya (DRPNK) - Ksh. 300 million

IMPLICATIONS OF THE NAIROBI CITY COUNTY TRANSFERRED FUNCTIONS

8. In accordance to Article 187(2) of the Constitution and Gazette Notice No. 1609 of 25th February 2020, some functions of the Nairobi City County (NCC) as given in schedule four of the Constitution were transferred to the National Government. The functions include;
- i.) **County Health Services:** This include: County health facilities and pharmacies, Ambulance services; Promotion of primary health care, Licensing and control of undertakings that sell food to the public; Veterinary services (excluding regulation of the profession), Cemeteries, funeral parlors and crematoria; Refuse removal, refuse dumps and solid waste disposal and County Transport Services;
 - ii.) **County Transport Services:** County roads; Street lighting; Traffic and parking; and Public road transport;
 - iii.) **County Planning and Development Services:** Statistics; Land survey and mapping; Boundaries and fencing; Housing and Electricity and gas reticulation and energy regulation;
 - iv.) **County Public Works, Utilities and Ancillary services:** Storm water management systems in built-up areas and Water and sanitation services
9. The Equitable share for Nairobi City County should therefore be set aside and arrangements put in place to ensure that the resources necessary for the performance of the function are transferred pursuant to Article 187 (2).

After the presentation, the Chairperson informed the Committee that he had an informal meeting with the Cabinet Secretary, the National Treasury on the Bill, the previous day. The Cabinet Secretary informed the Chairperson that on the issue of transfer of some functions of Nairobi City County Government to the National Government pursuant to Article 187(2) of the Constitution and Gazette Notice No. 1609 of 25th February 2020, the Executive would like to form a committee that will run the affairs of the county. Therefore, the equitable share for Nairobi won't

be transferred to the National Government but will rather remain at the County level.

COMMITTEE DELIBERATIONS

- i. Members of the Committee queried who will be held accountable if a committee is formed and questioned the legality of the formation of such a Committee. It was further observed that there is lack of clarity on arrangements put in place that ensure adequate resources for performance of the functions of the Nairobi City County Government (NCCG) transferred to National Government pursuant to Article 187(2) of the Constitution and Gazette Notice No. 1609 of 25th February 2020.
- ii. It was observed that there is lack of a clear policy framework on how to deal with conditional grants to counties. The National government has not provided timelines for the grants and the operations surrounding such grants are opaque such as the Rehabilitation of Youth Polytechnics.
- iii. In the FY 2020/21, the Kenya Devolution Support Program (KDSP) level 2 grant has not been allocated any resources while it had an allocation of Kshs. 4.89 billion in the FY 2019/20. In addition, the Kenya Urban Support Program (KUSP) - UIG by the World Bank had an allocation of Kshs. 396 million in the FY 2019/20 and has no allocation for the FY 2020/21.

After lengthy deliberations, the Committee resolved to invite the Cabinet Secretary, the National Treasury, Cabinet Secretary, Devolution & ASAL and the Attorney General in the next meeting that will be held on Tuesday, 17th March 2020, to deliberate further on the issues raised above.

MIN. NO. NA/BAC/2020/47: BRIEFING BY PARLIAMENTARY BUDGET OFFICE ON THE NATIONAL TREASURY COMMENTS ON THE MACRO FISCAL FRAMEWORK UNDERPINNING THE FY 2020/21 BUDGET

The Committee was informed that in a meeting held on 28th February, 2020 between the Budget and Appropriations Committee and the National Treasury on the 2020 Budget Policy Statement and the Medium Term Debt Strategy (MTDS), one of the critical issues that arose was on the lack of clarity of the fiscal framework underpinning the 2020 BPS. Specifically, the committee observed that the commercial financing is projected to increase from Kshs. 213.10 billion in FY 2019/20 to Kshs. 274.40 billion in FY 2020/21.

In the said meeting, the committee was concerned that this contradicted the government promise on the approval of the public debt ceiling of shifting from commercial loans to concessional loans. Further, an increase in commercial financing was a vulnerability to Kenya's debt sustainability. According to the most recent debt sustainability analysis, Kenya's vulnerability to liquidity risk remains high as indicated by a breach of the 30 percent threshold of the public debt service to revenue ratio and the 21 percent threshold of external debt service to export ratio in 2019 and in the medium term.

In this regard, it was agreed that the National Treasury should prepare and resubmit a clear fiscal framework indicating the amount of concessional, semi concessional and commercial loans; as well as clearly outlining the country's borrowing strategy that is realigned to the MTDS.

The presentation from Parliamentary Budget Office highlighted some key terms used in the fiscal framework and it was noted that it was critical that there is an agreement on the definition of those terms: -

- i. **Programme Financing:** This is mainly for budgetary support and are external finances not attached to any project. They can be in form of loans or grants, Appropriations in Aid or Revenue. They are often in form of concessional loans but can also be on semi-concessional terms.
- ii. **Commercial Financing:** This is external borrowing at market interest rates with a short-term pay-back period, no grace period and often between 2 to 7 years. This kind of financing is not easy to reschedule and this increases the repayment risk which is often emanates from

- exchange rate risk and interest rate risk. Ideally, it should be linked to specific projects as in the case of Zambia where the Eurobond was targeted at specific projects. Other forms of commercial financing are in form of sovereign bonds and syndicated bonds.
- iii. **Project Loans:** These are for specific projects in the budget and are often on concessional terms.
 - iv. **Net external borrowing:** This is the external borrowing that has netted out the external debt repayments.
 - v. **Deficit including/ excluding commitments:** This is the deficit that either includes or excludes expenditures (on-going obligations) that have been committed and are not limited to a specific financial year.
 - vi. **Deficit including/ excluding grants:** This is the deficit that either includes or excludes financial assistance for the budget by development partners, which is not paid back. It can be a project grant or a programme grant.
 - vii. **Deficit including accounting adjustments:** This is the deficit adjusted for anticipated expenditures that are yet to be captured or for revenues, but measures have been identified on how to raise revenues or reduce expenditures.

DETAILS OF THE REVISED FISCAL FRAMEWORK

The Public Finance Management (PFM) Act provides that the MTDS should be aligned to the broad strategic priorities and policy goals set out in the BPS, which therefore implies that the fiscal framework underpinning both the BPS and the MTDS should be the same. The 2020 MTDS provided the debt path of gross external financing at 28% and gross domestic borrowing at 72% which was different from what was indicated in the 2020 BPS where the financing requirements for FY 2020/21 comprised of 39% of domestic borrowing while external borrowing was at 61% of total new borrowing. This may point to a lack of ownership and commitment to make the numbers in the fiscal framework as key drivers of the budget.

The response provided by the National Treasury indicates that in FY 2019/20, the government plans on not accessing any commercial financing as had been planned but will instead access Development Policy Operation (DPO) financing from the World Bank of Kshs. 75 Billion and run down its deposits of Kshs. 105.70 billion.

Therefore, the following adjustments in the financing of the deficit have been made, however, the overall financing of the deficit remains the same as was provided in the 2020 Budget Policy Statement: -

- a) A reduction in the commercial financing from Kshs. 213.1 billion to Kshs. 13.1 billion in FY 2019/20 and further to almost zero in 2020/21 and the medium term.
- b) An introduction of a new category in the fiscal framework known as semi-concessional and other loans with allocations in FY 2020/21 and the medium term.
- c) A combination of programme loans with other concessional loans and an increase in the amount for FY 2019/20, FY 2020/21 and the medium term.
- d) An increase in other domestic financing in FY 2019/20 from Kshs. 3.2 billion to Kshs. 108.9 billion.

The following are some key observations on the adjusted framework on financing the deficit-

- a) **Development Policy Operation (DPO):** The adjustments to the fiscal framework from commercial financing are partly on account of access to DPO financing. According to the World Bank¹, Kenya's access to the first Development Policy Operation (DPO) with the World Bank was approved in May, 2019 for an amount of 750 Million USD in IDA credits and was for supporting the Big Four Agenda priorities under Food Security, Universal Health Coverage, Manufacturing and Affordable Housing. Therefore, this financing should fall under the category of project loans and before these resources are disbursed by the World Bank, there are specific key performance indicators that have to be met in the implementation of the budget.
- b) **Commercial Financing:** The reduction in the commercial debt to almost zero in the fiscal framework is inconsistent with the borrowing strategy in the MTDS which indicates that the composition of debt in the medium-term will have an increasing component of commercial financing from 4% in MTDS 2019 to 13% in MTDS 2020. In addition, it is not clear which type of debt reorganization has been used to spread the commercial financing that had been indicated in the 2020 BPS

between programme & other concessional loans and semi-concessional loans. According to the GFS Manual 2014, debt reorganization can be under the following four main types-

- **Debt forgiveness**-which is a reduction in the amount of, or the extinguishing of, a debt obligation by the creditor via a contractual arrangement with the debtor.
 - **Debt rescheduling or refinancing**- which is a change in the terms and conditions of the amount owed, which may result in a reduction in debt burden in present value terms.
 - **Debt conversion and debt prepayment**- where the creditor exchanges the debt claim for something of economic value, other than another debt claim, on the same debtor; examples of debt conversion are debt-for equity swaps, debt-for-real-estate swaps, debt for- development swaps, and debt-for-nature swaps.
 - **Debt assumption**- when a third party is also involved.
- c) **Programme Financing:** Programme financing can be in form of concessional or semi-concessional loans, therefore, it is not clear why in the adjustment there is a separate category of semi-concessional loans and other loans.
- d) **An increase in domestic borrowing:** The adjustment in other domestic borrowing for FY 2019/20 by Kshs. 105.7 billion to partly cover the reduction in commercial financing from Kshs. 213.1 billion to Kshs. 13.1 billion implies that the policy of reducing domestic debt will not be met.
- e) **Credibility of the fiscal framework:** The fiscal framework underpinning the Budget Policy Statement and the Budget Estimates should be held in high regard. Adjustments to the fiscal framework after the submission of the Budget Policy Statement questions the credibility and transparency of the macro-fiscal framework and the country's debt strategy.

After lengthy deliberations, the Secretariat was tasked to in the Cabinet Secretary to attend a meeting with the Committee during its Post Budget

Policy Statement retreat scheduled 23rd to 26th March 2020 to discuss further the revised fiscal framework that was submitted to Parliament.

MIN.NO.NA/BAC/2020/48: ANY OTHER BUSINESS & ADJOURNMENT

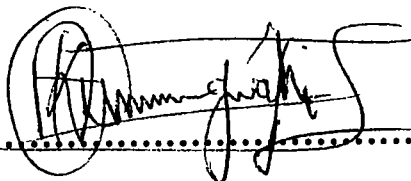
UNDER MIN.NO.NA/BAC/2020/39: FORMATION OF MONITORING AND EVALUATION SUBCOMMITTEE

The Director, Parliamentary Budget Office informed the Committee that after consulting with the Clerk of the National Assembly and the Director, Committee Services, the office could not dispatch the letter inviting the Cabinet Secretary for Transport, Infrastructure, Housing and Urban Development to discuss budget implementation under his ministry. This would violate National Assembly Standing Orders as this mandate is for Departmental Committee on Transport, Public Works and Housing.

After a lengthy deliberation on the matter, the Committee resolved that during the planned retreat with the Cabinet Secretary, National Treasury to discuss FY 2019/20 Budget Implementation, he should be accompanied by Cabinet Secretary for Transport, Infrastructure, Housing and Urban Development. This will enable the Committee to discuss issues surrounding budget implementation under the Ministry of Transport without violating Standing Orders.

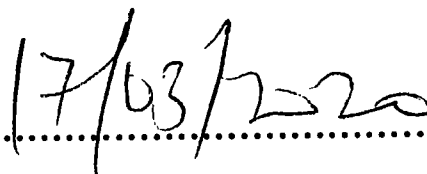
There being no other matters to consider, the meeting was adjourned at 1.00 p.m. The next sitting will be held on Tuesday, 17th March, 2020 at 9:30 a.m.

SIGNED



HON. KIMANI ICHUNG'WAH, CBS, M.P.

CHAIRPERSON, BUDGET AND APPROPRIATIONS COMMITTEE



DATE

MINUTES OF THE 13th SITTING OF THE BUDGET AND APPROPRIATIONS COMMITTEE HELD ON TUESDAY, 17th MARCH 2020, AT SMALL DINING, NEW WING, MAIN PARLIAMENT BUILDING AT 10.00 A.M.

PRESENT:

- 1) **Hon. Kimani Ichung'wah, CBS, M.P. – Chairperson**
- 2) **Hon. (CPA) Moses Lessonet, M.P. – Vice Chairperson**
- 3) Hon. (CPA) John Mbadi, EGH, CBS, M.P.
- 4) Hon. Samwel Moroto, M.P.
- 5) Hon. Millie Odhiambo, M.P.
- 6) Hon. Moses Kiarie Kuria, M.P.
- 7) Hon. (Dr.) Makali Mulu, M.P.
- 8) Hon. Benard Masaka Shinali, M.P.
- 9) Hon. Bady Twalib Bady, M.P.
- 10) Hon. (Dr.) Korei Ole Lemein, M.P.
- 11) Hon. (Dr.) Gideon Ochanda, M.P.
- 12) Hon. James Gichuki Mugambi, M.P.
- 13) Hon. Florence C. K. Bore, M.P.
- 14) Hon. Qalicha Gufu Wario, M.P.
- 15) Hon. Fatuma Gedi Ali, CBS, M.P

ABSENT WITH APOLOGY:

- 1) Hon. James Mwangi Gakuya, M.P.
- 2) Hon. Richard Onyonka, M.P.
- 3) Hon. Sarah Korere, M.P.
- 4) Hon. Naisula Lesuuda, OGW, M.P.
- 5) Hon. John Muchiri Nyaga, M.P.
- 6) Hon. Sakwa Bunyasi, M.P.
- 7) Hon. Danson Mwashako, M.P.
- 8) Hon. Paul Abuor, M.P.
- 9) Hon. Benard Masaka Shinali, M.P.
- 10) Hon. (Dr.) John K. Mutunga, M.P.
- 11) Hon. Wangari Mwaniki, M.P.

- 12) Hon. (Eng.) Mark Nyamita, M.P.
- 13) Hon. Jude Njomo, M.P.

PARLIAMENTARY BUDGET OFFICE

- | | |
|---------------------------|-----------------------------|
| 1) Ms. Phyllis Makau, OGW | Director, PBO |
| 2) Mr. Martin Masinde | Senior Deputy Director, PBO |

COMMITTEE SECRETARIAT

- | | |
|------------------------|---------------------------|
| 1) Mr. Joseph Ndirangu | Fiscal Analyst II & Clerk |
| 2) Mr. James Chacha | Fiscal Analyst II |
| 3) Mr. Danson Kachumbo | Fiscal Analyst II |
| 4) Ms. Nimord Ochieng | Audio Officer |
| 5) Mr. Benard Omondi | Sergeant at Arms |
| 6) Mr. Joram Barasa | Office Assistant |

AGENDA

1. Preliminaries & Confirmation of Agenda
2. Confirmation of Previous Minutes
3. *Discussion and Adoption of the Committee draft report on the Division of Revenue Bill, (National Assembly Bill. No3 of 2020)*
4. Any Other Business (A.O.B)

MIN. NO. NA/BAC/2020/49: PRELIMINARY

The Chairperson welcomed the committee members to the meeting and called the meeting to order at 10.30 a.m. Thereafter a prayer was said.

MIN. NO. NA/BAC/2020/50: CONFIRMATION OF THE PREVIOUS MINUTES

The committee confirmed and adopted minutes in the following manner: Minutes to the 12th sitting were proposed by Hon. John Mbadi, M.P. and seconded by *Hon. (Dr.) Makali Mulu, M.P.*

MIN. NO. NA/BAC/2020/51: MATTERS ARISING

UNDER MIN. NO. NA/BAC/2020/47: SUBMISSION FROM THE NATIONAL TREASURY, MINISTRY OF DEVOLUTION & ASAL AND THE OFFICE OF ATTORNEY GENERAL

It was noted that the Cabinet Secretary, the National Treasury, Cabinet Secretary, Devolution & ASAL and the Attorney General had sent apologies.

MIN. NO. NA/BAC/2020/51: DISCUSSION AND ADOPTION OF THE COMMITTEE DRAFT REPORT ON THE DIVISION OF REVENUE BILL, (NATIONAL ASSEMBLY BILL. NO.3 OF 2020)

The Chairperson welcomed the Parliamentary Budget Office to brief the Committee on the Draft Report. After deliberations, the Committee **ADOPTED** the following report:

A. INTRODUCTION

1. **Mr. Speaker**, the Division of Revenue Bill (National Assembly Bill No. 3 of 2020) provides for the sharing of revenue raised nationally between the national government and county governments for the financial year 2020/21 in accordance with Article 202, 203, 205 and 218 (2) of the Constitution. The revenue shared is calculated on the basis of the most recent audited accounts of revenue that have been approved by the National Assembly and is distributed equitably between the two levels of government then shared among counties using the formula approved under Article 217 of the Constitution. In this case, the latest audited revenues approved by Parliament relate to FY 2016/17 and stood at Kshs. 1,357.7 billion.
2. **Mr. Speaker**, apart from the sharable revenue, the Bill also sets out the indicative amounts for the conditional grants, the Road Maintenance Levy Fund, the Equalization fund and other allocations in the form of loans and grants.

B. HIGHLIGHTS OF THE DIVISION OF REVENUE BILL, 2020

3. **Mr. Speaker**, the total shareable revenue for FY 2020/21 is estimated at Kshs 1,856.7 billion and is allocated as follows;

i. National Government	Kshs. 1.53 Trillion
ii. County Government Equitable Share	Kshs 316.50 billion
iii. GoK Conditional allocations	Kshs. 13.73 billion
iv. Road Maintenance Fuel Levy Fund	Kshs. 9.43 billion
v. Conditional allocations (loans & grants)	Kshs. 30.20 billion
vi. Equalization Fund	Kshs 6.788 billion

4. **Mr. Speaker**, Article 202 of the Constitution sets the indicative methodology for sharing of the nationally raised revenue among the national and county governments. The proposed County Equitable Share for FY 2020/21 of Ksh. 316.5 billion is equivalent to 23.3 percent of the last approved audited revenues worth Ksh 1,357,698 million and is above the 15% set constitutional threshold.

5. **Mr. Speaker**, the following factors were also taken into consideration in calculating the County Governments' equitable revenue share allocation for FY 2020/21;

- a) Continued underperformance in ordinary revenue, which forms the base for the annual division of revenue;
- b) The fact that the National Government continues to solely bear shortfalls in revenue in any given Financial Year;
- c) A 10.3% projected contraction in National Government's net spending in FY 2020/21 vis-à-vis FY 2019/20; and
- d) The proposal by the National Treasury that in case of higher revenue yield in FY 2020/21, it will be earmarked for CFS, specifically debt repayment and pensions.

6. **Mr. Speaker**, the Bill also provides for additional allocation to County Governments, either conditionally or unconditionally in line with the provisions of Article 202(2) of the Constitution. The Bill therefore proposes the allocation of Kshs. 23.16 billion for the following additional conditional allocations to support specific national policy objectives to be implemented by County Governments:

- a) Additional Conditional Allocation to facilitate the leasing of medical equipment of Ksh 6.205 billion;
- b) Additional Conditional allocation for level-5 hospitals of Ksh. 4.3 billion;
- c) Additional Conditional allocation of Ksh. 900 million to compensate county health facilities for user fees foregone;
- d) Additional Conditional Allocation for Rehabilitation of Youth Polytechnics of Ksh. 2.0 billion;
- e) Additional Conditional allocation to supplement county allocation for the construction of county headquarters of Ksh. 300 Million in five counties; and
- f) Additional Conditional Allocation from the Road Maintenance Fuel Levy Fund of Ksh. 9.43 billion.

7. In addition, **Mr. Speaker**, the following conditional allocations amounting to Ksh. 30.20 billion will be channeled to counties in the form of loans and grants;

- a) Transforming Health Systems for Universal Care Project conditional allocation of Ksh. 4.34 billion (World Bank credit);
- b) DANIDA-Universal Healthcare for Devolved System Program of Ksh. 900 million;
- c) National Agricultural and Rural Inclusive Growth Project; NARIGP of Ksh. 4.26 billion (World Bank credit);

- d) Kenya Urban Support Program (KUSP) – Urban Development Grant (UDG) additional conditional allocation of Ksh.6.36 billion;
- e) Kenya Devolution Support Program (KDSP) County Capacity Building (“level 1”) Grant of Ksh. 2.15 billion;
- f) EU-Instruments for Devolution Advice and Support (IDEAS) grant of Ksh. 216 million;
- g) IDA (World Bank) - Kenya Climate Smart Agriculture Project (KCSAP) of Ksh. 7.12 billion;
- h) IDA – Water and Sanitation Development Project (WSDP) World Bank Credit of Ksh. 3.4 billion;
- i) Agricultural Sector Development Support Programme (ASDSP) II- Ksh. 652 million;
- j) EU- Water Tower Protection and Climate Change Mitigation and Adaptation Programme (WaTER) - Ksh. 528 million; and
- k) Drought Resilience Programme in Northern Kenya (DRPNK) - Ksh. 300 million.

8. **Mr. Speaker**, though the importance of conditional allocations to counties cannot be gainsaid, I wish to bring to the attention of this House that lack of a proper policy framework has made it difficult to manage them and the status of some interventions is not clear. Furthermore, as reported in our report on the BPS, there isn't sufficient information provided on the rationale behind changes in some of the conditional grant allocations some of which have not been allocated any funds in the FY 2020/21. For instance, **Mr. Speaker**, the Kenya Devolution Support Program (KDSP) level 2 grant and Kenya Urban Support Program (KUSP) - UIG by the World Bank have not been allocated any resources for FY 2020/21 without any clear explanation. Furthermore, there appears to be no set

timelines within which targeted outputs under the conditional grants are to be achieved.

9. **Mr. Speaker**, the Committee therefore noted that a report on the implementation of projects financed by conditional grants, particularly youth Polytechnique's and county headquarters, should be submitted to parliament to enable tracking of efficiency of use of resources. In addition, to the development of an implementation framework, this will increase transparency around the use of these resources and allow the requisite House to undertake adequate monitoring of the projects.

10. **Mr. Speaker**, in accordance with Article 187(2) of the Constitution, Schedule Four of the Constitution and Gazette Notice No. 1609 of 25th February 2020, specific functions of the Nairobi City County (NCC) were transferred to the National Government. The functions include;
 - a) County Health Services that relate to: County health facilities and pharmacies, Ambulance services, Promotion of primary health care, Licensing and control of undertakings that sell food to the public among others.
 - b) County Transport Services that relate to: County roads, Street lighting, Traffic and parking, Public road transport, among others.
 - c) County Planning and Development Services that relate to: Statistics, Land survey and mapping, Boundaries and fencing, Housing and Electricity and gas reticulation and energy regulation.
 - d) County Public Works, Utilities and Ancillary services that relate to: Storm water management systems in built-up areas and Water and sanitation services.

11. **Mr. Speaker**, the Equitable share for Nairobi City County should therefore be set aside and arrangements put in place to ensure that the resources necessary for the performance of the function are transferred pursuant to Article 187 (2).

C. RECOMMENDATIONS

12. **Mr. Speaker**, having considered the above matters, the Committee recommends that this House approves the Division of Revenue Bill as follows:

- | | | |
|------|--|--------------------------|
| i. | National Government | Kshs. 1.53 trillion; |
| ii. | County Government Equitable Share | Kshs 316.5 billion; |
| iii. | GoK Conditional allocations | Kshs. 13.73 billion; |
| iv. | Road Maintenance Fuel Levy Fund | Kshs. 9.43 billion; |
| v. | Conditional allocations (loans & grants) | Kshs. 30.20 billion; and |
| vi. | Equalization Fund | Kshs 6.788 billion. |

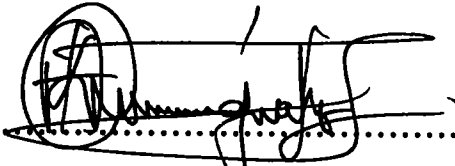
Finally, **Mr. Speaker**, the Committee requests that this House approves the Division of Revenue Bill, 2020 to be read a second time. Thank you.

The committee noted that a report on the implementation of projects financed by conditional grants, particularly youth Polytechnique's and county headquarters, should be submitted to parliament to enable tracking of efficiency of use of resources. In addition, to the development of an implementation framework, this will increase transparency around the use of these resources and allow the requisite House to undertake adequate monitoring of the projects. In particular, framework for implementation

MIN.NO.NA/BAC/2020/52: ANY OTHER BUSINESS & ADJOURNMENT

There being no other matters to consider, the meeting was adjourned at 12.00 p.m. The next sitting will be communicated later.

SIGNED



.....
HON. KIMANI ICHUNG'WAH, CBS, M.P.
CHAIRPERSON, BUDGET AND APPROPRIATIONS COMMITTEE

.....
17/03/2020

DATE

Approved for tabling

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OF KENYA
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THE NATIONAL ASSEMBLY
PAPERS LAID

REPUBLIC OF KENYA

DATE: 22 APR 2020

DAY:
WED

TABLED
BY:

CHAIR, BAC
HON ICHUNG'WA

CLERK AT
TABLE:

THE NATIONAL ASSEMBLY

TWELFTH PARLIAMENT

FOURTH SESSION

THE BUDGET AND APPROPRIATIONS COMMITTEE REPORT ON THE SECOND SUPPLEMENTARY
ESTIMATES FOR THE FINANCIAL YEAR 2019/2020

APRIL 2020

PREFACE

Mr. Speaker, in accordance with Article 223 of the Constitution, Section 44 of the Public Finance Management Act, 2012, PFM Regulation 40 and Standing Orders 243; It is my pleasure to present to this House, on behalf of the Members of the Budget and Appropriations Committee, the Committee's Report on the Second Supplementary Estimates for financial year 2019/2020.

Mandate of the Committee

Mr. Speaker, 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. Pursuant to this constitutional provision, Standing Order 207 established the Budget and Appropriations Committee with specific mandates among which is to:

1. Investigate, inquire into and report on all matters relating to coordination, control and monitoring of the national budget;
2. Discuss and review the Estimates and make recommendations to the House;
3. Examine the Budget Policy Statement, the Medium Term Debt Strategy Paper and the Division of Revenue Bill (DoRB) presented to the House;
4. Examine Bills related to the national budget, including the Appropriations Bill; and
5. Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays.

Mr. Speaker, the Budget and Appropriations Committee as currently constituted comprises of the following Honourable Members of Parliament:

Member	Constituency	Party
1. Hon. Kimanilchung'wah, CBS, M.P- Chairperson	Kikuyu	Jubilee
2. Hon. Moses Lessonet, M.P- Vice Chairperson	Eldama Ravine	Jubilee
3. Hon. CPA John Mbadi, EGH, CBS, M.P.	Suba South	ODM
4. Hon. Richard Onyonka, M.P.	KitutuChache South	Ford Kenya
5. Hon. SamwelMoroto, M.P.	Kapenguria	Jubilee
6. Hon. Millie Odhiambo, M.P.	Suba North	ODM
7. Hon. TwalibBady, M.P.	Jomvu	ODM
8. Hon. (Dr.) Gideon Ochanda, M.P.	Bondo	ODM
9. Hon. James MwangiGakuya, M.P.	Embakasi North	Jubilee
10. Hon. (Dr.) MakaliMulu Benson, M.P.	Kitui Central	Wiper
11. Hon. Moses KiarieKuria, M.P.	Gatundu South	Jubilee
12. Hon. BenardMasakaShinali, M.P.	Ikolomani	Jubilee
13. Hon. John MuchiriNyaga, M.P.	Manyatta	Jubilee

14. Hon. Jude Njomo, M.P.	Kiambu Town	Jubilee
15. Hon. (Dr.) Korei Ole Lemein, M.P.	Narok South	Jubilee
16. Hon. Sarah PaulataKorere, M.P.	Laikipia North	Jubilee
17. Hon. NaisulaLesuuda, OGW, M.P.	Samburu West	KANU
18. Hon. SakwaBunyasi, M.P.	Nambale	ANC
19. Hon. DansonMwashako, M.P.	Wundanyi	Wiper
20. Hon. FatumaGedi Ali, M.P.	Wajir County	PDR
21. Hon. Florence Chepng'etichKoskey Bore, M.P.	Kericho County	Jubilee
22. Hon. James GichukiMugambi, M.P.	Othaya	Jubilee
23. Hon. (Dr.) John K. Mutunga, M.P.	Tigania West	Jubilee
24. Hon. (Eng.) Mark Nyamita, M.P.	Urii	ODM
25. Hon. Paul Abuor, M.P.	Rongo	ODM
26. Hon. QalichaGufuWario, M.P.	Moyale	Jubilee
27. Hon. WangariMwaniki, M.P.	Kigumo	Jubilee

Parliamentary Budget Office

1. Ms. Phyllis Makau, OGW	Director, Parliamentary Budget Office
2. Mr. Martin Masinde	Senior Deputy Director, PBO
3. Mr. Joseph Ndirangu	Fiscal Analyst II/ Clerk
4. Mr. Danson Kachumbo	Fiscal Analyst II/ Clerk
5. Dr. Abel Nyagwachi	Fiscal Analyst III

Examination of the Second Supplementary Estimates for Financial Year 2019/2020

Mr. Speaker, thesecond supplementary budget of FY 2019/2020is being processed at a unique time when the country is grappling with a global health pandemic that has brought the economy to a near standstill. This has necessitated significant budgetary adjustmentsin order to reflect the new economic reality. To this extent, the second supplementary estimates for 2019/2020 were tabled on 14th April 2020and committed to theBudget and Appropriations Committee as well as the Departmental Committeesforreview in line with their respective mandates.The Departmental Committees reviewed the budgets of the various Ministries, Departments and Agencies within their purview and submitted their recommendations to the Budget and Appropriations Committee for consideration and inclusion in this report. TheCommittee has examined and discussed the estimates along with the departmental committee submissions and has made various recommendations which arecontained in this report. If approved by the House, these recommendations will form the basis for the passage of theSecond Supplementary Appropriation Bill for financial year 2019/2020.

Mr. Speaker, in reviewing the Second Supplementary Estimates for 2019/2020, the Committee held 5 Sittings including one (1) meeting with the National Treasury.

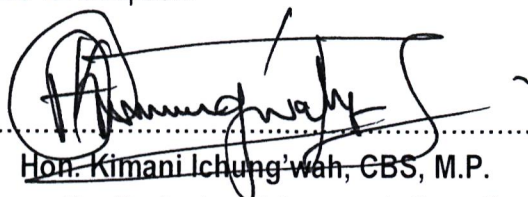
Acknowledgements

Mr. Speaker, the Budget and Appropriations Committee is indebted to the Departmental Committees and all Members of Parliament who, despite the difficulty presented by the restrictions on movement, the social distancing measures and of course the health risks for all involved, committed fully to the process to ensure that Parliament lives up to its budgetary oversight role in line with the requirements of the Public Finance Management (PFM) Act, 2012 and the Constitution.

Equally, the Committee is grateful to the Office of the Speaker of the National Assembly, the Office of the Clerk of the National Assembly and the Parliamentary Budget Office as well as the clerks of the various departmental committees for their commitment and dedication in ensuring that the Members of Parliament are able to continue working seamlessly despite the significant disruption in our daily operations.

Mr. Speaker, on behalf of the Committee and pursuant to Standing Order 199(6), it is my pleasant duty and privilege to table the Report on the Second Supplementary Estimates for FY 2019/2020 and recommend it to the House for adoption.

Signed:



Hon. Kimani Ichung'wah, CBS, M.P.

Chairperson, the Budget and Appropriations Committee

Date:

21/4/2020

I. OVERVIEW OF THE SECOND SUPPLEMENTARY ESTIMATES FOR 2019/2020

- 1) **Mr. Speaker**, the second supplementary estimates for financial year 2019/2020 was submitted to the National Assembly on 14th April 2020. This supplementary budget has been necessitated by the new economic reality following the COVID 19 pandemic that has dampened economic activities leading to significant revenue underperformance. As such, the main purpose of the supplementary II estimates for 2019/20 is to address COVID 19 related expenditures, provisions to mitigate the effect of floods, pending bills, tax refunds, salary shortfalls and job evaluation arrears. Furthermore, the supplementary budget also targets to scale down expenditures in order to achieve the targeted overall fiscal deficit level.
- 2) **Mr. Speaker**, it should be noted that in order to mitigate the adverse impact of the pandemic on the economy, the President pronounced a wide range of measures to stimulate economic activity; some of them relating to areas of taxation entailing reduced rates in the income tax, value added tax and turnover tax. The Parliamentary Budget Office (PBO) has estimated that implementation of these measures will result in the government forfeiting approximately Kshs.122 billion leading to even lower revenue collection. Thus it is very necessary for the national government to adjust its expenditures in order to reflect this new economic reality.
- 3) Let me just state **Mr. Speaker** that for the very first time, a second supplementary budget within a single financial year is actually justifiable. The ripple effect of the global health pandemic on the Kenyan economy has resulted in reduced export earnings, declining Diaspora remittances, reduced foreign capital inflows and lower development assistance. Furthermore, **Mr. Speaker**, industries that rely on imported raw materials and intermediate goods have experienced a sudden disruption in their supply chains. Indeed, the declining purchasing power of consumers, low profitability, business uncertainty and reduced working hours, have led many businesses to scale down their operations. Many hotels and restaurants have closed down and transportation, especially, air and rail, is at a near standstill and recording significant losses. Agricultural production has also been adversely affected due to shortage of labour as well as difficulty in accessing seeds and fertilizers. As a result, **Mr. Speaker**, the country has suffered immense revenue loss and the expenditure projections for the current financial year are no longer valid.
- 4) We should also not forget **Mr. Speaker**, that due to the prevailing challenges, unemployment has gone up and the urban population living below the poverty line is expected to increase in the coming months. Small businesses such as salons and barber shops, shoe shining, domestic work, roadside eateries and second hand clothing (*mitumba*) businesses among others are just but a fraction of low income jobs that are almost shutting down completely as people practice social distancing and isolation for fear of infection. Many of these businesses are daily

wage earners and will require some form of support from the government in order to meet their basic needs.

II. ADHERENCE TO LEGAL PROVISIONS

- 5) **Mr. Speaker**, the format, structure and content of the supplementary budget is enshrined in legal documents, namely; the Constitution, the Public Finance Management (PFM) Act, 2012 and the PFM regulations. Though the supplementary II budget for 2019/2020 has broadly adhered to the legal provisions, the Committee observed a few gaps particularly with regard to format, content and analysis of impact of some of the proposed budgetary changes.
- 6) Just to highlight, **Mr. Speaker**, the committee observed that some programme reallocations exceed the 10 percent threshold contrary to section 43(2)(c) of the PFM Act. It should be noted however that the National Treasury has acknowledged this infraction and is seeking special approval from parliament in accordance with article 223(5) of the constitution. Another concern is the introduction of new programmes/projects contrary to PFM regulation 40(8) which states that no new programmes /projects are to be introduced in the Supplementary Budget. There is a new project under the State Department of Transport, namely; Rehabilitation of The Nairobi - Nanyuki MGR Branch Line. Also, there are new projects under the Ministry of water, sanitation and irrigation, namely; construction/rehabilitation of water pans in Arid and Semi-Arid areas; drilling of boreholes and installation of water tanks in Nairobi, among others.
- 7) **Mr. Speaker**, many of the programmes affected by expenditure adjustments under the supplementary II budget do not have an analysis of the fiscal impact of the additional/ reduced expenditure for the planned outcomes of the affected programmes. Indeed, **Mr. Speaker**, Key Performance Indicators (KPIs) and targets of the affected programs have not been revised under the Program Based Budget (PBB) to reflect the impact of the proposed budgetary adjustments. For instance, despite the reduction of Kshs.9.4 billion from the rollout of UHC allocation, the KPIs and the targets remain the same.

III. KEY PROPOSED CHANGES UNDER THE SECOND SUPPLEMENTARY ESTIMATES 2019/2020

- 8) **Mr. Speaker**, in overall terms, the second supplementary budget proposes a reduction in expenditure by **Kshs.74.39 billion**. This reduction has been effected primarily on the development budget which has been reduced by **Kshs.98.73 billion**. Though this has been necessitated by the quest to remain within the targeted overall deficit (including grants) level

set at 7.8 percent of GDP, it may have an adverse impact on project implementation and will very likely lead to pending bills accumulation, especially with regard to ongoing projects where commitment has already taken place. This is despite the recent government efforts as evidenced in the 1st Supplementary budget to settle all pending bills.

- 9) As part of the COVID 19 mitigation strategy **Mr. Speaker**, the committee notes that the Ministry of Health has been allocated Kshs.1 billion for the recruitment of additional health workers in line with the President's directive and Kshs.2.6 billion in external funding for the Kenya COVID 19 emergency response project whose main target is to test and treat 100,000 persons of the COVID 19 disease. Furthermore, Kshs.9.994 billion has been allocated under the national safety net programme towards the Cash Transfer to Older Persons and the Orphans and Vulnerable Children project. The number of older persons (**over 70 years**) supported will increase from **833, 000** to **1 million** persons whereas the number of vulnerable children to be supported has been reduced from 393,000 to 390,500.
- 10) **Mr. Speaker**, other than these interventions highlighted above, the committee is concerned that the response to COVID-19 through the budget is somewhat muted. Bulk of the expenditure increment in the Supplementary budget is apparently to address shortfall in personnel emoluments on account of job evaluation and CBA agreements as well as settling of pending bills. The national health institutions at the forefront of the COVID 19 responses such as the referral hospitals and KEMRI have been allocated very little additional resources. These facilities may be overstretched and will certainly require additional budgetary support in the next two months. In addition, one would have expected a more significant support to manufacturing especially as local industries endeavor to produce face masks, PPE kits and other requisite materials. Indeed, now is probably the best time for the country to look inwards and replace imports with local manufacturing where such expertise exists.
- 11) **Mr. Speaker**, it should also be noted that the expenditure adjustments in the supplementary II budget have resulted in a policy shift from the Big Four plan. The Universal Health Coverage (UHC) program has been deducted Kshs.1.85 billion in line with the president's directive to reallocate the funds towards recruitment of additional health workers and enhanced social safety net among other needs. In addition, the seed money for the National Housing Development Fund has been removed. Indeed, resources allocated to big four projects under the State Department for Public Works have been slashed substantially. Even with austerity measures, it is important for the policy agenda of the budget to continue being reflected otherwise the budgeting process might lose credibility.

IV. FINANCING OF THE SUPPLEMENTARY II ESTIMATES 2019/2020 AND THE CONSOLIDATED FUND SERVICES

- 12) **Mr. Speaker**, the supplementary II budget figures indicate FY 2019/20 will close with a fiscal deficit (including grants) of Kshs.835.9 billion. This is against a background of low revenue generation capacity occasioned by the recent economic developments, including the negative impact of Covid-19 pandemic. Indeed, recent statistics as at March 2020 indicate that ordinary revenue collection is below target by Kshs.132.3 billion. This coupled with an additional Kshs.100 billion under the CFS for Treasury bill redemption implies that there may be a financing gap in the fiscal framework underpinning supplementary budget II.
- 13) **Mr. Speaker**, under the Consolidated Fund Services, there is a projected increase in public debt servicing expenses by Kshs.82.3 billion (12%). On the other hand, pension and other miscellaneous expenses will reduce by Kshs.17.6 billion (16%) in line with government austerity measures designed to redirect resources to address current economic and health sector challenges. **Mr. Speaker**, the Committee is concerned that the reduction in pensions may deny pensioners their due retirement benefits and without alternative sources of income, this measure could be counterproductive to the welfare of pensioners.
- 14) **Mr. Speaker**, a review of the estimates proposed in the Supplementary Estimates II indicates that some of the expenditures could have been budgeted for in the 2010/21 budget while others could have been part of the 2019/20 budget estimates. In addition, some of the allocations for the programmes have changes of more than 10 percent which contravenes the PFM Act, 2012 Section 43 (2) (c) and Section 40(9) of the Public Finance Management Regulations, 2015. Going forward the National Treasury should adhere to the law and limit on use of Article 223 during supplementary budgets.

V. COMMITTEE RECOMMENDATIONS

- 15) **Mr. Speaker**, having considered the above matters, the committee recommends as follows:

i) **Policy Recommendations**

- 16) **That**, despite the need to reduce expenditure, the payment of pending bills especially those already verified be prioritized in order to protect the businesses that supply goods and services to the national government.

- 17) That,** within two weeks upon adoption of this report, the state department of broadcasting and telecommunications, in conjunction with the state department of ICT and Innovation should submit a comprehensive status report on the status of recent measures to scale up internet connectivity in unserved areas in the country. This includes use of airborne/extraterrestrial infrastructure and the role of Google as well as GoK in providing such services. The report should include specific measures taken in response to the ongoing crisis and quantifiable outcomes or impacts since the declaration of the pandemic.
- 18) That,** all funds allocated for cushioning the vulnerable against the impact of COVID 19 on livelihoods especially cash transfers to the poor and purchase of food stuff to sustain families, be channelled through the State Department for Social protection and the State Department for Arid and Semi-Arid Lands respectively. This is for ease of identification of beneficiaries and the use of existing structures to expedite the process.
- 19) That,** the State Department for Social Protection and the National Treasury renegotiate the charges paid by the State to the Payment Service Providers (PSP) on the processing of the national safety net payments.
- 20) That,** as a matter of urgency, the state department for social protection and the executive office of the president should resolve the stalemate at the Child Welfare Society of Kenya (CWSK) so as to allow for the resumption of operations as activities in foster care centres run by CWSK have halted thereby putting at risk the lives of vulnerable children.
- 21) That,** a prudent pension policy plan for Sports Kenya be instituted by December 2020 so that pension payments do not become a matter of supplementary provisions in future.
- 22) That,** all GoK resources allocated towards Covid-19 initiatives under the COVID-19 Emergency Response Fund MUST be appropriated by the National Assembly and proper mechanisms be put in place to oversight the same.
- 23) That,** the National Treasury allocates of Kshs.3 billion as special ring fenced resources to support the fight against the COVID 19 pandemic especially with regard to protecting frontline health workers through purchase of PPEs among other protective gears. The centres are, KNH & Mbagathi, KU hospital, Coast General Hospital, Jaramogi Oginga Teaching & Referral Hospital, Kitui County Referral Hospital, Mandera County Referral Hospital, and Moi Teaching and Referral Hospital.

24) That the Ministry of Health should apprise the relevant committee of the National Assembly on a monthly basis on the disbursements and implementation of the 3 billion shillings ring fenced for Covid-19 related intervention.

ii) **Financial Recommendations**

25) After careful review of financial recommendations submitted Departmental Committees (Schedule II) and after abiding to the hard budget constraint which entails realism in revenue performance and target deficit, the committee has recommended reductions, increments and reallocations as provided in Schedule 1.

26) Further, the committee recommends that this House resolves to:

- a) Approve the Report and the recommendations of the Budget and Appropriations Committee on the Supplementary Estimates II for Financial Year 2019/2020; and
- b) Approve that Schedule I and II attached to this report forms the basis of the Supplementary Appropriation Act 2019/2020.

SCHEDULE I: BUDGET AND APPROPRIATIONS COMMITTEE ADOPTED RECOMMENDATIONS

Item	Programme	Committee Recommendations		Details
		Reduction/Increase in KSh. Million	Development	
		Recurrent		
11 The Presidency	704000 State House Affairs		0,000,791	Being a donor funded project whose disbursement of KSh. 791 has been done
	0734000 Deputy President Services	389.2		To cater for Gratuity and O&M shortfall
21 State Department for Interior	0601000 Policing Services	200.0		To cater for Shortfall in O&M for the Directorate of Criminal Investigations
23 State Department for Correctional Services	0604000 Correctional services	(350.0)	(150.0)	Reduction of Ksh. 150 from Development vote of the new project "Maximum Security Level facility" and Ksh 350 million from O&M
35 State Department for ASAL	0733000 Accelerated ASAL Development		604.4	Being a donor funded project whose disbursement has been done
66: State Department for early Learning & Basic Education	0502000 Secondary Education		20.0	KSh. 20 million for expansion of infrastructure a public participation project
71 The National Treasury	0719000 Economic and Financial Policy Formulation		0.1	Being a donor funded project whose disbursement has been done
	0718000 Public Financial Management		1.5	Being a donor funded project whose disbursement has been done
72 State Department for Planning	0706000 Economic Policy and National Planning		10,000.0	Substantial proportion has already been committed. Budget cut would pose a challenge in the implementation of the projects. Additionally, Section 4 of the NGCDF Act provides that the fund is a national government fund consisting of monies of an amount of not less than 2.5 % (two and half per centum) of all the national government's share of revenue as divided by the annual Division of Revenue Act
	0402000 National Referral & Specialized Services	751.0	(751.0)	Reallocation of Kshs 1,417,500,000 allocated for the construction of the molecular imaging centre at Kenyatta University Referral Hospital to the following: (i) Kshs 526.5 Million to Kenyatta University Referral Hospital to operationalize the additional 300 bed capacity to handle the COVID 19; (ii) Kshs 150 Million to Othaya Teaching and Referral hospital to cater for operations and maintenance costs as the hospital is envisioned to the regional treatment centre for COVID 19 patients; (iii) Kshs 140 Million to the Kenyatta National Hospital to set up to convert the day care centre into a Ward to cater for medical personnel who are sick; (iv) Kshs 601 Million to the Kenyatta National Hospital to cater for personnel emoluments shortfalls as a result of upgrading KNH under National Referral and Specialised Services.
	0405000 Health Policy, Standards and Regulations		401.2	The Recurrent provision to be ring fenced for centers providing for Covid-19 related expenses in Development the funds relate to donor already disbursed
81 Ministry of Health	0202000 Road Transport	3,000.0	2,344.1	KSh. 2,344.1 million being Donor funded project disbursed

91 State Department for Infrastructure	0202000 Road Transport			(80.0)	Commitment already incurred under Ministry of Water where it was originally budgeted for
92 State Department for Transport	0203000 Rail Transport	1,600.0			being Funds for Kenya Ferry Service
	0204000 Marine Transport			275.8	being funds for VAT refund on East African Trade and Transport facilities
	1004000 Water Resources Management			175.5	Disbursement already done
	1017000 Water and Sewerage Infrastructure Development			(983.0)	Reduction on account of low absorption
	1017000 Water and Sewerage Infrastructure Development			1,512.4	Commitment already incurred
07 Ministry of Water and Sanitation	1015000 Water Storage and Flood Control				an extra ksh. 550 million Commitment already incurred. Additionally, the Committee has approved the re-allocations as follows. Reductions:- Thwake Dam by KSh 808 million, Sivoi Dam by KSh. 150 million, Flood Controls works by KSh. 95 million. The savings through reductions to increase Water Sector Reform programme by KSh. 30 million, National water Harvesting by KSh. 300 million Water for schools by KSh. 50 million, Cross County Bulk Water Supply by KSh. 500 million, National Ground Water Harvesting & Exploitation by Ksh. 103 million, National expanded Irrigation Program by KSh. 70 million.
	0207000 General Administration Planning and Support Services	18.0		550.0	a provision of kshs 18 million towards rents and rate for outstanding amounts owed in the current financial year of 2019/20
	0210000 ICT Infrastructure Development			254.7	Being the Net effect after an increase of KSh. 828.7 million on account of donor funded project already disbursed and an increase of KSh. 76 million towards constituency Innovation hubs Offset by a reduction of KSh. 650 million on maintenance & Rehabilitation of NOFBI II cable.
22 State Department for Information Communication Technology	0217000 E-Government Services				
				(30.0)	The proposed increase of kshs 30 million towards purchase of office furniture and general equipments under ICT shared Services in the recurrent sub vote is reduced. Further there is a reduction of KSh. 150 million from ICT shared services development but an increase of KSh. 400 million towards connectivity of Health Centres.
23 State Department for Broadcasting & Telecommunications	0208000 Information And Communication Services			336.0	Additional allocations of Ksh 186 million to Kenya Broadcasting Corporation (KBC) and Kshs 150 million to Media Council towards community radios to enhance public engagement
34 State Department for Culture and Heritage	0902000 Culture/Heritage			249.7	Funds related to COVID 19 emergency response Immediate Primate research.
52 Ministry of Energy	0212000 Power Generation			(286.0)	Reduction of Kshs. 286 million under Geothermal Development Company in form of current transfer under the recurrent sub vote. Reduction of the additional Kshs of 277 million in form of local Aia under the Bogoria -Sialii project in the development sub vote and the same to be considered in the Estimates with clear output for geothermal activities

	0213000 Power Transmission and Distribution			(883.0)	Being a net effect of reduction of KSh. 1,160 million towards Loyongalani-Suswa Transmission line and increase in allocation of KSh. 277 million REREC on electrification of public facilities
65 State Department for Crop Development	0108000 Crop Development and Management			1,897.4	on account of commitment made totaling to KSh. 1,897,368,205
67 State Department for Irrigation	1022000 Water Harvesting and Storage for Irrigation			103.0	Funds already committed
93 State Department for Petroleum	0215000 Exploration and Distribution of Oil and Gas			286.0	Being an amount of Kshs. 286 Million reduced under the recurrent vote of GDC vote (R1152) , to complete procurement and distribution towards facilitating access of LPG by lower income households. Further there is a reduction of KSh. 140 million from the project/project Petroleum exploration in Block 14T which has been moved to to LPG distribution and infrastructure
03 State Department for Wildlife	1019000 Wildlife Conservation and Management		245.0		To cater for PE
14 State Department for Youth	0711000 Youth Empowerment		(200.0)		Reduction of O&M for the state Department to offset pending bills under the IEBC
31 Independent Electoral and Underaries Commission	0618010 Management of Electoral processes		500.0		To provide for legal suits Pending Bills related to the last General Election and fresh presidential elections
21 Witness Protection Agency	0615000 Witness Protection		11.9		Being re-instatement of K.Sh. 11.9 million for O&M towards the agency due to increased demand for witness protection services
11 Auditor General	0729040 Audit Services			80.0	To clear pending bills occasioned by the ongoing construction of Regional Hubs
41 National Gender and Equality Commission	0621000 Promotion of Gender Equality and Freedom from Discrimination			0.5	Being Commitment incurred of KSh 509,300
	Totals		6,434.8	15,632.6	

SCHEMULE II

D/E DDE	VOTE/PROGRAMME CODES & TITLE	BAC CHANGES (B)			FINAL SUPP. ESTIMATES (C/F/G/H)		
		GROSS CURRENT ESTIMATES (Deviation)	GROSS CAPITAL ESTIMATES (Deviation)	GROSS TOTAL ESTIMATES (Deviation)	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES
1011	The Presidency	389,200,000	791	389,200,791	3,274,651,815	1,160,953,410	4,435,605,225
	0702000 Cabinet Affairs	-	-	-	93,577,762	(623,876,420)	(530,298,658)
	0703000 Government Advisory Services	-	-	-	(4,992,980)	363,761,791	358,768,811
	0704000 State House Affairs	-	791	-	578,222,899	(75,273,865)	502,949,034
	0734000 Deputy President Services	389,200,000	-	389,200,000	356,244,134	(30,627,581)	325,616,553
1021	0745000 Nairobi Metropolitan Services	-	-	-	2,251,600,000	1,326,969,485	3,778,569,485
	State Department for Interior	200,000,000	-	200,000,000	(2,704,742,885)	(4,091,032,678)	(6,795,775,563)
	0601000 Policing Services	200,000,000	-	200,000,000	(1,357,359,200)	(1,261,912,980)	(2,619,272,180)
	0602000 Planning, Policy Coordination and Support Service	-	-	-	(1,713,221,717)	(2,145,856,154)	(3,859,077,871)
	0603000 Government Printing Services	-	-	-	(2,210,746)	(100,010,000)	(102,220,746)
1023	0625000 Road Safety	-	-	-	370,800,000	69,967,322	440,767,322
	06256000 Population Management Services	-	-	-	(2,751,222)	(653,220,866)	(655,972,088)
	State Department for Correctional Services	(350,000,000)	(150,000,000)	(500,000,000)	6,384,689,679	(879,425,136)	5,505,264,543
	0604000 Correctional services	(350,000,000)	(150,000,000)	(500,000,000)	6,368,739,520	(879,425,136)	5,489,314,384
	0623000 General Administration, Planning and Support Services	-	-	-	15,950,159	-	15,950,159
1024	State Department for Immigration and Citizen Services	-	-	-	(199,885,395)	(589,100,000)	(788,985,395)
	0605000 Migration & Citizen Services Management	-	-	-	(199,885,395)	(589,100,000)	(788,985,395)
	State Department for Devolution	-	-	-	459,360,259	(4,659,001,350)	(4,199,641,091)
	0712000 Devolution Services	-	-	-	26,355,673	(4,630,000,000)	(4,603,644,327)
	1032	0732000 General Administration, Planning and Support Services	-	-	-	31,023,045	(29,001,350)
1035	0713000 Special Initiatives	-	-	-	401,981,541	-	401,981,541
	State Department for Development of the ASAL	-	604,400,000	604,400,000	4,486,540	(1,008,830,594)	(1,004,344,054)
	0733000 Accelerated ASAL Development	-	604,400,000	604,400,000	4,486,540	(1,008,830,594)	(1,004,344,054)
	Ministry of Defence	-	-	-	765,000,000	(7,434,899,542)	(6,669,899,542)
	0801000 Defence	-	-	-	900,000,000	(7,434,899,542)	(6,534,899,542)
1041	0802000 Civil Aid	-	-	-	-	-	-
	0803000 General Administration, Planning and Support Services	-	-	-	(133,000,000)	-	(133,000,000)
	0805000000 National Space Management	-	-	-	-	-	-
	Ministry of Foreign Affairs	-	-	-	(439,721,250)	(707,100,000)	(1,146,821,250)
	0714000 General Administration Planning and Support Services	-	-	-	(227,200,000)	-	(227,200,000)
1052	0715000 Foreign Relation and Diplomacy	-	-	-	(206,521,250)	(741,000,000)	(947,521,250)
	0741000 Economic and Commercial Diplomacy	-	-	-	-	-	-
	0742000 Foreign Policy Research, Capacity Dev and Technical Cooperation	-	-	-	(6,000,000)	33,900,000	27,900,000
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

SCHEIDUNG II

1064	State Department for Vocational and Technical Training		-	-	-	(295,221,660)	(2,840,695,359)	(3,135,917,019)
	0505000	Technical Vocational Education and Training	-	-	-	(288,699,079)	(2,825,249,359)	(3,113,948,438)
	0507000	Youth Training and Development	-	-	-	(1,085,407)	(15,446,000)	(16,531,407)
	0508000	General Administration, Planning and Support Services	-	-	-	(5,437,174)	-	(5,437,174)
1065	State Department for University Education		-	-	-	8,209,811,781	(2,800,256,737)	5,409,555,044
	0504000	University Education	-	-	-	8,194,663,723	(2,754,677,733)	5,439,985,990
	0506000	Research, Science, Technology and Innovation	-	-	-	(15,202,006)	(45,579,004)	(60,781,010)
	0508000	General Administration, Planning and Support Services	-	-	-	30,350,064	-	30,350,064
1066	State Department for Early Learning & Basic Education		-	20,000,000	20,000,000	(111,992,471)	(3,798,194,781)	(3,910,187,252)
	0501000	Primary Education	-	-	-	(8,090,850)	(673,059,461)	(681,150,311)
	0502000	Secondary Education	20,000,000	-	20,000,000	(3,581,418)	(3,021,685,320)	(3,025,266,738)
	0503000	Quality Assurance and Standards	-	-	-	(58,170,280)	(400,000)	(58,570,280)
	0508000	General Administration, Planning and Support Services	-	-	-	(42,149,923)	(103,050,000)	(145,199,923)
		State Department for Post Training and Skills Development	-	-	-	(3,593,873)	-	(3,593,873)
1068	State Department for Post Training and Skills Development		-	-	-	1,516,909	-	1,516,909
	0508000	General Administration, Planning and Support Services	-	-	-	(2,123,673)	-	(2,123,673)
	0512000	Workplace Readiness Services	-	-	-	(2,987,109)	-	(2,987,109)
1071	The National Treasury		-	1,598,900	1,598,900	(19,207,545,281)	(16,371,279,284)	(35,578,824,565)
	0717000	General Administration Planning and Support Services	-	-	-	(15,618,058,783)	(716,975,233)	(16,335,034,016)
	0718000	Public Financial Management	1,500,000	-	1,500,000	(3,449,229,338)	(15,583,402,951)	(19,032,632,289)
	0719000	Economic and Financial Policy Formulation and Management	98,900	-	98,900	(140,257,160)	(70,901,100)	(211,158,260)
1072	State Department for Planning		-	10,000,000,000	10,000,000,000	(63,376,674)	(85,534,146)	(148,910,820)
	0706000	Economic Policy and National Planning	-	10,000,000,000	10,000,000,000	(34,652,983)	19,398,854	(15,254,129)
	0707000	National Statistical Information Services	-	-	-	-	(99,665,000)	(99,665,000)
	0708000	Monitoring and Evaluation Services	-	-	-	(6,397,649)	(5,268,000)	(11,665,649)
1081	Ministry of Health		3,751,000,000	(349,812,424)	3,401,187,576	3,410,957,421	(12,217,098,830)	(8,806,341,409)
	0401000	Preventive, Promotive & RMDNCAH	-	-	-	(1,850,205,550)	(4,053,825,062)	(5,904,030,612)
	0402000	National Referral & Specialized Services	751,000,000	(751,000,000)	-	1,540,116,269	77,742,500	1,617,858,769
	0403000	Health Research and Development	-	-	-	255,500,000	-	255,500,000
1091	State Department of Infrastructure		3,000,000,000	401,187,576	3,401,187,576	2,717,742,782	(7,743,016,268)	(5,025,273,486)
	0202000	Road Transport	-	2,264,100,000	2,264,100,000	(174,852,373)	46,533,823,509	46,358,971,136
	State Department of Transport		1,600,000,000	275,800,000	1,875,800,000	1,624,921,245	(20,848,013,189)	(19,223,091,944)

	0201000 General Administration, Planning and Support Services			-		43,052,650	(229,300,000)	(186,247,350)
1092	0203000 Rail Transport	1,600,000,000		1,600,000,000		1,600,000,000	(18,567,313,189)	(16,967,313,189)
	0204000 Marine Transport		275,800,000	275,800,000		(17,893,929)	(2,124,200,000)	(2,142,093,929)
	0205000 Air Transport			-		(237,476)	72,800,000	72,562,524
	0216000 Road Safety			-		-	-	-
1093	State Department for Shipping and Maritime	-		-		(207,377,273)	(171,739,000)	(379,116,273)
	0219000 Shipping and Maritime Affairs			-		(207,377,273)	(171,739,000)	(379,116,273)
	State Department for Housing and Urban Development	-		-		18,505,124	(5,558,100,000)	(5,539,594,876)
1094	0102000 Housing Development and Human Settlement			-		6,603,715	(5,666,100,000)	(5,659,496,285)
	0105000 Urban and Metropolitan Development			-		(1,916,676)	108,000,000	106,083,324
	0106000 General Administration Planning and Support Services			-		13,818,085	-	13,818,085
	State for Public Works	-		-		(112,403,890)	(2,308,135,706)	(2,420,539,596)
	0103000 Government Buildings			-		(73,454,677)	(1,978,224,228)	(2,051,678,905)
	0104000 Coastline Infrastructure and Pedestrian Access			-		(32,069,754)	(204,360,856)	(236,430,610)
1095	0106000 General Administration Planning and Support Services			-		(6,515,607)	(23,505,415)	(30,021,022)
	0218000 Regulation and Development of the Construction Industry			-		(363,852)	(102,045,207)	(102,409,059)
	Ministry of Water, Sanitation and Irrigation	-	1,254,900,000	1,254,900,000		172,891,986	(6,303,328,823)	(6,130,436,837)
1107	1001000 General Administration, Planning and Support Services			-		(12,653,704)	-	(12,653,704)
	1004000 Water Resources Management		175,500,000	175,500,000		(2,752,258)	(140,797,206)	(143,549,464)
	1017000 Water and Sewerage Infrastructure Development		529,400,000	529,400,000		188,297,948	(5,875,531,617)	(5,687,233,669)
	1015000 Water Storage and Flood Control		550,000,000	550,000,000		-	(287,000,000)	(287,000,000)
	Ministry of Environment and Forestry	30,000,000		30,000,000		263,517,441	(3,624,252,500)	(3,360,735,059)
	1002000 Environment Management and Protection	30,000,000		30,000,000		309,717,645	(1,116,352,500)	(806,634,855)
1108	1010000 General Administration, Planning and Support Services			-		42,872,428	-	42,872,428
	1012000 Meteorological Services			-		(88,198,075)	(496,400,000)	(584,598,075)
	1018000 Forests and Water Towers Conservation			-		(874,557)	(2,011,500,000)	(2,012,374,557)
1112	Ministry of Lands and Physical Planning	-		-		(244,705,079)	917,370,000	672,664,921
	0101000 Land Policy and Planning			-		(244,705,079)	917,370,000	672,664,921
	State Department for Information Communication and Technology & Innovation	(12,000,000)		504,700,000	492,700,000	17,203,122	(7,406,300,000)	(7,389,096,878)
1122	0207000 General Administration Planning and Support Services	18,000,000		18,000,000		56,788,582	-	56,788,582
	0210000 ICT Infrastructure Development		254,700,000	254,700,000		(3,629,723)	(5,063,747,105)	(5,067,376,828)
	0217000 E-Government Services	(30,000,000)	250,000,000	220,000,000		(34,474,281)	(2,332,852,855)	(2,367,327,176)
	0221000 Film Development Services			-		(1,481,456)	(9,700,000)	(11,181,456)
	State Department for Broadcasting & Telecommunications	336,000,000		336,000,000		795,491,534	(49,856,095)	745,635,439

1123	0207000 General Administration Planning and Support Services					(3,310,794)	-	(3,310,794)	
	0208000 Information and Communication Services	336,000,000		336,000,000		784,452,328	(49,856,095)	734,596,233	14,350,000
	0209000 Mass Media Skills Development					14,350,000	-	14,350,000	(244,300,000)
1132	State Department for Sports					105,700,000	(350,000,000)	(244,300,000)	(244,300,000)
	0901000 Sports					105,700,000	(350,000,000)	(244,300,000)	(244,300,000)
	State Department for Heritage	249,700,000		249,700,000		509,411,512	(65,797,109)	443,614,403	400,936,897
	0902000 Culture/ Heritage	249,700,000		249,700,000		455,477,556	(54,540,659)	400,936,897	400,936,897
	0903000 The Arts					(47,279,319)	-	(47,279,319)	91,985,279
1134	0904000 Library Services					103,241,729	(11,256,450)	91,985,279	(2,028,454)
	0905000 General Administration, Planning and Support Services					(2,028,454)	-	(2,028,454)	
	State Department for Energy	(286,000,000)		(1,160,000,000)	(1,446,000,000)	105,000,000	(23,095,736,718)	(22,990,736,718)	24,000,000
1152	0211000 General Administration Planning and Support Services					(21,000,000)	45,000,000	(3,002,602,227)	(3,002,602,227)
	0212000 Power Generation	(286,000,000)		(277,000,000)	(563,000,000)	145,000,000	(3,147,602,227)	(19,448,134,491)	(564,000,000)
	0213000 Power Transmission and Distribution					-	(19,000,000)	(529,422,108)	(287,985,753)
	0214000 Alternative Energy Technologies					241,436,345	(529,422,108)	(287,985,753)	
1162	State Department for Livestock					241,436,345	(529,422,108)	(287,985,753)	
	0112000 Livestock Resources Management and Development					241,436,345	(529,422,108)	(287,985,753)	
	State Department for Crop Development			1,897,400,000	1,897,400,000	10,471,434,970	4,170,129,308	14,641,564,278	(106,314,349)
1165	0107000 General Administration Planning and Support Services					(17,214,349)	(89,100,000)	(106,314,349)	15,694,880,816
	0108000 Crop Development and Management			1,897,400,000	1,897,400,000	10,491,281,319	5,203,599,497	(944,370,189)	(947,002,189)
	0109000 Agribusiness and Information Management					(2,632,000)	(944,370,189)	(2,393,966,511)	(565,411,752)
	State Department for Fisheries, Aquaculture & the Blue Economy					77,873,631	(2,471,840,142)	(2,393,966,511)	
	0111000 Fisheries Development and Management					90,732,390	(656,144,142)	(565,411,752)	
1166	0117000 General Administration, Planning and Support Services					9,840,493	-	9,840,493	
	0118000 Development and Coordination of the Blue Economy					(22,699,252)	(1,815,696,000)	(1,838,395,252)	
	State Department for Irrigation			103,000,000	103,000,000	(62,675,148)	(4,633,105)	(67,308,253)	428,118
	1014000 Irrigation and Land Reclamation					61,223	366,895	428,118	
1167	1016000 General Administration, Planning and Support Services					(52,445,287)	(100,000,000)	(152,445,287)	
	1022000 Water Harvesting and Storage for Irrigation			103,000,000	103,000,000	(10,291,084)	95,000,000	84,708,916	
1168	State Department for Agricultural Research					(93,008,105)	(202,800,000)	(295,808,105)	
	0120000 Agricultural Research & Development					(93,008,105)	(202,800,000)	(295,808,105)	
1173	State Department for Cooperatives					(2,817,631)	1,075,000,000	1,072,182,369	
	0304000 Cooperative Development and Management					(2,817,631)	1,075,000,000	1,072,182,369	
1174	State Department for Trade					30,037,388	660,000,000	690,037,388	
	0307000 Trade Development and Promotion					30,037,388	660,000,000	690,037,388	
	State Department for Industrialisation					23,245,514	(2,873,000,000)	(2,849,754,486)	


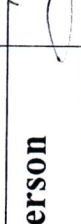
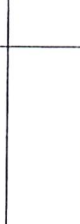
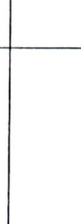
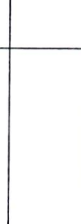


1175	0301000 General Administration Planning and Support Services					3,729,754	-		3,729,754
	0302000 Industrial Development and Investments					(5,154,240)	(2,913,000,000)		(2,918,154,240)
	0303000 Standards and Business Incubation					24,670,000	40,000,000		64,670,000
	State Department for Labour					(39,796,045)	(1,748,440,000)		(1,788,236,045)
1184	0910000 General Administration Planning and Support Services					91,493,844	-		91,493,844
	0906000 Promotion of the Best Labour Practice					(67,840,600)	(36,857,894)		(104,698,494)
	0907000 Manpower Development, Employment and Productivity Management					(63,449,289)	(1,711,582,106)		(1,775,031,395)
	State Department for Social Protection, Pensions & Senior Citizens Affairs					9,994,000,000	(1,419,010,000)		8,574,990,000
1185	0908000 Social Development and Children Services					-	(86,010,000)		(86,010,000)
	0909000 National Social Safety Net					9,994,000,000	(1,333,000,000)		8,661,000,000
	0914000 General Administration, Planning and Support Services					-	-		-
	State Department for Mining					34,476,701	(115,258,121)		(80,781,420)
1192	1007000 General Administration Planning and Support Services					1,059,536	(18,265,901)		(17,206,365)
	1009000 Mineral Resources Management					35,566,137	(79,727,234)		(44,161,097)
	1021000: Geological Surveys and Geoinformation Management					(2,148,972)	(17,264,986)		(19,413,958)
1193	State Department for Petroleum					-	(3,143,236)	(2,110,209,000)	(2,113,352,236)
	0215000 Exploration and Distribution of Oil and Gas					286,000,000	(3,143,236)	(2,110,209,000)	(2,113,352,236)
1202	State Department for Tourism					-	1,186,315,583	800,000,000	1,986,315,583
	0306000 Tourism Development and Promotion					-	1,186,315,583	800,000,000	1,986,315,583
1203	State Department for Wildlife					245,000,000	352,120,805	71,478,189	423,598,994
	1019000 Wildlife Conservation and Management					245,000,000	352,120,805	71,478,189	423,598,994
	State Department for Gender					-	(1,144,850)	(46,652,764)	(47,797,614)
1212	0911000 Community Development					-	-		-
	0912000 Gender Empowerment					-	-	(46,652,764)	(10,886,167)
	0913000 General Administration, Planning and Support Services					(36,911,447)	-		(36,911,447)
	State Department for Public Service					(21,068,669)	(283,428,287)	(304,496,956)	(304,496,956)
1213	0710000 Public Service Transformation					(75,242,766)	(261,428,287)		(336,671,053)
	0709000 General Administration Planning and Support Services					54,174,097	(22,000,000)		32,174,097
1214	State Department for Youth					(200,000,000)	(200,000,000)	1,993,660,000	4,890,157,377
	0711000 Youth Empowerment					(200,000,000)	(200,000,000)	1,993,660,000	4,890,157,377
1221	State Department for East African Community					-	(105,000,000)	-	(105,000,000)
	0305000 East African Affairs and Regional Integration					-	(105,000,000)	-	(105,000,000)
1222	State Department for Regional & Northern Corridor Development					117,908,450	800,000,000	800,000,000	917,908,450
	1013000 Integrated Regional Development					117,908,450	800,000,000	800,000,000	917,908,450











	State Law Office and Department of Justice	-	-	-	(251,205,529)	151,082,000	(100,123,529)
	06060000 Legal Services	-	-	-	(240,914,139)	-	(240,914,139)
1252	06070000 Governance, Legal Training and Constitutional Affairs	-	-	-	(14,768,515)	151,082,000	136,313,485
	06090000 General Administration, Planning and Support Services	-	-	-	4,477,125	-	4,477,125
1271	Ethics and Anti-Corruption Commission	-	-	-	163,000,000	(35,026,465)	127,973,535
	06110000 Ethics and Anti-Corruption	-	-	-	163,000,000	(35,026,465)	127,973,535
1281	National Intelligence Service	-	-	-	3,520,000,000	-	3,520,000,000
	08040000 National Security Intelligence	-	-	-	3,520,000,000	-	3,520,000,000
1291	Office of the Director of Public Prosecutions	-	-	-	180,837,064	(3,500,000)	177,337,064
	06120000 Public Prosecution Services	-	-	-	180,837,064	(3,500,000)	177,337,064
1311	Office of the Registrar of Political Parties	-	-	-	(54,014,173)	-	(54,014,173)
	06140000 Registration, Regulation and Funding of Political Parties	-	-	-	(54,014,173)	-	(54,014,173)
1321	Witness Protection Agency	11,900,000	11,900,000	-	-	-	-
	06150000 Witness Protection	11,900,000	11,900,000	-	-	-	-
2011	Kenya National Commission on Human Rights	-	-	-	10,500,000	-	10,500,000
	06160000 Protection and Promotion of Human Rights	-	-	-	10,500,000	-	10,500,000
2021	National Land Commission	-	-	-	476,628,787	-	476,628,787
	01160000 Land Administration and Management	-	-	-	476,628,787	-	476,628,787
2031	Independent Electoral and Boundaries Commission	500,000,000	500,000,000	-	266,990,000	-	266,990,000
	06170000 Management of Electoral Processes	500,000,000	500,000,000	-	217,863,921	-	217,863,921
	06180000 Delimitation of Electoral Boundaries	-	-	-	49,126,079	-	49,126,079
2061	The Commission on Revenue Allocation	-	-	-	(75,764,508)	-	(75,764,508)
	07370000 Inter-Governmental Transfers and Financial Matters	-	-	-	(75,764,508)	-	(75,764,508)
	Public Service Commission	-	-	-	(3,381,500)	(43,000,000)	(46,381,500)
	07230000 General Administration, Planning and Support Services	-	-	-	9,878,739	(43,000,000)	(33,121,261)
2071	07260000 Human Resource Management and Development	-	-	-	(5,538,145)	-	(5,538,145)
	07270000 Governance and National Values	-	-	-	(6,571,065)	-	(6,571,065)
	07440000 Performance and Productivity Management	-	-	-	(1,151,029)	-	(1,151,029)
2081	Salaries and Remuneration Commission	-	-	-	-	-	-
	07280000 Salaries and Remuneration Management	-	-	-	-	-	-
	Teachers Service Commission	-	-	-	3,363,853,166	(545,000,000)	2,818,853,166
	05090000 Teacher Resource Management	-	-	-	3,322,000,004	(545,000,000)	2,777,000,004
2091	05100000 Governance and Standards	-	-	-	15,040,810	-	15,040,810
	05110000 General Administration, Planning and Support Services	-	-	-	26,812,352	-	26,812,352
2101	National Police Service Commission	-	-	-	(7,616,880)	-	(7,616,880)
	06200000 National Police Service Human Resource Management	-	-	-	(7,616,880)	-	(7,616,880)
2111	Auditor General	-	80,000,000	80,000,000	(126,607,253)	(81,123,530)	(207,730,783)




2151	0729000 Audit Services			80,000,000		80,000,000		(126,607,253)	(81,123,530)	(207,730,783)
2121	Office of the Controller of Budget							26,829,201	-	26,829,201
	0730000 Control and Management of Public finances							26,829,201	-	26,829,201
2131	Commission on Administrative Justice							(23,266,529)	-	(23,266,529)
	0731000 Promotion of Administrative Justice							(23,266,529)	-	(23,266,529)
2141	National Gender and Equality Commission			509,300		509,300		-	(1,790,700)	(1,790,700)
	0621000 Promotion of Gender Equality and Freedom from Discrimination			509,300		509,300		-	(1,790,700)	(1,790,700)
2151	Independent Policing Oversight Authority							(71,266,034)	-	(71,266,034)
	0622000 Policing Oversight Services							(71,266,034)	-	(71,266,034)
1261	Total Executive Expenditure Estimates		6,464,800,000	15,632,596,567		22,097,396,567		34,848,190,247	(81,444,345,383)	(46,596,155,136)
	The Judiciary							(669,200,000)	(1,004,000,000)	(1,673,200,000)
	0610000 Dispensation of Justice							(64,285,543)	(1,004,000,000)	(1,673,200,000)
2051	Judicial Service Commission							(64,285,543)	-	(64,285,543)
	0619000 General Administration, Planning and Support Services							(64,285,543)	-	(64,285,543)
	Total Judiciary Expenditure Estimates							(733,485,543)	(1,004,000,000)	(1,737,485,543)
2041	Parliamentary Service Commission		115,519,476	-		115,519,476		(396,308,219)	513,333,525	117,025,306
	0722000 Senate Affairs		115,519,476			115,519,476		(274,000,000)	-	(274,000,000)
	0723000 General Administration, Planning and Support Services							(122,308,219)	513,333,525	391,025,306
2042	National Assembly		314,941,000			314,941,000		(2,200,000,000)	-	(2,200,000,000)
	0721000 National Legislation, representation and oversight		314,941,000			314,941,000		(2,200,000,000)	-	(2,200,000,000)
2043	Parliamentary Joint Services		83,940,130	50,000,000		133,940,130		(200,000,000)	(1,113,333,525)	(1,313,333,525)
	0723000 General Admin, planning and support services		83,940,130	50,000,000		133,940,130		(200,000,000)	(1,113,333,525)	(1,313,333,525)
	Total Parliament Expenditure Estimates		514,400,606	50,000,000		564,400,606		(2,796,308,219)	(600,000,000)	(3,396,308,219)
	Total Budget Expenditure Estimates		6,979,200,606	15,682,596,567		22,661,797,173		31,318,396,485	(83,048,345,383)	(51,729,948,898)

ADOPTION SCHEDULE FOR BAC REPORT ON THE SECOND SUPPLEMENTARY ESTIMATES FOR FY 2019/20

Budget and Appropriations Committee: Date. 21st Apr. 2020 **Time.** 2.00p.m. **Sitting:**

Name	Signature
1. Hon. Kimani Ichung'wah, CBS, M.P.- Chairperson	
2. Hon. (CPA) Moses Lessonet, M.P.- Vice Chairperson	
3. Hon. (CPA) John Mbadi, EGH, CBS, M.P.	
4. Hon. Richard Onyonka, M.P.	
5. Hon. Samwel Moroto, M.P.	
6. Hon. Millie Odhiambo, M.P.	
7. Hon. Twalib Bady, M.P.	
8. Hon. (Dr.) Gideon Ochanda, M.P.	
9. Hon. James Mwangi Gakuya, M.P.	
10. Hon. (Dr.) Makali Mulu, M.P.	

Name		Signature
11.	Hon. Moses Kiarie Kuria, M.P.	
12.	Hon. Benard Masaka Shinali, M.P.	
13.	Hon. John Muchiri Nyaga, M.P.	
14.	Hon. Jude Njomo, M.P.	
15.	Hon. (Dr.) Korei Ole Lemein, M.P.	
16.	Hon. Sarah Paulata Korere, M.P.	
17.	Hon. Naisula Lesuuda, M.P.	
18.	Hon. Sakwa Bunyasi, M.P.	
19.	Hon. Danson Mwashako, M.P.	
20.	Hon. Fatuma Gedi Ali, CBS, M.P.	
21.	Hon. Florence C.K. Bore, M.P.	
22.	Hon. James Gichuki Mugambi, M.P.	
23.	Hon. (Dr.) John K. Mutunga, M.P.	

Name		Signature
24.	Hon. (Eng.) Mark Nyamita, M.P.	
25.	Hon. Paul Abuor, M.P.	
26.	Hon. Qalicha Gufu Wario, M.P.	
27.	Hon. Wangari Mwaniki, M.P.	
28.		
29.		
30.		

Signed..... Date.....

Committee Clerk

Signed.....Date.....

Director of Committee Services