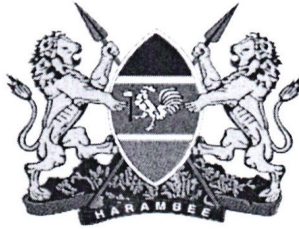


REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY

TWELVETH PARLIAMENT- SECOND SESSION

DEPARTMENTAL COMMITTEE ON LABOUR AND SOCIAL WELFARE.

CONSIDERATION OF THE 2018 BUDGET POLICY STATEMENT FOR THE FY 2018/19 AND MEDIUM TERM FOR THE STATE DEPARTMENTS OF LABOUR, SOCIAL PROTECTION, PUBLIC SERVICE & YOUTH, GENDER AFFAIRS, AND NATIONAL GENDER & EQUALITY COMMISSION

Directorate of Committees Services
Clerks Chamber
National Assembly
NAIROBI

February, 2018



TABLE OF CONTENT

CHAIRPERSONS FORWARD..... 3

EXECUTIVE SUMMARY 4

1.0 INTRODUCTION 9

2.0 MEETING WITH THE STATE DEPARTMENTS ON THE 2018 BPS..... 20

2.1 State Department of Labour..... 20

2.2 State Department for Social Protection 24

2.3 State Department for Public Service and Youth..... 32

2.4 State Department for Gender Affairs 39

2.4 National Gender and Equality Commission (NGEC) 42

3.0. KEY OBSERVATIONS BY THE COMMITTEE 45

4.0 COMMITTEE RECOMMENDATIONS..... 48

CHAIRPERSONS FORWARD

The 2018 Budget Policy Statement (BPS) was laid on the Floor of the House on Wednesday, 14th February 2018, by the Majority Leader pursuant to the provisions of the Standing Order No. 232 of the National Assembly and Section 25 of the Public Finance Management Act (2012). Further, pursuant to the provisions of Standing Order No 232 (4), the BPS was subsequently committed to each Departmental Committee for review scrutiny and approval

According to the Public Finance Management Act (2012), the Cabinet Secretary for the National Treasury is to table the BPS in the House on or before 15th February of every year. Pursuant to the provisions of the Standing Order No 232 (4), the BPS subsequently '**shall stand committed to each Departmental Committee without question put**'. The Departmental Committee is to deliberate on the Budget Policy Statement according to its mandate and make recommendations to the Budget and Appropriations Committee.

The Committee is thankful to the office of the Speaker and the Clerk of the National Assembly for the logistical and technical support accorded during its Sittings. Therefore on behalf of the Committee, and pursuant to Standing Order 199(6) it is my pleasant duty and privilege, to submit this Report on the 2018 Budget Policy Statement and Medium Term Plan for the State Departments and agencies in the Ministries of Labour and Social Protection, Ministry of Public Service, Youth & Gender Affairs as well as that of the National Gender and Equality Commission under the purview of the Departmental Committee on Labour and Social Welfare.

Signed.....

Date..... 22nd Feb 2018

THE HON. ALI WARIO, M.P,
CHAIRPERSON

EXECUTIVE SUMMARY

This is a report on consideration of the 2018 Budget Policy Statement and Medium term plan for the Government Ministries and State Agencies under the Purview of the Departmental Committee on Labour and Social Welfare thereafter forward the recommendations to the Budget and Appropriation Committee.

In considering the 2018 Budget Policy Statement and the Medium Term Plan for the government Ministries and State Agencies and departments under its purview, the committee held a total of 4 sittings. The committee received a comprehensive brief from the Parliamentary Budget office regarding the most critical issues on the 2018 BPS.

Standing Order 232 (4) provides that the Departmental Committee is to deliberate and consider Budget Policy Statement per its mandate and make recommendations and for submission to the Budget and Appropriations Committee.

In considering the Budget Policy Statement, the Budget and Appropriations Committee shall consult each Departmental Committee and table a report containing its recommendations on the statement to the House for consideration.

Establishment and Mandate of the Committee

The Committee on Labour and Social Welfare is one of the Departmental Committees of the National Assembly established under Standing Order 216 and mandated:

- i. To investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned ministries and departments;
- ii. To study the programme and policy objectives of ministries and departments and the effectiveness of the implementation.
- iii. To study and review all legislation referred to it;
- iv. To study, assess and analyse the relative success of the ministries and departments as measured by the results obtained as compared with their stated objectives;
- v. To investigate and inquire into all matters relating to the assigned ministries and departments as they may deem necessary and as may be referred to them by the House;
- vi. To vet and report on all appointments where the Constitution or any law requires the National Assembly to approve, except those under Standing Order 204 (Committee on Appointments); and
- vii. To make reports and recommendations to the House as often as possible, including recommendation of proposed legislation.

Committee Membership

The Committee comprises the following Members:-

Chairperson: **The Hon. Ali Wario, MP**

Vice Chairperson: **The Hon. Joyce Korir, MP**

Members: The Hon. Gladys Wanga, MP
The Hon. Janet Marania Teyiaa, MP
The Hon. Janet Nangabo Wanyama, MP
The Hon. Ronald Kiprotich Tunoi, MP
The Hon. James Onyango Koyoo, MP
The Hon. Rose Museo, MP
The Hon. Alfred Kiptoo Keter, M.P
The Hon. Charles Kanyi Njagua, MP
The Hon. Catherine Wambilyanga, MP
The Hon. Fabian Kyule Muli, MP
The Hon. Ole Sankok David, MP
The Hon. Abdi Mude Ibrahim, MP
The Hon. Michael Mwangi Muchira, MP
The Hon. Safia Sheikh Adan, MP
The Hon. Tom Odege, MP
The Hon. Wilson Sossion, MP
The Hon. Omboko Milemba, MP

Committee Secretariat

1. Lead Clerk	Mr. Adan Gindicha
2. Clerk Assistant	Mr. John Mugoma
3. Legal Counsel	Ms. Marlene Ayiro
4. Research & Policy Analyst	Mr. Said Osman
5. Fiscal Analyst	Ms. Amran Mursal.

COMMITTEE RECOMMENDATIONS

The Committee having received submissions from the various State Departments and further deliberated, scrutinized and examined the submissions and content of the 2018 Budget Policy Statement, the Committee recommends the following:

- I. That, under the State Department for Labour, the proposed ceilings of **kshs. 2.6266 billion** for Recurrent and **ksh. 2.5920 billion** for Development outlays be approved, and in-line with the various proposed allocation per each programme under the State Department.
- II. That, under the State Department for Social Protection, the proposed ceilings of **kshs. 19.3054 billion** for Recurrent and **ksh. 12.6431 billion** for Development outlays be approved, and in-line with the various proposed allocation per each programme under the State Department.
- III. That, under the State Department of Public Service and Youth Affairs, and further under the Youth Empowerment Programme, the proposed ceilings of **kshs. 7.6173 billion** for Recurrent and **ksh. 10.5487 billion** for Development outlays be approved. In addition, the Committee recommends that the proposed allocation of **kshs. 305.34 million** towards Youth Enterprise Development Fund to cover for disbursement of youth empowerment and development initiatives and improve coverage to constituency level be enhanced by **kshs. 694.66 million** to bring the total development allocation to **Kshs. 1 billion** through re-allocation within the same programme of Youth Empowerment Programme.
- IV. That, under the State Department of Gender Affairs, the proposed ceilings of **kshs. 1.5243 billion** for Recurrent and **ksh. 2.9300 billion** for Development outlays be approved, and in-line with the various proposed allocation per each programme under the State Department. In addition, The Committee further recommended that additional allocation of **kshs. 138 million** be provided to the State Department of Gender towards the National Government Affirmative Action Fund (NGAAF) under the Community Development Programme to boost the proposed allocation of **Kshs. 2.130 billion** to **kshs. 2.268 billion** as per resource requirement indicated by the State Department.
- V. That, under the National Gender and Equality Commission, the proposed ceilings of **ksh. 423.2 million** under recurrent budget be approved inline and as per the proposed programme.

The Committee further recommends the following additional interventions:

- VI. That the under the state Department of Labour, the National Treasury should ensure further resourcing National Industrial Training Authority (NITA) which is key in achieving the big four agenda and empowering the youth through skills upgrade and improve employability , by adequately financing within the medium term.
- VII. That, under the State Department of Social Protection, the State Department should reorganize recurrent spending and reprioritize its allocation with a view to reduce the growing trend under recurrent component and with a view to ensure more beneficiaries are covered under the National Safety Net Programme with optimal recurrent budget while leverage the use of ICT for monitoring implementation and ensuring compliance.
- VIII. That, under the State Department of Social Protection, the National Treasury enhances the counter part-funding towards cash transfers to orphans and vulnerable children from the current kshs 224.64 million to kshs 720 million to unlock more funding from the Borld Bank Trust to ensure more coverage and beneficiaries
- IX. That under the State Department of Social Protection, the necessary sectoral policies, legal and legislative frameworks to govern transfers and other social protection interventions such as regulations are submitted for legislative consideration and finalized.
- X. That , under the State Department of Social Protection, the State Department shall ensure prompt reconstitution of the Constituency Social Assistance Committee where necessary to ensure no gaps in the transfers of social safety nets interventions. The state department shall also ensure that there is efficiency in the transfer programme as regards payment to beneficiaries and minimize inconveniencies and associated vulnerabilities especially among the elderly and disabled while ensuring integrity and accountability of the payment mechanisms.
- XI. That the Anti FGM Board is considered for further funding to cover public advocacy and awareness across the country in prevention of harmful practices against the girl child, and in support of their mandate to collaboratively engage with State and non-state actors with similar goals to end FGM and related practices.
- XII. That responsible accounting officers and the Auditor General ensure due diligence, value for money and prudent use of resources are strictly taken into account in so far as the processing and payment of all pending bills including historical bills are concerned which are under the State Department of Public Service and Youth Affairs

XIII. That the National Treasury should provide adequate technical and policy support to the State Department of Public Service and Youth Affairs particularly to the National Youth Service in actualizing key bankable PPPs such as the development of a solar park and agribusiness at Kirimun in Samburu county and enhancing manufacturing of low cost building materials as well as commercialization of highly potential areas under the Service such as the NYS farms, textile, cotton farming and garment factory, water bottling plant at Turbo, among others

1.0 INTRODUCTION

The 2018 Budget Policy Statement (BPS) was laid on the Floor of the House on Wednesday, 14th February 2018, by the Majority Leader pursuant to the provisions of the Standing Order No. 232 of the National Assembly and Section 25 of the Public Finance Management Act (2012).

Pursuant to the Public Finance Management Act (2012), the Cabinet Secretary for the National Treasury is to table the BPS in the House on or before 15th February of every year.

Subsequently, the provisions of the Standing Order No 232 (4), the BPS '**shall stand committed to each Departmental Committee without question put**'.

In considering the Budget Policy Statement, the Budget and Appropriations Committee shall consult each Departmental Committee and table a report containing its recommendations on the statement to the House for consideration.

Following the tabling of the BPS 2018, the Departmental Committee on Labour and Social Welfare was briefed on the BPS 2018 by the Parliamentary Budget Office and thereafter proceeded to hold consultative meetings with the Labour, Social Protection, Youth & Public Service, Gender Affairs and National Gender & Equality Commission on policy issues contained in the Budget Policy Statement to the Committee. The Committee deliberated on the issues on 20th February, 2018 and thereafter adopted the report.

Standing Order No 232 (4) further provides that the Departmental Committees shall deliberate on the Budget Policy Statement according to their respective mandates and make recommendations to the Budget and Appropriations Committee. In considering the Budget Policy Statement, the Budget and Appropriations Committee shall consult each Departmental Committee and table a report containing its recommendations on the statement to the House for consideration.

The State Departments and Commission under the purview of the Committee are:

- (i) The State Department of Labour
- (ii) The State Department for Social Protection
- (iii) The State Department for Gender
- (iv) The State Department for Public Service and Youth Affairs
- (v) National Gender and Equality Commission

1.1 BRIEF FROM THE PARLIAMENTARY BUDGET OFFICE

HIGHLIGHTS OF THE BPS

Overview

The 2018/19 budget policy statements rides on the strong foundation laid under the government's Economic transformative agenda in the past Five Years through the Five Key Pillars including: : (i) creating a conducive business environment; (ii) investing in sectoral transformation; (iii) infrastructure expansion; (iv) investing in quality and accessible social services; and (v) consolidating gains made in devolution. The expenditure priorities in the sector ceilings in 2018/19 BPS have been realigned to the big four agenda, namely:

- i. Raising the manufacturing sector's share of GDP to 15 percent by 2022.
- ii. Focusing on initiatives that guarantee food security
- iii. Providing Universal Health Coverage
- iv. Providing at least five hundred thousand (500,000) affordable new houses to Kenyans by 2022

Therefore, targeted expenditures will prioritize employment creation, youth empowerment, supporting manufacturing activities, enhancing health coverage, improving food security and enhancing living conditions through affordable housing. The allocations to other critical sectors such as education, infrastructure, energy and social protection will be protected.

To achieve the Big four, the government is cognizant of constrained fiscal space and therefore intends to partner with private sector by creating High Speed Public Private Partnership (PPP) unit to attract and engage the private sector on implementing most of the projects under the big four agenda.

2018/19 BPS fiscal Framework

Revenue Projections: 2018/19 BPS targets for revenue collections including AIA is projected at Kshs.1,849.4 billion translating to 18.9% of GDP which is an increase from the 2017/18 projections of Kshs. 1,643.1 billion which was 19% of GDP.

Expenditure Projections: overall expenditure and net lending are projected at Kshs. 2,488.4 billion (25.4% of GDP) increasing from the estimated Kshs. 2,323.1 billion (26.8% of GDP) in the FY 2017/18. The projected expenditures for 2017/18 includes Kshs.1509.1 billion to defray recurrent Expenditures and Kshs. 658.9 billion for development Expenditures. In addition a contingency amount of Kshs. 5 billion and Kshs. 8.5 billion for Equalization Fund

Overall spending (2014/15-2017/18 and the projections)

As shown in table below , the actual spending for the sector was Kshs. 32.38 billion in the FY 14/15, Kshs. 40.07 billion in 15/16 and Kshs. 45.32 billion in FY 16/17.

Actual expenditure for the State Departments is usually affected by the level of disbursements from the exchequer, Lengthy procurement processes, Pending Bills which take a first charge in the next year's budget and in cases of donor funding the slow donor disbursements

In the 2018/19 the State Department for Labour through the provision of occupational safety and health Sub-Programme intends to pilot occupational health services integrated into primary healthcare facilities in 1 county. It also intends to provide work injury compensation medical panels in 1 level 5 hospitals in the country. It is important for the committee to note that in order for the target to be oversighted there is need for clarity on the exact county or level 5 hospital the above is to be given

Overall Expenditure and Projections per Vote FY 2014/15-2019/20						
	Actual Expenditure				Projections	
	2014/15	2015/16	2016/17	Revised Budget 2017/18	2018/19	2019/20
State Department for Labour	1,758	1,705	1,730	2,429	5,219	5,556
State Department for Social Protection	14,345	19,090	22,055	29,882	31,949	32,016
State Department for Gender	2,381	2,929	4,131	4,612	4,454	4,545
State Department for Public Service and Youth Affairs	13,609	16,018	17,009	17,428	18,166	18,491
National Gender Equality Commission	289	323	399	353	423	513
GRAND TOTAL	32,382.08	40,065.61	45,323.76	54,703.90	60,211.20	61,121.20

Key areas of spending broken down into Recurrent/Development

During the 2018/19-2020/21 MTEF period the focus will be on programmes aimed at achieving high levels of investment in economic and social infrastructure necessary for rapid economic growth and support for employment creation and retention.

In this regard, the identified programmes for implementation in the sector are: Promotion of best labour practices; Manpower Development, Employment and Productivity Management; Social Development and Children services; National Safety net; Community Development and Gender and Women Empowerment

In order to implement the prioritized programmes, the Sector has a proposed allocation of **Kshs 60.40 billion**, and **Kshs 61.12 billion** for the financial years 2018/2019 and 2019/2020 respectively. The recurrent expenditure allocation for FY2018/19 is **Kshs. 31.07 billion** while development expenditure is **Kshs 28.71 billion**.

A huge share of the proposed allocation for the FY 2018/2019 is to the State Department for Social Protection which has a ceiling of **Kshs. 31.95 billion** representing 53% of the total amount for the sector. However, out of the total **Kshs 31.95 billion**, **Kshs. 27.9 billion** is towards the National Safety Net Programme.

In the BPS 2018 and over the medium term, the Government plans to continue to address the various challenges facing vulnerable groups so as to build resilience and promote affirmative action for all:

- (i) Continue building capacities of communities and register Self Help Groups and Beneficiaries Welfare Committee (BWCs) providing them with formal recognition and opportunities to link with Micro Finance Institutions (MFIs) and non-state actors;
- (ii) Develop infrastructure of 12 Vocational Rehabilitation Centres (VRCs);
- (iii) Establish the National Development Fund for Persons with Disabilities (PWDs)
- (iv) Decentralization of the single registry for the National Safety Net Programme; and
- (v) Finalize integration of the existing Information Management Systems for the CT-OVC, OPCT and PWSD-CT programs into a one-stop system

Under the Youth empowerment Programme, the government targets to continue promoting;

- (i) Gender and Youth empowerment,
- (ii) Improved livelihoods for the vulnerable groups and people living with disabilities through the National Youth Service (NYS) program,
- (iii) The social transformation program and SACCOs in order to attain sustainable youth led enterprises and promote employment creation services.
- (iv) Expanding opportunities for the youth in procurement and designate resources for the establishment of youth empowerment centers to mentor the youth on leadership, national values, and entrepreneurship skills

The proposed budget ceilings for 2018/19 financial year and the projections within the medium term broken down to various programmes being implemented by the State Departments under the purview of the Committee.

Current and Capital Expenditure Ceiling 2017/2018 to 2019/2020									
	2017/2018			Ceiling 2018/2019			2019/20 Projections		
	Rec	Dev	Total	Rec	Dev	Total	Rec	Dev	Total
State Department for Labour	1,793	636	2,429	2,627	2,592	5,219	2,523	3,033	5,556
Promotion of Best labour Practices	466	50	516	662	150	812	568	385	954
Manpower Development, Employment and Productivity Management	849	586	1,435	1,356	2,442	3,797	1,394	2,648	4,041
General Adm, Planning & Support Services	478	-	478	610	-	610	561	-	561
State Dpt for Social Protection	15,218	14,664	29,882	19,305	12,643	31,948	19,498	12,518	32,016
Social Development & Children Services	3,010	895	3,905	2,803	1,008	3,811	3,100	1,379	4,479
National Social Safety Net	12,056	13,767	25,824	16,273	11,635	27,908	16,091	11,119	27,211
General Administration & Support Services	151	2	153	230	-	230	306	20	326
State Dept Gender	1,424	3,188	4,612	1,524	2,930	4,454	1,615	2,930	4,545
Community Development	470	2,130	2,600	-	2,130	2,130	-	2,130	2,130
Gender Empowerment	753	1,058	1,811	1,265	800	2,065	1,327	800	2,127
General Admin & Planning	201	-	201	259	-	259	288	-	288
State Department for Public Service And Youth Affairs	7,317	10,111	17,428	7,617	10,549	18,166	7,973	10,518	18,491
Youth empowerment	7,317	10,111	17,428	7,617	10,549	18,166	7,973	10,518	18,491
National Gender & Equality Commission	353	-	353	423	-	423	513	-	513
Promotion of Gender Equality & Freedom from Discrimination	353	-	353	423	-	423	513	-	513
TOTAL SECTOR	25,753	28,598	54,351	31,074	28,714	59,787	31,609	28,999	60,608

Source; BPS 2018, Budget Estimates

During the period under review, the State Department for Social Protection whose allocation had more than doubled the social economic status of the vulnerable population through the development of the Family Promotion and Protection Policy while Beneficiaries under the Cash Transfers programmes cumulatively reached 710,000; OVCs covered under Presidential Bursary Scheme were 22,000; a total of 21,889 PWDs were assisted through the various initiatives under the National Development Fund for Persons with Disabilities and the National Council for Children Services (NCCS) which was elevated into a state corporation.

Sector contribution to the Big Four Government Priorities

Labour is one of the foundations for national transformation in the Kenya Vision 2030. It is also a critical factor of production without which, the other factors of production cannot produce the required goods and services for the economy. Therefore, Labour sub-sector is an Enabler in the implementation of the four government priorities, which are Manufacturing, Food Security and Nutrition Security, Universal Health and Affordable Housing. The Sub-sector advocates for an efficient, motivated and healthy human resource base, which is pivotal for enhanced national competitiveness, economic growth and development. The Sector will contribute to the 'Big Four' priority areas through the following programmes, projects and activities under the State Department for Labour, that have been linked to the 'Big Four' initiatives:

Project	Output	Target 2018/19	Estimated Cost
PROGRAMME 1: PROMOTION OF BEST LABOUR			
Project 1: Review of the Labour Laws and policies to align them to the emerging issues and challenges in the Labour Market	6 Labour Laws and 2 policies reviewed	6 Labour Laws and 2 policies reviewed	35
Project 2: Establish Conciliation and Mediation Services	Alternative Disputes Resolution (ADR) mechanism established	ADR in place	60
Project 3: Development of a National Wages and Remuneration Policy	National Wages and Remuneration Policy	Policy developed & validated	20
Project 4: Review, establish and operationalize wages councils and National Labour Board to guide in the fixation of terms and condition of employment in the various	3 Wages Councils established and 2 fully operationalized	3 Wages Councils established fully operationalized	60

sectors			
Project 5: Improve Occupational safety and health standards in Micro and Small Enterprises (MSEs) Manufacturing sector, Agriculture and construction	Baseline Survey on number of workplaces, hazardous occupations and plants	Carry out OSH survey in 20 counties	506
	37700 Factories and processing plants examined	8,950	415
	7,000 Jua Kali entrepreneurs sensitized	Develop & IEC materials sensitize 1000 entrepreneurs	163
PROGRAMME 2: MANPOWER DEVELOPMENT, EMPLOYMENT AND PRODUCTIVITY MANAGEMENT			
Project 6: Strengthening the operational capacity of the National Productivity and Competitiveness Centre (NPCC)	47 Productivity Officers trained on certified KAIZEN Course, National Productivity Council Bill finalized and 7 productivity consulting firms registered	NPC Bill finalized, 47 officers trained and 7 Productivity Consulting firms registered	28.5
Project 8: Carry out a skills and occupation survey in the Informal Sector - World Bank Funded	Skill Profiles, gaps and occupations in the informal Sector identified	Skills and occupational survey in the informal sector	350
Project 10: Maintenance of the Kenya Labour Market Information System (KLMIS)	Up to date, relevant labour Market information available	Application Programming Interface with other systems	264
CLUSTER 1: MANUFACTURING			
PROGRAMME 2: MANPOWER DEVELOPMENT, EMPLOYMENT AND PRODUCTIVITY MANAGEMENT			
A. TEXTILE AND LEATHER SECTOR			
Project 1. Productivity improvement in Textile and Leather Sectors	50,000 workers in EPZA trained on productivity skills in textile Sector	10,000	140

	9,000 workers trained on productivity skills in leather sector	3,000	12
B. OTHER AREAS RELATED TO MANUFACTURING CLUSTER			
Project 2: Productivity improvement in the Tea, Dairy, and Cereals (maize) sector	15,000 Workers of KCC and NCPB Eldoret, KTDA (2 Limuru, 5 Kericho) trained on productivity improvement	7,500	14
Project 3: Productivity improvement in the manufacturing MSEs Sector in 4 clusters (Metal, Food processing, Furniture and Agribusiness clusters)	85 MSEs in the 4 clusters trained on Productivity improvement skills	40	15
Project 4: Train Youth & Women in Textile/Apparel Sector	50,000 Youth and Women trained in Textile/Apparel Sector	10,000	720
Project 5: Enhance skills in the Micro and Small Enterprises (MSE) Manufacturing Sector	88,000 workers in the MSE sector skills enhanced	43,000	1,362.70
Project 6: Carry out Apprenticeship training both in the formal and informal sector	27000 apprentices engaged and trained in the formal and informal sectors	6,000	972
Project 7: Kenya Youth Employment Opportunities Project (KYEOP) – Improving Youth Employability	70,000 youth trained for employment opportunities	10,000	5,700
Project 8: Enhancement of Industrial Attachment;	210,000 students and lecturers attached in industry	40,000	382
Project 9: Upgrading of the 5 Industrial Training Centres	5 industrial training centres upgraded	2	443.1
Project 10: Coordinate the implementation of the National Internship Programme	450,000 placed on Internship	50,000	319
CLUSTER 2: UNIVERSAL HEALTH CARE			
PROGRAMME 1: PROMOTION OF BEST LABOUR			

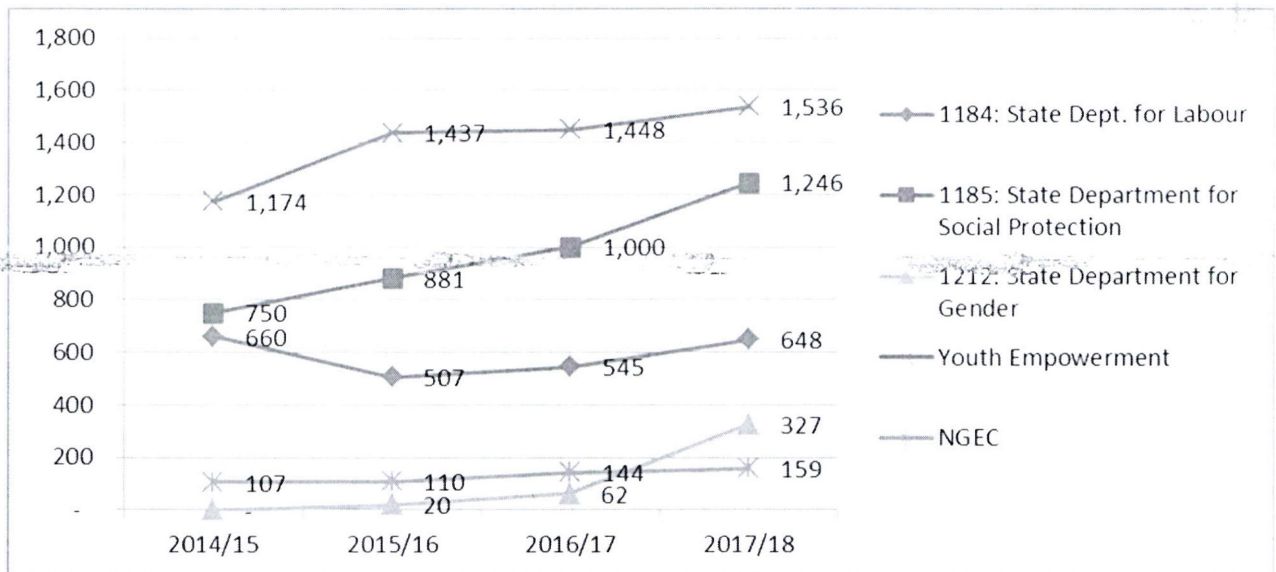
Project 21: Mainstreaming of Basic Occupational Health Services (BOHS) into Primary Health Care System	OH services integrated into primary health care facilities	Develop Data collection and transmission tools Sensitization of doctors in public hospitals Roll out in 2 Counties	115
	365,000 Workers in hazardous occupations medically examined	75,000	125
CLUSTER 3: AFFORDABLE HOUSING			
PROGRAMME 2: MANPOWER DEVELOPMENT, EMPLOYMENT AND PRODUCTIVITY MANAGEMENT			
Project 22: Enhance skills possessed by workers in the Housing sector	66,000 workers in the Housing Sector skills enhanced	15,000	717.9
CLUSTER 4: FOOD NUTRITION AND SECURITY			
PROGRAMME 1: PROMOTION OF BEST LABOUR			
Project 23: Implement ILO's Work Improvement Neighborhood Development (WIND) Programme in 4 crop production sub-sectors	Leaders of SACCOS in 4 crop production sub-sectors (rice, sugarcane, small-scale tea and horticultural growing farmers) trained as TOT on best occupational safety and health practices	WIND Programme Mwea irrigation scheme	109

Source: the National Treasury, Sector Report 2018

Wage bill in the sector

Curbing the increased wage bill through freezing of recruitment may not be a solution if departments are still hiring experts/consultants on contractual basis which can be more expensive and skills will not be localized. In this case, there is need for enhanced skills development and employment of staff on P&P terms and taking up voluntary retirement initiatives. The chart below shows the growth of compensation to employees from the FY 2014/2015-FY 2017/2018

Growth in Compensation to Employees FY 2014/15-2017/18



Source: Sector Report 2018

THE HARD BUDGET CONSTRAIN: OPTIONS FOR PRIORITIZATION FOR EFFICIENCY

The purpose of budgeting is to allocate available resources for the ever increasing needs and wants. The Country is guided by the policies in the National Development Agenda (Vision 2030), the Jubilee manifesto which is broken down to 5 year medium term plans. The MTP III which is from the period 2018-2022 is to inform the resource allocation for the FY 2018/2019 and the medium term.

In terms of resource allocation, the proposed budget ceiling for MDAs under the purview of the committee for 2018/19 is Kshs **60.40 Billion** which is less compared to the resource requirement of Kshs **97.90 Billion**. In the next MTEF period, the resource requirement for the sector is **Kshs 213.05 Billion** against a proposed resource ceiling of **Kshs 122.36 Billion**. The table below shows a breakdown of the resource requirement vs resource allocation for the FY 2018/2019 and over the medium-term.

	REQUIREMENT			ALLOCATION		
	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
Promotion of the Best Labour Practice	1,867	2,046	2,300	812	934	915
Manpower Development, Employment and Productivity Management	5,763	5,921	5,757	3,893	4,061	3,913
General Administration Planning and Support Services	780	797	814	584	561	580
1184: State Department for Labour	8,410	8,764	8,872	5,289	5,556	5,409
Social Development & Children's Services	9,262	9,149	9,850	3,827	4,479	4,462
National Social Safety Net	39,711	42,691	45,916	27,932	27,211	27,634
Policy and General Administrative Services	305	337	383	230	326	332
1185: State Department for Social Protection	49,278	52,177	56,149	31,969	32,016	32,428
Community Development	2,268	2,376	2,487	2,130	2,130	2,130
Gender and Women Empowerment	5,204	5,369	6,123	2,091	2,122	2,129
General Administration and Planning	873	844	866	269	288	299
1212: State Department for Gender	8,345.00	8,589.00	9,476.00	4,490.20	4,540.00	4,558.00
Youth Empowerment	31,320.37	32,937.55	34,457.51	18,196.71	18,491.24	19,322.46
NGEC	545.07	709.36	922.16	455.77	513.19	528.69
SECTOR REQUIREMENT TOTAL	97,898.60	103,176.90	109,876.24	60,401.05	61,116.49	62,246.08

Source: Sector Report, 2018

In sharing of the available and limited resources, the MDAs in requesting for allocations to carry out their mandates should prioritize. Since there are almost 1,000 ongoing projects across the MDAs each State Department should prioritize on completing ongoing projects which are at an advanced stage of completion, Projects requiring GOK counterpart funding in order to ensure that the Donor funds are unlocked, prioritize on the on-going flagship

projects, Projects that had been fully processed and with supporting documents (BQs, secured land, ready feasibility study);

The Sector needs to fast-track amendment and enactment of legal frameworks (Policies, bills and legislations) that are aligned to the Constitution to facilitate efficient and effective implementation of sector activities. These Policies that are at various stages of completion include; National Industrial Relations Policy, Wages and Remuneration Policy, Regulations on Oil and Gas, Labour Market Information Policy, Labour Migration Management Policy, National Social Development Policy, National Community Development Policy, Older Persons Policy, Persons with Disabilities Policy, Anti Female Genital Mutilation Policy, National Gender and Development Policy, National Equality Policy, Merging of Affirmative Action Funds Policy

Support the approval of the Labour Market Information Management Policy to manage the collection, sharing and dissemination of LMI (Lack of policy, legal and institutional framework in the collection, sharing and utilization of labour market information hampers interventions for national human resource development and also limit in-depth labour market analysis)

Proposed merger of affirmative Funds may affect and slow down operations and planned programmes. Already, the revised HR structure implementation has been halted, pending the merger

There is a taskforce that is coming up with regulations that will combine all the funds to avoid the duplicity of roles. The regulations are to be taken through a stakeholder forum before they are sent to parliament for enactment.

2.0 MEETING WITH THE STATE DEPARTMENTS ON THE 2018 BPS

The Committee held consultative meetings with the State Departments, Agencies and Commission under the purview of the Committee regarding the proposals in the 2018 BPS on 20th February, 2018.

2.1 State Department of Labour

The State Department of Labour submitted as follows:-

Under the Medium Term Expenditure Framework (MTEF) budget for 2018/19 Financial Year, the State Department is anchored on three programmes; Promotion of best labour practices, Manpower Development, Employment and Productivity Management and General Administrative, Planning and Support services

Proposed allocation 2018/19

Economic Classification	Approved Budgetary Allocation 2017/18 (KShs. Million)	Proposed Allocation in 2018/19 (KShs. Million)
PROGRAMME 1: Promotion of the Best Labour Practice		
S.P 1.1: Promotion of harmonious industrial relations	345.56	423.91
S.P 1.2: Regulation of Trade Unions	11.09	10.50
S.P 1.3: Provision of Occupational Safety and Health	245.67	377.43
TOTAL PROGRAMME 1	598.32	811.84
PROGRAMME 2: Manpower Development, Employment and Productivity Management		
S.P 2.1 Human Resource Planning & Development	311.55	521.11
S.P 2.2 Provision of Industrial Skills	685.52	2,741.13
S.P 2.3 Employment Promotion	305.11	516.22
S.P 2.4 Productivity Promotion, Measurement & improvement	41.82	114.73
TOTAL PROGRAMME 2	1,344.00	3,893.19
PROGRAMME 3: General Planning and Support Services		
S.P 5.1: Policy, Planning and General administrative services	476.55	584.18
TOTAL PROGRAMME 3	476.55	584.18
TOTAL VOTE	2,415.86	5,289.21

Out of the 2018/19 proposed allocation of KShs. 5.289 Billion, a total of Kshs. 2.14 Billion is under the World Bank Funded Project; Kenya Youth Employment Opportunity Project (KYEOP)

Summary of Recurrent and Development Expenditure

Vote	Printed Estimates 2017/18	Resource Requirement 2018/19 (a)	Proposed Allocation 2018/19 (b)	Shortfall (c=a-b)
Recurrent	2,029.90	5,309.25	2,697.21	2,612.04
Development	1,044.10	3,078.96	2,592	486.96
Total	3,074	8,388.21	5,289.21	3,099

List of all Pending Bills as at June 2017

The Department has a pending Bill totaling to **kshs. 31,200,926.59**. From the total pending bills of Kshs. 31.2 Million, Kshs. 9,339,477 has been cleared, leaving a balance of **Kshs 21, 861,449** as of February, 2018 due to lack of funding and the budget cuts during the first half of the FY.

Donor Funded Projects

Donor absorption rates and clarity whether donor component of Funding at the budgeting Level realized during budget implementation

Project title	Expected duration of the project	Source of Funds	Estimated value of the Project (Millions)	Allocation	Actual Expenditure
				FY 2017/18	FY2017/18
Kenya Youth Empowerment and Opportunities Project: Improving Labour Market Information	72 Months	GOK/ WB	1,350	246	38.11 (15.5%)
Kenya Youth Empowerment and Opportunities Project: Improving	72 months	GOK/ WB	5,800	254	37.79 (14.9%)

Youth Employability					
Capacity Development of the National Industrial Training Authority under Korea International Cooperation Agency (KOICA)	3 years	GOK/ KOICA	350	100	0

Areas not funded in the 2018/19 financial year ceilings

Area	Baseline 2017/18 (KShs. Million)	Requirement 2018/19 (KShs. Million)	Allocation 2018/19 (KShs. Million)	Gap (KShs. Million)
Operations and Maintenance (O&M)	753.6	2,707.99	714.03	1,993.9
Personnel Emolument (Office of Registrar of Trade Unions)	6.57	17.022	6.77	10.252
Subscriptions to local and international organizations	9.2	23.35	9.2	14.15
Personnel emolument (NITA)	401.4	582.2	401.4	180.2
Tripartite delegations to the International (ILO) and Regional Meetings	7.2	30	7.2	22.8
Complete the Construction of 15 on-going Capital Projects	266.475	1015.64	452	563.64

The Kenya Youth Employment Opportunities Project (KYEOP)

The Government of Kenya, in partnership with the World Bank, is implementing the Kenya Youth Employment and Opportunities Project (KYEOP) from 2016 to 2021. The project development objective is to increase employment and earning opportunities among targeted

youths. The project has four distinct components, which are inter-linked and aim to reach 280,000 youth directly and indirectly. The total loan agreement is Kshs 15 billion

The project components are:

- i. Component 1: Improving youth employability implemented by National Industrial Training Authority (NITA) under the State Department of Labour - (Kshs 5.8 billion);
- ii. Component 2: Support for job creation implemented by the Micro and Small Enterprise Authority (MSEA) - (Ksh 2.52 billion);
- iii. Component 3: Improving Labour Market Information (LMI) implemented by the State Department for Labour -(Ksh. 1.35 billion);
- iv. Component 4: Strengthening youth policy development and project management implemented by Ministry of Public Service, Youth and Gender (MPYG) - (Ksh. 5.33 billion).

Total Proposed Allocation in 2018/19 Financial Year

As provided the State Department of Labour will require Kshs. **2.14 Billion** in 2018/19 for the two components of the Kenya Youth Employment and opportunity Project (KYEOP) namely:

Component	Total 2018/19 Budget
Component 1: Improving Youth Employability under NITA	1.74 Billion
Component 3: Improving Labour Market Information (ILMI)	Kshs. 400 Million
Total	2.14 billion

2.2 State Department for Social Protection

The State Department for Social Protection comprises of four technical departments namely: Children's Services Department, Department of Social Development, Social Protection Secretariat (SPS) and Social Assistance Unit (SAU). It has three Semi-Autonomous Government Agencies (SAGAs) National Council for Persons with Disabilities (NCPWDs), Child Welfare Society of Kenya (CWSK) and National Council for Children Services (NCCS).

Funding Status 2016/17-2017/18 & Proposed Allocation 2018/19 Fy

Programme	Budgetary Allocation 2016/17 (Kshs. Million)	Printed Estimates 2017/18 (Kshs Million)	Approved Budgetary Allocation 2017/18 (Kshs Million)	Proposed Allocation 2018/19 (Kshs Millions)
Programme 1: Social Development & Children Services				
SP 1.1: Social Welfare & Vocational Rehabilitation	1,037.00	967.09	844.40	956.46
SP 1.2: Community Mobilization & Development	136.00	600.50	481.83	608.61
SP 1.3: Child Community Support	2,218.00	2,384.14	2,197.17	1,829.13
SP 1.4: Child Rehabilitation & Custody	433.00	414.04	381.82	416.95
Total Programme 1	3,824.00	4,365.77	3,905.22	3,811.10
Programme 2 : National Safety Net Programme				
SP 2.1: Social Assistance to Vulnerable Groups	18,507.00	19,790.72	25,797.85	27,907.90
Total Programme 2	18,507.00	19,970.73	25,797.85	27,907.90
Programme 3: General Administration Planning & Support Services				
SP 3.1: Administration and Support Services	132.00	250.56	153.08	229.50
Total Programme 3	132.00	250.56	153.08	229.50
Total Vote	22,463.00	24,407.05	29,856.15	31,948.55

The bulk of the State Department's allocation is under National Safety Net Programme which has increased from 18.5 billion to Kshs. 27.9 Billion in 2016/17 and 2018/19 FY respectively. The increase is to cater for the implementation of cash transfer for 70 years and above older citizens.

Summary of the Budget

Vote: 1185	Printed Estimates 2017/18	Resource Requirement 2018/19 (a)	Proposed allocation 2018/19 (b)	Shortfall (c=a-b)
Recurrent	9,447.00	25,980.00	19,305.40	6,674.60
Development	14,960.00	23,298.00	12,643.10	10,654.90
Total	24,407.00	49,278.00	31,948.50	17,329.50

Policies and planned outputs for the period 2018/19 and Medium Term Plan

No.	Programme/Sub Programme	Outputs to be achieved in 2018/19 Financial Year
PROGRAMME I: Social Development & Children's Services		
i)	Community Mobilization and Development	Register 45,000 SHGs, CBOs, groups
		Link 75,000 SHGs to various MFIs and non-State actors
		Train 600 SHGs, CBOs, CSAC and BWCs members trained
		Develop Community Development Management Information System (CDMIS)
		Revitalize and build capacity of the Community Development Committees (CDCs) in 290 sub-counties
		Conversion of Kirinyaga Community Capacity Support Centre (CCSP) to Rescue Centres for abandoned, neglected and abused vulnerable elderly
		Complete three sub county social development offices (Ebakasi, Ruiru and Buuri)
ii)	Social Welfare and Vocational Rehabilitation	Train 650 PWDs trained in VRCs for self reliance
		Support 290 SHGs for PWDs with grants for economic empowerment
		Provide 3,400 assistive devices to the needy PWDs
		Provide 500 tools of trade (tool kits) for Vocational Rehabilitation graduates for income generating activities
		Provide 2,000 education support to PWDs
		300 workers offering essential services (Police , Nurses and social workers) trained on Kenya Sign language
		35 Learning institutions for PWDs supported to improve enrolment and learning environment
		Provide LPO financing to 250 PDWs registered groups
		35 organizations and institutions with PWDs supported with infrastructure and equipment
		Support 3,250 Persons with Albinism with sunscreen lotion, after-sun lotion, lip-balms, protective clothing and eye care services
		250,000 PWDs registered and issued with PWDs cards to facilitate services access
		Update the volunteerism portal in Kenya Labour Market Information System (KLMIS)
		Implementation of the National Volunteerism Policy, 2016
		Upgrading and equipping of the Vocational Rehabilitation Centres (VRCs)
iii)	Child Community Support	Operationalize a shelter house for victims of human trafficking.
		Finalize and enforcement of rules and regulations on Counter Trafficking in Persons
		Operationalize the National Trust Fund for Counter Trafficking in Persons victims
		Roll out the Counter Trafficking in persons Training Manual
		Continue with public information campaigns on counter trafficking in person
		Finalize the review of Counter Trafficking in Persons Act, 2010
		25,000 Orphans and Vulnerable Children (OVCs) supported with Secondary school scholarship (The funding has been retained at its current levels)
		Finalize the review of the Children Act 2001
		Finalize Review the National Children Policy 2010
		Enforce compliance with Charitable Children Institutions (CCIs) regulations
		Convene 48 Kenya Children Assemblies forums for children to air their issues
		Support children in need of special protection through toll free line 116

No.	Programme/Sub Programme	Outputs to be achieved in 2018/19 Financial Year
		Prevent and /or withdraw 2,319 children from child labour
		Provide family tracing and reunification to 2,030 children in emergencies
		Place 240 abandoned, lost and other vulnerable children in local adoption
		Provide psychosocial support to 56,000 children in emergencies
		Provide psychosocial support to 45,000 OVCs outside households
		Finalize and implement Moratorium on Inter-Country foreign adoption of Kenyan children by foreigners
iv)	Child Rehabilitation and Custody	Upgrade the infrastructure in six (6) children Statutory institutions
		Provide various skills to children in Children Rehabilitation institutions
		Provide children in conflict with law with remand facilities
		Upgrade 9 CWSK Temporary places of Safety (Isiolo, Mama Ngina, Kisumu, Joska, Bomet, Nanyuki, Murang'a, Bongoma, and Embu)
		Provide referral/reintegration services to Children in need of care and support
PROGRAMME 2: National Safety Net Programme		
i)	Social Assistance to Vulnerable Groups	383,000 targeted households with OVCs supported with cash transfers (This figure includes 30,000 households under North and Northern Eastern Development Initiatives (NEDI)
		833,129 Older Persons supported with cash transfers. This includes 523,129 older persons aged 70 years and above whose payment take effect from January, 2018.
		47,000 targeted households with PWSDs supported with cash transfers
		List of CTOP beneficiaries shared with NHIF to enable them access free medical cover
		Implementation of the harmonizing tool
		Complaints and Grievances case handling mechanisms system decentralized to all counties
		Enhance efficiency in the delivery of cash transfers through through Multiple PSPs
		Undertake Programme Independent Beneficiary Survey (PIBS) geared towards accessing impact of the Inua Jamii programme
		Continue with beneficiary outreach program to raise awareness among the beneficiaries on issues related to the program.
		MIS shared with other partners to enable programme efficiency , accountability and Transparency
PROGRAMME 3: General Planning and Support Services		

No.	Programme/Sub Programme	Outputs to-be achieved in 2018/19 Financial Year
	Policy, planning and general administration services	Coordinate development and review of Policies, legal and Legislative framework for the State Department
		Implementation of Third Medium Term Plan and Sector Plan (2018 -2022) monitored and report produced
		Track implementation of Vision 2030 flagship projects and submit report to VDS
		Coordinate negotiation, vetting, cascading and reporting of the performance contract
		Monitoring and Evaluation of Programmes/ projects for the State Department
		Ensure compliance with National and International Obligations (International day of the Family, the World Elder Abuse Awareness Day, Older Persons Day, Persons with Disabilities Day, Volunteerism Day, the Day of the African Child among others
		Budget estimates, Annual year Accounts, Sector Reports, Programme Based Budget (PBB), Programme Performance Review (PPR) produced
		Develop Annual Work Plans, Cash-Flow Projections and Procurement Plans
		Capacity building of staff enhanced

Major Achievement of the MTP II targets

The accomplishments of the State Department during the MTP II (2013-17) are as follows:

i) Sectoral Policies, Legal and Legislative Frameworks

Initiated the process of formulating various sectoral policies and legal frameworks, which are at different stages of development, including:

- Review the Social Assistance Act, 2013
- Review of the National Social Protection Policy, 2011
- Development of Social Protection Bill;

Institutional framework/Guidelines

- Finalize Social Protection Investment Plan and Strategy;
- Review Social Protection Sector review;
- Develop Social Protection communication strategy; and
- Develop organization structure

ii) National Safety Net Programme (Inua Jamii)

The overall objective of this programme is to cushion the vulnerable section among the population specifically Orphans & Vulnerable Children, Older Persons and Persons with Severe Disabilities against vulnerability. The programme provides safety nets in form of monthly cash transfers of Kshs. 2,000, delivered every two months to targeted beneficiaries to enable them meet basic human needs and live a dignified life and prevent them from sinking further into poverty.

The following was achieved during 2013-2017;

a) **Scaled up the Cash Transfers:** The number of cash transfers beneficiaries increased cumulatively by 484,280 representing an overall increase of 68%.

The breakdown of the three programs is as follows:

Programs	2012/2013		2017/2018	
	HOUSEHOLDS	AMOUNT/KSH	HOUSEHOLDS	AMOUNT/KSH
CT-OVC	152,323	4,602,537,250	353,000	8,887,763,356
OPCT	59,000	1,500,000,000	310,000	7,329,512,963
			523,129	6,277,548,000
PWSD-CT	14,700	385,000,000	47,000	1,200,000,000
TOTAL	226,023	6,487,537,250	1,233,129	23,694,824,319

b) Establishment of Cash Transfer Delivery Unit, harmonized Targeting Methodology, implementation of the enhanced 70 year plus older persons Cash transfer program, promote welfare of beneficiaries, complaints and grievances handling mechanisms timely payments to beneficiaries, single registry, programme impact assessment, communication and Public Awareness, budget support through development partners, data clean up, support NHIF Registration for vulnerable groups, manage engagements with development partners social protection policy and planning.

Department for Social Development

The notable achievements include:

- i. Sectoral policies, legal and legislative frameworks
- ii. Community mobilization, development, empowerment programme & Social Welfare
- iii. Vocational Rehabilitation Centers & Volunteerism
- iv. Compliance with National and International Obligations
- v. Public Private Partnerships and taking services closer to Citizens

Department of Children Services

Among the key achievements is the re-branding and organization of the children's department. Notable achievements include: sectoral policies, legal and legislative frameworks, presidential bursary for orphans and vulnerable children (OVCS), operationalization of the Counter Trafficking in Persons Act, 2010, child care, protection and rehabilitation.

Public Private Partnership initiatives to complement the scarce resources

The State Department in collaboration with non- state actors are currently partnering in the following areas aimed at creating synergy in service delivery;

	Area of collaboration	Partner organization	Target
1.	Single Registry	WFP	To develop the second phase of the Single Registry for social protection programmes aimed to improve sector coherence, accountability and transparency as well to avoid duplication of efforts, prevent double dipping and incidences of fraud.
2.	Additional Financing for the North and North Eastern Development Initiative (NEDI)	WB	Enroll additional 30,000 CT-OVC households for the North and North Eastern Development Initiative (NEDI)
3.	Costing of Child Protection System	UNICEF	Develop a costing model to guide planning and budgeting of children issues
4.	Baseline Survey for 70 years and above Older Persons Cash Transfer	Help Age International	Establish a baseline for subsequent impact assessment

Pending bills as at June, 2017

The Pending Bills FY2017/18 totals to Kshs. 57,154,590.47. However, it should be noted that the above pending bills includes donor funded programmes. The pending bills less donor funded programs is Kshs.17M.

Areas not funded in the 2018/19 Financial Year Ceilings

The following critical priority areas in the State Department could not be accommodated within the ceiling and therefore require to be escalated further to the National Treasury.

No.	Priority Area	Baseline 2017/18	Requirements 2018/19	Ceiling Allocation 2018/19	Financing Gap
1.	Inua Jamii Programme key strategic interventions	16,433	32,282	26,433	5,849
2.	Children Institutions	389	500	389	111
3.	Operations Budget for NCPWDs (provided as line items transfer)	172.2	350	172.2	177.2
4.	National Council For Children Services (NCCs)	50	241	50	191
5.	Operationalization of the National Volunteerism Policy, February 2016	0	50	0	50
6.	Implementation Moratorium under CWSK.	0	980	0	980

7.	Support to Kenya Society for the Blind.	0	445	0	445
	TOTAL	17,044.2	34,848	27,044.2	7,803.2

Donor funded projects and their absorption rate are as indicated below:

	Project	Donor	Approved Estimates 2017/18 (Kshs)	Expenditure (Kshs)	Absorption Rate (%)	Remarks
1.	Cash Transfer for Orphans and Vulnerable Children (CT-OVC)	World Bank-Trust Fund	944,634,000 (720,000,000 is not available 224,634,000 is what is available)	19,586,231	8.8	The project will lapse in October 2018. The low absorption rate is occasioned by delays in release of exchequer. However the balance of Kshs.205,047,769 will be spent as follows: <ul style="list-style-type: none"> • 40 Million will for pending bill for purchase of Motor vehicle • 100M for purchase of motor vehicle and motor cycles • 65 Million for ongoing contracts
2.	Social Protection Secretariat	World Bank-Trust fund	655,314,000	91,810,394	14.01	The low absorption rate is due to delays in release of exchequer. However the balance will be spent as follows : <ul style="list-style-type: none"> • Contractual employees 120Million • 3 ongoing consultancies 90Million • Training of officers 116Million • Office rent 15 Million • Procurement of goods & services 222.5 Million
3.	Integrated Protective Services	UNICEF	15,500,000	3,041,000	19.62	The low absorption rate is mainly due to delays in release of exchequer and some funds erroneously sent to the State Department for Gender Affairs.
4.	Family Based Care for Vulnerable Children	UNICEF	25,802,000	28,800	0.11	
5.	Social Protection Secretariat	UNICEF	3,600,000	467,600	12.99	

2.3 State Department for Public Service and Youth

The State Department for Public Service and Youth comprises of:

Directorate of Public Service Management; Directorate of Youth Affairs; National Youth Service; Huduma Kenya Secretariat.

In addition, there are 3 Semi-Autonomous Government Agencies (SAGAs):

- a) Kenya School of Government;
- b) National Youth Council;
- c) Youth Enterprise Development Fund.

The State Department policies and plan outputs for the period 2018/19 and the medium-term plan are illustrated in the table below:

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	Baseline 2017/18	Target 2018/19	Target 2019/20	Target 2020/21
SP 1.1: National Youth Service	National Youth Service	Youth trained in paramilitary and regimented	No. of youth recruits trained and regimented	30,000	30,000	30,000	30,000
		Youth engaged in national service and re-socialized	No. of community youth gainfully engaged in YEP	75,000	75,000	75,000	75,000
			No. of community youth trained on social transformation	75,000	75,000	75,000	75,000
			Wages earned by Huduma kitchen women	448.2M	448.2M	448.2M	448.2M
		Empowered youth	No. of community	330	330	330	330

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	Baseline 2017/18	Target 2018/19	Target 2019/20	Target 2020/21
		through employment creation and youth-led economy	youth SACCOs registered				
			Savings generated by community Youth SACCOs (in Kshs Million)	1,260	1,260	1,260	1,260
		Skilled Youth	No. of youth who have undergone Vocational Training	15,000	15,000	15,000	15,000
SP 1.2 Youth Development Services	Directorate of Youth	Youth mentored and capacity built	No. of youth mentored on leadership, National Values, peace building and conflict transformation	6,000	9,000	12,000	12,000
			No. of youth sensitized on AGPO promotion, Entrepreneurship skills, and social vices	32,000	33,000	34,000	34,000
			No. of youth engaged in internship and	6,110	7,000	8,000	9,000

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	Baseline 2017/18	Target 2018/19	Target 2019/20	Target 2020/21,
			Apprenticeship				
		Youth Empowerment Centres (YEC) established	No. of YEC Established and operationalized.	40	50	47	50
SP 1.3 Youth Employment Scheme	Youth Enterprise Development Fund	Youth entrepreneurial and financial services provided	Amount disbursed to youth in Kshs.	842,611,500	1,343,478,400	1,746,521,920	2,270,478,496
			Amounts of loans recovered	520,000,000	821,600,000	1,065,378,371	1,384,991,883
			No. of youth beneficiaries	168,600	268,700	349,300	454,100
			No. of trading spaces provided for youth	1,200	1,500	2,000	2,500
			No. of youth trained on entrepreneurship skills	65,000	75,500	81,000	86,500
SP 1.4 Youth Coordination and representation	National Youth Council	Youth empowerment services provided	No. of youth sensitized on entrepreneurship, and leadership skills	5,000	5,500	6,000	10,000
			Reviewed NYC Act	NYC Act reviewed	Implementation of the reviewed Act	-	-

Achievement of the MTP II targets as we embark on MTP III

National Youth Service

During the five year period of MTP II, NYS has made the following key achievements under the Youth Empowerment Programme.

- i. 67,465 youth have been recruited into NYS for Paramilitary training.
- ii. 29,362 SM/W have enrolled for Vocational Training (7,512 graduated, 21,850 continuing).
- iii. 236,250 community youth (Cohorts) engaged in 253 Constituencies under the NYS Youth Empowerment Programme (YEP).
- iv. 75,000 community youth trained in social transformation covering life skills, citizenship, civil works, cooperatives and entrepreneurship.
- v. KES 8.12 billion paid in net wages to the community youth.
- vi. KES 3.48 billion generated in savings by 688 SACCOs.
- vii. KES 978,376,534.00 earned by women under the Huduma kitchen.
- viii. 405.6km of roads graded and repaired to murrum standards in various constituencies.
- ix. 213 small dams and water pans constructed.
- x. 56 Boreholes sunk.
- xi. Provision of community facilities in informal settlements:

Youth Enterprise Development Fund

During MTP II period, a total of Kshs. 4.9 billion was disbursed benefiting 497,037 youth in entrepreneurship across the country.

Youth Development Services

During MTP II Plan period:

- i. 150,350 youth were sensitized on entrepreneurship and leadership skills;
- ii. 115,500 youth have been sensitized and trained on peace building and conflict transformation;
- iii. 128,000 youth have been trained on access to Government Procurement opportunities;
- iv. The National Youth Policy review process began. Currently, public participation forums are about to commence.

Kenya Youth Empowerment Project

During the MTP II plan period, the project was piloted in Nairobi, Mombasa and Kisumu counties and 21,393 youths were provided with core life and business skills and 13,200 youth proceeded for industry related training and workplace experience. Through this project, 75% of the beneficiaries were either formally employed or self-employed.

The KYEP was scaled up to Kenya Youth Employment and Opportunities Project (KYEOP) in 2016 following its successful pilot. The KYEOP is a five year project funded with a credit of USD 53.3M from the World Bank. The objective of the Project is to address youth

unemployment by providing with training and internships as well as startup grants combined with business development services.

National Youth Council

During the MTP II Plan period, the National Youth Council facilitated the inclusion of youth in various boards and committees at the National and County levels which include: Youth Enterprise Development Fund (YEDF); National Employment Authority (NEA); National Anticorruption Campaign Steering Committee (NACCSC); and the National Committee on the review of the National Youth Policy (NYP).

Private-Public-Partnership Initiatives

As part of NYS sustainability, the Service considers partnership through Public-Private-Partnership possibilities in the following areas:

- i. Development of a Solar Park and agribusiness at Kirimun: MOU between a private company from Belgium and NYS has been done and feasibility studies to produce 120 Mega Watts have been completed.
- ii. Commercialization of NYS farms
- iii. Commercialization of Textile and Garment factory
- iv. Establishment of a Low-Level Recycling Plant
- v. Commercialization of Water bottling plant at Turbo
- vi. Manufacturing of a low cost building materials at Yatta Complex
- vii. Provision of security and crowd control activities in various Public Institutions, Inter-governmental Organizations and Private entities.

Pending bills as at June 2017.

- i. **The National Youth Service had a huge pending bill as 30 June 2017 amounting Kshs 5,082,371,967** both in recurrent and Development. This includes pending bills for 2016/17 FY and the historical pending bills going back to 2012/13 FY. The State Department is prioritising payment of the pending bills in the current budget as well as requesting for additional funding so as to ensure that all the pending bills can be paid.
- ii. The Youth Empowerment Centres also have an outstanding pending bill of **Kshs. 36,607,654** These pending bills emanate from construction of YECs that were underway when funding stopped.
- iii. The Youth Enterprise Development Fund has pending bills amounting to Ksh. **29,870,782**

Projects indicating status of all the ongoing projects.

No.	Project title	Est. Cost of Project Kshs. Millions	Source of Funds	Timeline		Estimates	Allocation	Proje Statu
				Start Date	Expect ed Compl etion Date	2017/18 Kshs. Millions	2018/19 Kshs. Millions	
1.	Construction of Buildings and Other infrastructure at NYS	1,696.10	Gok	2015	2019	397.90	269.39	Ongoi
2.	Construction of double span kitchens	192.00	Gok	2015	2018	17.00	-	Compl
3.	NYS Youth Empowerment Programme	69,785.00	Gok	2015	2021	9,717.27	9,717.27	Ongoi
4	Youth Empowerment Centres (YECs)	610.00	Gok	2017	2021	50.00	50.53	Ongoi
5	Youth Enterprise Development Fund - Loans Disbursement and Business Development Services	6,106.72	Gok	2007	2027	305.34	305.34	Ongoi
6..	Kenya Youth Employment and Opportunities Project (KYEOP) - WB	5,330.00	Donor	2016	2021	207.00	853.00	Ongoi

List of all donor funded projects and their absorption rates.

No.	Project	Budget 2016/17	Expenditure 2016/17	Absorption rate	Remarks
	Kenya Youth Employment and Opportunities Project (KYEOP)	130,000,000	31,162,021	24%	At the start of project in 2016-17, there were challenges of operationalization of the project. However, in 2017-18 the challenges has been addressed by putting in place a competent secretariat and the project is fully operational.

Budget Shortfalls

The Youth Empowerment Programmes's total requirement for the FY 2018/19 was **Kshs. 31,711.76 million** and the allocation was **Kshs. 18,222.28 million**, this translates to a shortfall of **Kshs. 13,489.48 million**. The shortfall per programme/sub-programme is illustrated below:

PROGRAMME AND SUB-PROGRAMMES	BASELINE ESTIMATES	RESOURCE REQUIREMENT				RESOURCE ALLOCATION		
	2017/18	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21	
PROGRAMME 1: Youth Empowerment	18,209.23	31,711.76	33,566.77	35,316.66	18,116.28	18,491.24	19,322.46	
SP1.1:National Youth Service	16,337.39	27,735.77	29,194.41	30,530.91	16,212.39	16,607.36	17,169.13	
SP1.2:Youth Development Services	1,240.81	2,865.09	2,979.81	3,114.81	1,240.86	1,252.85	1,311.31	
SP1.3:Youth Employment Scheme	596.83	1,047.90	1,318.55	1,582.95	596.83	596.83	801.82	
SP1.4:Youth Coordination and Representation	34.20	63.00	74.00	88.00	34.20	34.20	40.20	

The details of the deficit are given below:

Recurrent Vote

Particulars	Delivery Unit	Short-fall (Amount in Kshs. million)	Remarks
Youth Development Field Offices	Directorate of Youth Affairs	500	This is meant to finance operations of 337 sub-county offices (47 counties and 290 constituencies)
Youth Enterprise Development Fund	YEDF	145.7	This is for training, market support and linkages, commercial infrastructure support. The deficit will impede regional and county offices operations
Use of goods and services	National Youth Service	7,164.75	This is due to an increase in the number of S/M/W from 4,000 to 30,000 p.a hence increase in food & ration, bedding & linen, monthly personal effect, kitting; trainee allowance from Ksh 700 to Ksh 2,100 per month; Vocational training
Compensation of employees	National Youth Service	640	This is for recruitment of privates, technical instructors and lecturers to cater for the expanded number of recruitment of service men/women

Development Vote

Particulars	Delivery Unit	Short-fall (Amount in Kshs. Million)	Remarks
Vijana Vuka Na Afya "VIVA" Youth Reproductive Health Service – GERMAN	Directorate of Youth affairs	76.5	This is to improve health seeking behavior among the youth.
Youth Enterprise Development Fund	YEDF	305.3	The deficit will affect loans disbursement of funds
Infrastructure Development	NYS	4,220.63	shortfall is on Youth Empowerment Programme (YEP), Barracks and Classrooms

2.4 State Department for Gender Affairs

In terms of programmes, the State Department has three main programmes for implementation during the FY 2018/2019. These are as follows:

Programme 1. Community Development

Programme 2. Gender Empowerment

Programme 3. General Administration and Planning

Resource Gaps

The State Department of Gender Affairs requested for resource allocation amounting to Kshs. 8.8 billion to cater for its recurrent and development budget; both for the department and its SAGAs (WEF, NGAAF, UWEZO and ANTI-FGM).

However, the Department has been allocated Kshs. 4.45 billion only, as tabulated below:

SDGA Resource requirement, Allocation and Shortfall

No.	Vote	Requirement-Kshs.	Allocation Kshs.	Shortfall Kshs.
1.	Recurrent	4,325,000,000	1,524,300,000	2,800,700,000
2.	Development	4,478,000,000	2,930,000,000	1,548,000,000
	Total	8,803,000,000	4,454,300,000	4,348,700,000

The resource requirements are further disaggregated as indicated below:

Recurrent Vote Budget

Department /SAGA	Requirement Kshs.	Allocation Kshs. Million	Shortfall Kshs. Million	Remarks
Department	3,436	1,139.2	2,296.8	
NGAAF	-	-	-	NGAAF has no recurrent budget, as per its regulations
UWEZO	310	182.7	127.3	
WEF	380	115.2	264.8	
ANTIFGM	199	87.1	111.7	
Total	4,325	1,524.3	2,800.7	

Development Vote

Department	-	-	-	The Department has no development vote
NGAAF	2,268	2,130	138	
UWEZO	1010	300	710	
WEF	1,200	500	700	
ANTIFGM	-	-	-	
Total	4,478	2,930	1,548	

FY 2018/2019 proposed estimates for both Recurrent and Development

The FY 2018/2019 proposed estimates of Recurrent and Development Expenditure – Vote 1212 in the Budget Policy Statement is summarized here below:-

Vote	Proposed estimates in BPS (Kes)	AIA /Revenue	Net proposed estimates in BPS (Kes)
Recurrent	1,524,300,00	-	1,524,300,000
Development	2,930,000,000	-	2,930,000,000
Total	4,454,300,000	-	4,454,300,000

Recurrent Vote Summary

A net provision of **Kshs. 1,524,300,000** under Recurrent Vote during FY 2018/2019 comprises the following components:-

	Proposed in BPS (Kshs. Millions)	Requirement (Kshs. Millions)
i. Salary and Allowance	334	334
ii. Allocation for sanitary pads	470	1,300
iii. SDGA HQS and Tech depts. (O&M)	335.2	1,802
iv. Anti FGM Board	87.1	199
v. Women Enterprise Fund	115.2	380
vi. Uwezo Fund	182.7	310
Total	1,524.3	4,325

Out of the total Operations and maintenance of **Kshs. 335,200,000**, an amount of **Kshs. 213,000,000** is in regard to SDGA headquarters and **Kshs. 122,200,000** to cater for the operations and maintenance of the four Directorates (**Gender Mainstreaming, Policy and Research, Gender Based Violence and Family Protection and Social Economic**)

2. Development Vote

The proposed net provision Under Development Votes is **Kshs.2,930,000,000**. This is a GOK Capital transfer to the following SAGAs:-

	Proposed in BPS (Kshs.)	Requirement (Kshs.)
NGAAF	2,130,000,000	2,268,000,000
Uwezo Fund	300,000,000	1,010,000,000
WEF	500,000,000	1,200,000,000
Total Development	2,930,000,000	4,478,000,000

2.4 National Gender and Equality Commission (NGEC)

The National Gender and Equality Commission (NGEC) is a Constitutional Commission established pursuant to Article 59 (4) & (5) of the constitution and National Gender and Equality Commission Act of 2011. NGEC's key mandate is to promote gender equality and freedom from discrimination in accordance with Article 27,43, and chapter fifteen of the Constitution; and section 8 of NGEC Act (Cap.15) of 2011

Budget 2017/2018

In the financial year 2017-2018 the Commission was allocated **Kshs 445,869,850**.

The Commission sought reallocation through the first and second supplementary budget and got an approval for **Kshs 5.6Million** and **Kshs 8.07Million** respectively. The budget cut is likely to lead to pending bills emanating from contractual obligations.

The Recurrent Budget

Economic classification	Printed estimates 2017/2018	Revised Estimates 2017/2018
Current Expenditure	445.82	352.82
Compensation of employees	158.73	158.73
Use of goods and services	59.88	59.88
Other recurrent	227.26	134.21
Capital Expenditure		
Acquisition of non-financial assets		
Capital transfers to government agencies		
Other developments		
TOTAL	445.82	352.82

Status of 2017/2018 Budget Implementation and Exchequer Receipts

	REVISED ESTIMATES 2017/2018(Millions)	EXCHEQUER RECEIPTS 2017/2018(Millions)
Sub program 1: Legal compliance and redress	39.10	22.8
Sub program 2: Mainstreaming Gender and coordination	47.20	27.59
Sub program 3: Public education Advocacy and Research	46.93	27.43
Sub program 4: General administration and planning	219.59	128.33
Total program	352.8	206.20
Total expenditure of vote	352.8	206.20

The absorption rate up to the beginning of 3rd quarter is 84% of the funds made available to the Commission translating to 58% of the total commission annual budget. The remaining 16% of

the exchequer release by the end of the quarter has been committed to programmatic intervention, salaries, administration expenses and other maintenance costs.

Budget 2018/2019

The Commission actively participated in the 2018/2019 budget process with the National Treasury. During the sector working group, the Commission presented a budget proposal of **Kshs 545.06 Million** in four program areas in accordance with program based budgeting. The sector working group allocated the Commission **Kshs 511.8 Million** this was a 6.1% reduction from our initial working budget. The Treasury further cut the Commission's budget by 10.9% (**55.9 Million**) reducing it to **Kshs.455.88 Million**. Treasury further cut the Commission budget by **15.3 Million** to **Kshs 440.6 Million**. In the 2018 Budget Policy Statement presented to Parliament in February 2018 the Commission was allocated **Kshs 423.2 Million**, indicating a further reduction of 4% (**Kshs 17.4 Million**).

The total cut from the initial Commission budget proposal amounts to 22% (**Ksh 121.86 Million**) thus causing a huge deficit in financing the execution of Commission's mandate as presented in the table below.

Priority areas of funding showing Year 2018/2019 proposed budget, sector working group allocations and variance/deficit by key line items.

Line item	2017/2018 available budget (Kshs 352.8M) (a)	2018/2019 NGEC proposed budget (Ksh 545.06M) (b)	2018/2019 Treasury allocation (Kshs 423.2M) (c)	Deficit (b-c)
Personal Emolument	158.73	174.67	174.67	-
Program 1: Legal investigations	39.1	65.2	50.53	14.67
Program 2 Mainstreaming Gender and coordination	47.2	80.8	59.26	21.54
Program3: Public education Advocacy and Research	46.93	81	60.71	20.29
Sub program 4: General administration and planning	60.86	143.39	78.03	65.36
TOTAL	352.82	545.06	423.2	121.86

Request:

The Commission has a deficit of Kshs 121.86 Million to finance its critical activities in the financial year 2018/2019. The activities that are mostly affected include:

- a) Funding for public forums on Economic and Social Rights(Housing, Water and Health) in the Counties (**Kshs 9 Million**)
- b) Monitoring affirmative action programmes for special interest groups (Youth Fund, Women Fund, Uwezo, Social Protection Fund and AGPO) (**Kshs 14 Million**)
- c) Establishment and equipping of two regional offices ((**Kshs 10 Million**)
- d) Purchase of motor vehicles (**Kshs 20 Million**)

- e). Creating of awareness on the big four in counties (**Kshs 11Million**)
- f) Development of equality and inclusion database (**Kshs 40Million**)
- g) Recruitment and staff capacity building (**Kshs 17Million**)

Donor Funds

UN Women Project

The UN Women, funded the Commission to a tune of about Kshs. 18 million to implement various project. These largely focused on:

- i. Monitoring, facilitating and advising on national laws, regional and international treaties and conventions
- ii. Promotion of principles of equality and inclusion in free, fair elections and prevention and response to GBV
- iii. To institutionalize gender responsive budgeting at national and county level
- iv. Strengthening institutional growth and monitoring of projects

Challenges

NGEC is dealing with a number of challenges and constraints which affects optimal operations and its effective and efficient execution of its mandate. These include:

- i. Inadequate funding; only 30% of the Commissions budget is available for programs.
- ii. Lack of adequate staff. Despite increase in number of staff the commission still lack certain core competencies. e.g. investigation that affects investigative function of the commission
- iii. The commission has presence in only in three counties with limited number of staff and basic equipment (copies, complaints handing desks and even support staff). There is need to open more offices to bring services closer to the people.
- iv. Inadequate vehicles for Programme activities
- v. High demand for public litigation on discrimination on ECOSOC rights and inequities that outstrips our capacities.

3.0. KEY OBSERVATIONS BY THE COMMITTEE

State Department of Labour

- I. There is need by the State Department to strengthen NITA with a view to align its funded programmes in realization of the big four in the medium term including partnership with technical institutions in training and provision of industrial skills to youth.
- II. The Committee was informed that the increase of allocations in the State Department of Labour was mostly as a result of the donor funding towards Kenya Youth Empowerment and Opportunities Project (Component 1) to improving Youth Employability. The Project is funded by World Bank and is expected to address skills mismatch amongst the youth. However, the committee was concerned on the modality to implement the Programme, timelines and expected output as well as the lack of clear inter agency interplay to ensure proper implementation.
- III. The Committee noted that the State Department had put in place measures to ensure workers are empowered and facilitated with necessary skills when seeking opportunities outside the country, and further ensure that there is no exploitation and harassment of Kenyans working in areas where Kenyans had experienced unfair treatment in the past

State Department for Social Protection

- I. The Committee was informed of mechanisms such as responsive database and frequent monitoring of funds and implementation of cash transfers to the elderly, people with disability and orphans and vulnerable children. However, in relation to Programme implementation, the Committee was concerned in the rise of compensation to employees over the last four years, which increased from **Kshs. 750 million** to **Kshs. 1.25 billion** in the FYs 2014/2015 and 2017/2018 respectively thereby occasioning shift of Programme objective in supporting the vulnerable members of the society. The Committee also noted that the State Department should reorganize and reprioritize recurrent spending with a view to reduce the growing trend under recurrent component and to ensure more beneficiaries benefit from enhanced transfers with less optimal recurrent budget.
- II. The committee noted that the cash transfers to orphans and vulnerable children had a donor component in which it was observed that there was inadequate counterpart funding. The committee also observed from the Ministry's submission that the low absorption rate was occasioned by delays in release of exchequer thereby compromising achievement of the Programme objectives
- III. The Committee was informed that there were plans to ensure efficient transfers to beneficiaries with minimal inconveniences especially to the elderly and the disabled such as the use of mobile technology and other complimentary

mechanisms. The committee was also informed that the State Department took bold steps in liaising with the relevant government agencies for swift action where cases of malpractices among agents in the rural areas have been reported

- IV. Ministry should develop and encourage mobile money transfer services to the elderly while ensuring integrity of the mode of disbursement to curb against abuse and fraud this could be done in partnership with the banking sector
- V. The committee inquired whether all necessary sectoral policies, legal and legislative frameworks to govern transfers and other social protection interventions such as regulations have been finalized and submitted to Parliament for consideration. The committee was informed of advanced plans to fast track the finalization and approval of the enabling legal regime

State Department for Youth

- VI. The Committee observed that the Programmes towards the youth empowerment under the department has a pending bill of Kshs. 5,082,371,967 both in recurrent and Development in the National Youth Service, Kshs. 36,607,654 in the Youth Empowerment Centres which emanate from construction of YECs that were underway when funding stopped and Kshs. 29,870,782 in the Youth Enterprise Development Fund.
- VII. The committee was further informed of the status of all the pending bills , and the need for more funds to fast track payment of legitimate pending bills to ensure Programme continuity and delivery. The Committee noted the need for due diligence and value for money to be ascertained by both the relevant Accounting officers and the Auditor General before any payments are considered.
- VIII. The committee was informed that Public-Private-Partnership is one of the strategies to bridge the current financial gap. Some of the key interventions under this strategy include proposed development of a Solar Park and agribusiness at Kirimun where an MOU between a private company from Belgium and NYS has been done and feasibility studies to produce 120 Mega Watts have been completed, further impetus to commercialize NYS farms, textile and Garment factory, Water bottling plant at Turbo among others in support of the big four and vision of vision 2030 agenda for the benefit of Kenyans
- IX. The committee noted based on the submissions from the Youth Enterprise Development Fund as having improved its operations and further impetus to improve equitable funds uptake by further analysing performance among the counties and ensure constituency level intervention while cognizant of the resource constraints. This is to ensure adequate coverage and equitable

empowerment of youth's development initiatives and actualization of business ideas for socio economic growth and employment creation

State Department for Gender Affairs

- I. The committee observed that there was need to consider engaging partners and donors to fund other key projects especially by the Anti FGM Board. The committee was informed of plans such as developing a strategic plan for the sector to guide and promote resource mobilization for critical interventions
- II. The committee observed from the submissions that status of fund releases such as the NGAAF is slow while the impact of the fund is minimal in light of the amount involved in carrying out its mandate.
- III. The committee observed policy intentions to merge the current respective funds under the sector without due regards to the overriding or negating the primary objectives of such funds and the need for further engagement for stakeholders buy-in.

The National Gender and Equality Commission

- I. The committee observed there is a proposed funding increase compared to the current allocation in FY 2017/18 but reflect a substantial resource gap in view of resource requirement of **Kshs. 545 million**.
- II. The committee noted that the Programme of Legal investigations and public education and advocacy research had registered huge resource requirement since it is the commissions main activity and also registered key achievements under the same during the period under review
- III. The committee observed that there was component of donor funds supporting some activities of the commission and further noted the need for clarification as to the management and reporting of the funds as well as the key outputs for the period of the support.
- IV. The committee observed that the absorption levels of the budget is at 84 per cent for the current FY as at February 2018 and 100 per cent utilization for the previous year 2016/17
- V. The committee observed that there was need for collaborative effort with other agencies and commissions with similar mandate/goals and further improve its outreach in all the counties

4.0 COMMITTEE RECOMMENDATIONS

The Committee having received submissions from the various State Departments and further deliberated, scrutinized and examined the submissions and content of the 2018 Budget Policy Statement, the Committee recommends the following:

XIV. That, under the State Department for Labour, the proposed ceilings of **kshs. 2.6266 billion** for Recurrent and **ksh. 2.5920 billion** for Development outlays be approved, and in-line with the various proposed allocation per each programme under the State Department.

XV. That, under the State Department for Social Protection, the proposed ceilings of **kshs. 19.3054 billion** for Recurrent and **ksh. 12.6431 billion** for Development outlays be approved, and in-line with the various proposed allocation per each programme under the State Department.

XVI. That, under the State Department of Public Service and Youth Affairs, and further under the Youth Empowerment Programme, the proposed ceilings of **kshs. 7.6173 billion** for Recurrent and **ksh. 10.5487 billion** for Development outlays be approved. In addition, the Committee recommends that the proposed allocation of **kshs. 305.34 million** towards Youth Enterprise Development Fund to cover for disbursement of youth empowerment and development initiatives and improve coverage to constituency level be enhanced by **kshs. 694.66 million** to bring the total development allocation to **Kshs. 1 billion** through re-allocation within the same programme of Youth Empowerment Programme.

XVII. That, under the State Department of Gender Affairs, the proposed ceilings of **kshs. 1.5243 billion** for Recurrent and **ksh. 2.9300 billion** for Development outlays be approved, and in-line with the various proposed allocation per each programme under the State Department. In addition, The Committee further recommended that additional allocation of **kshs. 138 million** be provided to the State Department of Gender towards the National Government Affirmative Action Fund (NGAAF) under the Community Development Programme to boost the proposed allocation of **Kshs. 2.130 billion** to **kshs. 2.268 billion** as per resource requirement indicated by the State Department.

XVIII. That, under the National Gender and Equality Commission, the proposed ceilings of **ksh. 423.2 million** under recurrent budget be approved inline and as per the proposed programme.

The Committee further recommends the following additional interventions:

XIX. That the under the state Department of Labour, the National Treasury should ensure further resourcing National Industrial Training Authority (NITA) which is key in achieving the big four agenda and empowering the youth through skills upgrade and improve employability , by adequately financing within the medium term.

Q1 ✓

XX. That, under the State Department of Social Protection, the State Department should reorganize recurrent spending and reprioritize its allocation with a view to reduce the growing trend under recurrent component and with a view to ensure more beneficiaries are covered under the National Safety Net Programme with optimal recurrent budget while leverage the use of ICT for monitoring implementation and ensuring compliance.

XXI. That, under the State Department of Social Protection, the National Treasury enhances the counter part-funding towards cash transfers to orphans and vulnerable children from the current kshs 224.64 million to kshs 720 million to unlock more funding from the World Bank Trust to ensure more coverage and beneficiaries

Q1

XXII. That under the State Department of Social Protection, the necessary sectoral policies, legal and legislative frameworks to govern transfers and other social protection interventions such as regulations are submitted for legislative consideration and finalized.

Q1

XXIII. That , under the State Department of Social Protection, the State Department shall ensure prompt reconstitution of the Constituency Social Assistance Committee where necessary to ensure no gaps in the transfers of social safety nets interventions. The state department shall also ensure that there is efficiency in the transfer programme as regards payment to beneficiaries and minimize inconveniencies and associated vulnerabilities especially among the elderly and disabled while ensuring integrity and accountability of the payment mechanisms.

XXIV. That the Anti FGM Board is considered for further funding to cover public advocacy and awareness across the country in prevention of harmful practices against the girl child, and in support of their mandate to collaboratively engage with State and non-state actors with similar goals to end FGM and related practices.

Q3

XXV. That responsible accounting officers and the Auditor General ensure due diligence, value for money and prudent use of resources are strictly taken into account in so far as the processing and payment of all pending bills including historical bills are concerned which are under the State Department of Public Service and Youth Affairs

Pending bills

Continuity of availability of funds -
49 Individual cases programmes -
- Sustained source of funds -
- After the budget search should be

XXVI. That the National Treasury should provide adequate technical and policy support to the State Department of Public Service and Youth Affairs particularly to the National Youth Service in actualizing key bankable PPPs such as the development of a solar park and agribusiness at Kirimun in Samburu county and enhancing manufacturing of low cost building materials as well as commercialization of highly potential areas under the Service such as the NYS farms, textile, cotton farming and garment factory, water bottling plant at Turbo, among others