

**MEMORANDUM TO THE BUDGET AND APPROPRIATIONS COMMITTEE
OF THE NATIONAL ASSEMBLY ON THE BUDGET ESTIMATES 2021/22**

Submitted on 2nd June 2021

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Introduction

The International Budget Partnership Kenya (IBP Kenya) is pleased to submit this memorandum for consideration in the debate and approval of the 2021/22 estimates of revenue and expenditure for the national government. This submission was prepared by a collective of 106 individuals working with 70 organizations, drawn mostly from civil society organizations and the private sector (annexed). The organizations represented in the preparation of this memorandum work in 26 counties across the country. The participants were convened via the Zoom meeting platform. The analysis covered five sectoral themes and their proposed allocations for the financial year 2021/22. These themes included: 1) Health, 2) Environment and Water, 3) Social Protection and Gender 4) Debt and Revenue 5) Land and Housing

This memorandum is organized into two sections. The first section summarizes the key proposals for each of the sectors analyzed by the team, including justifications for those asks. The second section provides a detailed analysis of each of the sectors. At the end of each section, we provide names of persons and organizations that developed it.

Summary of Recommendations

1. **The National Assembly should interrogate the Revenue and expenditure estimates to determine how realistic the deficit is.** Over the years, the deficit has constantly expanded as supplementary budgets are prepared through budget implementation. Therefore, the approval of the budget estimates gives the National Assembly the right opportunity to evaluate if the estimates of the funding gap for the year based on revenue and expenditure presented to it are accurate with smaller margins to change within the year.
2. **The National Assembly should reiterate the commitment to manage fiscal deficit by keeping the Budget Deficit within a ceiling of Ksh930 billion as was recommended in the Budget and Appropriations Committee Report on the Budget Policy Statement 2021.** The tabled budget in the National Assembly has a deficit of Ksh 1.015 trillion., which is above the threshold set by Parliament.
3. **The National Assembly should scrutinize the ordinary revenue estimates of Ksh. 1,775.6 Billion to ensure that the projections are realistic and achievable in light of the global Covid-19 pandemic.** Kenya has struggled to meet its revenue targets over the years, even before the Covid-19 pandemic. Therefore, Parliament should carefully evaluate the justifications given by the National Treasury on the revenue projections provided in the [budget summary](#) that was tabled together with the budget estimates.
4. The National Assembly should task the National Treasury to realign the targeted revenue and expenditure with the tax and public expenditure reforms outlined in the Economic Recovery Strategy, including consolidation of state-owned enterprises to reduce expenditure pressures and create fiscal space.
5. The National Assembly should ensure that the National Treasury outlines the plan for implementing domestic and foreign government-to-government partnerships and other Public-Private Partnership (PPP) models. This should be based on independent cost-benefit,

cost-effectiveness, and value-for-money studies, to prevent expensive low priority bilateral, donor-led investments funded by debt.

6. **The National Assembly should consider expenditure reductions to bring down the deficit.** The national government should cut any excessive and non-core spending such as hospitality, training, travel (domestic and international), and costs associated with advertising and purchasing office furniture and office supplies. The National Treasury should work to bring down the public sector wage bill that continues to be above the threshold of 35% provided for in the Public Finance Management (PFM) Act. Further, we recommend that the government keep its expenditure as provided for in the FY 2020/21 budget.
7. The government should enhance its revenue generation capacity, primarily to finance the expenditure effectively and help increase the multiplier effect to help bring about economic growth. The ideal level of government expenditure should be determined to avoid deficits and the crowding-out effect of private investment, which many economies encourage as the incentive to economic growth and development.
8. **We recommend that the National Assembly evaluate the amendments being proposed in the 2021 Finance Bill from an equity perspective and ensure that the debt budget is shared fairly across different populations.** Tax proposals that affect the cost of living for the majority of vulnerable households should not be approved.
9. **The national assembly should demand that all MDAs mainstream equity, including gender equity, and that all documents tabled, including all sector reports, PBBs, and Finance bills, are accompanied with clear outcomes on advancing equity in the country.**
10. **National Assembly should demand that when the list of all development projects is presented in the National Assembly provides a column indicating the intended beneficiary's and how this will improve the inequalities in access to public services**
11. **There is a need for allocating funds for the recruitment of more health staff to address the staffing gap more so in light of the current situation of the COVID-19 pandemic.** This is necessary to ensure ensuring a functional (efficient, accessible, and affordable) primary health care system that delivers quality essential health services remains most critical for achieving UHC and improving health outcomes.
12. **We observe that the budget for health research and development (HR&D) predominantly focused on buildings, constructions, and protocols.** These priorities make it challenging to assess the return on investment, mainly because of the current needs for health technologies such as vaccines, drugs, diagnostics, and other health tools critical in tackling pandemics such as the COVID-19 pandemic. The budget allocation falls short of what is desirable to safeguard the well-being of the Kenyan people.
13. **Allocate a budget for the COVID-19 vaccines to avert the crisis due to problems of vaccine access from COVAX.** Monies should also be allocated to subsidize the cost of COVID-19 testing – which remains high and unaffordable to the majority of Kenyans

14. **We ask the National Assembly to strengthen oversight on the implementation of Water Projects to mitigate the cause of delays and the increasing risk of corruption.** The Environment Protection, Water, and Natural resources sector continually faces the issues of budget execution which stands at about 80% and has affected the progress of the development projects. This is attributed to various issues ranging from too much dependency on donor funding to stalling of projects due to allegations of corruption. Some projects are lagging due to corruption allegations.
15. **We ask the National Assembly to task the Ministry of Water to prioritize few viable and most strategic water projects and strengthen internal funding sources to mitigate the decline or withdrawal of donor funding.** National Assembly should review and enhance the coordination frameworks for all MDAs in water service delivery. Overdependence on financing from donors funding to key government functions/ projects has been one of the challenges cited for poor budget implementation in the sector.
16. **We ask Parliament to structure Public Participation beyond submissions to Parliament on water projects across the country.** Over the years, the projects that donors undertake are usually not subjected to public participation; for example, the coast counties' water work companies are being funded by World Bank. There is no public participation in the projects they implement.
17. **Budget Transparency, especially at the implementation stage.** Across the Programme Based Budget, specific details should be provided on each delivery unit under sub-programmes and projects. Still, such information is missing, for example, non-financial baselines, project's specific location. This is missing at the approval stage. Also, the information lacks implementation from our observations and studies.
18. **Equity remains unaddressed despite being raised in the previous Memorandum to Parliament.** Though the sector report provides some details on the criteria used in the allocation and distribution of projects, it does not commit to equity despite the water being one of the inequalities existing in Kenya. For example, Kiambu County residents have access to 86% water, while Narok county only has 31%. Even so, the circular misses such details, and implementation shows no progress despite commitment.
19. **We ask the National Assembly to compel the Ministry of Housing and Urban Development to support the already commenced processes rather than propose new regulations.** The Ministry lists that they intend to develop/review four new legislation and two policies, yet several Bills in Parliament have not been passed.
20. **The National Assembly to ask the Ministry of Housing and Urban Development to increase the budgetary allocation to the land settlement and resettlement sub-program.** The National government is currently undertaking many infrastructural development projects that have led to displacement and the call for resettlement of citizens. However, the budget allocation for resettlement has been reduced by almost half of what was allocated in FY 2020/21.

21. Increased allocation of funds to the National Land Commission, particularly to the development budget, to enable it effectively to perform its mandates as envisioned in the Kenyan Constitution

DETAILED ANALYSIS

I. Social Protection, Gender, and Equity

ENSURE EQUITY IN EACH SHILLING COLLECTED AND SPENT IN THE FY
2021/22

A CALL FOR EQUITABLE COLLECTION AND DISTRIBUTION OF RESOURCES

As Kenyan Budget Practitioners

- **WHO** *believe* that the national government budget is the **main tool** to reduce inequalities in development and livelihoods of Kenya and that strategic policies on equity and equality are driving factors towards sustainable development
- **WHO** *recognize* that the national government expenditure on average is 80 percent of the total expenditure in Kenya (counties only spend 20 percent of a total annual expenditure)
- **WHO** *believe* that the role of ensuring our budgets are equitable, squarely depends on the National Assembly
- **WHO** *are* departments and agencies (MDAs) advancing equity and insist that issues of Persons with Disability PWDs and other factors of inequalities should not only be catered by the social protection sectors but should be inclusive in all sectors like Health, Education, Agriculture, Water etc.
- **BELIEVE** that the National Assembly and Citizens can only play their approval and oversight role where budget related information is transparent including clear criteria of selection and spread of beneficiaries of national government spending
- **AFTER** national *deliberations* accommodating citizens voices from over 30 counties in the country.
- **RESPONDING** to the call for participation published on 26th May 2021 inviting input from relevant stakeholders.

We ask that the National Assembly

- **RECOGNIZES** an equitable society will be created only if we have an equitable Public Finance System as required by Article 201 of the Constitution of Kenya
- **RECOGNIZES** that the biggest hurdle to equity in resource collection and spending is the culture and attitudes of Kenyan People and that the National assembly should play a leadership role in passing money bills that practically think of equity.
- **RECOGNIZES** that the proposed Program Based Budget 2021/22 and the Finance Bill 2021 as proposed lack no clear strategy and concerted effort across MDAs on how to reduce inequality in the country
- **DECLARES** specifically, the Program Based Budget 2021/22 and the Finance Bill, 2021 **altogether Equity and Gender Blind** with little intention to recognize that Kenyans are not homogenous and the level of access to public services is determined by societal factors such as gender, ethnicity, disability etc
- **APPROVES** only a Program-Based Budget 2021/22 and the Finance Bill 2021 that embodies equity in each shilling collected and spent.

A CALL FOR EQUITY

Issue # 1- Altogether Equity & Gender Blind Budget

The issue	<ul style="list-style-type: none"> •The PBB 2021 and Finance Bill, 2021 are almost entirely equity and gender blind.
Why this is an issue.	<ul style="list-style-type: none"> •MDAs to a large extent report their achievements, indicators and targets without taking cognizance of the Kenya are not a homogenous country. •The 2019 census provides clear data that Kenyans are not homogeneous. Households and people are disaggregated giving proxy parameters that assist MDAs to indicated clearly their commitment to reduce the disparities in access to services •the framing in the budget summary int he PBB assumes equity and social protection as separate. Equity should be mainstreamed to all sectors.
What supports our Issue PBB and Finance Bill example?	<ul style="list-style-type: none"> •According to page 25 of the budget summary the country dedicates only 9.2 percent of the national budget to social protection (37.8 billion) and equity (65 billion). The entire national budget (1,112 billion) should be working toward ensuring public services are accessed by those who need these services the most. •Annex 1 shows how various MDAs in the Environment, Education and Health sector fail to provide achievements that are broken down to different groups in the country. •on page 258 of the PBB 2021/22 provides for improvement in access to contraceptives to only married women as opposed to all women in their reproductive age. •Clause 39B of the Finance Bill, 2021 provides for a blanket tax rebate to all employees who engage at least 10 university graduates as apprentices. Employers should be categorized to large medium and small taxpayers and provided different numbers. This will ensure even SMEs benefit from the tax rebate. Employees should also be categorised to take into consideration gender, disability and other factors of inequalities.
Our recommendation	<ul style="list-style-type: none"> •The National Assembly requires •All MDAs should include an equity and gender statement that provides their commitment to equity and specifically gender equity. this statement should provide an indication of how the MDAs intend to advance Equity. •All MDAs should breakdown the beneficiaries targeted (geographically, households and people) and in absence clear equitable criteria, parameters for selection of the beneficiaries. •The National assembly should demand that all MDAs mainstream equity including gender equity and that all documents tabled including all sector reports, PBBs and Finance bills are accompanied with clear outcomes on advancing equity in the country.

Issue # 2- Disjointedness Across Initiatives by MDAs

The issue	<ul style="list-style-type: none"> •Lack of complementarity and apparent duplication in the social protection initiatives and other equity initiatives
Why this is an issue	<ul style="list-style-type: none"> •It is not clear to the reader of the PBB 2021/22 how the social protection initiatives are coordinated beyond the social protection sector yet there are social protection initiatives across sectors and MDAs. The question then is how do this initiatives come together to improve equity
What supports our Issue PBB and Finance Bill example	<ul style="list-style-type: none"> •There are bursaries spread out across the PBB this include those in the State Department of Planning (NGCDF),/State Department of ASAL/ State Department for University Education / State Department for Gender (Pg 256 to 258 of PBB, Pg 236 of PBB, Pg 681 of PBB, Pg 157 of PBB respectively). •Annex 2.1 below provides a catalogue of different reference to marginalized households and persons across MDAs •Annex 2.2 below provides examples of cash transfer programs that with no clear indication of how these are integrated across MDAs to avoid duplication
Our recommendation	<ul style="list-style-type: none"> •Parliament approves a policy that provides a description of vulnerable people and households in the country and stops the culture of defining vulnerable groups for each project particularly those funded by donors. •Parliament to demand from MDAs in the Education sector to provide an integrated report showing achievement over the years on and who the beneficiaries of these numerous bursaries are •The mandate of the Social Protection Secretariate (1185000300) should be expanded beyond the National Social Safety Net beginning by clarifying the strategy on targeting various vulnerable households and persons in all social protection initiatives across MDAs •Parliament directs the use of technology to aggregate data by KNBS from the different sectors on their reach especially on the disaggregation of beneficiaries in the households/vulnerable targeted for the past (2013-2020)FYs and the 2021/21 budget

Issue # 3- Inequitable and poor presentation of Indicators and Targets

The issue	<ul style="list-style-type: none"> • Poor indicators and targets and poorly matched financial and non financial indicators and targets for social protection programs and other programs across MDAs
Why this is an issue.	<ul style="list-style-type: none"> • All non-financial e.g. indicators and targets should match the allocation/ financial information. This is not the case for many social protection programs and subprograms. • Due to inflation and natural increase (official data needed BUT considering the COVID-19) in number of men, women and youth who are vulnerable, allocation to social protection programs must not stagnate in the current year and in the medium term. • It also shows lack of commitment where government has stagnating number of households and vulnerable persons targeted for social protection programs over the years. • Indicators and targets provided should be as a proportion of the total number of the category of households or persons targeted. • The cash transfer amount for the OPCT, PwSD-CT and CT-OVC has remained constant at KES 2,000 for over five years, despite the rising inflation/cost of living
What supports our Issue PBB and Finance Bill example?	<ul style="list-style-type: none"> • The PBB FY2021/22 on page 637 and page 616 show that the number of beneficiary households will increase as follows: <ul style="list-style-type: none"> • OPCT from 833,000 in FY2020/21 to 1,183,000 in FY2021/22; • CT-OVC from 390,500 FY2020/21 to 540,500 in FY2021/22; • PwSD-CT from 47,000 to 94,000 in FY2021/22. • However, the FY2021/22 Recurrent Estimates budget book vol II page 832 shows that allocations to the Cash Transfers will reduce from KES27.1 billion in FY2020/21 to KES26.2 billion in FY2021/22. • On page 637 the number of households with PWSDs supported with cash transfers stagnates in the past and in the medium term at 94,000 households.
Our recommendation	<ul style="list-style-type: none"> • National Assembly to adjust the cash transfer amount for inflation to protect the beneficiaries from the erosion of the value of the cash transfers due to inflation. • National Assembly to adjust the transfer amounts by taking into account the household size. Target the PwSD-CT to individuals rather than households. • National Assembly increase the beneficiary vulnerable household and individuals targeted by social protection initiatives accessed on a need basis.

The issue	<ul style="list-style-type: none"> • There are poor indicators targets and poorly matched financial and non financial indicators and targets for social protection programs and other programs across MDAs
Why this is an issue	<ul style="list-style-type: none"> • the PBB has largely qualitative targets and quantitative data on the level of improvement of livelihoods or access to public services. • Lack of disaggregated data makes it difficult to track and evaluate government's commitment to equality by implementing gender and social protection programmes in ways that are equitable. • some targets for social protection programs are inappropriate - for example households with Persons With Severe Disabilities (PWSDs) as opposed to proportion targeted of the absolute count of these persons.
What supports our Issue PBB and Finance Bill example?	<ul style="list-style-type: none"> • The PBB FY2021/22 on page 637 and page 616 show that the number of beneficiary households will increase as follows: <ul style="list-style-type: none"> • OPCT from 833,000 in FY2020/21 to 1,183,000 in FY2021/22; • CT-OVC from 390,500 FY2020/21 to 540,500 in FY2021/22; • PwSD-CT from 47,000 to 94,000 in FY2021/22. • On page 637 the number of households with PWSDs supported with cash transfers stagnates in the past and in the medium term
Our recommendation	<ul style="list-style-type: none"> • National Assembly to <ul style="list-style-type: none"> • adjust cash transfers under the National Safety Net indicators to be measured against individuals as opposed to households for e.g. Cash transfer to OVCs PWSDs supported with cash transfers • Require that official data by KNBS on the total number of PWDs to include under 5 years persons. • Demand changing the targets and indicators on specific beneficiaries are presented as a proportion given against the total possible beneficiaries, giving target that have a sense of the coverage. • Demand that the indicators and targets in the PBB provide qualitative measures as opposed to accompany the quantitative indicators only.

A CALL FOR EQUITY

Issue # 3- Inequitable and poor presentation of Indicators and Targets Cont'

Issue # 4- Equity in Development Expenditure across MDAs

The issue	<ul style="list-style-type: none"> •There is lack of gender (and other factors describing inequalities in Kenya) disaggregated data to guide implementation of development projects across all the sectors in ensuring equity.
Why this is an issue.	<ul style="list-style-type: none"> •There are no clear criteria on beneficiaries especially for development projects that are being completed in the FY 2021/22 •For sustainable development to be realized, and in the spirit of leaving no one Behind, the planning and budgeting process must be all- Inclusive. •in the establishing and completion of capital projects human rights issues arise such as displacement that affect the most vulnerable disproportionately
What supports our Issue PBB and Finance Bill example?	<ul style="list-style-type: none"> •See Annex 3 provides examples of development projects that ought to be completed in the FY 2021/22 in the water and irrigation sub sector. •On page 637 the number of households with PWSDs supported with cash transfers stagnates in the past and in the medium term •on page 469 the Department of Sports proposed infrastructure development with a target of 5 national stadia developed and 1 regional and county stadia constructed and upgraded. It is not clear how this is meant to benefit access for both women and men, PWDs to these sports facilities.
Our recommendation	<ul style="list-style-type: none"> •National Assembly should demand that when the list of all development projects is presented in the national assembly provides a column indicating the intended beneficiary's and how this will improve the inequalities in access to public services •Targets in the PBB on development projects should indicate qualitative indicators as opposed to level of completion only to accompany the quantitative indicators.

Issue # 5- Allocation to GBV centres

The issue	<ul style="list-style-type: none"> • While cases of GBV continue to escalate across the country, resources allocated to establish rescue centres with the required services and facilities are minimal.
Why this is an issue.	<ul style="list-style-type: none"> • To strengthen prevention, response, and mitigation of GBV in Kenya, the government should allocate adequate resources towards establishment of fully fledged State run GBV centers. The available ones are few and are run by the non-state actors. • We cannot, as a country, aspire to establish one GBV annual. • There is need to coordination and complementarity between national and county initiatives on mitigating GBV including addressing root causes. some counties e.g., Kiambu have created sector working group that are tracking GBV cases in their respective counties. These initiatives need to be augmented. there are also Some counties with or GBV centres such as, Kakamega, Makueni, Nakuru. • We also need official Data on GBV case published and the current FY and in the medium-term
What supports our Issue PBB and Finance Bill example?	<ul style="list-style-type: none"> • PBB 2021-Pg. 684 provides for the Strengthening Prevention & Response to GBV in Kenya (1212100900) aimed at Improved capacity of duty bearers to identify, monitor and prevent GBV in the targeted counties. One of the indicators include No. of GBVRCs established. The PBB provides for one each year. • one of the effects of the COVID pandemic has been an increase in GBV cases in Kenya.
Our recommendation	<ul style="list-style-type: none"> • National Assembly to adjust allocation to GBV centres to have at least three every year at a regional level. • National Assembly to demand for a report on how the national government initiatives are complimenting counties interventions on GBV. • The funds set aside for human trafficking mitigations should be spent beyond the children department and be utilized toward reducing GBV in Kenya and for Kenyans abroad

Reference: COVID-19 and gender-based violence (GBV): hard-to-reach women and girls, services, and programmes in Kenya. Neetu John, Charlotte Roy, Mary Mwangi, Neha Raval & Terry McGovern (2021) Gender & Development, 29:1, 55-71, DOI:10.1080/13552074.2021.1885219 <https://www.alnap.org/system/files/content/resource/files/main/COVID%2019%20and%20gender%20based%20violence%20GBV%20hard%20to%20reach%20women%20and%20girls%20services%20and%20programmes%20in%20Kenya.pdf>

List of Annexes

Annex 1

Sector/ State department	Relevant Programs and delivery units	Equity/ gender blind or insensitive example as stated in the achievement in the past FYs	Equity/ gender insensitive in the Program Based Budget example	Comment/ Recommendation
Health Sector				
Health	<p>a. Family Planning Maternal and Child Health</p> <p>b. Procurement of Family Planning & Reproductive Health Commodities</p> <p>c. 9THGoK/UNFPA Country Programmes</p>	<p>Page 258. The proportion of married women using a modern method of</p> <p>contraception increased from 53% to 62% in FY 2018/19 and FY 2019/2020, respectively,</p>	<p>Page 262 Proportion of women of reproductive age receiving family planning commodities target reduces to 55% and remains below 62 per cent even in the medium term. The target is 60 % in 2023/24. this a reduction</p>	<p>National assembly to seek clarification on how we consider our achievement in family planning as for married women</p> <p>National Assembly to revise the target upwards from 55 per cent.</p>

Sector/ State department	Relevant Programs and delivery units	Equity/ gender blind or insensitive example as stated in the achievement in the past FYs	Equity/ gender insensitive in the Program Based Budget example	Comment/ Recommendation
			from the 62 per cent reported as achieved in 2019/20.	
Environment Protection Water and Natural Resources				
Ministry of Environment and Forestry	1108103400 Development of Drought Tolerant Trees for Adaptation to Climate Chan	During the period under review, the key achievements realized included: Establishment of 14 green enterprises to market financial and protection of 588,393 ha of degraded critical indigenous forest.	Page 384 gives No. of household with resilient food and water supplies targeted as 7000	What are the distribution criteria? How do they see this propagating equity? 7000 who needs this intervention the most who are they? Where can the criteria be found?
	1108106800 Kenya Gold Mercury Free ASGM Project	N/A	On page 385 No. of small-scale miners as 800 and	What commitment is there those women, men, youth, small-scale miners are reached? This could be addressed by having an equity statement on equity commitment on these matters

Sector/ State department	Relevant Programs and delivery units	Equity/ gender blind or insensitive example as stated in the achievement in the past FYs	Equity/ gender insensitive in the Program Based Budget example	Comment/ Recommendation
Ministry of Water & Sanitation and Irrigation	1109002500 Irrigation and Drainage projects completed Services	On page 400 During the MTEF period 2017/18- 2019/20, the following achievements were realized ... completed 191 water pans: and additional 118,094 acres of land were put under irrigation. In addition, 2.7 cubic meters of water storage facilities (i.e., small dams and pans) for domestic use were constructed.	% Completion of irrigation at 100	Parliament to demand that where there are complete project targets should be geared at the beneficiaries: For the Water pan were constructed and completed, who are the beneficiaries?
	1109104900 Additional no. of people accessing sanitation services in informal urban settlements	1109104900 Up-scaling of Basic Sanitation for the Urban Poor (UBSUP)	Additional no. of people 150,000 195,000 120,000 Accessing sanitation 150,000 195,000 120,000	Which households are these? informal urban settlements – but across the country, right? – KNBS data on sanitation provides a geographical breakdown. Why are we talking about people and not households?

Sector/ State department	Relevant Programs and delivery units	Equity/ gender blind or insensitive example as stated in the achievement in the past FYs	Equity/ gender insensitive in the Program Based Budget example	Comment/ Recommendation
	1109105100 Support to Equitable Access to quality water		4700 -No of additional people accessing water services 4,700 3200 -No of additional people accessing Sanitation services	Which people are access water and sanitation? How can Parliament and citizens know the criteria and do their oversight?
	1109109900 Ithanga Water supply services	Complete projects	% completion of project 100	All these are complete projects should provide for beneficiaries and reduce inequalities in access to water services, at least geographically.
Education				
State Department for Vocational and	Number of graduates in STEM Courses	Page 135 During the review period, the State Department achieved the following: 1,178 trainers were registered in FY 2018/19 and 1,829 trainers	Varied absolute numbers	Achievement – 1178 trainers registered accredited – man and women enrollment increase of men and women – youth catered here

Sector/ State department	Relevant Programs and delivery units	Equity/ gender blind or insensitive example as stated in the achievement in the past FYs	Equity/ gender insensitive in the Program Based Budget example	Comment/ Recommendation
Technical Training		accredited in FY 2019/2020; developed. Assessment tools for 4,114 units of competency.		How are they promoting men and women equity in graduates
State Department for University Education	Universities	Page 148 The State Department achievements for the period include. Higher Education Loans Board (HELB) increased from 233,596 to 233,444 to 243,084, respectively.	Page 157 Number of undergraduate 252,175 264,794 280122	No disaggregation on how these achievements have advancing equity – no disaggregation for males and females. What about PWDS?
State Department for Early Learning & Basic Education basic (Early Childhood, Primary and Secondary) education	Enhanced access to quality and equitable Secondary School Education.	Achievements: During the period under review, enrollment in public primary schools increased from 8,896,932 in FY 2017/18 to 8,959,719 in FY 2018/19 and then reduced to 8,488,274 in FY 2019/20. Out of these, a total of 112,023 in FY 2017/18, another 126,804 in FY 2018/19 and 84,786 in FY 2019/20 were enrolled in nomadic regions and		Good attempt on indicating the nomadic regions and ASAL What about marginalized areas elsewhere? Good to mention equitable secondary schools – gender geography – number of secondary students in an area – density, etc.

Sector/ State department	Relevant Programs and delivery units	Equity/ gender blind or insensitive example as stated in the achievement in the past FYs	Equity/ gender insensitive in the Program Based Budget example	Comment/ Recommendation
policy management. Primary and secondary education institutions management;		ASAL areas. With special needs, students enrolled in secondary schools increased from 4,763 in FY 2017/18 to 4,935 in FY 2018/19 and finally to 5,488 in FY 2019/20.		
	1066002100 Kenya Education Management Institute of Education managers trained on governance, Financial management and ICT integration		Number of education managers trained	What is the commitment of women in civil service

Annex 2

Annex 2.1 Multiple Description of households and vulnerable persons across MDAs

State department	Delivery Unit	Vulnerability description (PBB page number)	Target 2021/22 (and before)
1035 State Department for Development of the ASAL	1035100100 Kenya Hunger Safety Net Programme	Page 93 support vulnerable and drought-affected households	No. of beneficiary households = 125,850
1081 Ministry of Health	1081110300 Transforming Health Systems for Universal Care Project	Page 278 households for Vulnerable persons accessing subsidized health insurance	No. of households for vulnerable persons accessing subsidized health insurance= 200,000
1169 State Department for Crop Development & Agricultural Research	1169105300 Kenya Climate Smart Agriculture Project (KCSAP)	Page 559 Empowered smallholder agropastoral and pastoral producers	Number of direct beneficiaries in Common Interest Groups (CIGs) and Vulnerable and Marginalized Groups (VMGs) = 200,000
1185 State Department for Social Protection, Pensions & Senior Citizens Affairs	1185000300 Social Protection Secretariate 1185001200 Cash Transfers	Page 631 vulnerable households defined as per the effect of COVID No. of older persons supported with cash transfers No. of households with OVCs supported with cash transfers No. of households with PWSDs supported with cash transfers	The allocation for FY 2019/20 was increased by KShs. 10 billion to cushion vulnerable households against the effects of the COVID-19 pandemic

Annex 2.2 Cash transfers

Department	Cash transfer/program and Delivery Unit	Key Performance Indicators	Number of households	Number of persons	Cost	comment
State Department for Development of the ASAL	1035100100 Kenya Hunger Safety Net Programme	No. of beneficiary households 133,850 under regular programme	125,850			The target stagnates at 133,850. Does this mean those are the only households needed for the regular programs?
State Department for Social Protection, Pensions & Senior Citizens Affairs	0909000 National Social Safety Net	No. of older persons supported with cash transfers.		1,183,000		
		No. of households with OVCs supported with cash transfers.	540,500			
		No. of households with PWSDs supported with cash transfers	94,000			The targets stagnate at 94k. What does this mean?
1032 State Department for Devolution- food relief and cash transfer to food-insecure persons in 23 ASAL counties.	1032002200 Relief and Rehabilitation Cash transfer to food insecure	No. of household beneficiaries	500,000		1.5 million	Why is this in the state department of the Devolution?

Annex 3.

Examples of projects estimated to be completed in the FY 2020/21 in the Ministry of Water & Sanitation and Irrigation- indicators should provide for the beneficiaries of development projects and not that they are going to be 100 percent complete.

		Delivery Unit	Key Output	KPIs	Target 2021/22
1	1109002500	Irrigation and drainage services	Irrigation projects completed	% completion of irrigation projects (acreage)	100
2	1109002600	National Irrigation Authority	Irrigation projects completed	% completion of irrigation projects (acreage)	100
3	109104700	Masinga - Ikalakala-Ikaatine Water Supply Project	Water supply services	% completion of project	100
4	1109105400	Sirisia-Chwele (Koica)	Water Supply Services	% Completion of Project	100
5	1109100600	Rehabilitation of Water and Sanitation – Kirandich	water supply and sewerage services	% completion of project	100
6	1109101000	Nairobi Water Distribution Network	Water supply services	%completion of project	100
7	1109103000	Migori water and sanitation project	Access to Water supply	% completion of project	100
8	1109104700	Masinga - Ikalakala-Ikaatine Water Supply Project	Water supply services	% completion of project	100
9	1109105400	Sirisia-Chwele (Koica)	Water Supply Services	% Completion of Project	100
10	1109109000	Chemususu Dam Water Supply Project	Water supply services	-%completion of project	100
11	1109109500	Soy-Kosachei Water Project	Water supply services	%completion of project	100
12	1109109900	Ithanga Water Supply	Ithanga Water Supply	%completion of project	100
13	1109110000	West Karachuonyo Water Supply	Water supply services	% completion of project	100
14	1109110200	Habasweni Water Project	Water supply services	%completion of project	100
15	1109110800	Kaptumo Water Supply Project	Water supply services	%completion of project	100
16	1109110900	Kaboro Water Supply Project	Water supply services	%completion of project	100
17	1109111300	Mwache Water Pipeline Extension	Water supply services	%completion of project	100
18	1109113500	Homa Bay Water Supply Improvement Project	Water sanitation services	%completion of project	100
19	1109116400	Rehabilitation of Water Supplies - Ijara Water Works	Water and supply services	%completion of project	100
20	1109117200	Manufacturing - Big Four	Water and sewerage services	%completion of project	100
21	1109121400	COVID-19 Response Programme	Water points in slum areas	% completion of project	100

II. Public Debt and Budget Financing

Recommendations

1. The National Assembly should interrogate the Revenue and expenditure estimates to determine how realistic the deficit is. Over the years, the deficit has consistently grown as supplementary budgets are prepared. Therefore, this is the right stage of the budget to ensure that the estimates are accurate with minor changes within the year.
2. The National Assembly should reiterate the commitment to manage fiscal deficit by reducing the Budget Deficit from the current Ksh 1.015 trillion. to Ksh930 billion as recommended in the Budget and Appropriations Committee Report on the Budget Policy Statement 2021.
3. The National Assembly should scrutinize the ordinary revenue estimates of Ksh. 1,775.6 Billion to ensure that the projections are realistic and achievable in light of the global Covid-19 pandemic. The fact that we have not been able to raise the ordinary revenue even before the pandemic is a red flag on our revenue projections.
4. The National assembly should implore National Treasury to realign the targeted revenue and expenditure with the tax and public expenditure reforms outlined in the Economic Recovery Strategy, including consolidation of state-owned enterprises to reduce expenditure pressures.
5. The National Assembly should ensure that National Treasury outlines plans on implementing domestic and external government-to-government partnerships and other Public-Private Partnerships (PPP) models. This should be based on independent cost-benefit, cost-effectiveness, and value-for-money studies, to prevent expensive low priority bilateral, donor-led investments funded by debt.
6. Undertake reforms to develop the domestic debt market to ensure a stable and robust financial system in Kenya capable of funding increasing fiscal deficits. This should be read together with alternative means to fund the budget away from public borrowing.
7. The National Assembly should consider expenditure reductions to bring down the deficit. The national government should cut any excessive and non-core spending such as hospitality, training, travel (domestic and international), and costs associated with advertising and purchasing office furniture and office supplies. The National Treasury should work to bring down the public sector wage bill that continues to be above the threshold of 35% provided for in the Public Finance Management (PFM) Act. Further, we recommend that the government keep its expenditure as provided for in the FY 2020/21 budget. Reduced public spending will help control the persistent fiscal deficits, provided performance on revenue does not deteriorate.
8. The government should enhance its revenue generation capacity, mainly to finance the expenditure effectively and help increase the multiplier effect to help bring about economic growth. The ideal level of government expenditure should be determined to avoid deficits and the crowding-out effect of private investment, which many economies encourage as the incentive to economic growth and development.
9. We recommend that the National Assembly evaluate the amendments being proposed in the 2021 Finance Bill from an equity perspective and ensure that the debt budget is shared

fairly across different populations. Tax proposals that affect the cost of living for a majority of vulnerable households should not be approved.

Detailed Analysis

2.1. ORDINARY REVENUE ESTIMATES

The National Treasury seems to have continuously been increasing the revenue estimates every year. However, even though in the last five years, there has been no year when Kenya has managed to reach the targets for local revenue collection approved at the beginning of the year.

Why is it important?

The revenue projections impact the entire budget and how the country raises the total budget, how expenditure is planned, and ultimately, the implementation of the budget and its impact on the delivery of goods and services by the government. If we over-project revenue, the budget deficit increases, leading to further borrowing to bridge the gap. Where that is not possible, a supplementary budget devoid of direct public input is drawn, leading to a final budget that is unresponsive to the needs of the public.

Examples

The 2020 BPS acknowledged that despite the growth of 18.8% in cumulative ordinary revenue to December 2020, it still fell short of the target by Ksh. 138.7 Billion for the FY 2019/20.

The 2021 BPS indicated that the cumulative ordinary revenue to December 2020 amounted to Ksh. 728 B, a contraction of 15.8% compared to the 18.8% growth in the same period the previous year.

This indicates that we continue to raise less than the targeted revenue in absolute terms year on year. Considering Covid-19 and the fact that it has adversely affected major revenue-producing industries like the Hotel and Tourism industries (there is still a curfew in place going into the FY 2021/22), it would be essential to ensure that the projected revenue estimates are realistic.

The Budget estimates for FY 2021/22 continue to project an increase in revenue despite the shrinkage of revenue in the last financial year and the continued effects of Covid 19.

Revenue and Expenditure Projections

17. The FY 2020/21 budget targets revenue collection including Appropriation-in-Aid (AIA) of Ksh 1,870.5 billion (16.6 percent of GDP) with ordinary revenues projected at Ksh 1,621.4 billion (14.4 percent of GDP). On the other hand, total expenditure and net lending are projected at Ksh 2,729.8 billion (24.2 percent of GDP) while recurrent expenditures will amount to Ksh 1,805.2 billion (16.0 percent of GDP).

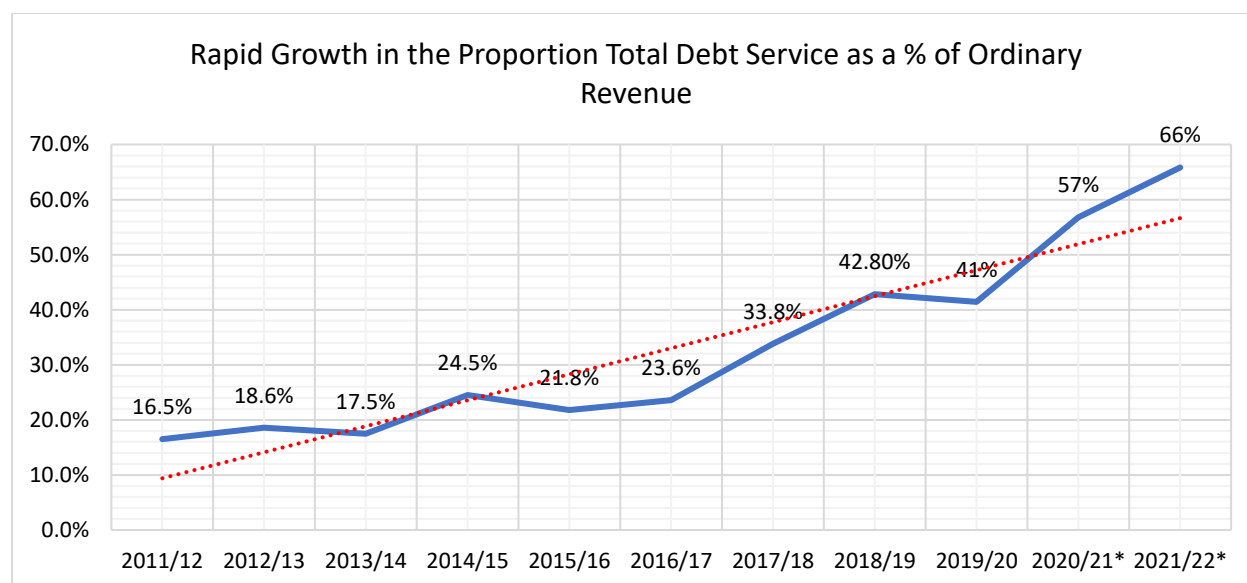
Source: BPS 2021

2.2. DEBT REPAYMENT

The Kenyan government will spend Ksh 1.17 trillion to settle its debt obligation in 2021/22. This means that 66 percent of ordinary revenue raised in 2021/22 will be spent to settle Kenya's debt obligations.

	PRINTED ESTIMATES 2020/2021 Kshs	REVISED ESTIMATES 2020/2021 Kshs	PRINTED ESTIMATES 2021/2022 Kshs	PRINTED ESTIMATES 2022/2023 Kshs	PRINTED ESTIMATES 2023/2024 Kshs	PRINTED ESTIMATES 2024/2025 Kshs
501 PUBLIC DEBT - INTEREST						
External Debt Interest	154,684,186,999	118,748,392,079	138,364,861,701	161,021,504,026	187,056,885,170	196,719,736,254
Internal Debt Interest - Bonds & Bills	308,424,000,000	339,992,184,560	421,896,894,883	482,441,849,284	508,028,022,583	518,659,837,876
Sub Totals Ksh	463,108,186,999	458,740,576,639	560,261,756,584	643,463,353,310	695,084,907,753	715,379,574,130
502 PUBLIC DEBT - REDEMPTION						
Internal Debt Redemption	261,955,031,754	361,955,031,754	346,810,321,474	436,622,688,693	457,164,939,945	512,576,822,119
External Debt Redemption	179,937,358,226	137,707,382,229	262,092,952,860	279,043,036,918	533,526,653,298	343,777,108,657
Sub Total Ksh	441,892,389,980	499,662,413,983	608,903,274,333	715,665,725,611	990,691,593,243	856,353,930,776
TOTAL R50 - PUBLIC DEBT Kshs	905,000,576,979	958,402,990,622	1,169,165,030,917	1,359,129,078,921	1,685,776,500,996	1,571,733,504,907

The projected debt repayment for 2021/22 will be the highest level over the last ten years, as shown in the figure below. However, the key concern remains the challenge this may present to funding for other basic services. The Covid-19 pandemic has created further budgetary demands in health care and social protection, among other sectors. Reduced fiscal space means the government has even less flexibility to respond to the continuing challenges, which may negatively affect Kenya's response to the pandemic and its impact.



Annual Debt Report 2011/12-2019/20, BPS 2021 and Budget Estimates 2021/22, National Treasury

However, the management of [Kenya's debt](#) has to start with progressively reducing the deficit. The deficit projection is Ksh 976 billion for 2021/22 according to the BPS 2021, which is 7.9 percent of GDP. However, the real challenge is evaluating how realistic the deficit projections are. Over the years, the deficit has always gone up after the period of the budget implement. This is mainly driven by rising expenditure brought on board through supplementary budgets and revenue estimates that are always reduced. This means that a large part of the debt problem is passing deficit figures that are not realistic. The net effect is a high increase in the size of the deficit, which means Kenya has to borrow more than what Parliament had approved during the Budget Policy Statement and the approval of the budget estimates.

Year (Billions)	The deficit in the Approved Budget	The deficit in the Revised Budget	Increase in the deficit within the year
2014/15	-417.0	-732.0	76%
2015/16	-640.5	-732.6	14%
2016/17	-775.0	-871.6	12%
2017/18	-594.3	-670.4	13%
2018/19	-608.1	-760.6	25%
2019/20	-673.6	-789.9	17%

Source: Budget Policy Statements (BPS) and Budget Review and Outlook Papers (BROPs) 2014-2020

2.3. FISCAL CONSOLIDATION.

This refers to the concrete policies that are aimed at reducing government debt and deficit accumulation. Fiscal discipline is considered an ideal approach to fiscal discipline where the government balances its expenditure with the revenue generated. The government has intended to support the fiscal consolidation plan in the Economic Recovery Strategy 2020 by matching expenditures with the available resources through tax and public expenditure reforms. However, the Programme Based Budget 2021-22 fails to align the expenditure plan with this strategy and instead reveals an even higher deficit compared to 2020-21.

Why is fiscal discipline necessary?

It is essential in improving and sustaining economic performance, maintaining macroeconomic stability, and reducing vulnerabilities. Lack of fiscal discipline generally stems from misuse of policy discretion resulting in persistent budget deficits and rising debt levels.

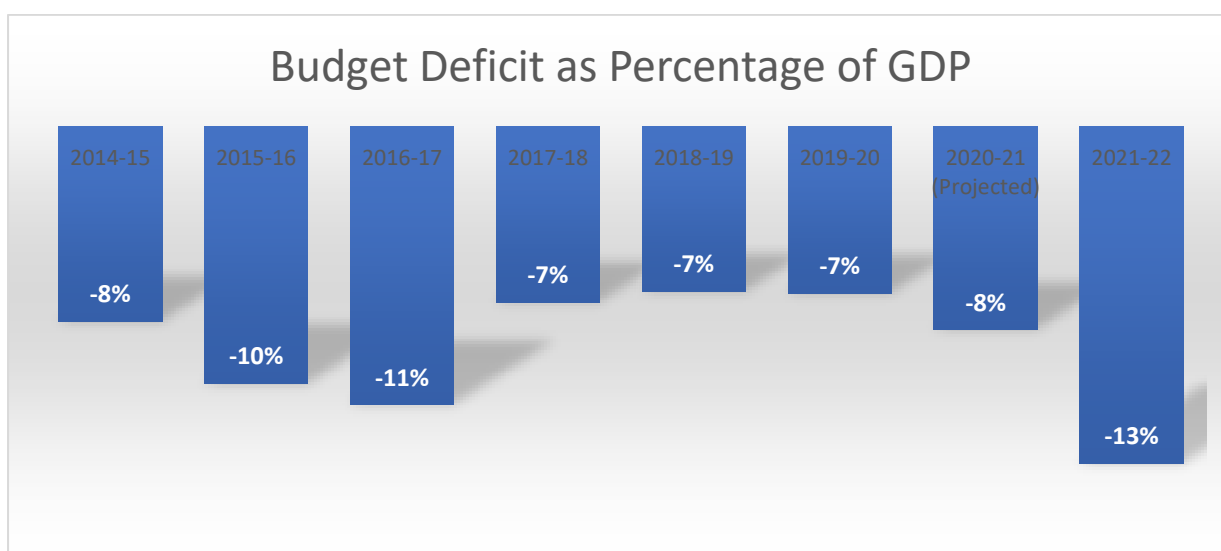
1. Fiscal Deficit and Economic Growth

Kenya's fiscal deficit has maintained an upward trend. It has ranged between 7 and 8% of GDP in recent years (2011/12 – 2019/20). It also violates the 2012 PFM Act, which stipulates that borrowings shall be used only for financing development expenditure and not for recurrent expenditure. With the government targeting to use Ksh1.2 trillion to repay public debt in 2021-22, the targeted ordinary revenue of Ksh2.04 trillion is not adequate to finance Ksh1.9 trillion executive budgeting in addition to the Ksh55 billion allocated to Parliament and legislature and Ksh370 billion equitable share to counties. Thus, a more decisive policy response is required to close the fiscal gap. In the short term, there needs to be a stricter control of recurrent and capital expenditure increases (including wages), preferably alongside medium-term efforts to improve revenue collection, until the structural deficit is eliminated.

	GDP	Budget Deficit	The deficit as a percentage of GDP
2014-15	5,402.65	-417	-7.7%
2015-16	6,284.18	-640.5	-10.2%

2016-17	7,022.96	-775	-11.0%
2017-18	8,524.70	-594	-7.0%
2018-19	9,303.10	-608.1	-6.5%
2019-20	10,199.90	-673.6	-6.6%
2020-21 (Projected)	11,131.90	-898	-8.1%
2021-22	12,436.00	-1,663.00	-13.4%

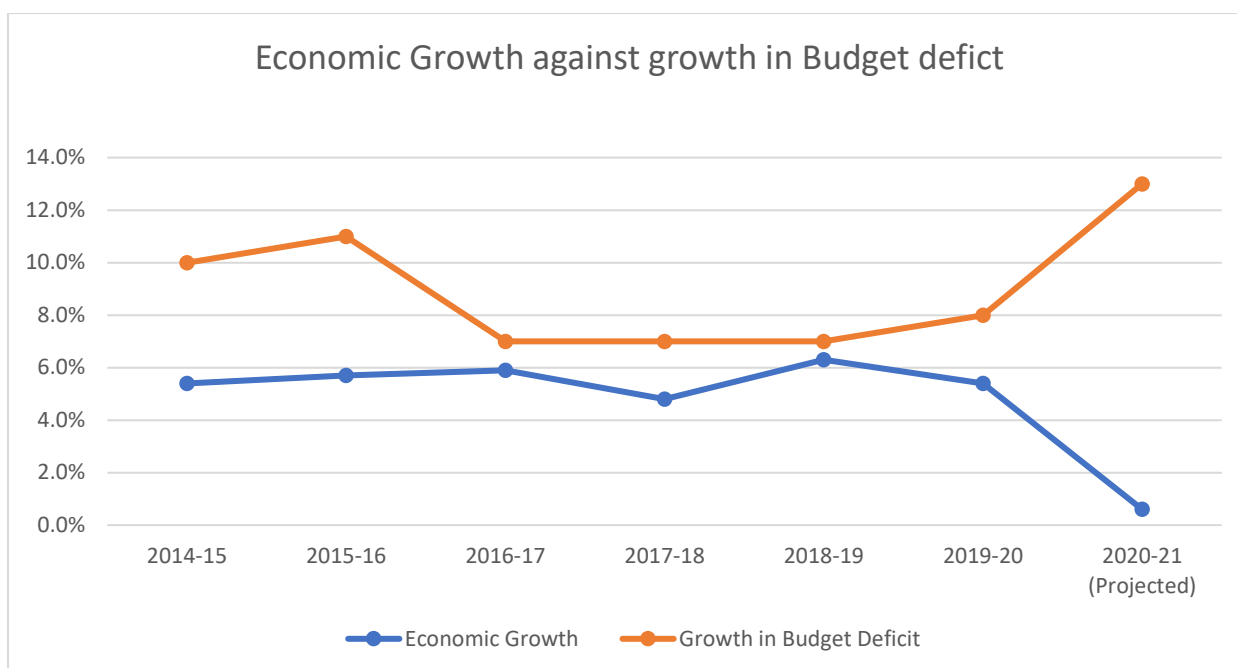
Source: Computations from Budget Policy Statements 2014-2021



Source: Kenya Economic Surveys and Budget Policy Statements

The trends indicate an increasing budget deficit from 2019-20 and the projected 2021-22.

The deficit in the tabled budget has increased from Ksh930 billion approved by the National Assembly in the 2021 Budget Policy Statement to Ksh 1.015 trillion. Therefore, the tabled budget increased the deficit by Ksh 85 billion. This is a concern in a scenario where, fiscal consolidation is a key objective due to the impact of Covid-19.



Source: Computation from Budget Policy Statement 2014-2021

The trend reveals that the budget deficit though erratic is growing more over the last three years than the economic growth. Increasing debt is thereby identified as a key vulnerability of the economy. If not addressed, it is likely to affect the government's ability to respond to future macroeconomic shocks and hamper response to the impact of COVID 19 on the economy. This is contrary to the commitment by the National Treasury, as recorded in the Public Debt Management Report, 2020, that sought to pursue fiscal consolidation to lower the cost of public debt. The analysis revealed that Kenya is susceptible to macro-economic shocks, similar to the IMF that reclassifies the Kenya debt carrying capacity from strong to medium, indicating that the country is more likely to default on debt if the debt is not restructured.

2. Revenue shortfalls

A review of the shortfalls shows that the country has missed 8 percent of revenue targets on average. There is a connection between revenue shortfalls and budget deficit revisions like 2019/20, where the deficit was revised from KES. 630 Billion in BPS 2019 to KES. 789 Billion in BROP 2019. This suggests not only poor forecasting but also poor governance of expenditures at a time when the government commits austerity and fiscal consolidation.

Year	Original Estimates	Actual/ Revised Estimates	Shortfall	Shortfall as a proportion of Original Estimates
2013/14	1027.2	919	108	11%
2014/15	1087.1	1031.8	55	5%
2015/16	1242.7	1153	90	7%
2016/17	1380.2	1306.6	74	5%

2017/18	1560.3	1365.1	195	12%
2018/19	1769.2	1496.9	272	15%
2019/20	1877.2	1766.9	110	6%
2020/21	1883.7	1856.7	27	1%

2.4. DOMESTIC BORROWING CROWDING OUT THE PRIVATE SECTOR.

The fiscal deficits are mainly financed through domestic and external sources. In recent years, the government has been borrowing more domestically, as demonstrated in the table below. Excessive domestic borrowing by the government often leads to crowding out the private sector. This is by pushing up the interest rates, creating unmatched competition, and ultimately discourages private investment as it reduces the loanable funds to the businesses.

Financial Year	Fiscal Deficit (Ksh Million)	Financing (Ksh Million)	
		Domestic	External
2017/18	631,309	248,737	374,622
2018/19	635,477	310,089	321,464
2019/20	578,298	277,494	306,480
2020/21	1,000, 200	527, 700	345,500
2021/22 (Projections)	952.9	662,773	266,276

2.5. FINANCE BILL PROPOSITIONS

The finance bill presents the revenue-raising measures for the national government. The Finance Bill is prepared and submitted by the Cabinet Secretary, National Treasury, before the National Assembly for consideration and approval. The 2021 finance bill proposes tax-related changes that will include amendments to the Income-tax, Value Added Tax (VAT), Excise Duty, Tax Procedures, among other taxes. The 2021 Finance Bill is being prepared amidst the COVID 19 pandemic and the impacts it has had on the economy. The government is under immense pressure to mobilize revenue. One of the fastest ways of mobilizing excess revenue is through indirect taxes such as VAT. The finance bill seems to expand the tax base by increasing the number of taxable businesses and items.

Section 40 (5) (a) of the Public Finance Management (PFM) Act provides that before approving the Finance Bill, the National Assembly shall ensure that the Bill takes into account the principles of equity. The 2021 Finance Bill, as presented, fails to demonstrate how the various propositions will impact the livelihoods of different sections of the population. Below is a table showing some proposals that may promote inequality if approved as provided.

Tax and section	Proposal	Likely Impact
Section 5 of the VAT Act: Charge to Tax	The Finance Bill seeks to expand the definition of the digital marketplace to cover supplies made over the internet or an electronic network or through a digital marketplace	This amendment is likely to increase the compliance burden for Small and Medium Enterprises (SMEs) who have expanded their operations into eCommerce, which is a growing sector
First Schedule of the VAT Act: Supplies change from 'exempt' to the standard rate of 16 percent.	Milk, specially prepared for infants, will be rated at 16 percent from being exempt from VAT.	This change will lead to an increase in the cost of these products. Many citizens use these products for various reasons, and a rise in the prices will deny an opportunity for some parents to afford them.
First Schedule of the VAT Act: Supplies change from 'zero rated' to standard rate of 16 percent.	Ordinary bread shall now be subject to a 16 percent standard rate from being previously zero-rated	This proposal, if approved, will lead to an immediate increase in the price of ordinary bread as the cost will be passed to the final consumer. This is a commodity consumed by many households. Subjecting it to a VAT rate of 16 percent is likely to make the commodity unaffordable to most Kenyans, especially the low-income earners.

III. Health Sector

Introduction

The promotion of better healthcare for individuals is essential. Disease and illness cause households to spend many resources on medical care, characterized by out-of-pocket expenditure. The Government of Kenya has instituted several reforms to improve health financing and financial protection. These include the National Hospital Insurance Fund (NHIF), Health Insurance Subsidy for the Poor (HISP), Health Insurance Programme for the Elderly & People with Disabilities, Free maternity services, and removal of user fees at the primary level. There is, however, more that needs to be done concerning allocation toward these initiatives and implementation.

When communities are healthy, productivity is enhanced, and health budgets can then be more preventive and not curative. Further, the current COVID-19 pandemic has laid bare gaps in the country's health systems, proving the importance of preparedness. It has also negatively impacted the economy, and households are bearing this burden. In this context and beyond, health remains a priority, and the budget should reflect this.

MAIN ASKS/RECOMMENDATIONS

1. Ensuring a functional (efficient, accessible, and affordable) primary health care system that delivers quality essential health services remains most critical for achieving UHC and improving health outcomes. There is a need for allocating funds for the recruitment of more health staff to address the staffing gap more so in light of the current situation of the COVID-19 pandemic.
2. Equitable resource allocation criteria should be need-based. Justifications should also be provided for criteria used to distribute resources.
3. There is a need for a Policy framework on local funding for health programs.
4. We observe that the budget for health research and development (HR&D) predominantly focused on buildings, constructions, and protocols. These priorities make it challenging to assess the return on investment, mainly because of the current needs for health technologies such as vaccines, drugs, diagnostics, and other health tools critical in tackling pandemics such as the COVID-19 pandemic. The budget allocation falls short of what is desirable to safeguard the well-being of the Kenyan people.
5. Allocate a budget for the COVID-19 vaccines to avert the crisis due to problems of vaccine access from COVAX. Monies should also be allocated to subsidize the cost of COVID-19 testing – which remains high and unaffordable to the majority of Kenyans.

Key Issues and Asks/Recommendations

Funding of the health sector remains less than 15% commitment made in the Abuja Declaration. It is imperative to address this as a critical commitment if we are to realize the SDGs. Beyond this, other issues in the health sector are highlighted below:

3.1. Universal Health Coverage (UHC)

Context

Achieving Universal Health Coverage in Kenya depends on several factors: Improving Financial Protection, Increasing the Quality of Health Services, Increasing Coverage in the Informal Sector, and Enhancing Access to Quality Health Services for the Underserved /Poor.

Issues & Justifications

Declining allocations for budget lines critical to UHC. This includes allocating the *Transforming Health Systems for Universal Care Project* and *Roll-out of Universal Health Coverage*.

- Transforming Health Systems for Universal Care Project, under budget code 2630200; Capital Grants to Government Agencies and other Levels of Government in the current budget 2020/2021 is 5.2 Billion; however, the same is proposed to reduce in proposed programme-based budget 2021/2022 to 3.4 Billion.
- The budget line **1081109400 Roll-out of Universal Health Coverage** net expenditure Head in 2020/2021 is Kshs 8.1 Billion; however, this is proposed to reduce to Kshs 7.7 Billion in 2021/2022 proposed programme-based budget.
- Allocation for the ***Social Protection in Health*** sub-programme is declining. Under this sub-programme, one of the three delivery units is *Support for Universal Health Coverage Households Covered* under UHC Scheme. This UHC delivery unit is bearing the loss given that the other delivery units, HISP and UHC Coordination and Management, have enhanced and constant allocations. With the Government targeting to reach 2.5 Million households, up from 195,000 in 2020/21, the reduction is not justified, and the target is unrealistic.

Complementarity of functions. Counties are initiating programmes similar to UHC (E.g., MARWA in Kisumu and Oparanya care in Kakamega). How do these complement each other, particularly where the national Government is implementing UHC?

The ratio of health workers to individuals is below the recommended WHO target of 23 health workers for every 10,000 population. According to the sector working group report, the national health workforce density for core health workers stands at 15.6 health workers for every 10,000 people, which is a derailment to the attainment of universal health care.

UHC requires strong political commitment and leadership. The National assembly provides a unique window of opportunity to actualize the government policy on UHC as one of the "Big Four Agenda."

Key Asks and Recommendations

- What are the transition plans for the UHC program after the piloting is done in four counties? Clarity on this is needed
- Disaggregated information on who the beneficiaries of the UHC program are should be made available. For instance, how many of the 2,500,000 households targeted under the Universal Health Coverage (UHC) programme are female-headed households or single-parent households, or households with PWDs?

- Ensuring a functional (efficient, accessible, and affordable) primary health care system that delivers quality essential health services remains most critical for achieving UHC and improving health outcomes. There is a need for allocating funds for the recruitment of more health staff to address the staffing gap more so in light of the current situation of the COVID-19 pandemic.
- The policy framework on UHC should be made publicly available, and resources are put in place to keep the UHC going beyond the Big 4 agenda, which UHC was among.

3.2. Malaria funding

Context

Health promotion is meant to support all programs such as TB, Malaria, HIV, Non-Communicable diseases, nutrition, environmental health, and food safety. The Health Sector is not devoid of challenges. Some of the challenges include an upsurge of malaria in highland areas and antimicrobial resistance.

According to the Health sector report, malaria falls underfunded priorities with a deficit of over 1 billion for procurement and distribution of first-line antimalarial drugs and distribution of long-lasting insecticides treated nets to enhance the quality of treatment and prevention of Malaria.

Issues & Justifications

Over-reliance on foreign funding. Most of the support towards combating Malaria in Kenya comes from the Global Fund. According to the [World Health Organization Malaria report 2020](#), Kenya falls under countries that failed to allocate domestic resources towards fighting malaria and are fully dependent on foreign funding.

In the proposed budget, allocation under the Special Global Fund Malaria Grant KEN-M-TNT reduces from the current 2,706 Billion to 200 Million. At the same time, the government funding for malaria remains zero.

Allocation for malaria control is declining from the current 182.9 million in 2020/2021 budget to 45.8 million in the proposed 2021/2022 program-based budget.

Key Asks and Recommendations

- What measures is the Ministry of health putting in place to address the narrowing financial space? The Government should support in-depth costing for malaria control and approaches for domestic resource mobilization at the national and county level.
- We need to allocate resources for strengthening preventive and promotive health.

3.3. Health Research, Innovation, and Development

R&D for new health technologies is an essential part of the solution to the world's greatest global health challenges—and one of the biggest drivers of health improvements worldwide. While tremendous progress has been achieved in Kenya over the last several decades, many people still die each year from infectious diseases and other health challenges. We will not continue to make progress against existing and emerging global health threats using current technologies alone. There is a need to invest in deliberate actions that will boost domestic development/manufacture of new vaccines, drugs, diagnostics, and other health tools needed to continue the arc of progress

and build the country's resilience against current and future health pandemics. The socio-economic ravages of COVID-19 and challenges of acquiring the much-needed vaccines provide enough justification for increased investments in health R&D. We can never be prepared to respond to pandemics with continued heavy reliance on external donors.

Health R&D has a multiplier effect. It not only saves and improves lives but also creates cost savings, drives economic growth, and enhances global security

Low financing of innovation under the health and research programme

We notice that the health research and development programme budget has increased from Ksh 10.2 B in 2020/21 to Ksh 10.6 B. However, while there is an increment, the allocation for Research and Innovation is relatively low at 28% of the total funding to the programme. The table below shows the distribution of the budget in the programmes and sub-programmes

Programmes	2020/21	% allocation	2021/22	% allocation	Projections 2022/23	% allocation	Projections 2023/24	% allocation
0403010 Capacity Building & Training (Pre Service & In Service)	7,129,519,424	73	7,370,300,000	72	7,350,200,000	69	7,254,000,000	68
0403020 Research & Innovations on Health	2,644,149,253	27	2,842,700,000	28	3,282,000,000	31	3,445,000,000	32
0403000 Health Research and Development	9,773,668,677	100	10,213,000,000	100	10,632,200,000	100	10,699,000,000	100

We are also concerned with the low allocation for research and development for KEMRI at only Ksh 151.1 million with the recurrent budget allocation of Ksh 2.6 billion. Instead, the bulk of the

focus has gone into construction, equipping, and upgrading of tuition blocks and laboratories, as shown below;

Items costed for Health Research and Development (R&D) in the budget books	Allocation 2020/21	Allocation 2021/22
Development allocations		
1081105700 Construction of buildings- Tuition blocks at KMTC	63,500,000	127,500,000
1081105800 Construction and equipping of laboratory and class rooms KMTC	418,895,000	253,800,000
1081107900 Construction and upgrading of KEMRI Labs (Nairobi, Kwale, Busia)		55,100,000
1081110800 Research and Development - KEMRI	151,060,000	151,100,000
Recurrent allocations		
1081007500 Kenya Medical Research Institute	2,363,000,000	2,636,500,000

Key performance indicators for health research and development are not reflective of research and innovation needed to transform the health sector.

The Ministry of Health budget key performance indicators fail to demonstrate the key outputs in line with the delivery unit. For example, in the screenshots below derived from PBB 2021/22, the Delivery Unit: 081105700 Construction of buildings- Tuition blocks at KMTC has a correspondent key output of health training curricula and the number of curricula reviewed as the key performance indicators. The development budget, however, has costed the budget for 1081105700 Construction of buildings- Tuition blocks at KMTC as shown in the snippet and table below, which makes it difficult to track the non-financial targets as per the delivery unit

Programme: 0403000 Health Research and Development					
Outcome: Increased capacity and provide evidence for policy formulation and practice					
Sub Programme: 0403010 Capacity Building & Training (Pre Service & In Service)					
Delivery Unit	Key Output (KO)	Key Performance Indicators (KPIs)	Targets 2021/2022	Targets 2022/2023	Targets 2023/2024
1081005500 Kenya Medical Training Centre	Health professionals certified	Proportion of health professionals (cohort) certified	97%	98%	99%
		Students enrolled for training	13,692	14,407	15,550
1081105700 Construction of buildings- Tuition blocks at KMTC	Health Professionals training curricula	Number of curricula reviewed	14	16	7
1081105800 Construction and equipping of laboratory and class rooms KMTC	Students attached to the primary health care facilities	Number of students attached to the primary health care facilities	6,200	6,310	6,490

Items costed for Health Research and Development in the budget books	Allocation 2020/21	Allocation 2021/22
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Development allocations		
1081105700 Construction of buildings- Tuition blocks at KMTC	63,500,000	127,500,000
1081105800 Construction and equipping of laboratory and class rooms KMTC	418,895,000	253,800,000
1081107900 Construction and upgrading of KEMRI Labs (Nairobi, Kwale, Busia)		55,100,000
1081110800 Research and Development - KEMRI	151,060,000	151,100,000
Recurrent allocations		
1081007500 Kenya Medical Research Institute	2,363,000,000	2,636,500,000

The budget for health research and development focuses on the construction and development of policy briefs instead of actual investment in research, innovation, and development of health technologies and tools.

In Kenya, the National Research Fund serves as the main government mechanism for financing research, including research for health. The main source of funds for the NRF is 2% of the country's GDP, with other sources of funds designated explicitly by Parliament, donations, and monies levied from research licenses. The NRF is required to mobilize and manage funds for financing research. A review of the programme based budget for the FY 2021/22 shows that the budget expected to finance the specific health research, innovation, and development is aligned to the construction of tuition blocks and certifying health professionals. This leaves very little for actual research, which is a current area of high demand in health research and development in a space where Kenya needs to contribute to global research and innovation. The snippets below show the non-financial targets for the Health Research and Development Programmes as presented in the PBB 2021/22

Programme: 0403000 Health Research and Development
Outcome: Increased capacity and provide evidence for policy formulation and practice
Sub Programme: 0403010 Capacity Building & Training (Pre Service & In Service)

Delivery Unit	Key Output (KO)	Key Performance Indicators (KPIs)	Targets 2021/2022	Targets 2022/2023	Targets 2023/2024
1081005500 Kenya Medical Training Centre	Health professionals certified	Proportion of health professionals (cohort) certified	97%	98%	99%
		Students enrolled for training	13,692	14,407	15,550
1081105700 Construction of buildings- Tuition blocks at KMTC	Health Professionals training curricula	Number of curricula reviewed	14	16	7
1081105800 Construction and equipping of laboratory and class rooms KMTC	Students attached to the primary health care facilities	Number of students attached to the primary health care facilities	6,200	6,310	6,490

Sub Programme: 0403020 Research & Innovations on Health

Delivery Unit	Key Output (KO)	Key Performance Indicators (KPIs)	Targets 2021/2022	Targets 2022/2023	Targets 2023/2024
1081007500 Kenya Medical Research Institute	Policy briefs developed	Number of policy briefs developed	10	10	10
	Research protocols approved	No. of New research protocols approved	230	235	259

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Key Recommendations

- The National Assembly should revise the budget allocation for Research & Innovations on Health from the allocation of Ksh 151,060,000 to a higher amount and reduce the budgetary allocation for Construction and equipping of laboratory and classrooms KMTC of Ksh 253,800,000 as it is already factored in a different line item.
- There is a need to invest more in health research and innovations to develop health technologies and products that will help respond to the ongoing demand in health and respond to current and future pandemics and disease burdens. Resources should also be set aside to promote emerging technologies and supporting platforms to improve health. These should include allocations towards supporting initiatives to enhance Kenya's capacity to manufacture its vaccines, diagnostics, and clinical trials.

3.4. Addressing Equity Concerns in the Health Sector budget

As in other parts of the world, health-related inequalities and lack of respect for human rights are key drivers of health gaps in Kenya. They curtail the ability of certain population groups like PWDs, the pro-poor, and marginalized to protect themselves from high health costs and access to relevant treatment, care, and support services.

Inequities exist across various levels in the health system. There are marked [differences](#) among the 47 counties in the availability of the essential health package, health facilities, and health workers, resulting in inequities in service use. Those living in the most remote areas often have lower access and use for health services than those living closer to a [facility](#). Even within a single community, some are underserved by health services compared to their neighbors.

Kenya also introduced a Community Health Strategy; however, there has been little financial backing or commitment of funds for community health from within the Government. Even vertical programmes like HIV have shifted resources away from community interventions to facility-based interventions

Issues & Justifications

Transparency on how the budget is responding to equity issues is lacking. There is no indication of how the budget is inclusive and how it intends to respond to the needs of different groups of individuals.

The Ministry of Health is one MDA where issues on gender are manifested through targeted expenditure and general budget expenditure. For instance, **the Ministry of Health has been implementing a free maternity programme (Linda Mama), where women are the target. However, despite targeting women, this programme falls short in its inclusion.** One of the requirements for enrolment into this programme is a national identity card which means that a non-card holder and, in particular, girls who may be barely of legal age cannot be served under this programme.

Measures to address those mentioned above, such as issuing an MCH number to non-cardholders, are not widely known. In 2021/22, the projected number of women accessing the service is higher than the actual number of women who accessed the service in 2019/20. (*FY 2021/22 Program Based Budget, Pages 275, 262*). Under budget code *1081104500 Free Maternity program strategic intervention*, mothers accessing healthcare services through the "Linda Mama" program targets 1,285,720 mothers. This underscores the need for equity to ensure all who need the service are targeted and can access the service.

Inequity is also evident in the distribution of the national referral services. This is on the geographical location of facilities and distribution of equipment. There is no equity in terms of regions covered, and the sector needs to have captured all counties' referral hospitals and their needs.

There are no adequate youth-friendly services. With the rising cases of teenage pregnancies and particularly in the post-covid period, consideration should be given to youth-friendly services to address increasing cases of teenage pregnancies. There are also challenges around the capacity of healthcare workers to handle youth healthcare needs.

Key Asks and Recommendations

- Equitable resource allocation criteria should be need-based. Justifications should also be provided for criteria used to distribute resources.
- Supply of equipment and the staff capacity sufficient to operationalize the equipment, which ends up lying in the county referral facilities.
- The Ministry of Health should support counties to ensure adequate capacity to offer high-quality health care in all the public health facilities.
- To efficiently address teenage pregnancy, it is imperative to have accurate/reliable data, coupled with comprehensive sexuality education and addressing of root causes.
- There is a need for the Government to operationalize the reproductive health policy to curb rising cases of teenage pregnancies

3.5. HIV/ AIDS and ARV interventions

Funding for HIV response in Kenya remains a significant challenge that needs to be addressed to provide scalable integrated health services, particularly for key populations. The PBB 2021/2022 allocates 19.2 billion towards HIV, Malaria, and Tuberculosis.

Kenya faces a severe sustainability problem and a significant challenge in financing scale-up of HIV and AIDS services to reach universal access, working towards zero HIV new infection, zero discrimination, and zero HIV related deaths, and attaining "*beyond zero*." The gap between the available resources and actual needs is projected to increase in the coming years. Yet, the evolving nature of the epidemic requires that NACC, through the Government of Kenya, begin to plan a future based on the reality of HIV conditions.

The standoff between the state and USAID over tax stalemate that has since seen the vital medication to the HIV patients being held in Mombasa seems to have hit a dead-end, and the donor is now looking into other ways to dispose of the ARVs that, according to the aid's officials, is due to expire in four months.

Issues & Justifications

Target and indicators – there is no health disaggregated data. On page 258 of the PBB, 1.1 million people have received ARVs, but the data isn't disaggregated according to men, women, and children.

Under budget code 1081000800 in the 2021/2022 PBB National Aids HIV positive clients on ARVs Control Programme on page 283 of the PBB, the indicator only talks about people, for example, *Number of people currently on ART, Number of people tested for HIV, Percentage of HIV pregnant women who received HAART in ANC, PNC and Labour, and Delivery.*

Children are left out of the programme, and currently, there are no ARV Drugs for children in counties, especially in the western region. Neviphirine and Seprine drugs for children have been out of stock.

Key Asks and Recommendations

- The PBB should provide disaggregated data for the targeted beneficiaries; this will inform transparency, comprehensiveness of information, and monitoring implementation.
- Parliament should insist on accountability in managing donor funds to avoid situations such as the current standoff with USAID.

3.6. Government response and funding to cancer concerns

Key Issues & Justifications

Equity in distribution – The PBB proposes the establishment of 3 comprehensive regional cancer centres.

1081106100 Establishment of Regional Cancer Centers	Comprehensive regional cancer centres established	Number of comprehensive centres established	3
	Cancer information platforms established in National and County levels	Number of National & County cancer registries established	17

Source: PBB 2021/22, Page 261

It is, however, not specified where these centres will be established apart from Kisii level 5 hospital.

1081109500 Construction of a Cancer Centre at Kisii Level 5 Hospital	Kisii Level 5 cancer centre	% completion of Kisii Level 5 cancer centre	50%
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Source: PBB 2021/22, Page 270

Output and Indicators not aligned to the delivery units. Under budget code 1081017500 cancer management board, the output on *women of reproductive age screened for cervical cancer* is seemingly misplaced. For instance, the output should align with the delivery unit, an operational board, or policies developed.

1081017500 Cancer Management Board	Women of reproductive age screened for cervical cancer	Number of women of reproductive age screened for cervical cancer	400,000	500,000	700,000
	Stakeholders sensitized on prevention and control of cancer	Number of people reached with cancer Prevention & Control messages	8,000,000	15,000,000	25,000,000

Source: PBB 2021/22, Page 261

Key Asks and Recommendations

- Is there an alignment of county allocations for cancer centers and the allocations at the National Level to establish regional cancer centres? This should coordinate with the economic blocs and the county governments as some counties through the blocs had already embarked on it, for example, the lake region economic bloc.
- There is a need for public involvement when setting up cancer centres, either regional or national. Budgets should be responsive to citizen needs.
- We recommend sensitization on cancer prevention to take the route of policy formulation to prevent some of the causes of cancer, for instance, enhanced nutrition and more scrutiny on imported food items.

3.7. Huge reliance on foreign/donor funding, the need to move to self-sustainability

Nearly half of the health capital budget will be funded through foreign funding. At 43 percent, it is evident that there is an overreliance on donor funding. Of the 43 percent donor funding, 63 percent are loans, whereas grants make up only 37 percent of the foreign funding. Programs for TB and Malaria are among those solely dependent on donor funding. In the current context where donor funding space is shrinking as the COVID-19 pandemic persists, this dependency is concerning.

Key Asks and Recommendations

- What is the Government putting in place to contain or mitigate the funding gap?
- There is a need for a Policy framework on local funding for health programs, especially on immunization.

3.8. Free Maternity Program

Linda Mama initiative and Beyond Zero Campaign in the PBB are unsustainable given that they are political agendas pushed by the current president and first lady. This leaves their continuity in question beyond the current government term.

Key Asks and Recommendations

- A policy framework to inform the resource base for these programs should be adopted.
- There is a need for clarity on the sustainability of Linda Mama and Beyond Zero programs in the PBB. We are headed for a general election and change in governance.

3.9. Mental Health

In Kenya, mental health is underfunded, and there is no direct allocation towards mental health. According to the Office of the Auditor-General (OAG) report 2017, the referral system in place cannot provide mental healthcare services since most of these staff are unavailable in almost all institutions in levels 1 to 4 while others are thinly distributed between level 5 and 6 facilities. Mathari Hospital is the only affordable public facility and public hospital offering specialized psychiatric services and training.

The Kenya Mental Health Policy (2015-2030) provides a framework for interventions on securing mental health systems reforms in Kenya. This policy seeks to address the systemic challenges, emerging trends and mitigate the burden of mental health problems and disorders. It aims at ensuring people have access to comprehensive, integrated, and high-quality mental health care services at all levels of healthcare and strengthen mental health systems, especially from the community level.

It is envisioned that “Kenya Mental Health Strategy 2017-2021” and the “Kenya Mental Health Policy 2015-2030” are in line with the Kenya Vision 2030, Constitution of Kenya 2010, and Global Comprehensive Mental Health Action Plan 2013-2020 and will help steer the country towards achievement of Sustainable Development Goal 3-(Health).

Issues & Justifications

There are no reliable mental health facilities within all counties/ accessible to all counties.

The only reliable facility in the country is Mathari Hospital in Nairobi. In contrast, others are ill-equipped to address this challenge despite a government initiative to have a mental health policy. In Kericho, a social audit done in the health department showed that there is no mental health facility to provide the service. Additionally, there are no qualified staff and patients with mental health needs put together with other patients without clear mechanisms to address their challenge, similar to many other counties.

Key Asks and Recommendations

- How is the national Government addressing the mental challenge across the country in relation to financing and equity in the distribution of mental health facilities?
- Do we have adequate staff to meet the mental health demand and equip the available facilities? What is the Government doing to address this gap? Mental health should be prioritized through adequate allocations. Mental health effects go beyond just the individual to directly or indirectly affect those around them and impact socio-economic lives.
- There is a need for the establishment of regional mental health facilities and in addition rehabilitation facilities.
- Resources have to be allocated to create awareness on mental health; counties should also be assisted with dealing with mental health issues, including staffing.

3.10. COVID-19 Emergency Response and Mitigation

The COVID-19 pandemic requires sufficient public funding to ensure a comprehensive response. Reprioritizing public spending toward bolstering the economy and the health system requires timely action from government leaders and a supportive public finance environment.

Issues & Justifications

The budget is silent on COVID-19 vaccination. Despite the mention of COVID-19 vaccines in the narrative section, there is no further information on any allocation towards a vaccination programme and no information on the target number of individuals or vaccine supply to hospitals and testing.

The current proposed budget has not specified the allocation for purchase of Covid 19 vaccine despite an increment in the routine immunization budget

Our analysis observes an increment in the immunization budget from 1.09% equivalent to Ksh 1.3 billion in the current FY 2020/21 to Ksh 3.9 billion (3.2%) as the proposed allocation for 2021/22 of the total budget allocated to health. However, this increment is too low to factor in the purchase of the Covid 19 vaccine. Within the budget, it is difficult to ascertain how the purchase of the Covid 19 vaccine is to be done without interference with the routine immunization that is run under the Kenya Expanded Programme Immunization. We also are aware that the current costs for Covid 19 are charged at a fee, with the lowest estimation being at Ksh 5,700 per test. The Ministry then needs to rationalize the cost of taking a Covid test to encourage the public to get tested to combat the pandemic strategically.

Item	Allocations 2020/21	% of the immunization to the health budget	Proposed allocation 2021/22	% of the immunization to the health budget
Vaccines and Immunization	1,300,000,000	1.09	3,900,000,000	3.20

Kenya Expanded Programme Immunization	3,263,769	0.00	33,589,332	0.03
Total immunization	1,303,263,769	1.09	3,933,589,332	3.20
Total health	119,196,253,416		121,089,022,127	

Research and development for KEMRI – the budget remains the same at Ksh. 151 million, is this sufficient for continued research and financing given the current health challenge across the globe?

Allocations under response to COVID-19 and the indicators are highly aggregated. For instance, who are the specialists being targeted?

Sub Programme: 0401080 Disease Surveillance and Response					
Delivery Unit	Key Output (KO)	Key Performance Indicators (KPIs)	Targets 2021/2022	Targets 2022/2023	Targets 2023/2024
1081018900 Kenya COVID-19 Emergency Response	COVID-19 Specialists engaged	No. of COVID-19 Specialists engaged	605	605	605
1081118200 Kenya COVID-19 Emergency Response Project	COVID-19 screening	No. of cases tested	581,0000	-	-
1081119100 Supply of Medical Equipment and Associated Services	COVID-19 hospitals supplied with equipment	No. of COVID-19 hospitals supplied with equipment	28	-	-
1081119200 GESDeK COVID-19 Response Project	COVID-19 screening	No. of cases tested	10,0000	13,000	160,000
		Proportion of hospitals with refurbished or new medical equipment	45%	45%	45%

Source: PBB 2021/22, Page 266

Key Asks and Recommendations

- Are we paying for the Covid 19 vaccine importation, and if so, how much has been allocated for the vaccine importation? Is there a plan in terms of coverage by region, age groups, etc.? Out of the proposed funding for covid-19, how much is being set aside for vaccines?
- Allocate a budget for the COVID-19 vaccines to avert the crisis due to problems of vaccine access from COVAX. Monies should also be allocated to subsidize the cost of COVID-19 testing – which remains high and unaffordable to the majority of Kenyans.
- Allocations of 151 million for research – KEMRI is insufficient considering the prevailing situation of rising cases of infectious diseases, covid-19 that require more investment in research work
- 605 Covid-19 specialists engaged, it will be good to know what criteria will be used to engage them and their distribution across the country? Also, looking at the 28 hospitals listed to be supplied with equipment, how will they be identified, and what sort of equipment will be supplied?

IV. Environment Protection, Water and Natural Resources Sector

Water, Sanitation, and Irrigation Ministry

Over the last few years, we have continually made submissions to the Parliament, hoping our concerns and issues we raised are addressed in the water, but it is worth noting that we have seen very slight changes. We expect to see better changes this round. In the coming years, even though the issues of poor services delivery, inequalities, and backlog on budget implementation, financing issues and transparency continue to be daring.

In the 2021 Budget Estimates, though with short timelines given to us as CSOs, we have gone in-depth with our strong technical expertise from the grassroots to thoroughly scrutinize our budget and pay key attention to cross-cutting issues, including resources distribution criteria that affect the Water, Sanitation and Irrigation Ministry which is housed under Environment Protection, Natural Resources and Water Sector.

Summary Submissions:

- i. **The Environment, protection, water, and natural resources sector continually face the issues of budget execution which stands at about 80% and has affected the progress of the development projects.** This is attributed to various issues ranging from too much dependency on donor funding and stalling of projects due to allegations of corruption. Some projects were lagging due to corruption allegations. *What mitigation measures has the sector put in place for such projects regarding continuing implementation.* Delays and slow implementation of the development of water projects resulting from issues such as the government still funding the projects that have timelines lapsed.
- ii. **Financing- overdependency of donor funding to key government functions/ projects.** For example, in the programme meant to improve equitable access to water, there is an increase (almost triple compared to the current year under implementation) in donor funding to support the programme on equitable access to quality water. Still, the funding from the Government of Kenya remains constant.
- iii. **Parliament needs to rethink Public Participation beyond submissions to Parliament on water projects across the country.** Over the years, the projects that donors undertake are usually not subjected to public participation. For example, coast counties' water work companies are being funded by World Bank, and there is no public participation in the projects they implement.
- iv. **Budget Transparency, especially at the implementation stage.** Across the Programme Based Budget, specific details should be provided on each delivery unit under sub-programmes and projects. Still, such information is missing, for example, non-financial baselines, project's specific location. This is missing at the approval stage. Also, the information is lacking on implementation from our observations and studies.
- v. **Equity still remains unaddressed despite being raised in the previous Memorandum to Parliament.** Though the sector report provides some details on the criteria used in the allocation and distribution of projects, it does not commit to equity despite the water being one of the inequalities existing in Kenya. For example, Kiambu

County residents have access to 86% water, while Narok county only has 30.1%. Even so, the circular misses such details, and implementation shows no progress despite commitment.

Key Detailed Submission:

- 1. Delay in completion of water projects-** In the coming year, some projects that were supposed to have ended are still being funded. What happened to the funds that were allotted to the projects previously. Examples include Rehabilitation of Water and Sanitation- Kirandich Phase II, which was expected to end by December 2019, and Coastal Region Water Security and Climate Resilience Project as demonstrated in the snippets below:

Source: Environment Protection and Water Sector Report 2020

VOTE D1109 Ministry of Water & Sanitation and Irrigation						
I. DEVELOPMENT EXPENDITURE SUMMARY 2021/2022 AND PROJECTED EXPENDITURE ESTIMATES FOR 2022/2023 - 2023/2024						
I. ESTIMATE of the amount required in the year ending 30th June, 2022 for the Ministry of Water & Sanitation and Irrigation, for capital expenditure						
(KShs 33,570,000,000)						
SUMMARY						
HEAD/ PROJECT	Approved Estimates 2020/2021	Estimates 2021/2022			Projected Estimates	
		Gross Expenditure	Appropriations in Aid	Net Expenditure	Estimates 2022/2023	Estimates 2023/2024
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
1109100200 Water & Sanitation Programme	310,000,000	50,000,000	-	50,000,000	400,000,000	400,000,000
1109100300 Support to the Water Resources Management and Water Service Provision	25,000,000	130,000,000	-	130,000,000	-	-
1109100600 Rehabilitation of Water and Sanitation - Kirandich	40,000,000	340,000,000	300,000,000	40,000,000	600,000,000	414,000,000

Source: Development Book

TITLE	Approved Estimates 2020/2021	Estimates 2021/2022	Projected Estimates	
			2022/2023	2023/2024
	KShs.	KShs.	KShs.	KShs.
1109101702 Kenya Water Security Climate Resilience Project (KWSCR)				
2630200 Capital Grants to Government Agencies and other Levels of Government	4,520,000,000	2,420,000,000	1,650,000,000	400,000,000
GROSS EXPENDITURE	4,520,000,000	2,420,000,000	1,650,000,000	400,000,000
Appropriations in Aid	3,300,000,000	1,180,000,000	1,000,000,000	-
5120200 Foreign Borrowing - Direct Payments	3,200,000,000	1,000,000,000	1,000,000,000	-
1310200 Grants from Foreign Governments - Direct Payments	50,000,000	-	-	-
1320200 Grants from International Organizations	50,000,000	180,000,000	-	-
NET EXPENDITURE Sub-Head KShs.	1,220,000,000	1,240,000,000	650,000,000	400,000,000
1109101703 Coastal Region Water Security & Climate Resilience Project (CRWSCR)				
2630200 Capital Grants to Government Agencies and other Levels of Government	3,300,000,000	2,400,000,000	3,800,000,000	500,000,000
GROSS EXPENDITURE	3,300,000,000	2,400,000,000	3,800,000,000	500,000,000

Source: Development Book

The projects mentioned above are just but a few. There are others, such as the Kaptumo water supply project, which was also expected to be completed by June 2019 according to the Environment protection, natural resources, and water sector report but the Programme Based Budget 2021/22 proposes it to reach 100% or completion, this is as a result of downward revision of its target (from 100% to 50%) from Supplementary I Programme Based Budget. There are no reasons provided for the revision or delays on this project.

Sub Programme: 1017010 Sewerage Infrastructure Development				
Delivery Unit	Key Output (KO)	Key Performance Indicators (KPIs)	Targets 2020/2021	Revised 2020/2021 Targets
1109110800 Kaptumo Water Supply Project	Improved Water supply	% completion of project	100	50

Source: Supplementary Budgets I 2020/21

Key Ask: When implementing the projects, the National Assembly should ensure the Ministries Departments and Agencies stick to plans and commitments they have in the budget documents.

2. **Allegation of corruption-** There is evidence that some projects are stalled due to corruption- for example, Itare Dam has completely stalled at 27%.

Programme	Delivery Unit	Key Output	Key Performance indicator	Planned Targets			Achieved Targets			Remarks
				2017/18	2018/19	2019/20	2017/18	2018/19	2019/20	
	Tana									
	Itare Dam Water Project	Itare Dam Water Supply project constructed	% completion	22	27	-	22	27	-	The project implementation has temporarily stopped and remains at 27% since September 2018 due to contractual issues. The contract was terminated on 4th February, 2020 and handing over is ongoing.

Source: Environment protection, natural resources, and water Sector Report 2020 MTEF

Key Ask: The National Assembly should ensure the water committee, in consultation with the implementation committee are tasked to expedite the investigation of the case of Itare Dam and other cases on water projects to enhance prudent utilization of public funds to projects that have a lot of impact on the general public. To avoid stalling of projects, the National Assembly should task the Ministries, Departments, and Agencies to report quarterly on the status and the utilized funds of all projects to the Controller of Budget.

3. **Equity in Distribution of Water Projects- Unfairness in the distribution of water projects across the country.** Despite the KNBS Census report 2019 on household's water access indicating that Narok County has (30.1 % water access) and requires more water access needs but, in the Programme-Based Budget, the county has not been given any preference. More so, Kiambu has better access at 86 % and gets a project which is high in the capital, which should be the equity right of the 14% of the population that has no access to water in Kiambu County.

The Programme Based Budget does not give information on the criteria for allocation and selection of project/programme beneficiaries should adhere to the principles of equity. The projects below in the Ministry of Water, Sanitation and Irrigation under Water, Sewerage Infrastructure Development does not provide information on:

- Justification or criteria by which an additional number of beneficiaries who will get access to water services will be identified.
- Further, there is no information on geographical locations in the specific rural areas- The Programme Based Budget should have provided the information on

whether they are marginalized or based on the poverty index; what is the water access in those rural areas?

Programme: 1017000 Water and Sewerage Infrastructure Development					
Outcome: Enhanced accessibility of water and sewerage services.					
Sub Programme: 1017010 Sewerage Infrastructure Development					
Delivery Unit	Key Output (KO)	Key Performance Indicators (KPIs)	Targets 2021/2022	Targets 2022/2023	Targets 2023/2024
1109105100 Support to Equitable Access to quality water	Access to water and sanitation services in rural areas	Additional no. of people accessing water services	4,700	4,700	4,700
		Additional no. of people accessing Sanitation services	3,200	3,200	3,200

Source: Programme Based Budget FY 2021/22

Key Ask: The National Assembly should provide information on the national government's efforts to bridge the gap on equitable water access across the country?

4. Equalization Fund- the equalization fund has not been disbursed since 2018, affecting water access equity.

Ask: Parliament should ensure the constitution is fulfilled as we note that one of the areas to be addressed by the Equalization fund is water.

5. Overdependency of donor funding to key government functions (projects)- The national government seems not to be putting enough effort to improve equitable access to water. For example, from the list of projects for FY 2021/22 and MTEF, there is an increase in donor funding to support the programme on support to equitable access to quality water. In contrast, the funding from the Government of Kenya remains constant.

LIST OF PROJECTS FY 2021/2022 AND MTEF PROJECTIONS								
VOTE D 1109 Ministry of Water & Sanitation and Irrigation								
HEAD/ PROJECT	Kshs							
	Approved Allocations FY 2020/2021		Allocation FY 2021/2022		Projection FY 2022/2023		Projection FY 2023/2024	
	GoK	Foreign	GoK	Foreign	GoK	Foreign	GoK	Foreign
1109104900 Up-scaling of Basic Sanitation for the Urban Poor (UBSUP).	30,000,000	70,000,000	50,000,000	232,000,000	40,000,000	-	-	-
1109104901 Up-scaling of Basic Sanitation for the Urban Poor (UBSUP)	30,000,000	70,000,000	50,000,000	232,000,000	40,000,000	-	-	-
1109105000 Water Supply and Sanitation for the Urban Poor.	25,000,000	-	20,000,000	-	40,000,000	-	100,000,000	-
1109105001 Water Supply and Sanitation for the Urban Poor	25,000,000	-	20,000,000	-	40,000,000	-	100,000,000	-
1109105100 Support to Equitable Access to quality water.	30,000,000	61,000,000	30,000,000	168,000,000	-	-	-	-
1109105101 Support to Equitable Access to quality water	30,000,000	61,000,000	30,000,000	168,000,000	-	-	-	-

Source: National Government List of Project FY 2021/22 & MTEF

Ask: The National Assembly should balance the funding that comes from the donors and what comes from internal government sources. This will highly protect the stalling of projects. The

National Assembly should task the National treasury to consider increasing the allocations that go towards improving equitable access to water by all.

6. The Programme Based Budget should provide non-financial information.

6.1 Presentation of non-financial details without the baselines.

Overall, there is a poor presentation of information on targets that the Ministry of Water, Sanitation, and Irrigation sets to achieve in the coming year. For example, the Ministry intends to increase water coverage nationally from 64% to 84% over the medium term. The [budget circular 2020](#) for the medium term is very clear and has a table that tasks the Ministries Departments and Agencies -Sector Working Groups to follow when coming up with budgets; this has a baseline component. This issue affects the Ministry of water, sanitation, irrigation, and other MDAs, as shown in the snippets extracted from the budget circular and the Programme Based Budget Programme on Water and Sewerage Infrastructure development under the water and sanitation and irrigation ministry.

CHAPTER THREE									
MEDIUM TERM PRIORITIES AND FINANCIAL PLAN FOR THE MTEF									
PERIOD 2021/22– 2023/24									
3.1. Prioritization of Programmes and Sub-Programmes									
3.1.1. Programmes and their Objectives									
3.1.2. Programmes, Sub-Programmes, Expected Outcomes, Outputs, and Key Performance Indicators for the Sector									
Table 3.1: Programme/Sub-Programme, Outcome, Outputs and KIPs									
Program me	Deliver y Unit	Key Output s	Key Perform ance Indicator s	Targe t2019/ 20	Actual Achieve ment 2019/20	Target (Baseline) 2020/21	Target 2021/2 2	Target 2022/2 3	Target 2023/24
Name of Programme Outcome									
SP1.1									
SP1.2									
... etc.									
NB: Where applicable, KPIs and target should be gender disaggregated									

Source: Budget Circular 2020

Programme: 1017000 Water and Sewerage Infrastructure Development					
Outcome: Enhanced accessibility of water and sewerage services.					
Sub Programme: 1017010 Sewerage Infrastructure Development					
Delivery Unit	Key Output (KO)	Key Performance Indicators (KPIs)	Targets 2021/2022	Targets 2022/2023	Targets 2023/2024
1109000300 Water Services Trust Fund	Water Supply and Sewerage services	No. of WRUAs financed	3	2	-
1109000500 Headquarters and Professional Services - Water	Increased water supply	Daily cubic meters of water supplied	4200 cubic metres	4200 cubic metres	4200 cubic metres
410					

Source: Programme Based Budget 2021/22

Key Ask: The National Assembly should seek why Ministries Departments and Agencies are not providing the information on baselines that have not been provided across Programme-Based Budgets from FY 2015/16 to FY 2021/22.

6.2 Justification on the Key Performance Indicators Targets- The Programme Based Budget focuses on the indicators without any narratives that justify the numbers provided. For example, in the snippet below, the Programme Based Budget should

have provided more information to explain the reasoning behind the targets set for 2020/21

1109 Ministry of Water & Sanitation and Irrigation					
PART E. SUMMARY OF PROGRAMME OUTPUTS AND PERFORMANCE INDICATORS FOR 2021/2022 - 2023/2024					
Sub Programme: 1004010 Water Resources Conservation and Protection					
Delivery Unit	Key Output (KO)	Key Performance Indicators (KPIs)	Targets 2021/2022	Targets 2022/2023	Targets 2023/2024
1109000900 Water Resources - Pollution Control	Drinking water quality surveillance	No. of water quality monitoring reports	20	20	30
1109001000 Water Resources - Surface Water	Early warning systems in western Kenya	No. of telemetric stations installed for flood management	6	8	-
1109001100 Water Resources	Conserved and protected water resources	No. of M&E reports on water quality produced	4	4	-

Source: Programme Based Budget FY 2021/22- Ministry of Water, Sanitation and Irrigation

When one looks at the Sector report, it provides information on ‘remarks’ that explain the performance(s) or challenges on implementation. However, it doesn't do it comprehensively or across all the delivery units.

Key Ask: The Parliament should task the national treasury to ensure all the Ministries, departments, and Agencies accompany the non-financial targets (numbers) with more details, including information on equity.

6.3 Unrealistic targets in relation to budget allocation- In the Environment protection and Natural resources Sector report 202, one of the issues highlighted in remarks is the diversion of funds meant for specific delivery units to other purposes. Also, why should the Ministry set targets that are unrealistically achievable compared to its financing? The Soin-Koru Dam If 1.2 billion could do 2% of this project, and in the proposed FY 2021/22, we anticipate reaching 10% with an allocation of KShs. 90 million, then in the projections for the FY 2022/23, the project will move by 25% with 342 million.

Programme: 1015000 Water Storage and Flood Control					
Outcome: Increased per capita water storage capacity for irrigation and other uses					
Sub Programme: 1015010 Water Storage and Flood Control					
Delivery Unit	Key Output (KO)	Key Performance Indicators (KPIs)	Targets 2021/2022	Targets 2022/2023	Targets 2023/2024
1109108400 Soin - Koru Dam	Dam constructed	% completion	10	35	60

Source: PBB 2021/22

LIST OF PROJECTS FY 2021/2022 AND MTEF PROJECTIONS								
VOTE D 1109 Ministry of Water & Sanitation and Irrigation								
HEAD/ PROJECT	Kshs.							
	Approved Allocations FY 2020/2021		Allocation FY 2021/2022		Projection FY 2022/2023		Projection FY 2023/2024	
	GoK	Foreign	GoK	Foreign	GoK	Foreign	GoK	Foreign
1109108400 Soin - Koru Dam.	1,500,000,000	-	90,000,000	-	342,000,000	-	820,000,000	-
1109108401 Soin - Koru Dam	1,500,000,000	-	90,000,000	-	342,000,000	-	820,000,000	-

Source: List of Projects FY 2021 and MTEF Projections

Table 8: Summary of the Programme Key Outputs, KPIs and Targets for the FY 2021/22 – 2023/24									
Sub-Programme	Delivery Unit	Key Output	Key Performance indicator	Target 2019/20	Actual achievements 2019/20	Target (Baseline) 2020/21	Target 2021/22	Target 2022/23	Target 2023/24
P4: Water Storage and Flood Control									
Outcome: Increased per capita water storage capacity for irrigation and other uses									
S.P: 4.1: Water Storage and Flood Control	Soin - Kori Dam	Dam constructed	% completion	0	0	2	10	35	60
	Thwake Multi-Purpose Water Development Program Phase	Dam constructed	% completion	50	42	67	95	100	-

Source: Environment Protection and Natural resources Sector Report 2020

Key Ask: To avoid stalling of projects, the National Assembly should ensure the set targets for each project are achievable based on the available financing. This will also ensure the project is implemented in the planned schedules.

7. Nairobi Metropolitan Services- Water Service – Under Public Administration and International Relations Sector

We understand that the transfer of NMS is still new and probably undergoing some transformations, but when you compare the current year under implementation – sub-programme on Metropolitan Environment, water, waste, and ancillary services, its non-financial details on KPIs have no relationship with what the PBB 2021/22 have, even so, the main issue is there are no reasons provided for this, for instance, the delivery unit on water services in the current year has ‘water vending system installed, commission and rolled out’ intending to reach 30% as at June 2021 and 50% as at June 2022, but that has wholly changed/replaced in the next financial year to cubic of water supplied per day

PART E. SUMMARY OF PROGRAMME OUTPUTS AND PERFORMANCE INDICATORS FOR 2020/2021 - 2022/2023					
Sub Programme: 0745060 Metropolitan Environment, Water, Waste and Ancillary Services					
Delivery Unit	Key Output (KO)	Key Performance Indicators (KPIs)	Targets 2020/2021	Targets 2021/2022	Targets 2022/2023
1011004900 Environmental Management	Illegal environmental discharge cracked down	Level of reduction of illegal dumpsites	60%	75%	90%
1011005000 Solid Waste Management	Waste collection and management services provided	Percentage of daily tonnage collected	70%	75%	82%
1011005100 Water Services	Clean water services provided within the informal settlements	Percentage of the population accessing clean water services within the informal settlements	60%	70%	100%
1011102900 Environmental and Solid Waste Management	Environment and solid waste management services provided	Level of stakeholder awareness on responsible environment and solid waste management	40%	50%	75%
1011103000 Water Services	Water vending system installed, commissioned and rolled out	Percentage of population accessing water through the water vending system	30%	50%	65%

Source: Programme Based Budget: 2020/21

Sub Programme: 0745060 Metropolitan Environment, Water, Waste and Ancillary Services					
Delivery Unit	Key Output (KO)	Key Performance Indicators (KPIs)	Targets 2021/2022	Targets 2022/2023	Targets 2023/2024
1011004900 Environmental Management	Improved aesthetic value of Nairobi	No. of existing parks maintained	5	5	5
		Kilometres of river front regenerated	25	20	40
1011005000 Solid Waste Management	Improved solid waste collection and disposal	Tonnage of waste collected per day	3100	3200	3300
1011005100 Water Services	Improved access to water and sanitation services	No. of new connections to water and sewerage	564,445	574,445	584,445
1011102900 Environmental and Solid Waste Management	Improved solid waste management system	No. of material recovery facilities constructed	6	7	7
1011103000 Water Services	Improved water production and supply	Cubic meters of water supplied per day	769,000	850,000	925,000

Source: Programme Based Budget 2021/22

Key Ask: The National Assembly should task the national treasury to justify why there are sudden changes in the delivery units in the NMS to avoid transparency and accountability issues.

8. The Water, Sanitation, and Irrigation Ministry have eight SAGAs and nine other Water Works Development Agencies.

These regional *Water Works Development Agencies*, *Water Sector Trust Fund*, *Services Regulatory Board*, *Water Resources Authority*, *Water Appeal Board*, *National Water Harvesting and Storage Authority*, *National Irrigation Authority*, etc., require the running costs. The higher the number of SAGAs in a ministry, the higher the recurrent budget and running costs for the Ministry, meaning the budget should be spread thinly to these institutions; thus, each receives little funding that does not make a meaningful impact on their mandates. For example, concurrency of functions between the national government agencies and counties might not be achieved- The CSOs were able to highlight that Mombasa and Nakuru County counties are struggling in coming up with a desalination plant for the ocean water to be used for domestic purposes, which has always been cited in several county budget planning documents yet the mandate of Water Works Development Agencies is to provide technical services and capacity building to County Governments and water service providers and provide to the Cabinet Secretary technical support in the discharge of his or her mandate, which has not assisted the counties.

Another example is the Water Resources Authority, which is mandated in the regulation of water bottling. Still, everyone is now bottling water regardless of the hazard it might inflict on the consumer.

Key Ask: The National Assembly should have clear roles if these agencies develop frameworks to assist counties' initiatives to make water accessible for the people.

Key Ask 2: Also, the Parliament should find why this is happening in the watch of the Water Resources Authority. Is it the issue of a thin budget or capacity of the authority?

Key Ask 3: The National Assembly Committee should inquire Water Regulatory Agency to ensure all water companies in the county do account to the citizens. The audited accounts of the said companies must be made public.

9. Water Projects are implemented in other departments implementing water projects with no technical capacity to implement the projects.

Apart from issues such as duplication of projects arising, the capacity of some of the Ministries, Departments, and Agencies implementing water projects.

For example, the Department of Housing and Urban Development has a project on water connection.

Programme: 0102000 Housing Development and Human Settlement					
Outcome: Increased access to affordable and decent housing as well as enhanced estates management services					
Sub Programme: 0102010 Housing Development					
Delivery Unit	Key Output (KO)	Key Performance Indicators (KPIs)	Targets 2021/2022	Targets 2022/2023	Targets 2023/2024
1094109800 Kenya Informal Settlement Improvement Project - Phase II	Physical infrastructure in informal settlements	No. of KMs of roads tarmacked	20	30	50
		No. of KMs of drainage	25	40	60
		No. of sewer connections	1,000	1,000	1,000
		No. of water connections	1,000	1,000	1,000
		Footpaths constructed	10	10	10

Source: PBB 2021/22

Key Ask: The National Assembly should assess the capacity of the technical staff or provide a framework that will see the projects being implemented in other Ministries, Departments, and Agencies or ensure the programmes under water should be executed by the Water, Sanitation and Irrigation Ministry.

10. Emergent Issues, especially on the Flood Control Works— Families living in flood areas are at risk of losing their livelihood, property, and life. Low-income families in these regions are the most vulnerable and require support when a flood disaster strikes. To cushion victims' governments should design and implement disaster risk financing strategies for flood risk. In the last FY 2020/21, some allocations were put on the floods- Budalangi and its neighboring Counties. The implementation for the project- worth about KShs. 7 billion – Some funds were put to compensate people. In the sector, the information on Budalangi is provided but missing in the Programme Based Budget.

Project code & project title	Est Cost of the project (financing)			Timeline		Actual cumulative expenditure up to 30 th June 2017 (b)	Approved budget 2016/17 (c)	Expected Balance as at 30 th June 2017 (a)-(b)	FY 2017/18				FY 2018/19				FY 2019/20				Remarks
	Total Est cost of project (a)	For foreign	GO K	Start date	Expected completion date				Approved For foreign Budget	Approved GO K Budget	Cumulative expenditure as at 30 th June, 2018 (%)	Completion stage as at 30 th June, 2018 (%)	Approved For foreign Budget	Approved GO K Budget	Cumulative expenditure as at 30 th June, 2019 (%)	Completion stage as at 30 th June, 2019 (%)	Approved For foreign Budget	Approved GO K Budget	Cumulative expenditure as at 30 th June, 2020 (%)	Completion stage as at 30 th June, 2020 (%)	
	Kshs. Million								Kshs. Million												
1107108700 Flood Control Works Nyando, Narok, Budalangi, Migori & Homabay	1,845	-	1,845	5-Jul	1-Jun-23	356.6	92	1,488.40	-	161	517	28%	-	140	657	34%		173	829	44%	

Source: Environment Protection and Natural Resources Sector Report

Key Ask: We ask the Parliament why the programme is missing in the Programme- Based Budget. Instead, the government should be expanding to cover the new flooding hotspots such as Nairobi. Also, the responsible committee should task the Ministry of Water, Sanitation, and Irrigation to Map flood-prone areas and use satellite data in flood management to minimize the impacts of floods. It is also important to invest in flood early warning systems.

11. Public Participation beyond submissions to Parliament on water projects across the country- World Bank is funding the coast counties water work companies. There is no public participation in the projects they implement.

Conclusion

We understand that the water sector is funded heavily by foreigners. Still, the Ministry of Water, Sanitation, and Irrigation challenges should be resolved by adopting the key asks/ recommendations highlighted in this memorandum. The issues raised are specifically to resolve on equity. We can only realize the access to clean and safe water as a basic human right is provided for in the Constitution of Kenya 2010 (Article 43).

V. Land and Housing Sector

1. Regulations/policies on land and housing

Over the last two years, the National Government has been engaging in the process of reviewing and developing the National Slum Upgrading and Prevention Bill 2020, National Housing Bill 2021, Review of the National Land Use Policy 2009. However, none of the mentioned legislation has been passed.

1.1. The issue

The PBB on page 432 indicates that the government shall develop four land legislations and formulate/review two policies; the indicators do not specify the specific land policies and legislation that will be reviewed and developed. This means that monitoring the progress of the development of these documents shall be a challenge.

Programme: 0101000 Land Policy and Planning					
Outcome: Improved land management for sustainable development.					
Sub Programme: 0101010 Development Planning and Land Reforms					
Delivery Unit	Key Output (KO)	Key Performance Indicators (KPIs)	Targets 2021/2022	Targets 2022/2023	Targets 2023/2024
1112000100 Headquarters Administration and Planning Services	Land Laws reviewed	Number of land legislations developed	4	4	-
	Land Policies formulated & reviewed	Number of policies formulated & reviewed	2	2	-
1112000300 Central Planning and Project Monitoring Unit (CPPMU)	Planning services	Number of monitoring and evaluation reports	4	4	4
1112000900 Department of Physical Planning	Physical planning handbook reviewed	% of the physical planning handbook reviewed	100	-	-
1112100300 Processing and Registration of Title deeds	Title deeds registered and issued	Number of title deeds registered and issued	450,000	450,000	450,000

1.2. Recommendation:

- The document should list/state the four policies indicated to be developed/reviewed.

The resources allocated to this sub programme should target the processes that had already commenced rather than proposing new regulations.

2. Low absorption rates towards implementation of projects ;

Cognizant that the implementation of projects can be impacted by delayed disbursement of funds, low capacity of the personnel, lengthy procurement processes, and approval processes. Evidence draws us to the fact that there is a low absorption rate for implementing the projects. This is mainly on the recurrent side of the budget.

2.1. Issue

About the past trends, for the year 2017/2018, the absorption rates stood at 92%, the FY 2018/2019 was at 83%, the FY 2019/2020 was at 87.3%. This relays the challenge of lack of full utilization of the resources allocated.

During the FY 2017/18 - 2019/20 period, the Ministry was allocated KSh.5.1 billion in FY 2017/18, KSh.5.5 billion in FY 2018/19 and KSh.7.2 billion in FY 2019/20. The actual expenditure during the same period was KSh. 4.7 billion, KSh.4.6 billion and KSh.6.3 billion respectively. The absorption rate stood at 92% in FY 2017/18, 83% in FY 2018/19 and 87.3% in FY 2019/20.

2.2. Recommendation

- a) Conduct a study to highlight the issues that are causing the constant low absorption rate and address them as this has been a constant challenge
- b) Timely disbursement of funds
- c) Proper planning for programs
- d) Set achievable indicators based on Medium Term plan and national programs such as the Big Four Agenda

3. Allocations towards the sub program on land settlement:

The National government is currently undertaking a lot of development projects that have led to displacement and the call for resettlement. In addition to that, the NLC strategic plan puts the plans for the commission to support processes of resettlement. The land settlement fund is administered by the NLC with budgetary support from the government and donors. It can be used to provide access to land by squatters, people displaced by development projects, purchase land for settlement programs, and establish and manage refugee funds.

3.1. Issue

Page 436 depicts that the government seeks to allocate 467 million shillings, which is a lower amount compared to that allocated and expended In FY 2020/2021, which was 896 million. This

relays a challenge in low financing of the sub-program despite the many plans by the government to support this process. There lacks non-financial information on how the NLC plans to utilize the settlement fund.

3.2. Recommendation

- Increased allocation to the land settlement and resettlement sub- program.
- Providing of non financial information on how the NLC plans to conduct the sub-program on settlement fund.

Programme	Baseline	Estimates	Projected Estimates	
	2020/2021	2021/2022	2022/2023	2023/2024
	KShs.	KShs.	KShs.	KShs.
0101010 Development Planning and Land Reforms	2,150,027,999	2,085,749,605	2,191,462,118	2,453,303,477
0101020 Land Information Management	2,187,518,486	1,682,688,020	1,911,553,519	2,077,920,004
0101030 Land Survey	953,657,545	907,448,209	1,037,767,928	1,091,788,918
0101040 Land Use	256,813,445	313,258,088	373,715,854	391,512,978
0101050 Land Settlement	896,877,256	467,156,078	594,900,581	627,974,623
0101000 Land Policy and Planning	6,444,894,731	5,456,300,000	6,109,400,000	6,642,500,000
Total Expenditure for Vote 1112 Ministry of Lands and Physical Planning	6,444,894,731	5,456,300,000	6,109,400,000	6,642,500,000

Delivery Unit	Key Output (KO)	Key Performance Indicators (KPIs)	Targets 2021/2022	Targets 2022/2023	Targets 2023/2024
1112000400 Adjudication and Settlement Services	Households settled	% of database of landless household profiled	100	-	-
1112101100 Settlement of the Landless	Households settled	Number of landless households settled	12,000	13,000	14,000

4. Inadequate allocation of funds to the Independent constitutional commissions and institutions such as NLC

The National Land Commission has been mandated to manage public land use on behalf of the citizens, address historical land injustices, and conduct land administration and management roles. This relays the need to constantly support the institution to enable it to perform its functions effectively, which includes its foreseen plans according to its strategic plan.

4.1. Issue

According to the PBB, on page 9, the NLC during the FY 2021/22 has not been allocated any resources towards the development budget, and allocations have only been directed to the gross current estimates. This limits their engagement in development functions.

2021 National Land Commission	Total	1,437,200,000	-	1,437,200,000
	0116000 Land Administration and Management	1,437,200,000	-	1,437,200,000

4.2. Recommendation

Increased allocation of funds to the National Land Commission, particularly to the development budget, to enable it effectively to perform its mandates as envisioned in the Kenyan Constitution

5. Inadequate financing to the state department of housing and urban development

In its plans towards the realization of housing for all, the government has sought to promote access to affordable housing by citizens under the Big 4 agenda. This is in line with its plans to provide about 500,000 housing units by the year 2022. Towards this, a lot of projects under the urban renewal program have commenced, and the government still plans to support this capital-intensive project.

5.1. Issue

According to the PBB on page 9, the total projected allocations to the sub-sector for the FY 2021/2022 is 8.8 Billion which is a decline by 5.6 billion from the previous FY 2020/2021, whose allocations were 14.14 billion and the past years 2019/2020, 2017/2018 whose allocations stood at 28.8 Billion and 34.9 Billion respectively. This is despite the increased construction processes that are envisioned for this year in comparison to the past years.

	0102000 Housing Development and Human Settlement	632,561,525	8,178,000,000	8,810,561,525
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5.2. Recommendation

Justify why the allocations have reduced yet the housing projects are still running, and plans to put up more housing are in place.

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