

What the Supplementary Budget Says About Kenya's Covid-19 Response

Overview

This brief looks at the key budgetary changes that were proposed by the National Government for the financial year 2019/20. The supplementary was prepared as the country was looking for a way to free up resources to be used to respond to the Covid-19 pandemic. Therefore, this analysis focused on key sectors and programs in the fight against the disease. The analysis looks at four sectors, namely the Health sector, Water and Sanitation, and Social Protection. In addition, the brief looks at other significant budget changes in this supplementary budget. Key changes in the supplementary budget include:

1. The Ministry of Health's budget reduced by 11 percent, with the highest reduction in its development budget slashed by 23 percent. The overall reduction is equal to KShs 12.2 billion. Allocations for Universal Healthcare had the largest cut together with primary healthcare. These are the two areas that had also seen a large increase in their allocations during the first supplementary for 2019/20 in November 2019.
2. The Ministry of Water and Sanitation budget also reduced its budget by 11 percent, a reduction of KShs 7.4 billion. Just like in the health sector, a large proportion is in the development budget and specifically under the water sector.
3. Allocations for the State Department for Social Protection, Pensions & Senior Citizens Affairs rose by KShs 8.75 billion, which is equivalent to growth of 23 percent of its budget. Social Protection's programs saw its budget increase by KShs 9.99 billion.
4. The National Government Constituency Development Fund's budget was reduced by KShs 10 billion, equivalent to 24 percent of its allocation. This was done as part of the government austerity measures according to the supplementary budget.
5. The State Department for Infrastructure was one of the few MDAs whose budget went up. Its budget grew by KShs 12.5 billion. This was mainly to fund Big Four related projects.

1. Health

A large part of the country's response to Covid-19 is pegged on strengthening elements of the health care system. This includes the employment of additional staff and the procurement of personal protective equipment (PPEs). In the supplementary budget, the Ministry of Health budget was **reduced by KShs.12.21 billion, which was a reduction of 11 percent**. A significant part of these changes is allocations for Universal Health Coverage spread across two programmes: **Preventive, Promotive & RMNCAH** and **Health, Policy, Standards and Regulations**. In the supplementary budget, their allocations have been slashed by 48 and 18 percent, respectively. This is quite concerning because both programmes are crucial in the provision of primary health care. To understand the context here, we also look at the first supplementary for the year that was passed in November of 2019. In that adjustment, the Ministry

of Health's budget was increased by KShs 22.9 billion, a 25 percent increase. At that point, a significant proportion of the increase was in the same two programs, which increase by 30 percent and 69 percent, respectively, as shown in Table 1.

Table 1: Ministry of Health -Budget Changes Based the Second Supplementary Budget for 2019/20

1081 Ministry of Health (Billions)	Changes Between Approved Budget and Supplementary Budget I			Changes Between Supplementary Budget I and Supplementary Budget II			Percentage Changes Between Approved Budget and Supplementary Budget I			Percentage Changes Between Supplementary Budget I and Supplementary Budget II		
	Change in Gross Current Estimates	Change in Gross Capital Estimates	Change in Gross Total Estimates	Change in Gross Current Estimates	Change in Gross Capital Estimates	Change in Gross Total Estimates	Change in Gross Current Estimates	Change in Gross Capital Estimates	Change in Gross Total Estimates	Change in Gross Current Estimates	Change in Gross Capital Estimates	Change in Gross Total Estimates
Vote, Programme Codes and Title												
0401000 Preventive, Promotive & RMNCAH	2.18	0.64	2.82	(1.85)	(4.05)	(5.90)	126%	8%	30%	-47%	-49%	-48%
0402000 National Referral & Specialized Services	0.85	0.10	0.95	0.79	0.83	1.62	3%	1%	3%	3%	9%	4%
0403000 Health Research and Development	-	0.07	0.07	0.26	-	0.26	0%	10%	1%	3%	0%	3%
0404000 General Administration, Planning & Support Services	(0.10)	-	(0.10)	0.75	(0.50)	0.25	-1%	0%	-1%	9%	-51%	3%
0405000 Health Policy, Standards and Regulations	1.89	17.28	19.17	(0.28)	(8.14)	(8.43)	17%	107%	69%	-2%	-24%	-18%
Total for Health Programmes	4.82	18.08	22.90	(0.34)	(11.87)	(12.21)	8%	52%	25%	-1%	-23%	-11%

2.1 Primary Health Care- The budget for Preventive, Promotive & RMNCAH was reduced by KShs. 5.9 billion in Supplementary Budget II, which is a reduction of 48 percent from the approved Supplementary I estimates. Of this KShs 5.9 billion reduction, the Reproductive Maternal Neo-natal Child & Adolescent Health (RMNCAH) sub-programmes accounts for KShs. 4.8 billion, a 78 percent cut in their budget. The details provided in the budget do not give a clear picture of which specific services within the sub-programme are affected. However, the targets for the sub-programme for the year remained the same as shown in Figure 1.

Figure 1: Targets and Indicators for the RMNCAH Sub-Programme

Programme: 0401000 Preventive, Promotive & RMNCAH				
Outcome: Reduced morbidity and mortality due to preventable causes.				
Sub Programme: 0401030 Reproductive Maternal Neo-natal Child & Adolescent Health-RMNCAH				
Delivery Unit	Key Output (KO)	Key Performance Indicators (KPIs)	Targets 2019/2020	Revised 2019/2020 Targets
1081011100 Primary Health Care	Access to primary health care under UHC improved	Number of of interns placed for roll out of UHC	2,717	2,717
		Number of Community health workers engaged in roll out of UHC	10,378	10,378
		Number of data clerks hired for UHC	1,500	1,500
1081103500 Health System Management	Pentavalent 3 vaccination coverage increased	Proportion of children immunized with DPT/Hep+HiB3	90%	90%
1081111700 Upgrading Maternal & New Born Care Units W. Pokot, Marakwet & Makueni	Reduced maternal infant mortality	Refurbishment of infant hospitals and installation of medical equipment	3	3

The delivery unit of health systems management, which deals with immunization of DPT/Hep+HiB3 and is solely funded with KShs. 2.6 billion AiA, has no funds in supplementary II estimates despite maintained targets of 90 percent on immunization coverage. This implies that primary health care depends on AiA in the form of grants from foreign governments that come directly to the Ministry of Health for specific health programmes.

Table 2: Special Global Funds Grants for HIV, Malaria and TB -Approved Budget and Supplementary I & II

Communicable Disease Control-Delivery Units	Approved Budget	Supplementary I Estimates	Supplementary II Estimates	Change between Approved Budget and Supplementary I Estimates	Change between Supplementary I & II Estimates	Percentage Change between Approved Budget and Supplementary I	Percentage Change between Supplementary I & II Estimates
1081111300 Special Global Fund HIV Grant KEN-H-TNT	1.45	1.45	1.05	-	(0.40)	0.0%	-27.6%
1081111400 Special Global Fund Malaria Grant KEN-M- TNT	1.15	1.15	0.75	-	(0.40)	0.0%	-34.4%
1081111500 Special Global Fund TB Grant KEN-T-TNT	0.58	1.17	0.86	0.58	(0.31)	99.8%	-26.3%

The Special Global Funds for HIV, TB and Malaria grants under communicable disease control sub-programme had their funds cut by about a third for each delivery unit during supplementary II estimates. These funds come from external funding. With the cut, the targets remained unchanged and even during supplementary 1 estimate where Special Global Fund for TB doubled, the targets had remained unchanged. This raises questions on how to track the delivery of services and spending performance and if the targets are realistic.

2.2 Universal Health Coverage- The UHC delivery units are scattered across different parts of the health budget and no clarity on what each of these entails. Despite that, there was progress on the rollout of the UHC during the 1st supplementary estimates where there was an additional allocation of KShs. 16.03 billion.

Table 3: Universal Health Coverage and Care Delivery Units – Approved Budget and Supplementary I & II

Universal Health Coverage and Care Delivery Units/ Services	Approved Budget (KSh. Billion)			Supplementary I Estimates (KSh. Billion)			Supplementary II Estimates (KSh. Billion)			Gross Change Appr Est. to Supp I (inc. AiA)	Gross Change Supp I to Supp II (inc. AIA)	Net change from Appr Est. to Supp I	Net change from Supp I to Supp II
	Gross Expenditure	AiA	Net Expenditure	Gross Expenditure	AiA	Net Expenditure	Gross Expenditure	AiA	Net Expenditure				
1081109400 Roll-out of Universal Health Coverage (Development)	5.40	-	5.40	21.43	-	21.43	12.01	-	12.01	16.03	(9.42)	16.03	(9.42)
1081117800 Health Sector Support for Universal Health Coverage	0.50	-	0.50	0.50	-	0.50	-	-	-	-	(0.50)	-	(0.50)
1081018200 Universal Health Coverage Coordination & Management Unit (Recurent)	5.69	-	5.69	7.62	-	7.62	7.34	-	7.34	1.92	(0.28)	1.92	(0.28)
1081110200 Support to Universal Health Care in the Devolved System in Kenya (Development)	1.07	-	1.07	1.07	-	1.07	1.07	-	1.07	-	-	-	-
1081110300 Transforming Health Systems for Universal Care Project (Development)	4.92	0.30	4.62	5.92	0.60	5.32	5.03	1.05	3.99	1.00	(0.89)	0.70	(1.33)

Source: Approved Programme-Based Budget, Supplementary Budgets I & II 2019/20

Tracking UHC budget allocation and rollout-The UHC services are captured in two sub-programmes with significant budget falling under Health Policy, Standards and Regulations programme and delivery units listed in Social Protection in Health sub-programme. In this programme, the budget has been reduced by KShs 9.4 billion. Despite the changes in supplementary budget 1 and 2 for UHC, there was no change in the key performance indicators and targets with the number of households for vulnerable persons accessing subsidized health insurance remaining at 190,000 and the number of elderly persons accessing subsidized health insurance remaining at 533,333. Also, development allocations worth KShs 500 million for the Health sector support for UHC was cut.

The delivery unit on **primary health care** is heavily recurrent with allocations meant for placing interns, engage CHVs and hiring data clerks under rollout of UHC. This has its budget slashed by KShs 1.88 billion only remaining with KShs 301 million despite maintaining their hiring targets of placed interns at 2,717, engaged CHVs at 10,378 and hired clerks at 1500. While in the itemized budget, KShs 2.131 billion was to cater for basic wages for temporary employees as per supplementary I estimate, all these funds were slashed. Instead another budget line label **2210700 Training Expenses** was introduced in supplementary II and allocated KShs. 250 million.

In the delivery unit **transforming health systems for universal care project**, which has its budget cut by KShs 1.33 billion, there is an introduction of KShs. 1.0 billion labelled **emergency relief and refugee assistance** but have not been indicated what it is for. Still, in the narrative at the beginning of the sector, it is indicated that there is KShs. 1 billion for the recruitment of health workers.

2.3 **KEMRI** is under the programme on Research and Innovation for Health and has a critical role during this pandemic, yet its budget has been increased with only a KShs.142 million.

2.4 **There is a Covid-19 response allocation of KShs. 2.66 billion** with KShs 1.5 billion being from the government, while KShs1.1 billion are resources from external donors. Further, there is an allocation of KShs. 393 million for emergency relief in the recurrent budget, which is an increase of KShs 300 million. Therefore, there are no significant resources specifically for the Covid-19 response. The reduction in resources for primary health care and UHC- related rollout raises concerns about the country’s preparedness. The Health Sector has set a target of testing and treating 100,000 persons for COVID-19 disease to the end of June, which is the end of the financial year. This seems to be a different figure from the number of 250,000 that the Ministry of Health indicated in one of its briefings as the target to the end of June.

3 Water and Sanitation

The Ministry of Water and Sanitation and the programs therein are critical not only in improving livelihoods but also for the proper functioning of other sectors such as health. This importance is, in particular, reinforced during such a time as now when the need for water to maintain hygiene is a necessary preventive measure against COVID-19. Access to water in marginalized areas and informal urban settlements has been a challenge over time. The COVID-19 pandemic only amplifies that challenge.

The second supplementary budget has revised the total budgetary allocation in the Ministry of Water and Sanitation. This is a downward revision of 11 percent from the first supplementary budget. Recurrent expenditure estimates have been revised upwards by 3 percent from supplementary I and the gross total capital expenditure estimates have been revised downwards by 12 percent.

Table 4: Ministry of Water and Sanitation -Budget Changes Based the Second Supplementary Budget for 2019/20

Vote, Programme Code and Title	Changes Between Approved Budget and Supplementary Budget I			Changes Between Supplementary Budget I and II			Changes Between Approved Budget and Supplementary Budget I			Changes Between Supplementary Budget I and II		
	Change In Gross Current Estimates	Change In Gross Capital Estimates	Change In Gross Total Estimates	Change In Gross Current Estimates	Change In Gross Capital Estimates	Change In Gross Total Estimates	Change In Gross Current Estimates	Change In Gross Capital Estimates	Change In Gross Total Estimates	Change In Gross Current Estimates	Change In Gross Capital Estimates	Change In Gross Total Estimates
1001000 General Administration, Planning and Support Services	-0.04	0.00	-0.04	-0.01	0.00	-0.01	-5%	0%	-4%	-2%	0%	-2%
1004000 Water Resource Management	-0.01	-0.44	-0.45	0.00	-0.32	-0.32	-1%	-5%	-4%	0%	-3%	-3%
1007000 Water and Sewerage Infrastructure Development	0.00	4.44	4.44	0.19	-6.44	-6.26	0%	12%	11%	6%	-15%	-14%
1005000 Water Storage and Flood Control	0.00	0.75	0.75	0.00	-0.84	-0.84		8%	8%		-8%	-8%
Ministry of Water and Sanitation	-0.05	4.75	4.70	0.17	-7.60	-7.43	-1%	8%	8%	3%	-12%	-11%

The upward revision of current expenditure estimates and downward revision of capital expenditure estimates is on account of:

- i. Upward revision of Appropriation in Aid (recurrent expenditure).
- ii. Reduction in development budget allocations is on account of rationalized donor funding (capital expenditure)

There are no clear justifications given to explain why more AIA is expected in the recurrent side and the challenge on donor funding. In addition, the areas that will be affected by the changes are vaguely mentioned as they are broad programmes which do not give a picture of individual priorities affected.

The gross approved Estimates have been revised to KSh.59.8 billion in the FY 2019/20 Supplementary Estimates No. II which comprises of KSh.5.7 billion and KSh.54.1 billion for the current and capital expenditures respectively. The change in funding allocation is mainly as a result of an upward revision of A.I.A in the current expenditure and a reduction in development expenditure on account of rationalized donor funding.

The programs affected by the changes in allocation are General Administration, Planning and Support services; Water Resources Management, Water storage & Flood control and Water and Sewerage Infrastructure Development. The details of the financial changes are indicated in parts F, G and H. The performance indicators and targets of the affected programmes have been adjusted accordingly.

Another way to try and understand these changes is to look at the line item budgets that were tabled together with the supplementary program-based budget. A closer look at the line item budgets shows that the upward revision of A-i-A can only be attributed to one program, that is, **Water and sewerage infrastructure development**, and further to only one vote head, that is, Waterworks development agencies. A breakdown of this is such that:

KShs 173 million – this is the increase in gross current expenditure estimates in the Ministry of Water and sanitation.

KShs 194 million – this is the amount by which Appropriation in Aid was revised upwards, which technically still contributes to the gross expenditure estimates for the entire vote.

(The above A-i-A is a receipt from sales by non-market establishments and is for expenditure in the form of current grants to government agencies and other levels of government)

KShs 21 million – this is the decrease in net expenditure estimates. This is as a result of cuts made with regard to personal allowances, domestic and foreign travel, training and hospitality services.

Therefore, attributing the overall increase in current expenditure estimates to an upward revision of A-i-A is correct, but this should not overshadow the fact that the total net expenditure estimates were revised downwards. Also, only one vote head had an upward revision of A-i-A, whereas the other vote heads had their Appropriation in Aid estimates either remain constant or revised downwards.

The downward revision of capital expenditure estimates is on account of rationalized donor funding, which consequently means cuts in development expenditure and, therefore, a decrease in the allocations. Most of the cuts or downward revisions in capital expenditure are as a result of decreases in appropriation in aid in the form of external funding. Being development-heavy, the Ministry of Water and Sanitation has been heavily reliant on donor

funding. These funds, which form part of the decreased external funding, are in the form of:

- Grants from international organizations
- Foreign borrowing – direct payments
- Grants from foreign governments – direct payments

Donor funds, usually for capital expenditure, tend to be pegged on specific programs or projects. This means that such funds meant for something specific sometimes cannot be reallocated for other purposes. The high decrease in capital expenditure, especially during unprecedented occurrences such as a pandemic, may be misconstrued to mean that certain funds are being moved from one budget line to another. This, however, is not always the case; a downward revision could simply mean that certain funds, in this case, donor funds which had been budgeted for but not yet received, are no longer coming in as expected. **Therefore, the reduction should not be taken to imply reallocation.** It could also mean, where there is an increase in capital expenditure estimates, that expected donor funding or loans sought for specific projects have been received. In line with the funds' conditions, these funds cannot be used for something else. Another different scenario is where the estimates have remained constant, and as such, the assumption would be that funds for, say, that particular vote head cannot be reallocated irrespective of whether such an expenditure would be considered unnecessary, especially during a pandemic.

However, focus on the impact of rationalized donor funding to the gross capital expenditure estimates, is not to overlook the fact that net expenditure estimates have also been revised downwards for most of the vote heads in the ministry. This means that even though a large percentage of the decrease in capital expenditure estimates is resulting from a decrease in A-i-A, the slight downward revision in net expenditure estimates still contributes to the change.

3.1 Analysis of capital expenditure for the four programs under this vote shows:

Gross capital expenditure estimates decreased for all programs except the program, General Administration, Planning and Support Services, which remained constant. The program on water resources management saw an overall decrease in the gross capital expenditure estimates for this program. Water and Sewerage Infrastructure development has the highest decrease, an overall decrease of the gross capital expenditure estimates by 15 percent. Water storage and flood control also has an upward revision of A-i-A, but this is clouded with a downward revision of the net expenditure estimates resulting in an overall decrease in the gross capital expenditure estimates for this particular programme.

The various changes made, both in current and capital expenditures, are mostly regarding Appropriation in Aid. What is not clear is whether these changes were due to shocks in the environment or they were as a result of poor targeting of local AIA and donor funding and would have been effected anyway as we get closer to the end of the year.

3.2 Targets and Indicators

Some of the delivery units have had their targets and/or indicators revised in line with the changing expenditure estimates. Change in expenditure estimates has, for certain programs, resulted in a change in targets of some delivery units with no changing indicators. In contrast, for some delivery units, change in

expenditure estimates has not, in any way, changed targets for their indicators. This is of concern because a change in the expenditure estimates should translate to a change in the set targets. It is simply a case of, if we can spend x amount of money to perform two tasks, then with 2x amount we should be able to perform, ideally, four tasks. The same assumption works in the case of a decrease in how much we must spend. However, the aforementioned example is of an ideal situation, and it is good to appreciate that the dynamics such as the administrative costs that may not change even if the programs to run reduced. The sub-program, water harvesting, is one where the targets have been adjusted in line with the changing expenditure estimates.

3.3 Other observations

Changing programs (sub-programs). The program, water storage and flood control has two sub-programs in the approved budget, but this changes to 1 program in the 1st supplementary budget with the sub-program water harvesting sort of being shifted to the state department for irrigation. The same program, in the 2nd supplementary budget, has the two initial sub-programs as in the approved budget. The changing sub-program is water harvesting.

Change in delivery units. The sub-program, water, storage and flood control sees a change in not only the target and indicator but also a change in the entire delivery unit of the sub-program. This change happens between the approved and 1st supplementary budget, whereby in the approved budget, the delivery unit is the construction of Thwake multipurpose dam. In the 1st supplementary budget, it is the construction of peace dams in conflict areas. The delivery unit in this sub-program then changes in the 2nd supplementary budget back to that as in the approved budget but with a higher target.

3.4 Covid-19 related observations

During these times, in the making of this supplementary budget, and as mentioned in the introduction, access to water for all and especially those in marginalized areas and informal settlements (the urban poor), is very crucial. Therefore, we lookout for provisions made, if any, towards this.

Looking at the below snippet, we have a decrease in the target number of people accessing water.

1107101900 Kenya Urban Water And Sanitation OBA Project	Increased access to water services	Increase in no. of people accessing water	21,797	19,797
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The above change is attributed to a decrease in net expenditure estimates from an initial allocation of KShs 880 million in supplementary I to KShs 440 million in Supplementary II.

Additionally, the delivery units below have been introduced in supplementary II. These may be viewed as measures that the government is taking to address the challenge of access to water by those in informal settlements and arid areas. Therefore, when asking where the money goes to then new budget items such as these may be where the money moves to.

1107118000 Drilling of Boreholes & Installation of Tanks in Nairobi	Improved access to water and sanitation	No. of boreholes drilled and installed with steel elevated tanks in informal settlements in Nairobi	-	20
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1107119000 Construction/Rehabilitation of Water Pans in Arid/Semi-Arid Areas	Improved access to water in arid/semi-arid areas	No.of water pans constructed and rehabilitated	-	17
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HEADS	APPROVED ESTIMATES 2019/2020			NET AMENDMENTS	AMENDED APPROVED ESTIMATES 2019/2020		
	GROSS	A-I-A	NET		GROSS	A.I.A	NET
1107118100 Korbasa & Malka Galla Water Supply Project	-	-	-	40,000,000	40,000,000	-	40,000,000
1107119000 Construction/Rehabilitation of Water Pans in Arid/Semi-Arid Areas	-	-	-	1,150,000,000	1,150,000,000	-	1,150,000,000
1107118000 Drilling of Boreholes & Installation of Tanks in Nairobi	-	-	-	200,000,000	200,000,000	-	200,000,000

The above snippets are an indication that, despite the downward revision almost across board in the Ministry of Water and Sanitation, there is still an effort, however minimal, to ensure that essential services, such as access to water are incorporated and allocated for in the budget.

4 Social Protection

The State Department for Social Protection, Pensions & Senior Citizens Affairs holds most of the government safety net programs. However, there are other social protection programs in the Ministry of Health and the State Department for Arid and Semi-Arid Areas.

The State Department for Social Protection, Pensions & Senior Citizens Affairs, has seen its budget rise by 25 percent, which is a KShs 8.57 billion increase in allocation. The National Social Safety Net program makes the largest proportion of the department accounting for 90 percent of the MDAs allocation which is higher than the 87 percent share after the first supplementary budget passed in November of 2019. The safety net program's allocation increased by 29 percent. This was mainly in the recurrent budget, even though there was a 9 percent decline in the development budget, as shown in the table. Generally, the recurrent budget for the national safety net program increased by KShs 9.99 billion.

Table 4: State Department for Social Protection -Budget Changes Based the Second Supplementary Budget for 2019/20

Vote Code Title	Changes Between Approved Budget and Supplementary Budget I			Changes Between Supplementary Budget I and II			Changes Between Approved Budget and Supplementary Budget I			Changes Between Supplementary Budget I and II		
	Change In Gross Current Estimates	Change In Gross Capital Estimates	Change In Gross Total Estimates	Change In Gross Current Estimates	Change In Gross Capital Estimates	Change In Gross Total Estimates	Change In Gross Current Estimates	Change In Gross Capital Estimates	Change In Gross Total Estimates	Change In Gross Current Estimates	Change In Gross Capital Estimates	Change In Gross Total Estimates
0908000 Social Development and Children Services	0.01	-	0.01	-	(0.09)	(0.09)	0%	0%	0%	0%	-8%	-2%
0909000 National Social Safety Net	(0.35)	0.95	0.60	9.99	(1.33)	8.66	-2%	7%	2%	63%	-9%	29%
0914000 General Administration, Planning and Support Services	(0.11)	-	(0.11)	-	-	-	-32%		-32%	0%		0%
1185 State Department for Social Protection, Pensions & Senior Citizens Affairs	(0.46)	0.95	0.49	9.99	(1.42)	8.57	-2%	7%	1%	52%	-9%	25%

The reduction in the safety net program are allocations for the Kenya Social and Economic Inclusion Project. This was a project meant to support small businesses but will now have less resources. The budget gives underspending as the reason why the project's budget was cut by 48 percent from KShs 3.1 billion to KShs 1.8 billion. This does seem strange as such programmes that can support business will be crucial in responding to the economic effects of Covid-19.

The Supplementary Estimates No.2 for FY2019/20 reflects an increase in the recurrent budget of Kshs.10 billion for the elderly persons (above 70 years) and a reduction in the development budget of KShs.1.4 billion. The reduction in development is due to budget rationalization on account of low absorption of funds.

While there is a significant increase in the resources allocated to the program, the beneficiary under the Orphans and vulnerable children bracket will drop by 2,500 households while those under the elderly programs will increase by 167,000 households. It is also not clear what happened to the programme for poor households with persons with severe disabilities.

1185 State Department for Social Protection, Pensions & Senior Citizens Affairs

PART E. SUMMARY OF PROGRAMME OUTPUTS AND PERFORMANCE INDICATORS FOR 2019/2020

	Social Protection systems linked to the Single Registry (SR) support services	sensitization forums held.		
1185001200 Cash Transfer to Older Persons and OVC	Older persons (70+) supported with cash transfers	No. of households with older persons supported with cash transfers	833,000	1,000,000
1185001300 Cash Transfer to Orphans and Vulnerable Children	Vulnerable children(OVC) supported	No. of households with vulnerable children supported with cash transfer	393,000	390,500

- 4.1 **Kenya Hunger Safety Net Program** is meant to provide cash for poor households in Northern Kenya, specifically in Turkana, Marsabit, Mandera and Wajir counties to deal with effects of frequent droughts. The allocation to the program reduced by 19 percent in the second supplementary. However, as shown in the data below, the government anticipates that the number of beneficiary households will remain at 101,800 even after the budget is cut by one fifth. However, another key question is why the program was not expanded, considering that the number of people who will need government support for food over the next few months could grow significantly.

1035 State Department for Development of the ASAL

PART E. SUMMARY OF PROGRAMME OUTPUTS AND PERFORMANCE INDICATORS FOR 2019/2020

	Livelihood in ASALs diversified			
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Sub Programme: 0733020 Drought Management

Delivery Unit	Key Output (KO)	Key Performance Indicators (KPIs)	Targets 2019/2020	Revised 2019/2020 Targets
1035100100 Kenya Hunger Safety Net Programme	monthly cash transfers to registered beneficiaries.	No of beneficiary households under regular cash transfers programme.	101,800	101,800

5 Other key budget adjustments

5.1 National Government Constituency Development Fund: The funds' allocation for the 2019/20 was reduced by KShs 10 billion, which is equivalent to 24 percent of its KShs 41 billion allocations approved for the year. The budget does not explain the reason for the reduction but says that the budget cuts in the State Department for Planning are due to budget rationalization and government austerity measures.

5.3 Road: The State Department for Infrastructure saw an increase of KShs 12.5 billion in the supplementary budget. The development budget is actually growing by KShs 48.2 billion. Some of the big beneficiaries include National Urban Transport Improvement Project, the Mombasa Mariakani road, and the Eldoret bypass project. The allocations are not just for the construction of new roads but also the rehabilitation of existing roads. The reasons given for the increase include:

- i. Allocation of resources for Big Four related projects
- ii. Additional resources raised from the fuel levy
- iii. Receipt of additional donor funds.

5.4 Food Security (agriculture):

Expenditure estimates to the State Department of Crop Development, a subsector under the Agricultural, Rural and Urban Development (ARUD) sector, have been revised upwards from KSh 22.51 bn to KSh 35.25 bn. Herein lies an increase of KShs10.47 bn in current expenditure and KShs 2.27 bn in capital expenditure. The increase in current expenditure is attributed to job evaluations, additional funds for combating locusts and for the improve the strategic food reserve. Increase in capital expenditure estimates is on account of donor funds and expenditure rationalization. The delivery unit in the snippet below, touching on food security, has been introduced in supplementary II.

Sub Programme: 0108020 Food Security Initiatives

Delivery Unit	Key Output (KO)	Key Performance Indicators (KPIs)	Targets 2019/2020	Revised 2019/2020 Targets
1165003100 National Food Security	Strategic Food Reserves	No. of (90KG) bags of maize procured	-	207,067
		No. of 90 Kg of beans procured	-	21,000
		No. of 50 kg bag of rice procured	-	25,400
	Strategic Food Reserves	Kilograms of Beef procured	-	476,190
		Kilograms of Fish procured	-	136,054
		MT of powdered milk procured	-	1,289

5.5 **Public debt and Pension: The allocations for public debt rose by 12 percent while payments for pensions reduced by 16 percent.** The allocations for public debt increased by Ksh 82.3 billion in the supplementary while the allocations for pension payments decreased by Ksh 17.5 billion. There are no explanations given for the changes in the Consolidated Fund Service budget lines.

CONSOLIDATED FUND SERVICES					
	PRINTED ESTIMATES 2019/2020	REVISED ESTIMATES 2019/2020	DEVIATIONS	PRINTED ESTIMATES 2020/2021	PRINTED ESTIMATES 2021/2022
	Kshs	Kshs		Kshs	Kshs
PUBLIC DEBT					
INTEREST					
2420000 Interest - Internal	290,539,913,593	301,812,329,349	11,272,415,755	321,911,047,357	321,099,226,647
2410100 Interest- External	150,941,240,483	131,867,724,005	(19,073,516,478)	162,434,231,098	170,248,384,654
Sub - Total	Kshs 441,481,154,077	433,680,053,354	(7,801,100,723)	484,345,278,455	491,347,611,301
REDEMPTION					
5210000 Redemption - Internal	123,690,535,723	223,690,535,723	100,000,000,000	140,190,581,754	156,171,156,659
5210600 Redemption - External	131,382,472,179	121,477,303,081	(9,905,169,098)	180,618,954,334	222,286,520,749
Sub - Total	Kshs 255,073,007,902	345,167,838,804	90,094,830,902	320,809,536,088	378,457,677,408
Total: INTEREST & REDEMPTION	Kshs 696,554,161,979	778,847,892,157	82,293,730,179	805,154,814,542	869,805,288,709
PENSIONS, SALARIES & ALLOWANCES AND OTHERS					
2710100 Pensions	104,488,896,250	86,988,896,250	(17,500,000,000)	126,489,607,905	148,490,319,560
2110000 Salaries and Allowances	3,964,622,212	3,984,622,212	20,000,000	4,166,123,690	4,399,798,639
5220200 Miscellaneous Services	128,000,000	15,500,000	(112,500,000)	128,000,000	128,000,000
5210600 Guaranteed Debt	643,614,848	643,614,848	-	-	-
2620100 Subscriptions to International Organizations	500,000	500,000	-	500,000	500,000
Sub-Total	Kshs 109,225,633,310	91,633,133,310	(17,592,500,000)	130,784,231,595	153,018,606,200
GRAND TOTAL	Kshs 805,779,795,289	870,481,025,467	64,701,230,179	935,939,046,138	1,022,823,894,909

However, there are some probable explanations available from other government documents and agencies. For example, Kenya's debt bills are mostly foreign currency. The depreciation of the Kenyan shilling against other currencies could mean that the debt repayment bill has also grown in the period of the Covid-19 pandemic.

32. External debt forms 50.1 per cent of total debt and is exposed to exchange rate risk. Out of the total external debt, 69.0 per cent is U.S. dollar denominated, 18.1 percent in Euro, 5.5 percent in Chinese Yuan, 4.5 per cent in Japanese Yen, 2.6 per cent in Great Britain Pound and other currencies account for 0.3 percent (Figure 2).