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THIRTEENTH PARLIAMENT – THIRD SESSION – 2024

DIRECTORATE OF DEPARTMENTAL COMMITTEES
DEPARTMENTAL COMMITTEE ON AGRICULTURE AND LIVESTOCK

REPORT ON:

BUDGET IMPLEMENTATION FOR THE FINANCIAL YEAR 2022/23 FOR:

VOTE 1162: STATE DEPARTMENT FOR LIVESTOCK DEVELOPMENT; AND

VOTE 1169: STATE DEPARTMENT FOR CROP DEVELOPMENT

CLERKS CHAMBERS

DIRECTORATE OF DEPARTMENTAL COMMITTEES

PARLIAMENT BUILDINGS

NAIROBI

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 22 FEB 2024	DAY: <i>Tues</i>
TABLED BY:	<i>Hon. (Dr.) John Mutunga, MP</i>
AT THE TABLE:	<i>Chairperson, Agriculture & Livestock</i>
	<i>A. Shubuko</i>

FEBRUARY 2024

AGRA	-	Alliance for a Green Revolution in Africa
SHEP	-	Smallholder Empowerment & Agribusiness Promotion
MSMEs	-	Micro, Small and Medium-Sized Enterprises
FAW	-	Fall Army Worm
LTI	-	Leather Training Institute
ISO	-	International Organisation for Standardisation
IEC	-	International Electrotechnical Commission
GoK	-	Government of Kenya
CVL	-	Central Veterinary Laboratory
FMD	-	Foot and Mouth Disease
BIPs	-	Border Inspection Points
KDB	-	Kenya Dairy Board
CIGs	-	Common Interest Groups
VMGs	-	Vulnerable and Marginalised Groups
NARIP	-	National Agricultural and Rural Industry Project
AI	-	Artificial Insemination
CETP	-	Common Effluent Treatment Plant
CMF	-	Common Manufacturing Facility
RVF	-	Rift Valley Fever
Q1	-	First Quarter
Q2	-	Second Quarter
Q3	-	Third Quarter
Q4	-	Fourth Quarter
ADC	-	Agricultural Development Corporation
CTUs	-	Cane Testing Units
USAID	-	United States Agency for International Development

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CHAIRPERSON'S FOREWORD

This report contains proceedings of the Departmental Committee on Agriculture and Livestock on the budget implementation for the State Department for Livestock Development and the State Department for Crop Development for the FY 2022/23.

Article 95 (4) (b) and (c) of the Constitution mandates the National Assembly to appropriate funds for expenditure by the National Government and other national State organs and to exercise oversight over national revenue and its expenditure.

Standing Order No. 245A (2) requires each Departmental Committee to: review the quarterly reports submitted by the Cabinet Secretary responsible for finance pursuant to the Public Finance Management Act; review reports submitted by the Controller of Budget on matters relating to implementation of the Budget by the National Government; examine and report on the expenditures and non-financial performance of the budget of the National Government; and examine the conformity of the implementation process with the principles and values of public finance as set out in Article 201 of the Constitution.

Additionally, Standing Order 216 (5) (ba) directs Departmental Committees to monitor and report on the implementation of the National Government budget in their respective mandates on a quarterly basis.

Pursuant to the above legal provisions, the Clerk of the National Assembly wrote a letter, Ref. No. NNA/DDC/A&L/2023/043 dated 31st July 2023 (*annex 3*) to the State Departments for Livestock Development and Crop Development requesting them to submit reports on budget implementation for FY 2022/23. The State Departments submitted the reports which were examined by Members of the Departmental Committee on Agriculture and Livestock.

The State Departments were invited for meetings via letter, Ref. No. NA/DDC/A&L/2023/059 dated 12th October 2023 (*annex 4*) to respond to the observations that had been made by Members of the Committee on the reports that were submitted by the State Departments.

The Committee also conducted field visits to the following projects to ascertain their status: the Kenya Seed Company HQ, ADC farms in Kitale, Adungosi Farmers' Cooperative in Busia County, Marani Vegetable Aggregation Centre in Kisii County, Cane Testing Unit at the Kwale International Sugar Company Limited and the Kenya Meat Commission in Kibarani.

From the reports, meetings and field visits conducted by the Committee, Members observed that there was over-expenditure on some programmes mainly because of budget cuts. The State Departments were not able to absorb their budgets mainly due to late exchequer releases or lack of funds. The Maize Flour Subsidy Programme funds that were approved by the National Treasury under Article 223 of the Constitution were not regularised by the National Assembly leading to an over-expenditure of KSh. 4 billion in the State Department for Crop Development.

It was also observed that there were pending bills for subsidy programmes that had been undertaken by the State Department for Crop Development i.e. the Fertilizer Subsidy Programme for FY 2017/18, the Maize Subsidy Programme for FY 2017/18 and the Maize Flour Subsidy Programme for FY 2022/23. The State Department for Livestock Development had a historical pending bill of KSh. 4.025 billion that it had not shown interest in paying.

Further, eleven (11) CTUs had been installed in sugar companies (both public and private) but they were yet to be operationalised. The ADC farms in Kitale had mainly been used for growing maize seed and some of it leased to private farmers. On the other hand, the Kenya Seed Company had no land to grow seeds and therefore relied on ADC to grow seeds for them.

The Kenya Meat Commission had done a lot of work in modernising their Kibarani Branch and there was prudent use of the funds that had been allocated to the Commission for development. Members were concerned about the many projects in the State Departments that had been ongoing for many years and were still far from completion.

The Committee recommended that when revising the budget, the National Treasury should ensure that proposed reductions are not below the actual expenditure to avoid cases of pending bills. Additionally, the State Departments should put modalities in place to ensure that all pending bills, particularly historical pending bills are paid to avoid increasing government expenditure through interest accrued on the debts, penalties and court charges.

The Committee is grateful to the Offices of the Speaker and Clerk of the National Assembly for the logistical and technical support accorded to it during its sittings. The Committee further wishes to thank the State Departments for Livestock Development and Crop development for providing the information that was used to prepare this report. Finally, I wish to express my appreciation to Members of the Committee and the Committee Secretariat who made useful contributions towards the production and preparation of this report.

On behalf of the Departmental Committee on Agriculture and Livestock and pursuant to provisions of Standing Order 216 (5) (ba), it is my pleasant privilege and honour to present to this House the Report of the Committee on the budget implementation for FY 2022/23 for the State Departments for Livestock Development and Crop Development.

Hon. (Dr.) John K. Mutunga, PhD, M.P.
Chairperson, Departmental Committee on Agriculture and Livestock

CHAPTER ONE

1 PREFACE

1.1 ESTABLISHMENT OF THE COMMITTEE

1. The Departmental Committee on Agriculture and Livestock is one of the twenty Departmental Committees of the National Assembly established under **Standing Order 216** whose mandate under **Standing Order 216 (5)** is as follows:

- i. *To investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned ministries and departments;*
- ii. *To study the programme and policy objectives of Ministries and departments and the effectiveness of their implementation;*
- iii. *On a quarterly basis, monitor and report on the implementation of the national budget in respect of its mandate;*
- iv. *To study and review all the legislation referred to it;*
- v. *To study, assess and analyse the relative success of the Ministries and departments as measured by the results obtained as compared with their stated objectives;*
- vi. *To investigate and inquire into all matters relating to the assigned Ministries and departments as they may deem necessary, and as may be referred to them by the House;*
- vii. *To vet and report on all appointments where the Constitution or any law requires the National Assembly to approve, except those under Standing Order 204 (Committee on Appointments);*
- viii. *To examine treaties, agreements and conventions;*
- ix. *To make reports and recommendations to the House as often as possible, including recommendation of proposed legislation;*
- x. *To consider reports of Commissions and Independent Offices submitted to the House pursuant to the provisions of Article 254 of the Constitution; and*
- xi. *To examine any questions raised by Members on a matter within its mandate.*

1.2 MANDATE OF THE COMMITTEE

2. In accordance with the Second Schedule to the Standing Orders, the Committee is mandated to consider, agriculture, livestock, food production and marketing.
3. In executing its mandate, the Committee oversees the Ministry of Agriculture and Livestock Development.

1.3 COMMITTEE MEMBERSHIP

4. The Departmental Committee on Agriculture and Livestock was constituted by the House on 27th October 2022 and comprises the following Members:

Chairperson

Hon. (Dr.) John Kanyuithia Mutunga, PhD, MP
Tigania West Constituency

UDA Party

Vice-Chairperson

Hon. Brighton Leonard Yegon, MP
Konoin Constituency

UDA Party

Hon. Sabina Wanjiru Chege, CBS, MP
Kitutu Chache North Constituency
Jubilee Party

Hon. Ferdinand Kevin Wanyonyi, MP
Kwanza Constituency
Ford Kenya Party

Hon. Geoffrey Makokha Odanga, MP
Matayos Constituency
ODM Party

Hon. Justice Kipsang Kemei, MP
Sigowet/Soin Constituency
UDA Party

Hon. Jared Okello Odoyo, MP
Nyando Constituency
ODM Party

Hon. Lawrence Mpuru Aburi, MP
Tigania East Constituency
NOPEU Party

Hon. David Kiplagat, MP
Soi Constituency
UDA Party

Hon. Gabriel Gathuka Kagombe, MP
Gatundu South Constituency
UDA Party

Hon. Monicah Muthoni Marubu, MP
Lamu County
Independent Member

Hon. Pamela Njoki Njeru, MP
Embu County
UDA Party

Hon. Patrick Kibagendi Osero, MP
Borabu Constituency
ODM Party

Hon. Peter Kalerwa Salasya, MP
Mumias East Constituency
DAP-K Party

Hon. Yussuf Mohamed Farah, MP
Wajir West Constituency
ODM Party

1.4 COMMITTEE SECRETARIAT

5. The Committee is facilitated by the following Secretariat:

Ms. Laureen Omusa Wesonga
Clerk Assistant I/Head of Secretariat

Mr. Victor Kanda Kilimo
Clerk Assistant III

CPA. Robert Ng'etich
Fiscal Analyst II

Ms. Sheila Chebotibin
Senior Serjeant-At-Arms

Ms. Noelle Chelagat
Media Relations Officer II

Ms. Lilian Aluga
Protocol Officer III

Mr. Meldrick Sakani
Audio Officer III

Ms. Brigitta Mati
Legal Counsel I

Mr. David Ng'eno
Research Officer II

Mr. Gerald Kadede
Legal Counsel II

Mr. Muhumed Shillow
Research Officer III

Mr. Richard Sang
Serjeant-At-Arms

CHAPTER TWO

2 BUDGET IMPLEMENTATION

2.1 INTRODUCTION

6. Article 95 (4) (b) and (c) of the Constitution of Kenya mandates the National Assembly not only to appropriate funds for expenditure by the National Government and other national State organs but also to exercise oversight over national revenue and its expenditure.
7. In addition, Standing Order No. 245A (2) requires each Departmental Committee to:
 - a. review the quarterly reports submitted by the Cabinet Secretary responsible for finance pursuant to the Public Finance Management Act;
 - b. review reports submitted by the Controller of Budget on matters relating to implementation of the Budget by the National Government;
 - c. examine and report on the expenditures and non-financial performance of the budget of the National Government; and
 - d. examine the conformity of the implementation process with the principles and values of public finance as set out in Article 201 of the Constitution.
8. Standing Order 216 (5) (ba) directs Departmental Committees to monitor and report on quarterly basis the implementation of the National Government budget in respective of their mandates.
9. In this regard, the National Assembly is not only mandated to appropriate funds for expenditure by the National Government and other national state organs but also to oversight on how voted public resources are being applied in order to deliver public goods and services. The Committee is therefore required to monitor progress in implementing the approved budget.
10. The Departmental Committee on Agriculture and Livestock was not able to comply with the timelines as required by S.O. No. 216 (5) (ba) because of delayed submission of information to the Committee by the State Departments hence the decision to prepare the budget implementation report for FY 2022/23.
11. In preparing this report, the Committee wrote a letter Ref. No. NA/DDC/A&L/2023/043 dated 31st July 2023 (*annex 3*) requesting the State Departments to submit reports on budget implementation for FY 2022/23. The Committee also invited the State Departments for meetings via letter, Ref. No. NA/DDC/A&L/2023/059 (*annex 4*). The meetings took place on 27th October 2023. The Committee also undertook field visits to some projects to ascertain their status of implementation.

2.2 BRIEFING BY THE PARLIAMENTARY BUDGET OFFICE

The Committee was briefed on the budget implementation for the State Departments for Livestock Development and Crop Development for FY 2022/23 by CPA. Robert Ngetich, Fiscal Analyst. Mr. Ng'etich informed the Committee that (*annex 5*):

2.2.1 STATE DEPARTMENT FOR LIVESTOCK DEVELOPMENT

12. The total approved budget for the State Department for Livestock Development was KSh. 8.777 billion comprising of KSh. 4.407 billion for recurrent expenditure and KSh. 4.37 billion for development expenditure.
13. The actual expenditure according by the State Department was KSh. 7.528 billion comprising of KSh. 4.337 billion recurrent expenditure and KSh. 3.191 billion development expenditure. The table below shows the approved budget for FY 2022/23 versus the actual expenditure.

Table 1: Approved budget versus actual expenditure

Item	Approved budget	Actual expenditure	% Absorption
Current	4,407	4,337	98
Capital	4,370	3,191	73
Total	8,777	7,528	86

14. The absorption rate for the recurrent expenditure versus the approved budget was 98%. The 2% under-expenditure was on account of underperformance of A-i-A from SAGAs. SAGAs had budgeted to collect KSh. 2.053 billion but managed to collect KSh. 2.012 billion resulting in an underperformance of KSh. 41 million. The table below shows a breakdown of the recurrent expenditure.

Table 2: Breakdown of recurrent expenditure

Item	Approved Budget	Actual expenditure	Variance
Compensation to Employees	1,404,000,000	1,403,814,108	185,892
Use of Goods and Services	521,495,477	503,040,621	18,454,856
Grants	2,422,446,000	2,381,540,000	40,906,000
Social Benefits	3,764,524	3,374,076	390,448
Acquisition of Non-Financial Assets	55,572,413	45,596,668	9,975,745
Gross Expenditure	4,407,278,414	4,337,365,473	69,912,941

15. The absorption rate for capital expenditure was 73% following an expenditure of KSh. 3.191 billion against an approved budget of KSh. 4.37 billion. The non-utilization of 27% of the development budget was mainly because of the relatively low absorption on donor funded projects.

2.2.2 STATE DEPARTMENT FOR CROP DEVELOPMENT

16. The total approved budget for the State Department was KSh. 49.419 billion consisting of KSh. 14.189 billion for recurrent expenditure and KSh. 35.229 billion for capital expenditure.
17. The State Department's actual expenditure was KSh. 44.698 billion with the actual recurrent expenditure of **KSh. 15.447 billion** and **KSh. 29.251 billion** development expenditure.

Table 3: Shows the Approved budget versus the actual expenditure for FY 2022/23

Item	Approved Budget	Actual Expenditure	% absorption
Current	14,189,135,038	15,447,122,836	109
Capital	35,229,872,021	29,251,460,372	83
Total	49,419,007,059	44,698,583,208	90

18. The actual recurrent expenditure of KSh. 15.447 billion exceeded the approved allocation of KSh. 14.189 billion by KSh. 1.257 billion, an expenditure of 109% of the approved budget. The over expenditure was on: Use of Goods and Services where KSh. 193 million was spent against an allocation of KSh. 160 million; and on Acquisition of Non-Financial Assets where KSh. 527 million was spent against an approved budget of KSh. 5.9 million, an over expenditure of 9006% of the approved budget.
19. The State Department made a payment of KSh. 3.366 billion on Maize Flour Subsidy Programmes through Article 223 which was not approved by the National Assembly.

Table 4: Breakdown of actual and approved recurrent expenditure

Item	Approved Budget	Actual expenditure	Variance	% absorption
Compensation to Employees	805,100,000	734,082,972	71,017,028	91
Use of Goods and Services	160,108,095	193,803,932	-33,695,837	121
Subsidies	0	3,366,999,497	-3,366,999,497	
Grants	13,199,623,650	10,597,855,513	2,601,768,137	80
Social Benefits	18,377,352	20,711,489	-2,334,137	113
Acquisition of Non-Financial Assets	5,925,941	533,669,430	-527,743,489	9006
Gross Expenditure	14,189,135,038	15,447,122,833	1,257,987,795	109

20. The absorption rate for development expenditure was 83% following an expenditure of KSh. 29.251 billion against an approved budget of KSh. 35.229 billion. KSh. 5.978 billion which is 17% of the development budget was not utilized. The overall absorption for the State Department was 90%.
21. The State Department was implementing four Programmes namely: General Administration, Planning and Support Services; Crop Development and Management; Agribusiness and Information Management; and Agricultural Research & Development. The State Department had an over-

expenditure of KSh. 3.347 billion (58%) on the Agricultural Research & Development programme. The following table shows the actual expenditures versus the approved allocations for each Programme.

Table 5: Actual expenditure versus approved allocation for the Programmes

Programme	FY 2022/23 (KSh. Millions)			
	Approved Budget	Actual Expenditure	Variance	% Absorption
General administration, planning and support services	8,240	6,243	1,996	75.77%
Crop development and management	33,295	27,405	5,890	82.31%
Agribusiness and Information Management	2,137	1,824	313	85.34%
Agricultural Research & Development	5,745	9,092	-3,347	158.27%
TOTAL	49,419	44,566	4,852	90.18%

2.3 SUBMISSION BY THE STATE DEPARTMENT FOR LIVESTOCK DEVELOPMENT

In a letter, Ref No. MLD/FM/VOL. 20/251 dated 8th August 2023 (*annex 6*), the Principal Secretary, Hon. Jonathan Mueke, CBS, informed the Committee that:

2.3.1 FINANCIAL PERFORMANCE

22. The State Department for Livestock Development received a total of KSh. 2,324,675,473 recurrent budget and KSh. 3,181,421,788 for development budget in the FY 2022/23. The table below illustrates this information.

Table 6: Actual revenue receipts for FY 2022/23

Category	Q1	Q2	Q3	Q4	TOTAL
ACTUAL RECURRENT REVENUE RECEIPTS FOR FY 2022/23					
Exchequer Issues	564,458,500.00	659,096,767.00	261,052,767.00	825,452,716.00	2,310,060,750.00
A-i-A	968,861.00	1,572,691.00	5,815,200.00	6,257,971.00	14,614,723.00
TOTAL	565,427,361.00	660,669,458.00	266,867,967.00	831,710,687.00	2,324,675,473.00
ACTUAL DEVELOPMENT REVENUE RECEIPTS FOR FY 2022/23					
Exchequer Issues	-	255,556,460.00	6,000,000.00	249,227,788.00	510,784,248.00
Donor	174,635,141.00	-	379,214,131.00	666,788,268.00	1,220,637,540.00
Loan A-i-A	-	-	-	1,450,000,000.00	1,450,000,000.00
TOTAL	174,635,141.00	255,556,460.00	385,214,131.00	2,366,016,056.00	3,181,421,788.00

23. The approved recurrent budget for the State Department was KSh. 6,517,617,635 while the actual expenditure for the State Department was KSh. 5,370,618,684. The table below shows this information

Table 7: Actual Recurrent Expenditure by Economic Classification

Sub-Programme	Description	Approved Budget	Q1 Actual Expenditure	Q2 Actual Expenditure	Q3 Actual Expenditure	Q4 Actual Expenditure
2100000	Compensation of Employees	4,091,125,000.00	340,238,961.00	690,564,737.00	1,035,098,247.00	1,403,814,108.00
2200000	Use of Goods and Services	1,432,235,257.00	62,229,828.00	151,789,901.00	259,144,133.00	503,040,621.00
2600000	Grants	793,000,000.00	74,772,000.00	146,975,000.00	202,400,000.00	368,850,000.00
2700000	Social Benefits	6,587,917.00	-	1,147,025.00	-	3,374,076
3100000	Acquisition of Non-Financial Assets	194,669,461.00	22,239,703.00	24,741,324.00	35,599,353.00	45,596,668.00
TOTAL		6,517,617,635.00	499,483,492.00	1,014,217,986.00	1,532,241,733.00	2,324,675,473.00

24. The approved development budget for the State Department was KSh. 6,178,745,608 while the actual expenditure for the State Department was KSh. 3,496,480,716. This information is illustrated in the table below:

Table 8: Actual Development Expenditure by Economic Classification

Sub-Programme	Description	Approved Budget	1 st Half Expenditure	2 nd Half Expenditure	Balance
2100000	Compensation of Employees	143,425,000.00	39,091,184.00	95,815,202.00	8,518,614.00
2200000	Use of Goods and Services	1,970,191,453.00	87,512,140.00	873,658,147.00	1,009,021,166.00
2600000	Grants	2,473,704,028.00	110,975,000.00	2,070,695,558.00	292,033,470.00
3100000	Acquisition of Non-Financial Assets	1,591,425,127.00	77,480,605	141,252,881.00	1,372,691,641.00

TOTAL	6,178,745,608.00	315,058,929.00	3,181,421,788.00	2,682,264,891.00
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2.3.2 NON-FINANCIAL PERFORMANCE

25. The table below show the non-financial performance for the State Department for Livestock development for FY 2022/23.

Table 9: Non-Financial Performance

Sub-Programme	Delivery Unit	Key Output	Key Performance Indicator	Annual Target (s)	Actual as at 30 th June 2023	Variance	Remarks
Livestock Policy Development and Capacity Building Programme	Regional Pastoral Resource Centre, Narok and Isiolo	Livestock keepers trained	Number of pastoralists trained	1,260	1,134	126	
	Dairy Training Institute	Student population enrolled at the Institute	Number of students maintained	267	265	2	Students in session during the period.
		Graduates from the Institute	No. of graduates	267	267	-	Graduation was done in June 2023
	Livestock Training Institute, Wajir	Student population enrolled at the Institute	Number of students maintained	44	38	6	The Institute has bed capacity of 186 students. 165 students will be admitted in Q1 of FY 2023/24.
		Graduates from the Institute	No. of graduates	22	17	5	Certificates in animal health had 10 students. 7 students had upgraded to Diploma in Animal Health and Production.
	National Beekeeping Institute	Stakeholders trained on demand courses at the Institute	Number of stakeholders	450	556	(106)	The training is to build capacity of bee value chain actors.

Sub-Programme	Delivery Unit	Key Output	Key Performance Indicator	Annual Target (s)	Actual as at 30 th June 2023	Variance	Remarks
	livestock research farm		maintained in livestock genetic conservation farms				
	1162001800 Livestock and breeding laboratory services (livestock recording centres)	Milk analysis for breeding value	No. of milk samples tested	7,500	4,141	3,359	Variance caused by late disbursement of funds and limited funding levels.
	Livestock Production Big Four Interventions	Animal breeding services	No. of breeding piglets availed to farmers	600	200	400	200 piglets availed to farmers during the period
			No. of breeding rabbits availed to farmers	1,000	545	455	Sales depended on farmers' demand
		Feedlots and pastures development supported	No. of feedlot operators' capacity built	10	0	10	No training done in Q4 due to lack of exchequer.
			Chemogoch model feedlot completion percentage	100	100	-	Model feedlot completed at Chemogoch
			No. of pasture bales harvested	336,000	102,000	234,000	Hay bales harvested in Mogotio and Chemogoch
		Increased bee colonies	Number of bee colonies distributed	2,000	0	2,000	No distribution done in Q4 due to financial constraints /budget cuts
	1162100600 Kenya Livestock Insurance Project	Livestock insured against drought	No. of TLUs insured	50,000	50,000	-	74,552 pastoralists registered and paid the premium under the DRIVE Project

Sub-Programme	Delivery Unit	Key Output	Key Performance Indicator	Annual Target (s)	Actual as at 30 th June 2023	Variance	Remarks
	1162104700 Kenya Livestock Commercialisation Project (KELCOP)	Commercialised livestock enterprises	Number of persons receiving services promoted or supported by the project	3,750	4,850	(1,100)	The actual number of persons reached was through PRA process through which Community Action Plans were developed.
			Households provided with targeted support to improve their nutrition	200	-	200	In Q3 and Q4 activities were centred on community mobilisation through PRA where community action plans were developed.
			Households accessing water infrastructure	100	-	100	
	1162104800 Towards Ending Drought Emergencies (TWEENDE)	Training of pastoral field schools	No. of participants trained	250	765	(515)	12 PFS groups formed and on farm training is ongoing.
		Pastoral community institutions supported	No. of community institutions (groups) trained on rangeland management	44	46	(2)	Rangeland management activity successfully being implemented
		Reseeded rangeland	Acreage of reseeded rangeland	600	600	-	1,340 Kgs of grass seed distributed for rehabilitation work and establishment of grass seed banks.

Sub-Programme	Delivery Unit	Key Output	Key Performance Indicator	Annual Target (s)	Actual as at 30 th June 2023	Variance	Remarks
		Soil and water conservation structures established	No. of structures	4	0	4	Preliminary activities on-going for the establishment of soil and water conservation structures
	1162002200 Animal Breeding and Reproductive Regulatory Services	Livestock breeds improved	No. of semen distribution premises inspected and licensed	20	22	(2)	Two new genetic producing facilities were inspected and licensed
			Percentage of semen evaluated for import and export	100%	100%	-	100% requests processed 149 samples evaluated from consignments of 514,289 doses of semen processed.
			Litres of liquid nitrogen produced and distributed	350,000	268,672	81,328	Kirinyanga plant was not operational and the Sotik plant production was below 20 litres per hour.
	Establishment of liquid nitrogen plants – KAGRC	Improved animal breeds and artificial insemination services	No. of semen doses produced and distributed	1,100,000	803,964	296,036	Target was not met due to halting of semen production to allow for laboratory renovations and the depletion of semen packaging straws
			Percentage completion of	100%	100%	-	Complete awaiting commissioning

Sub-Programme	Delivery Unit	Key Output	Key Performance Indicator	Annual Target (s)	Actual as at 30 th June 2023	Variance	Remarks
Livestock Products Value Addition and Marketing	Embryo Transfer and Sexed Semen Project - KAGRC		dairy goat A.I. centres				
			Number of breeding sires recruited into the stud	12	12	-	
		Improved animal breeds and AI services	Percentage completion of Embryo Transfer Centre	100	55	45	Construction of the ET laboratory was at an advanced stage awaiting delivery of embryos. The semen sexing machine was expected to be acquired by December 2023
	Kenya Leather Development Council	Common Effluent Treatment Plant (CETP) for Leather Park - Kenanie	Percentage completion level	85%	90%	(5%)	Overarching due to efficient project implementation
		Leather industrial warehouses and administration complex	Percentage completion level	75%	75%	-	Target achieved
		Leather industry MSMEs capacity built	Number of flayers and traders trained Number of MSMEs trained	250 150	242 170	8 (20)	Under achievement due to exchequer delay Overachievement because most activities were done as budgeted

Sub-Programme	Delivery Unit	Key Output	Key Performance Indicator	Annual Target (s)	Actual as at 30 th June 2023	Variance	Remarks
0112040 Food Safety and Animal			Number of leather goods machine operators trained	50	50	-	Done
		MSMEs utilising Common Manufacturing Facilities (CMF)	Number of MSMEs utilising CMF	330	350	(20)	High turnout due to operationalisation of CMF
		Improve compliance to quality and safety requirements of marketed dairy	No. of milk handling premise inspections done	5,500	7,228	(1,728)	Target achieved
			No. of milk quality and safety tests conducted	60,000	60,233	(233)	Target achieved
	Kenya Dairy Board	Enhance manufacturing through increased consumption of value-added dairy produce	Volume of formal milk intake in million litres	979	897	82	Variance as a result of the prolonged drought that affected local production and intake in the formal sector
		National Dairy Regulatory Laboratory established and equipped (KDB)	%completion of the Laboratory	95%	95%	-	Target achieved
		Honey quality assurance	Number of honey samples analysed	300	139	161	Honey samples are analysed for quality assurance
	116200700 National Bee						

Sub-Programme	Delivery Unit	Key Output	Key Performance Indicator	Annual Target (s)	Actual as at 30 th June 2023	Variance	Remarks
Products Development	Keeping Institute, Lenana	Veterinary health services strengthened	No. of residue monitoring plans in foods of animal origin implemented	3	3	-	Residue monitoring plans for milk, meat and honey undertaken in Q1, Q2 and Q3. It wasn't done in Q4 due to breakdown of analysis equipment
		Leather Training Institute constructed and equipped	Percentage of completion of construction and equipping of LTI	10	0	10	Underachievement was due to lack of funds
		Stakeholder capacity strengthened	No. of stakeholders trained	250	344	(94)	Capacity building done in collaboration with Kiambu and Nairobi Counties
		Hides and skins export permits processed	No. of export permits processed and registered	250	366	(116)	Done on request
	1162002500 veterinary public health, hides and skins and leather quality control	Enhanced safety of food of animal origin	No. of export milk processing plants inspected and licensed	8	8	-	Activity completed as planned in Q1. Monitoring was done in subsequent quarters
			No. of export slaughter houses inspected and licensed	11	11	-	Inspection and licensing completed in Q3. Monitoring continued in Q4
			No. of animal feed processing	11	11	-	Inspection and licensing completed

Sub-Programme	Delivery Unit	Key Output	Key Performance Indicator	Annual Target (s)	Actual as at 30 th June 2023	Variance	Remarks
0112050 Livestock Disease Management and Control			plants inspected and licensed				and monitored throughout the FY
			Honey facilities inspected and licensed	2	2	-	Completed as planned
		Veterinary and drugs chemical residues in foods tested	No. of milk samples	350	247	103	Activity not done in Q4 due to breakdown of equipment for analysis
	Diseases control	Import/export foods inspected and certified	No. of meat samples	300	233	67	
			No. of honey samples	250	135	115	
		Enhanced disease surveillance	% import and export foods inspected and certified	100%	100%	-	Done as per requests received
			No. of active surveillance missions on PPR, RVF and other priority transboundary animal diseases	3	3	-	RVF and PPR surveillance done in Garissa, Isiolo, Marsabit and Baringo
	11620037 disease free zone	Disease free zones established to facilitate access to markets	% completion of Livestock Export Zone facilities in Bachuma	20%	0%	0	SDL was exploring modalities to complete and operationalise the facility. This wasn't done because of unavailability of funds

Sub-Programme	Delivery Unit	Key Output	Key Performance Indicator	Annual Target (s)	Actual as at 30 th June 2023	Variance	Remarks
		Regional laboratories rehabilitated and equipped	No. of laboratories rehabilitated and equipped	8	8	-	The 6 RVILs and two satellite vet labs were at various stages of rehabilitation and equipping. Most works were delayed due to delays in exchequer release
			% of disease outbreaks investigated	100%	100%	-	All reported disease outbreaks were investigated
	1162003300 RVILs (Kericho, Mariakani, Eldoret, Nakuru, Karatina, Garissa, Witu and Ukunda)	Reduced animal disease incidences	No. of samples of animal diseases analysed	61,000	37,736	23,264	Samples received, processed and reported and advise relayed back to the clients.
			No. of disease risk surveillance missions carried out	2	2	-	Unavailability of funds delayed supply of laboratory reagents and consumables in laboratories that affected some sample sampling
			No. of laboratories audited	6	8	(2)	Activity completed as planned
		Laboratories audited on ISO 17025					ISO/IEC 17025:2017 internal audits were carried out in 6 laboratories out in 6 laboratories (NVL-Karatina,

Sub-Programme	Delivery Unit	Key Output	Key Performance Indicator	Annual Target (\$)	Actual as at 30 th June 2023	Variance	Remarks
							Garissa, Mariakani, Nakuru, Eldoret and Kericho) as well as reference labs (CVL and FMD)
	1162003400 Veterinary Diagnostics and Efficacy Trial Centres	Reduced animal disease incidences	Percentage of animal health inputs (drugs and vaccines)	100%	100%	-	All requests for testing done
			Number of animals maintained for efficacy trials	1,600	1,845	(245)	Animals maintained the five efficacy trial centres (Maseno, Kabete, Ngong, Machakos and Kiboko. Other laboratory animals are kept at Kabete and are used and disposed as need arises
	1162003500 Central Veterinary Laboratory, Kabete	BSL3 laboratory at Kabete	% Completion	100%	82%	0	Activities not done because of unavailability of funds
		Reduced animal disease incidences	No. of samples of animal diseases analysed	17,500	17,184	316	All samples processed as received
	1162002700 Vector Regulatory and Zoological Services	Sentinel bee colonies established and monitored	No. of sentinel bee colonies established /monitored	6	6	-	Completed

Sub-Programme	Delivery Unit	Key Output	Key Performance Indicator	Annual Target (s)	Actual as at 30 th June 2023	Variance	Remarks
		National risk maps for bee diseases and pests developed	No. of diseases maps/pests developed	4	2	2	Activity was ongoing and was expected to be completed in FY 2024/25
			Number of acaricides tested for registration	4	2	2	Done on request
			% refurbishment and equipping of Kiboko Zoological Centre	70%	10%	1	Process was delayed due to delay in release of funds. Water reticulation and partial construction of eatery was done.
	1162003600 Foot and mouth disease laboratory	Tick vectors and tick-borne diseases surveyed and mapped	No. of counties surveyed and tick vectors and tick-borne diseases mapped	1	2	(1)	Two surveys on acaricide resistance were done in Nakuru and Nandi Counties.
		Reduced incidences of FMD	No. of samples analysed	7,000	1,468	5,532	Samples processed as received
		FMD vaccines lost tested for efficacy	Number of lots tested	13	12	1	All vaccine lots tested as received from KEVEVAPI
	1162003800 Ports of entry and border post veterinary inspection services	Sanitary and phytosanitary standards manned and strengthened	No. of border /entry points of entry manned and strengthened	13	13	-	All border inspection points (BIPs) are operational
		Livestock pre-export sones	Completion level (%) of quarantine station at	50	-	50	Delays occasioned by delays in completion of
		1162105000 Establishment of Livestock Pre-					

Sub-Programme	Delivery Unit	Key Output	Key Performance Indicator	Annual Target (s)	Actual as at 30 th June 2023	Variance	Remarks
	Export Zone, Lamu	facilities developed	Bargoni holding ground				construction designs, bills of quantities and budget cuts. However, some assorted equipment were procured for Mariakani and Garissa Regional Veterinary Laboratories
			Completion level (%) of the marshalling yards and related infrastructure at Lamu Port	50	-	50	
			Completion level (%) of construction of Witu Veterinary Laboratory	50	-	50	
			Completion level (%) and equipping of 4 investigation laboratories	50	-	50	
	Training section	Animal health interns mentored	No. of animal health interns	1,000	982	18	All applicants placed were monitored
		Students maintained at AHITI Kabete, Nyahururu and Ndomba	Number of students maintained	1,500	1,226	274	569,275 and 382 students at AHITI Kabete, Nyahururu and Ndomba respectively
	KEVEVAPI	Production of assorted quality livestock vaccines	Doses of vaccines produced for animal disease control and export (millions)	38	25	13	Quarter targets achieved

Sub-Programme	Delivery Unit	Key Output	Key Performance Indicator	Annual Target (s)	Actual as at 30 th June 2023	Variance	Remarks
	1169107600 sustainable Tsetse and Trypanosomiasis free areas in Kenya, KENTTEC	Tsetse and trypanosomiasis control	No. of tsetse control belts covered	6	6	-	The Council is working in all the six tsetse belts concurrently. The funds available were not enough to sustain the already controlled areas in the belts and move to new areas.
		Tsetse and trypanosomiasis controlled	% improvement for operational efficiency in tsetse control belts	70	70	-	

2.3.3 LIST OF PROJECTS

26. The State Department was implementing thirty-one (31) projects in the FY 2022/23 which were in various stages of completion. The list of projects, allocations, actual expenditures and absorption levels is as shown in the following table:

Table 10: List of Projects in the State Department

Project Name	Start Date	Expected Duration	Source of Funds	Estimated Project Value (KSh.)	Total Funding FY 2022/23	Actual Expenditure as at 30 th June 2023	Percentage of Completion
Kenya Livestock Insurance Scheme Project	1.7.2014	11 years	GoK	2,000,000,000	2,759,501	2,758,901	75%
Livestock Production 'Big Four' interventions	1.7.2018	8 years	GoK	2,211,000,000	131,810,159	125,779,756	31%
Modernise FMD Laboratory for GMP Standards, KEVEVAPI	1.7.2014	12 years	GoK	1,750,000,000	17,500,000	17,500,000	70%
Construction and Equipping of National Dairy Laboratory Complex	1.7.2015	11 years	GoK	857,000,000	18,975,000	-	55%
Construction of Kenya Veterinary Board (KVB) Headquarter Offices	1.7.2017	6 years	GoK	344,000,000	24,000,000	18,000,000	98%

Project Name	Start Date	Expected Duration	Source of Funds	Estimated Project Value (KSh.)	Total Funding FY 2022/23	Actual Expenditure as at 30 th June 2023	Percentage of Completion
Construction and Refurbishment of Infrastructure at AHITI Kabete	7.7.2012	12 years	GoK	266,000,000	18,013,817	18,013,817	83%
Construction of Learning Facilities (New Site) at AHITI Nyahururu	7.7.2012	12 years	GoK	360,000,000	10,250,000	10,250,000	78%
Construction and Refurbishment of Infrastructure at AHITI Ndomba	12.8.2012	12 years	GoK	249,000,000	-	-	72%
National Bee Keeping Institute	15.8.2013	11 years	GoK	150,000,000	9,500,000	8,904,900	93%
Construction & refurbishing of facilities at the Meat Training Institute Athi River	20.9.2012	12 years	GoK	160,000,000	3,750,000	3,750,000	82%
Regional Pastoral Training Centre - Narok	11.11.2012	12 years	GoK	80,000,000	3,000,000	3,000,000	63%
Construction and Dairy refurbishment at Training Institute - Naivasha	9.8.2013	12 years	GoK	307,000,000	22,550,000	22,000,000	40%
Farm Development - Sheep and Goats Breeding Farms	10.10.2012	11 years	GoK	395,000,000	20,250,000	20,250,000	90%
Bee Health Project - Vector Regulatory and Zoological Services	1.7.2014	9 years	GoK	120,000,000	8,232,614	16,606,359	70%
Bee Bulking Project - Apiculture and Emerging Livestock Services	8.8.2014	12 years	GoK	382,000,000	17,080,000	17,488,648	24%
Farm development at Livestock Breeding Research Farms	15.12.2012	11 years	GoK	279,000,000	15,000,000	15,000,000	93%

Project Name	Start Date	Expected Duration	Source of Funds	Estimated Project Value (KSh.)	Total Funding FY 2022/23	Actual Expenditure as at 30 th June 2023	Percentage of Completion
Farm development - Veterinary Diagnostic and Efficacy Trial Centres	20.1.2014	10 years	GoK	335,000,000	13,250,000	13,250,000	85%
Construction & Refurbishment of the Foot & Mouth Disease National Reference Lab	15.07.2011	13 years	GoK	254,000,000	8,000,000	7,925,025	89%
Construction & equipping of the Bio-safety Level 3 Laboratory at Kabete	25.05.2012	13 years	GoK	830,000,000	28,680,900	28,680,900	72%
Construction & Refurbishment of Regional Veterinary Investigation Laboratories (RVILs)	18.08.2011	14 years	GoK	706,000,000	12,500,000	12,500,000	79%
Modernization of Kiboko Zoological and Efficacy Trial Centre	15.08.2014	10 years	GoK	138,500,000	10,000,000	10,000,000	53%
Construction and refurbishment of the Leather Science Institute	15.08.2013	13 years	GoK	626,000,000	16,784,292	15,808,605	54%
Construction & Refurbishment of Facilities at the Livestock Institute Wajir	01.05.2019	6 years	GoK	300,000,000	22,250,000	22,250,000	47%
Establishment of Livestock Export Zone - Lamu	01.07.2021	5 years	GoK	5,500,000,000	59,300,296	59,110,582	5%
Towards Ending Drought Emergencies in Kenya	01.10.2021	6 years	GoK/Green Climate	1,338,200,000	121,729,028	95,733,640	24%
Kenya Livestock Commercialization Programme	10.03.2021	6 years	GoK/IFAD	6,200,000,000	953,030,000	577,066,680	9%
Development of Leather Industrial Park - Kenanie	01.07.2016	10 years	GoK	4,809,000,000	62,500,000	62,500,000	52%
Embryo Transfer Project	01.07.2020	6 years	GoK	1,000,000,000	10,000,000	10,000,000	0%

Project Name	Start Date	Expected Duration	Source of Funds	Estimated Project Value (KSh.)	Total Funding FY 2022/23	Actual Expenditure as at 30 th June 2023	Percentage of Completion
De-Risking, Inclusion and Value Enhancement of Pastoral Economies	02.05.2022	6 years		16,000,000,000	2,200,000,000	1,966,543,975	13%
Establishment of Liquid Nitrogen Plants - KAGRC	01.07.2015	10 years	GoK	1,150,000,000	10,750,000	10,750,000	Ongoing
Livestock Value Chain Support Project	01.07.2023	6 years	GoK	8,300,000,000	500,000,000	-	Ongoing at 0%
Sustainable Tsetse and Trypanosomiasis free areas in Kenya, KENTTEC	01.08.2014	12 years	GoK	1,960,000,000	18,750,000	-	-
TOTAL				59,356,700,000	4,370,195,607	3,191,421,788	

2.3.4 PENDING BILLS

27. The State Department had pending bills relating to FY 2021/22 amounting to KSh. 32.2 million on development expenditure.
28. In addition, the State Department had historical pending bills amounting to KSh. 4.025 billion on account of court awards to Halal Meat Products Limited, KSh. 4 billion and Expert Associate Architects, KSh. 25 million.

2.3.5 RESPONSE TO COMMITTEE OBSERVATIONS ON THE STATE DEPARTMENT'S BUDGET PERFORMANCE REPORT

29. After going through the report submitted by the State Department for Livestock Development on their FY 2022/23 budget performance, Members of the Committee made observations that needed to be responded to by the State Department. The Principal Secretary, Hon. Jonathan Mueke, CBS appeared before the Committee on Friday, 27th October 2023 and responded as follows to the Committee's observations (*annex 7*):

Over-expenditure on the Bee Health - Vector Regulatory and Zoological Services

30. There was over-expenditure of KSh. 9,405,575 under the Project. The Project had an allocation of KSh. 41 million in FY 2022/23. The State Department processed payments totalling KSh. 17,638,189 in the First Half of the Financial Year. However, the allocation for the Project was reduced by KSh. 32,767,386 through the Supplementary Estimates No. 1 leaving it with an allocation of KSh. 8,232,614.
31. The over-expenditure was realised because payments had been finalised before the budget cut and the National Treasury did not make provision to offset the negative balance under the Project during Supplementary Budget No. 2.

Over-expenditure on the Bee Bulking Project

32. The Project had an allocation of KSh. 21 million which was reduced by KSh. 3.92 million through Supplementary Estimates No. 1. The reduction was done after the State Department had finalised processing payments totalling KSh. 17,371,888 leading to an over-expenditure of KSh. 291,888.

2.4 SUBMISSION BY THE STATE DEPARTMENT FOR CROP DEVELOPMENT

In a letter Ref. No. MOA/FIN/27 dated 18th August 2023 (*annex 8*), Hon. Mithika Linturi, Cabinet Secretary, Ministry of Agriculture and Livestock Development, informed the Committee that:

2.4.1 FINANCIAL PERFORMANCE

33. The approved recurrent budget for FY 2022/23 was KSh. 14,027,154,283 and the total receipts for were KSh. 15,447,126,536.05. The table below illustrates the above information.

Table 11: Approved Recurrent Budget and Actual Expenditure

Item	Approved Budget (KSh.)	Actual Quarter 1 (KSh.)	Actual Quarter 2 (KSh.)	Actual Quarter 3 (KSh.)	Actual Quarter 4 (KSh.)
RECEIPTS					
Tax Receipts	0	0	0	0	0
Social Security Contribution	0	0	0	0	0
Proceeds from domestic and foreign grants	0	0	0	0	0
Exchequer releases	0	6,155,094,104.75	7,443,431,991.75	9,243,317,157.15	11,540,000,489.55
Transfers from other Government Entities	0	0	0	0	0
Proceeds from domestic borrowings	0	0	0	0	0
Proceeds from foreign borrowings	0	0	0	0	0
Proceeds from sale of assets	6,457,630,000	0	0	0	3,907,126,046.50
Reimbursements and refunds	0	0	0	0	0
Returns of equity holdings	0	0	0	0	0
Other receipts	0	0	0	0	0

Item	Approved Budget (KSh.)	Actual Quarter 1 (KSh.)	Actual Quarter 2 (KSh.)	Actual Quarter 3 (KSh.)	Actual Quarter 4 (KSh.)
TOTAL	6,457,630,000	6,155,094,104.75	7,443,431,991.75	9,243,317,157.15	15,447,126,536.05
PAYMENTS					
Compensation of employees	816,355,171	196,411,533.55	376,885,752.35	551,637,175.85	734,082,972.65
Use of goods and services	154,302,169	119,059,759.15	138,051,250.05	169,018,999.55	193,803,932.35
Subsidies	0	3,366,999,497.95	3,366,999,497.95	3,366,999,497.95	3,366,999,497.95
Transfers to other government units	13,004,430,000	1,713,249,999.65	3,426,499,999.50	4,834,058,330.95	10,595,414,601.65
Other grants and transfers	9,763,650	2,440,912	2,440,912	2,440,912	2,440,912
Social security benefits	36,377,352	18,874,459.95	19,757,353.20	20,711,489.40	20,711,489.40
Acquisition of assets	5,925,941	491,418,151.60	491,915,310.60	533,401,230.00	533,669,430.00
Finance costs, including loan interest	0	0	0	0	0
Repayment of principal on domestic and foreign borrowing	0	0	0	0	0
Other payments	0	0	0	0	0
TOTAL	14,027,154,283	5,908,454,313.85	7,822,550,075.65	9,478,267,635.70	15,447,122,836.00

34. The approved development budget for FY 2022/23 was KSh. 35,229,872,021 and the expenditure was KSh. 29,119,460,379. The table below shows the above information.

Table 12: Approved Development Budget and Actual Expenditure

Item	Final approved estimates (KSh.)	Actual Expenditure Q1 (KSh.)	Actual Expenditure Q2 (KSh.)	Actual Expenditure Q3 (KSh.)	Actual Expenditure Q4 (KSh.)
RECEIPTS					
Tax receipts	0	0	0	0	0
Social security contribution	0	0	0	0	0
Proceeds from domestic and foreign grants	1,242,827,000.00	23,973,835.40	259,055,424.95	379,314,918.30	1,075,624,539.45
Exchequer releases	0	927,559,815.80	7,230,506,885.75	17,141,552,631.95	26,556,609,403.60
Transfer from other government entities	0	0	0	0	0
Proceeds from domestic borrowings	0	0	0	0	0
Proceeds from foreign borrowings	1,907,714,309.00	155,153,698.20	407,738,788.30	915,536,369.50	1,525,291,496.85
Proceeds from sales of assets	0	0	0	0	0
Reimbursements and refunds	0	0	0	0	0
Returns of equity holdings	0	0	0	0	0
Other receipts	0	0	0	0	0
TOTAL	3,150,541,309.00	1,106,687,349.40	7,897,301,099.00	18,436,403,919.75	29,157,525,439.90

Item	Final approved estimates (KSh.)	Actual Expenditure Q1 (KSh.)	Actual Expenditure Q2 (KSh.)	Actual Expenditure Q3 (KSh.)	Actual Expenditure Q4 (KSh.)
PAYMENTS					
Compensation of employees	229,780,000.00	1,300,000.00	20,306,197.30	101,506,197.30	201,569,489.00
Use of goods and services	7,223,009,380.00	76,479,837.20	731,230,197.45	3,108,226,929.10	6,045,357,892.50
Subsidies	1,514,480,000.00	337,500,000.00	634,035,000.00	803,570,225.00	886,176,179.90
Transfers to other government units	22,483,604,474.00	1,197,179,145.20	5,814,600,345.20	12,963,069,843.50	19,047,170,124.75
Other grants and transfers	0	0	0	0	0
Social security benefits	0	0	0	0	0
Acquisition of assets	3,778,998,167.00	126,948,396.00	696,290,305.80	1,460,030,724.75	2,939,186,692.85
Finance costs including loan interest	0	0	0	0	0
Repayment of principal and domestic borrowing	0	0	0	0	0
Other payments	0	0	0	0	0
TOTAL	35,229,872,021.00	1,739,407,378.40	7,896,462,045.75	18,436,403,919.65	29,119,460,379.00

35. The table below shows the actual expenditure by economic classification.

Table 13: Actual Expenditure by Economic Classification

Programme	Sub-Programme	Description	Approved Budget (KSh.)	Actual Expenditure Q1 (KSh.)	Actual Expenditure Q2 (KSh.)	Actual Expenditure Q3 (KSh.)	Actual Expenditure Q4 (KSh.)
10700000		General Administration Planning and Support Services	8,104,813,170.00	2,070,970,408.15	2,761,668,350.40	3,618,189,927.25	6,243,631,074.05
	2110000	Wages and salary contributions	326,700,158.00	62,444,271.95	118,154,355.10	200,705,054.90	284,006,650.95
	2210000	Goods and services	355,430,509.00	20,913,531.15	53,247,098.05	107,687,537.80	139,764,913.90
	2220000	Routine maintenance	14,214,688.00	434,000.00	2,458,240.00	3,121,491.20	3,312,841.20
	2630000	Grants and transfer to other government units	7,162,155,000.00	1,968,304,145.10	2,567,554,145.00	3,281,946,644.95	5,700,313,557.35
	2710000	Social security benefits	36,377,352.00	18,874,459.95	19,757,353.20	20,711,489.40	20,711,489.40
	3110000	Acquisition of fixed capital assets	209,935,463.00	0	497,159.00	4,017,709.00	95,521,621.25
108000000		Crop development and management	33,301,484,356.00	859,750,340.25	7,064,040,038.25	16,308,017,759.65	27,405,853,417.25
	2110000	Wages and salary contributions	610,517,746.00	105,961,600.45	227,708,283.40	434,779,668.15	519,818,034.60

Programme	Sub-Programme	Description	Approved Budget (KSh.)	Actual Expenditure Q1 (KSh.)	Actual Expenditure Q2 (KSh.)	Actual Expenditure Q3 (KSh.)	Actual Expenditure Q4 (KSh.)
	2210000	Goods and services	6,006,058,168.00	73,372,870.20	248,681,937.10	2,057,234,560.85	3,054,032,106.35
	2220000	Routine maintenance	462,924,078.00	7,343,005.00	9,348,171.00	112,605,184.00	203,237,918.05
	2230000	Other charges	0	0	0	0	0
	2520000	Subsidies to private enterprises	1,514,480,000.00	337,500,000.00	463,035,000.00	821,027,067.00	483,527,067.00
	2630000	Grants and transfer to other gov. units	21,164,854,474.00	183,874,999.85	4,093,546,199.80	10,862,678,901.55	20,644,345,554.55
	2640000	Other transfers and emergency relief	1,450,000,00.00	0	1,700,000,000.00	1,400,000,000.00	1,400,000,000.00
	3110000	Acquisition of fixed capital assets	2,092,649,890.00	151,697,864.75	321,720,446.95	619,692,378.10	1,100,892,736.70
	3120000	Acquisition of inventories, stock and commodities	0	0	0	0	0
	3130000	Acquisition of land and intangible assets	0	0	0	0	0
	109000000	Agribusiness and information management	2,105,546,126.00	104,418,634.40	375,224,384.25	723,449,330.90	1,824,121,510.80

Programme	Sub-Programme	Description	Approved Budget (KSh.)	Actual Expenditure Q1 (KSh.)	Actual Expenditure Q2 (KSh.)	Actual Expenditure Q3 (KSh.)	Actual Expenditure Q4 (KSh.)
	2110000	Wages and salary contributions	74,479,152.00	20,830,657.15	36,559,974.15	44,532,728.25	55,455,952.55
	2120000	Social contributions	5,054,052.00	1,684,684.00	1,684,684.00	1,684,684.00	1,684,684.00
	2210000	Goods and services	514,440,986.00	3,459,451.50	10,159,151.50	18,351,682.75	415,024,402.15
	2220000	Routine maintenance	17,959,631.00	52,398.50	110,398.50	1,870,923.90	6,260,073.90
	2230000	Other charges	2,500,000.00	0	75,280.35	75,280.35	75,280.35
	2640000	Other transfers and emergency relief	9,763,650.00	2,440,912.00	2,440,912.00	2,440,912.00	2,440,912.00
	3110000	Acquisition of fixed capital assets	1,481,348,655.00	79,950,531.25	324,193,983.75	654,493,119.65	1,343,180,205.85
	120000000	Agricultural research development	5,745,182,652.00	5,223,599,109.45	6,344,923,442.40	7,448,720,664.65	9,092,977,211.95
	2110000	Wages and salary contributions	29,384,063.00	6,790,320.00	13,084,653.00	17,213,956.50	20,676,566.50
	2210000	Goods and services	3,783,489.00	100,841,140.00	101,121,140.00	101,278,140.00	101,385,690.00
	2520000	Subsidies to private enterprises	0	3,366,999,497.95	3,366,999,497.95	3,366,999,497.95	3,366,999,497.95
	2630000	Grants and transfer to other govt. units	5,711,025,000.00	1,258,249,999.90	2,372,999,999.85	3,431,024,999.20	5,071,443,186.50

Programme	Sub-Programme	Description	Approved Budget (KSh.)	Actual Expenditure Q1 (KSh.)	Actual Expenditure Q2 (KSh.)	Actual Expenditure Q3 (KSh.)	Actual Expenditure Q4 (KSh.)
	3110000	Acquisition of fixed capital assets	990,100.00	0	0	108,000.00	376,200.00
	3120000	Acquisition of inventories, stock and commodities	0	490,718,151.60	490,718,151.60	532,096,071.00	532,096,071.00
GRAND TOTAL			49,257,026,304.00	8,258,738,492.25	16,545,856,215.30	28,098,377,682.45	44,566,583,215.00

2.4.2 NON-FINANCIAL PERFORMANCE

36. The table below shows the non-financial performance of the State Department.

Table 14: Non-Financial Performance

Delivery unit	Key Output	KPIs	Revised Annual Targets	Actual as at 31 st September 2022	Actual as at 31 st December 2022	Actual as at 31 st March 2023	Actual as at 30 th June 2023	Remarks
1169105300 Kenya Climate Smart Agriculture Project (KCSAP)	Climate Smart Agriculture Technologies	No. of direct beneficiaries in Common Interest Groups (CIGs) and Vulnerable and Marginalised Groups (VMGs)	250,000	91,700	91,700	91,700	91,700	More beneficiaries reached in readiness for project closure on 30 th June 2023.
	Community Projects	No. of community projects	1,500	550	550	550	550	More groups funded in readiness for

Delivery unit	Key Output	KPIs	Revised Annual Targets	Actual as at 31 st September 2022	Actual as at 31 st December 2022	Actual as at 31 st March 2023	Actual as at 30 th June 2023	Remarks
1169108700 Emergency Locust Response		supported with grants						project closure on 30 th June 2024
	Climate smart agriculture inputs	MT of early generation seed produced	190	48	48	48	48	Early generation production slowed down in readiness for project closure.
	Livelihood recovery input package	No. of affected farmers receiving crop input package	8,000	4,415	4,415	4,415	4,415	There was overachievement because counties received 100% of their allocation for the project.
		No. of affected livestock holding household receiving fodder seeds	32,800	5,350	5,350	5,350	5,350	There was overachievement because counties received 100% of their allocation for the project.
1169106900 Enable Youth Kenya Programme		No. of affected livestock holding households receiving livestock	4,000	2,659	2,659	2,659	2,659	The good rains experienced in the last half of the FY improved pasture availability favourable for restocking hence most counties prioritised microprojects on restocking.
	Youth trained on modern agriculture agribusiness	No. of candidates selected and trained	520	120	120	120	121	781 youth were offered opportunities in December 2022

Delivery unit	Key Output	KPIs	Revised Annual Targets	Actual as at 31 st September 2022	Actual as at 31 st December 2022	Actual as at 31 st March 2023	Actual as at 30 th June 2023	Remarks
								where 528 reported in January 2023 and 481 attended the Programme consistently. 47 dropped out of the training.
		No. of enterprises funded	225	27	27	27	27	199 files were sent to AFC for funding consideration where 106 were funded (KSh. 72 M). 481 youth under training 221 youth submitted 221 agribusiness proposals and 133 met the threshold for funding.
1169102900 Kenya Cereal Enhancement Programme (KCEP)	E-voucher Financing System for smallholder farmers and use of financial services	Smallholder farmers accessing e-voucher scheme	81,130	18,756	18,756	18,756	18,756	Lower number of smallholder farmers contributing to the e-voucher.
		Agro-dealers trained and accredited as agents	19	5	5	5	5	
		Number and type of new products	1	1	1	1	1	

Delivery unit	Key Output	KPIs	Revised Annual Targets	Actual as at 31 st September 2022	Actual as at 31 st December 2022	Actual as at 31 st March 2023	Actual as at 30 th June 2023	Remarks
		implemented by partner FIs						
	Smallholder farmers on trained harvest and post-harvest management and receive basic equipment for improved post-harvest management grains	Smallholder farmers of which 95,000 from the ASALs organised in groups, trained on harvest and post-harvest management and receive basic equipment for improved post-harvest management of grains	50,000	6,000	7,000	6,000	6,000	
	Market access for participating smallholder farmers improved	No. of farmers linked to buyers Initiatives of commercial partnership implemented	66,245 50	17,500 15	17,500 15	17,500 15	17,500 15	
1169104700 Capacity Building Project for Enhancement of Rice Production	Water saving and mechanisation technologies	No. of farmers mobilised and trained to take up the technologies No. of farmers who have	2,500 250	625 50	630 60	625 70	630 70	4 th Quarter achievements are from extension training activities in Mwea and Ahero.

Delivery unit	Key Output	KPIs	Revised Annual Targets	Actual as at 31 st September 2022	Actual as at 31 st December 2022	Actual as at 31 st March 2023	Actual as at 30 th June 2023	Remarks
		adopted the technology						
1169106300 Agricultural Sector Development Support Programme II (ASDSP II)	Market access linkages for priority value chains	No. of value groups aggregated and No. of value chain actors linked to market information	1,400,100,000	35,020,000	38,019,000	35,020,000	40,025,000	the variance was due to some counties over targeting.
1169105100 Small Scale Irrigation and Value Addition Project	Irrigation schemes	Area of new irrigation schemes developed (Ha.)	580	164	164	164	164	Achieved from ongoing schemes
		Area of existing irrigation schemes rehabilitated (Ha.)	760	224	224	224	224	
		No. of micro irrigation schemes developed	8	5	5	5	5	
	Market infrastructure	No. of livestock marketing facilities	8	1.75	1.75	1.75	1.75	Achieved from ongoing schemes
		No. of post-harvest handling facilities	10	2.5	2.5	2.5	2.5	Achieved contractors which had been started in the previous FY.

Delivery unit	Key Output	KPIs	Revised Annual Targets	Actual as at 31 st September 2022	Actual as at 31 st December 2022	Actual as at 31 st March 2023	Actual as at 30 th June 2023	Remarks
1169102400 Drought Resilience and Sustainable Livelihood Programme in the Horn of Africa	Irrigation schemes water structures	Area of irrigation infrastructure rehabilitated (Ha.)	180	93	93	93	93	Slow rate of contracts completion and termination of non-performing contractor in one of the schemes
		No. of water structures constructed / rehabilitated	5	10	10	10	10	
1169103100 Crop Insurance	Crop insurance	No. of farmers covered	200,000	48,706	48,706	48,706	48,706	Insured farmers were reached through aggregators. The government did not pay subsidy support for insured farmers in the previous season resulting in delayed compensation of farmers hence reducing trust in the Programme.
		Counties covered	40	10	10	10	10	West Pokot, Transnzoia, Uasin Gishu, Baringo, Nandi, Nakuru, Kericho, Bomet, Nyamira, Kisii, Migori, Homabay, Siaya, Kisumu, Vihiga,

Delivery unit	Key Output	KPIs	Revised Annual Targets	Actual as at 31 st September 2022	Actual as at 31 st December 2022	Actual as at 31 st March 2023	Actual as at 30 th June 2023	Remarks
								Kakamega, Busia, Bungoma, Laikipia, Samburu, Isiolo, Nyandarua, Nyeri, Murang'a, Kiambu, Kirinyaga, Meru, Tharaka Nithi, Embu, Machakos, Kitui, Makueni, Kajiado, Narok, Taita Taveta, Kwale, Kilifi, Elgeyo Marakwet, Kajiado, Mombasa and Tana River
1169103900 Food Security and Diversification Project	Food and industrial crops production	MT of high yielding maize seed supplied	50	25	25	25	25	The variance between the target and achievement was due to budget revision.
		MT of rice seed supplied	10	5	5	5	5	
		MT of certified potato seeds availed	1,000	500	500	500	500	
		MT of drought tolerant seeds supplied	50	25	25	25	25	
		No. of assorted seedlings	115,000	25,000	25,000	25,000	25,000	
1169107000 National Value Chain Support Programme	Input e-voucher services	No. of counties to be covered	38	7	7	7	7	Subsidy fund release challenges
		No. of beneficiaries	20,000	3,461	3,461	3,461	3,461	

Delivery unit	Key Output	KPIs	Revised Annual Targets	Actual as at 31 st September 2022	Actual as at 31 st December 2022	Actual as at 31 st March 2023	Actual as at 30 th June 2023	Remarks
1169002300 Kenya School of Agriculture		MT of assorted fertilizers	7,220	916	916	916	916	
		MT of lime accessed	5,450	1,369	1,369	1,369	1,369	Soil acidity sensitisation in some counties increased the demand for lime.
		Litres of assorted agro-chemicals	61,400	6,410	6,410	6,410	6,410	Subsidy funds release challenges
		MT of seeds accessed	545	36	36	36	36	
	Framer groups capacity built	No. of stakeholders trained under the short course programme	110	35	35	35	35	
	Skills and knowledge in agriculture	No. of stakeholders under the outreach programme	140	90	90	90	90	
		No. of certificate students trained	20	12	12	12	12	
		No. of diploma students trained	20	14	14	14	14	
1169104000 Construction		Construction of 2 classrooms at	2	0	0	0	0	Ongoing

Delivery unit	Key Output	KPIs	Revised Annual Targets	Actual as at 31 st September 2022	Actual as at 31 st December 2022	Actual as at 31 st March 2023	Actual as at 30 th June 2023	Remarks
of HQ and Satellite Campuses for KSA	Physical infrastructure at KSA	KSA Nyeri Campus						
		Construction of 1 ablution block at KSA Nyeri Campus	1	0	1	0	0	
		Construction of 1 zero grazing unit at KSA Nyeri Campus	1	0	0	0	0	
		Construction of chain link fence at KSA Songa Mbele Campus	1	0	1	0	0	
		Renovation of training block at KSA Songa Mbele Campus (% of completion)	87	22	22	22	22	
		Construction of KSA Ainabkoi Campus	1	0	0	0	0	
		Construction of 1 ablution block at KSA Siaya Campus	1	0	0	0	0	
		Equipping 1 borehole at KSA Siaya Campus	1	0	0	0	0	
		Drilling and equipping 1	1	0	0	0	0	

Delivery unit	Key Output	KPIs	Revised Annual Targets	Actual as at 31 st September 2022	Actual as at 31 st December 2022	Actual as at 31 st March 2023	Actual as at 30 th June 2023	Remarks
		borehole at KSA Nakuru Campus						
		Renovation of the training block at KSA Nakuru Campus	1	0	0	0	0	
		Expansion of the dining hall at KSA Nakuru Campus	1	0	0	0	0	
		No. of beneficiaries mobilised for awareness creation on climate resilience	1000	245	250	240	242	
1169106800 Rural Livelihoods Adaptation to Climate Change (RLACC)	Climate change adaptation services to targeted local governments	No. of adaptation action plans and frameworks developed	4	1	1	1	1	Overachievement due to the support and training done in collaboration with the individual consultants engaged
		No. of officials trained on climate change adaptation	30	16	16	16	16	
		No. of youth trained	150	56	56	56	56	
1169103800 Youth and Women Empowerment	Agriculture and agribusiness	No. of ToTs trained on 4K	120	135	135	135	135	Surpassed target due to collaboration and support from

Delivery unit	Key Output	KPIs	Revised Annual Targets	Actual as at 31 st September 2022	Actual as at 31 st December 2022	Actual as at 31 st March 2023	Actual as at 30 th June 2023	Remarks
in Modern Agriculture Project	skills and technologies	and young farmers clubs						partners, Ministry, projects and ATO
1169103600 Development of Agriculture Technology Innovation Centres	Agricultural technology development and testing services	No. of Agricultural Technology Development Centres refurbished	1	0	0	0	1	Homabay Agricultural Development Centre was constructed to 50% completion.
		No. of appropriate technologies developed	10	2	3	4	3	Construction was ongoing.
		No. of incubation centres established	1	0	0	0	1	One incubation centre constructed at Mtwapa ATDC
		No. of SMEs incubated	100	20	30	30	35	SMEs incubated in the 10 ATDCs across the country.
1169103700 Strengthening Mechanisation	Agricultural mechanisation services strengthened	No. of agricultural mechanisation hubs established	1	0	0	0	1	One mechanisation hub established at Soy Mateeny Farmers' Cooperative Society.
		No. of aggregation centres	3	0	0	0	1	Construction of the three stalls is ongoing.
Miraa Industry Revitalisation	Miraa infrastructure developed	Number of miraa markets constructed	4	0	0	0	0	Funds were used to pay pending

Delivery unit	Key Output	KPIs	Revised Annual Targets	Actual as at 31 st September 2022	Actual as at 31 st December 2022	Actual as at 31 st March 2023	Actual as at 30 th June 2023	Remarks
		Number of boreholes drilled and equipped	2	0	0	0	0	bills from previous FYs.
1169106200 National Agricultural & Rural Inclusivity Project (NARIP)	Technology Innovations and Management Practices (TIMPs)	No. of beneficiaries who have adopted TIMPs	176,400	72,297	80,000	72,297	75,000	Improved extension architecture led to more farmers adopting TIMPs.
	Value chain financing	No. of direct beneficiaries trained	360,000	132,236	132,236	132,236	132,236	Improved extension architecture, which include lead farmers, SCTT and CBFs improved the number of farmers trained.
		No. of groups financed	17,785	3,709	3,709	3,709	3,709	More farmer groups are yet to receive funding which delayed as a result of delayed passing of the finance framework
	Yield increase	% increase in yields of products in supported value chains	30	10	10	10	10	Improved TIMPs adoption and linkage to markets improve yields.

Delivery unit	Key Output	KPIs	Revised Annual Targets	Actual as at 31 st September 2022	Actual as at 31 st December 2022	Actual as at 31 st March 2023	Actual as at 30 th June 2023	Remarks
1169105400 Construction of Residual Laboratory at PCPB	Pesticide residue laboratory	% completion of pesticide residue laboratory at PCPB	82	22	22	22	22	Target achieved
1169105000 Project for Smallholder Empowerment & Agribusiness Promotion (SHEP Biz)	Agricultural training institutions trained on SHEP approach extension methodologies	Number of agricultural institutions /partner organisations introduced to SHEP approach.	2	0	1	0	1	The SHEP approach was introduced to Kisii Smart Community an NGO in Kisii and KSA Nyeri and students respectively. Meeting with CGA was done to introduce SHEP approach in their AGRA project.
	Agricultural training institutions are trained on SHEP approach extension methodologies	Number of agricultural institutions /partner organisations introduced to SHEP approach	140					County staff were trained on market survey, crop selection and action plan making, gender mainstreaming and group empowerment and digital reporting.
	Farmers groups trained on SHEP approach and crop	Number of horticulture farmers trained	50	10	12	8	12	Groundnut processors in Homabay and Kilifi trained on food safety.

Delivery unit	Key Output	KPIs	Revised Annual Targets	Actual as at 31 st September 2022	Actual as at 31 st December 2022	Actual as at 31 st March 2023	Actual as at 30 th June 2023	Remarks
1169005000 Research and Innovation Management Department	production techniques							Producers in Nakuru County trained on avocado nursery establishment, good agronomic practices, post-harvest management and marketing.
	MSMEs trained	No. of MSMEs trained	50	15	3	15	14	
	Crop value chains research coordination frameworks	No. of coordination frameworks developed	3	0	0	0	-3	Not achieved because it was not funded
1169107800 Bio-Deposit Organic Fertilizer Extraction & Rehabilitation Project	Conference for sharing findings on key issues	No. of conferences held	1	0	0	1	0	Successfully held
	Feasibility study report	% completion of the feasibility study report	9	0	0	0	-9	Contract with the proposed implementor was not drawn due to limited funds.
	Reduced maize yield loss as a result of FAW	Quantities of assorted pesticides procured and distributed (lts)	25,000	5,000	8,000	3,965	15,965	High cost of pesticides reduced achievement
Fall Armyworm Management		No. of assorted technical	50,000	38,750	27,000	33,000	98,750	Achieved more than the target

Delivery unit	Key Output	KPIs	Revised Annual Targets	Actual as at 31 st September 2022	Actual as at 31 st December 2022	Actual as at 31 st March 2023	Actual as at 30 th June 2023	Remarks
		materials developed, reviewed, and distributed						because of collaboration with other partners.
		No. of PPEs procured and distributed	1,000	200			750	High cost of equipment reduced achievement
		No. of assorted spraying equipment procured and distributed	500				495	
		No. of technical staff /extension service providers capacity built on new techniques of managing migratory pests	240				1,800	Achieved more than the target of because collaboration with partners.
Aflatoxin Management	Reduced yield loss as a result of aflatoxin contamination and post-harvest losses	Quantity in MT of Aflasave-KE 01 procured and distributed	50				30	Increased cost reduced achievement.
		Quantities in Kgs of assorted storage dust pesticides	3,500				3,326	

Delivery unit	Key Output	KPIs	Revised Annual Targets	Actual as at 31 st September 2022	Actual as at 31 st December 2022	Actual as at 31 st March 2023	Actual as at 30 th June 2023	Remarks
		procured and distributed						
		No. of hermetic bags procured and promoted	15,000				15,000	
		No. of hand shellers procured for demonstration	150				123	
		Number of moisture meters for demonstrations	60				60	
		Quantities of avicide procured and distributed (lts)	5,000				2,500	
Quelea Quelea Management	Reduced small grain loss as a result of quelea quelea bird infestation	Number of control operations undertaken	4				4	Increased cost reduced achievement

2.4.3 LIST OF PROJECTS

37. The State Department had forty-three (43) projects being implemented in the FY. Fourteen (14) of the projects were above 70% rate of completion. Most projects that were below 50% completion rate were new while those that were between 50% and 70% were ongoing and were at the mid of their implementation period.

Table 15: List of Projects

Project	Approved Budget for FY 2022/23	Actual Payments Q1	Actual Payments Q2	Actual Payments Q3	Actual Payments Q4	Completion Status
Sugar Reforms Support Project	1,030,000,000	930,000,000.00	930,000,000.00	1,030,000,000.00	1,030,000,000.00	60%
Drought Resilience and Sustainable Livelihood Programme in the Horn of Africa	895,000,000	108,017,325.95	236,216,656.20	464,127,108.00	746,689,304.60	85%
Kenya Cereal Enhancement Programme (KCEP)	2,820,000,000	20,000,000.00	145,000,000.00	1,197,385,415.55	1,197,385,415.55	80%
Crop Insurance	130,000,000	1,000,000.00	27,750,917.00	47,232,067.00	129,005,410.00	34%
Development of Mau Buffer Tea Zone	60,000,000	25,000,000.00	25,000,000.00	60,000,000.00	60,000,000.00	20%
Fertilizer Subsidy Programme	7,293,923,200	0	3,793,923,200.00	5,793,923,200.00	7,293,923,200.00	30%
Aflatoxin Management	90,000,000	100,000.00	100,000.00	100,000.00	87,673,480.00	11%
Pyrethrum Industry Recovery	100,000,000	50,000,000.00	50,000,000.00	100,000,000.00	100,000,000.00	30%

Project	Approved Budget for FY 2022/23	Actual Payments Q1	Actual Payments Q2	Actual Payments Q3	Actual Payments Q4	Completion Status
Development of Agriculture Technology Innovation Centres	110,000,000	0	24,138,139.00	24,138,139.00	82,191,089.20	25%
Strengthening Mechanization	20,000,000	0	1,263,200.00	13,051,600.00	19,566,343.00	25%
Youth and Women Empowerment in Modern Agriculture Project	35,000,000	795,900.00	1,562,600.00	3,596,581.20	34,788,999.20	35%
Food Security and Crop Diversification Project - BETA	265,000,000	9,347,567.00	58,129,501.25	85,392,083.25	255,874,313.55	32%
Construction of Headquarters and Satellite Campuses for KSA	60,000,000	22,500,000.00	22,500,000.00	60,000,000.00	60,000,000.00	45%
Construction of Educational Complex at Bukura Agricultural College	20,000,000	10,000,000.00	10,000,000.00	20,000,000.00	20,000,000.00	60%
Construction & Equipping of Tea Research & Development Factory - BETA	20,000,000	10,000,000.00	10,000,000.00	20,000,000.00	20,000,000.00	60%

Project	Approved Budget for FY 2022/23	Actual Payments Q1	Actual Payments Q2	Actual Payments Q3	Actual Payments Q4	Completion Status
Capacity for Building Enhancement of Rice Production (CADREP) - BETA	30,000,000	0	0	12,761,642.40	25,761,642.40	40%
Smallholder Horticulture Empowerment Project (SHEP Biz)	95,500,000	587,600.00	12,164,579.90	23,492,399.45	24,340,498.25	35%
Small Scale Irrigation and Value Addition Project	2,015,714,308	75,950,531.25	338,680,464.10	679,431,656.65	1,729,550,991.35	55%
Kenya Climate Smart Agriculture Project (KCSAP)	5,180,000,000	3,123,600.00	101,079,280.00	2,473,340,410.75	4,806,292,628.15	90%
Construction of Residual Laboratory at PCPB	50,000,000	21,250,000.00	21,250,000.00	50,000,000.00	50,000,000.00	85%
Mechanization of Agricultural Development Project	15,000,000	12,500,000.00	12,500,000.00	15,000,000.00	15,000,000.00	30%
National Agricultural & Rural Inclusivity Project (NARIGP)	4,970,000,000	24,999,733.00	26,353,483.00	2,473,428,584.30	4,189,696,511.70	90%

Project	Approved Budget for FY 2022/23	Actual Payments Q1	Actual Payments Q2	Actual Payments Q3	Actual Payments Q4	Completion Status
Agricultural Sector Development Support Programme II (ASDSP II)	913,000,000	62,250,000.00	62,250,000.00	597,172,127.75	672,869,078.25	85%
Fall Army Worm Mitigation	388,000,000	0	10,603,700.00	10,995,349.00	297,301,487.25	55%
Cotton Industry Revitalization Project -BETA	30,000,000	22,500,000.00	22,500,000.00	30,000,000.00	30,000,000.00	16%
Rural Livelihoods Adaptation to Climate Change (RLACC)	115,327,000	1,966,125.00	5,335,125.00	11,109,270.70	82,644,689.85	80%
Enable Youth Kenya Programme	1,290,000,000	346,337,846.20	363,714,510.00	379,390,720.45	475,189,424.70	55%
National Value Chain Support Programme - BETA	2,027,000,000	346,841,950.00	2,047,942,590.00	1,769,126,615.00	1,441,261,075.00	20%
Support to Agricultural Input and Output Marketing	11,777,513	0	0	11,767,600.00	11,767,600.00	100%
Establishment of Liquid Nitrogen Plants - KAGRC	56,250,000	37,500,000.00	37,500,000.00	56,250,000.00	56,250,000.00	80%

Project	Approved Budget for FY 2022/23	Actual Payments Q1	Actual Payments Q2	Actual Payments Q3	Actual Payments Q4	Completion Status
Sustainable and Tsetse Trypanosomiasis free areas in Kenya - KENTTEC	61,250,000	37,500,000.00	37,500,000.00	61,250,000.00	61,250,000.00	70%
Climate Smart Agricultural Productivity Project (CS-APP)	142,000,000	2,500,000.00	2,500,000.00	5,000,000.00	137,000,000.00	73%
Equipping of Milk Research & Processing Plant	15,000,000	10,000,000.00	10,000,000.00	15,000,000.00	15,000,000.00	15%
Expansion of Improved Indigenous Chicken	10,000,000	8,500,000.00	8,500,000.00	10,000,000.00	10,000,000.00	10%
Construction of Warehouse Receipt System	18,750,000	12,500,000.00	12,500,000.00	18,750,000.00	18,750,000.00	35%
Coconut Industry Revitalization Project -BETA	20,000,000	10,000,000.00	10,000,000.00	20,000,000.00	20,000,000.00	13%
Emergency Locust Response	2,056,380,000	9,216,000.00	63,475,169.00	617,809,545.85	1,912,031,112.65	60%
Embryo Transfer Project - KAGRC	45,000,000	37,500,000.00	37,500,000.00	45,000,000.00	45,000,000.00	75%
Irish Potatoe Production	215,000,000	50,000,000.00	113,000,000.00	189,892,500.45	182,392,501.35	100%

Project	Approved Budget for FY 2022/23	Actual Payments Q1	Actual Payments Q2	Actual Payments Q3	Actual Payments Q4	Completion Status
Revitalization Project						
Resilience for Food & Nutrition Security Program in Horn of Africa	285,000,000	0	873,025.00	10,195,430.00	10,195,430.00	5%
Cashew Nut Revitalization Project	15,000,000	5,000,000.00	5,000,000.00	15,000,000.00	15,000,000.00	5%
Farmers Database Establishment Project - AFA	100,000,000	25,000,000.00	25,000,000.00	100,000,000.00	100,000,000.00	100%
National Agricultural Value Chain Development Project (NAVCDP) - BETA	2,100,000,000	0	0	0	1,679,818,153.00	5%
TOTAL	35,229,872,021.00	2,350,284,178.40	8,723,306,139.60	18,620,110,046.75	29,119,460,379.00	

2.4.4 PENDING BILLS

38. The State Department had pending bills amounting to KSh. 11.2 billion as shown in the following table:

Table 16: Pending Bills

Total pending bills as at 30 th June 2023		
Item	Description	Amount
Maize Flour Subsidy Programme for FY 2022/23	Maize Flour Subsidy Programme	3,023,029,817
Fertilizer Subsidy Programme for FY 2017/18	NCPB - KCB loan on fertilizer subsidy	5,035,626,731
	NCPB - Export Trading Company debt on fertilizer subsidy	1,680,864,781
	Legal Costs - Export Trading Company	29,165,498
Maize Subsidy Programme for FY 2017/18	ETC - Interest payable on maize subsidy programme	198,104,635
	NCPB - SFR costs and agency fee	712,244,568
	NCPB - SFR payment to farmers	516,673,180
TOTAL		11,195,709,210

2.4.5 RESPONSE TO COMMITTEE OBSERVATIONS ON THE STATE DEPARTMENT'S BUDGET PERFORMANCE

39. After going through the report submitted by the State Department for Crop Development on their FY 2022/23 budget performance, Members of the Committee made observations that needed to be responded to by the State Department. The Principal Secretary, Dr. Kipronoh Ronoh, PhD appeared before the Committee on Friday, 27th October 2023 and responded as follows to the Committee's observations (*annex 9*):

Difference in the approved recurrent budget as reported by the State Department from what was provided in the budget books

40. The approved budget for the State Department for FY 2022/23 was KSh. 14,189,350,038 but the actual amount received in the vote book at the end of the FY was KSh. 14,027,154,283 hence a variance of KSh. 161,980,755 which was neither loaded nor released to the State Department by the National Treasury.

Recurrent over-expenditure of KSh. 1.257 billion compared to the approved allocation of KSh. 14.189 billion and the actual expenditure of KSh. 15.447 billion

41. The National Treasury approved additional funding of KSh. 4 billion to cater for the Maize Flour Subsidy Programme under Article 223 of the Constitution pending regularisation and appropriation by the National Assembly in Supplementary Estimates No. 1 for FY 2022/23. The KSh. 4 billion

was however not regularised by the National Assembly resulting in over-expenditure in the State Department's budget.

42. The KSh. 100 million over-expenditure under the Use of Goods was part of the Maize Flour Subsidy Programme funds that were transferred to NCPB for monitoring and evaluation of the multiagency taskforce.
43. The over-expenditure of KSh. 527 million under Acquisition of Non-Financial Assets was used to pay pending bills owed to millers for the Maize Subsidy Programme for FY 2017/18.

Over-expenditure of KSh. 3.347 billion on the Agricultural Research and Development Programme following an expenditure of KSh. 9.092 billion against an approved budget of KSh. 5.745 billion.

44. The over-expenditure under the Agricultural Research and Development Programme was because of the KSh. 4 billion that was not regularised by the National Assembly in the Supplementary Estimates No. 1 for FY 2022/23.

The Food Security and Crop Diversification Project utilised 96.5% of its budgetary allocation (KSh. 255 million out of KSh. 265 million) but achieved less than 50% targets.

45. The Food Security and Crop Diversification Programme is composed of two Programmes, Food Security (other crops) and Food Security (Miraa Industry Revitalisation). At the end of FY 2022/23, Food Security (other crops) Project had expenditure commitments of KSh. 255 million. However, out of the commitments, only KSh. 164,503,204 was utilised resulting in an absorption rate of 62% due to lack of exchequer.
46. There was a directive to pay pending bills as first charge hence 50% of the KSh. 164,503,204 was used to pay pending bills. This hampered the key performance indicators.

Performance KPIs and targets for the Fertilizer Subsidy Project, Cotton Revitalisation Project and the Sugar Reforms Project were not provided.

47. 57,617 MT of fertilizer were distributed under the Fertilizer Subsidy Project, 3,762 MT of seed cotton were distributed under the Cotton Revitalisation Project and 14,251 farmers were compensated and 11 cane testing units maintained under the Sugar Reforms Project.

Performance and KPIs for the provision of fertilizer subsidy to tea farmers was not provided.

48. The KSh. 1.4 billion that was allocated for provision of fertilizer subsidy to farmers was disbursed in June 2023 which gave no room to the Kenya Tea Development Agency to implement and provide their KPIs when the Committee requested for the report.

Farmers Database Establishment Project was allocated KSh. 100 million in the FY 2022/23 but the performance and KPIs were not provided.

49. The KPIs for the Farmers Database Establishment which was implemented by AFA were not provided because the National Treasury released exchequer funds to the SAGA in the last quarter of the FY (June). Given the timespan involved in implementing the Project, the KPIs could not be provided at the close of the FY.

2.5 FIELD VISITS BY THE COMMITTEE

50. To ascertain the status of projects, the Committee conducted field visits to projects in different parts of the country. The following are the projects that the Committee visited:

2.5.1 KENYA SEED COMPANY LIMITED HEADQUARTERS

Members of the Departmental Committee on Agriculture and Livestock undertook a field visit to Kenya Seed Company Limited Headquarters on 12th April 2023. The Managing Director, Mr. Fred Oloibe briefed the Committee as follows, that:

51. Kenya Seed Company deals in sixty (60) certified seed varieties of maize, wheat, pasture, sunflower, sorghum, horticulture and vegetables and has ten (10) outlets across the country. The Company controlled over 70% of the seed market in Kenya and was mandated to carry out the following functions: research and develop certified seeds varieties; produce adequate certified seeds of various crops for farming; distribute and sell certified seeds through the outlets; and offer farmers appropriate agronomic packages to realize high yields
52. The Company had made several significant achievements such as availing 25,500 MT of seed maize in FY 2022/23, producing seeds by its subsidiaries and purchasing additional land.
53. The Company's performance for FYs 2020/21, 2021/22 and 2022/23 is highlighted in the table below:

Table 17: Kenya Seed Financial Performance for FYs 2020/21, 2021/22 and 2022/23

S/NO.	Financial Performance	FY 2020/21 (Million KSh.)	FY 2021/22 (Million KSh.)	June 2022 (Million KSh.)
1.	Revenue	5,104	5,233	5,245
2.	Cost of Sales	2,946	3,012	3,527
3.	Gross Profit	2,157	2,221	2,319
4.	Expenses	1,459	1,427	1,252
5.	Pre-Tax Profit	720	823	581
6.	Corporation Tax	253	246	174
7.	Profit after Tax	467	577	406

54. Kenya Seed Company faced the following challenges in executing its mandate: inadequate land for seed production; increase in the cost of inputs; unpredictable weather patterns; high cases of pests and diseases; stiff competition from private entities; and governance issues.
55. Members made the following observations during the field visit, that:
- The Kenya Seed Company did not have enough land to grow maize seeds and other seeds. Seed production is done on large pieces of land and the increasing population and demand for seeds further increases the amount of land required;
 - The Company was in the process of opening more branches to ensure wide access and availability of seeds across the country;

- c. Sale of counterfeit seeds had reduced considerably due to the Company's security feature that was introduced on the packaging; and
- d. The Company had adopted new and appropriate technologies to improve crop productivity in seed development.

2.5.2 AGRICULTURAL DEVELOPMENT CORPORATION FARMS IN KITALE

Members of the Committee visited the Agricultural Development Corporation, Kitale in Transnzoia County on Wednesday, 12th March 2023. The Managing Director, Mr. Mohammed Bulle informed the Committee that:

- 56. The short term and long-term strategies of the Corporation focused on productivity, sustainable financial resources, continuously improved customer satisfaction, reengineering of internal processes and strengthening institutional capacities.
- 57. The Corporation implemented the following projects for the last three years: Mechanization Programs which had budgetary allocation of KSh. 2.5 billion and was 24% complete having utilized KSh. 612 million; and bull station which had a budgetary allocation of KSh. 55 million and was complete and operational. There was however need for more funding to purchase more bulls, liquid nitrogen, trucks and vehicles for distribution of semen.
- 58. ADC raises A-i-A from farming income, renting and leasing facilities and equipment, investment income, AI services among others. The Corporation collected KSh. 1.409 billion, KSh. 1.341 billion and KSh. 1.272 billion in FYs 2021/22, 2020/21 and 2019/20 respectively.
- 59. ADC received KSh. 100 million, KSh. 85 million and KSh. 50 million in FYs 2021/22, 2020/21 and 2019/20 respectively from the government for both recurrent and development expenditure. The funds were used to purchase agricultural machinery and equipment (KSh. 199,377,739) and purchase of bulls and logistics (KSh. 30 million). Other funds received from the government were used in the construction of the Livestock Genetic Centre at a total cost of KSh 1 billion. KSh. 916, 047, 632 had been utilized hence an outstanding amount of KSh. 83,952,368; Mechanization Project whose total cost was KSh 2.5 billion. KSh. 612.5 million had been utilised hence a balance of KSh. 1.888 billion; and the Molo Potato Project which had a total funding of KSh 113,128,527.
- 60. The Corporation did not pay any dividends to the Government in the last three FYs despite having subsidiary investments in Kenya Seed Company and Chemelil Sugar Company Limited.
- 61. Mr. Bulle requested the Committee to allocate funds to the Corporation for buying more bulls for diversification of the breeds, buying trucks for distribution of semen and liquid nitrogen, hiring agents to serve farmers and installation of a hydro plant (KSh. 40 million) due to high electricity cost.
- 62. During the field visit, Members of the Committee observed that the role of ADC Livestock Genetics Centre is very critical in achieving the dairy, meat and leather value chains and should therefore be adequately financed.



2.5.3 ADUNGOSI FARMERS' COOPERATIVE IN BUSIA COUNTY

Members of the Departmental Committee on Agriculture and Livestock visited the Adungosi Farmers' Cooperative on 14th April 2023. The Chairman of the cooperative, Mr. Boniface Ayugi informed the Committee that:

63. The Cooperative Society was formed and registered in 2015 with the aim of cushioning members against the harsh economic times by providing a source of livelihood. The Cooperative had a membership of twenty (20) which has grown to about sixty-five (65). It operates in three wards in Teso South Constituency (Angorom, Chakol South and Chakol North).
64. The Cooperative Society had made several achievements including: acquisition of a three thousand (3000) litre milk cooler, a standby generator and solar panel from the State Department for Livestock Development; received KSh. 3.6 million from the USAID for the purchase of a milk pasteurizer, milk dispenser, milk cans, milk testing equipment, training of farmers and payment of salaries to the project staff from March 2021 to April 2022; and received machines such as sorghum thresher and shredder and inputs for sorghum plantations from the Kenya Climate Smart Agriculture Project (KCSAP) funded by the World Bank.
65. The Cooperative Society was collecting one hundred and fifty (150) litres of milk on a daily basis from farmers. There was a total of one thousand, eight hundred and twenty (1,820) cows in the three (3) wards and if each cow was to produce five (5) litres of milk a day, the Society would collect around nine thousand, one hundred (9,100) litres of milk daily.
66. The Cooperative Society faced several challenges that hindered its development among them: limited financial resources to acquire land to construct an office and a milk plant; limited capacity in resource mobilization; and lack of support from partners in development.



2.5.4 MARANI VEGETABLE AGGREGATION CENTRE

67. Members of the Committee undertook a field visit to the Marani Vegetable Aggregation Centre in Kisii County on 9th May 2023.
68. The Project was initiated by the Kitutu Chache North Cooperative Society who wrote a proposal to the National Agricultural & Rural Inclusivity Project (NARIP) requesting for funding amounting to KSh. 44 million.
69. The Kitutu Chache North Cooperative Society had a membership of four hundred (400) persons and recruitment was ongoing. Once complete, the Aggregation Centre was expected to serve fourteen thousand (14,000) farmers in four (4) Wards in Kitutu Chache North Constituency.
70. The Vegetable Aggregation Centre was at 90 percent completion and was expected to be completed by end of May 2023 and begin operations in either June or July 2023.
71. Farmers will deliver their vegetables to the Aggregation Centre where they will be preserved mainly through drying for transportation to other parts of the country and for export. The Aggregation Centre was expected to increase fortunes of vegetable farmers in the Constituency because it will reduce loss of the vegetables through preservation and source for markets for the vegetables both locally and internationally.



2.5.6 CANE TESTING UNIT AT KWALE INTERNATIONAL SUGAR COMPANY LIMITED

72. Members of the Departmental Committee on Agriculture and Livestock toured the CTU at Kwale International Sugar Company Limited on 16th June 2023.
73. The CTU was installed by AFA and it was being run by AFA who were in the process of making regulations for the CTUs to be operated by a private independent entity.
74. The CTU was still in the pilot phase and was not operational because farmers had been planting low yielding cane and would therefore be disadvantaged if paid on sucrose content. AFA was working with the Sugar Research Directorate to come up with improved cane varieties with high sucrose content.
75. The CTUs determine the value of sugarcane through cane quality analysis. Sampling will be done for each farm that delivers to the factory in a given day in order to determine prices of sugarcane for the farmers. The sugarcane pricing formula will be agreed on by the farmers and millers.



2.5.7 KENYA MEAT COMMISSION IN KIBARANI

The Committee toured the Kenya Meat Commission, Kibarani Branch in Mombasa County on 17th June 2023. The Managing Commissioner, Brigadier James Githaiga informed the Committee that:

76. The KMC Kibarani Branch had a production capacity of three hundred (300) large stock and one thousand five hundred (1,500) small stock per day. KMC has the following value addition capacity: sausages, 2.5 tonnes per hour; burgers, 2.5 tonnes per hour; meat balls, 2.5 tonnes per hour; cubes, 0.8 tonnes per hour; minced meat, 2.5 tonnes per hour; ham, 1.5 tonnes per hour; macon, 1.5 tonnes per hour; and smokies, 2.5 tonnes per hour.
77. KMC had realised the following achievements over the years: improved factory infrastructure and machinery; enhanced production capacity from 1.4% to 26%; expanded sales from an annual average of KSh. 180 million to KSh. 2.8 billion in FY 2022/23; improved income to livestock farmers from KSh. 366 million in FY 2020/21 to KSh. 2.2 billion in FY 2021/22; improved financial status of the Commission; payment of old debts; improvement of staff welfare; creation of employment from 235 in FY 2020/21 to 430 in FY 2022/23; and improved corporate image.
78. The short-term strategies for the Commission were to: build the capacity for value addition; reduce utility costs through innovative solutions like using solar power to cut down on electricity costs and water recycling; expand franchise shops to grow revenues; and venture into the export market.
79. The long-term strategies for the Commission were to: utilise KMC lands and the sheep and goat ranches for livestock rearing through PPPs; construct a new slaughterhouse in the Mackinnon Ranch; and adopt green energy (biogas and solar).

80. KMC implemented the following Projects in FY 2022/23:

Table 18: KMC Project Implementation for FY 2022/23

S/NO.	DESCRIPTION	AMOUNT (KSH.)
Rehabilitation of Kibarani Factory		
1.	Kibarani Factory Repairs	62,001,431.00
2.	Ammonia Mycom Compressor for Chillers (Contracted)	14,400,000.00
3.	Installation of New Evaporative Condenser	8,000,000.00
4.	Installation of 2 x Water Pumps	2,182,656.00
5.	Pipping & Lagging of the Refrigeration System	4,500,000.00
6.	Repair of Old Sabro Compressor	2,498,500.00
7.	Installation of Network Infrastructure for ICT	8,000,000.00
8.	Construction of a Bio-digester	13,461,178.00
9.	Procurement of 7 Weighing Scales	1,174,860.00
10.	Steam System and Hot Water Steel Tank	9,230,000.00
11.	Procurement of Production Machines	7,520,769.00
12.	Rehabilitation of the Tank House (Rendering System)	18,900,000.00
13.	Rehabilitation of the Incinerator	2,237,200.00
14.	Application of Epoxy	5,200,000.00
Sub-Total		159,306,594.00
Athi River Factory		
15.	Supply and Installation of Value Addition Machines (Complete)	87,564,275.00
16.	Rehabilitation of Cold Rooms (ongoing)	14,500,000.00
Sub-Total		102,064,275.00
GRAND TOTAL		261,370,869.00

81. The Commission had the following revenue streams: sale of meat and meat products; Government budgetary allocation; and rental income from leased land (Mackinnon Ranch and Shimanzi Depot) and rental houses. The Commission had put plans in place to grow its revenue from its core business by 20% annually to reduce reliance on the exchequer.

82. The Commission received the following revenues and exchequer issues in FYs 2019/20, 2020/21, 2021/22 and 2022/23:

Table 19: KMC Revenues and Exchequer Issues

ITEM	FY/2019/20	FY 2020/21	FY 2021/22	FY 2022/23 (A-i-A up to Q3)
A-i-A	174,393,490.00	460,121,344.00	2,861,048,659.00	2,476,049,514.97
Exchequer (O & M)	97,000,000.00	1,061,358,057.00	470,000,000.00	217,500,000.00
Special Programmes (Offtake Insitu)	-	-	500,000,000.00	350,000,000.00
Special Programmes (Commercial Offtake)	-	-	450,000	
TOTAL	461,393,490.00	1,561,479,401.00	4,361,048,659.00	3,248,549,514.97

83. The Commission was faced with the following challenges in the FY 2022/23: aged machinery and equipment; drought; cashflow challenges due to delayed payment by Government agencies for meat supplied; poor implementation of livestock policies along the value chain; low productivity/yield; untapped export market due to limitation in international certification; and land disputes.
84. During the tour, Members observed that all development projects indicated in table 18 above had been implemented. There was prudent use of resources.



CHAPTER THREE

3 COMMITTEE OBSERVATIONS

The Committee made the following observations on the budget implementation for the State Department for Livestock Development and the State Department for Crop Development, that:

3.1 GENERAL OBSERVATIONS

1. Both State Departments had various projects that they were implementing. The projects were at different stages of completion. Completion of most of the projects had not been possible because of late exchequer releases and lack of funds.
2. A key policy target under the Comprehensive Agricultural Development Program (CAADP) that was endorsed by the African Union in 2003 in Maputo, Mozambique and consolidated as the Maputo Declaration provides that governments should invest at least 10% of their national budgets in Agriculture. In the Approved Budget for FY 2022/23, the Agriculture, Rural and Urban Development Sector had an allocation of 4.43% following an expenditure of KSh. 92.66 billion against a ministerial expenditure of KSh. 2.09 billion.

3.2 STATE DEPARTMENT FOR LIVESTOCK DEVELOPMENT

3. The State Department had an over expenditure on two projects: the Bee Health Project - Vector Regulatory and Zoological Services; and the Bee Bulking Project - Apiculture and Emerging Livestock Services. The over expenditure occurred as a result of budget revisions through the Supplementary Estimates No. II for FY 2022/23 which reduced the allocations below what had already been utilized.
4. The State Department had developed various policies and Bills but was yet to submit them to Parliament for review and approval. The policies and Bills are very essential in addressing the various challenges that the sector faces.
5. The State Department had pending bills amounting to KSh. 212.1 million at the end of FY 2022/23 which occurred as a result of budget reductions and non-issuance of the exchequer.
6. The State Department had a historical pending bill of KSh. 4.025 billion which was a court award to Halal Meat Products Limited (KSh. 4 billion) and Expert Associate Architects (KSh. 25 million).

3.3 STATE DEPARTMENT FOR CROP DEVELOPMENT

7. During the Financial Year, AFA had an allocation of KSh. 100 million for Farmer Registration. The allocation had not been utilized at the close of the Financial Year. The Committee reallocated the money to cater for other pressing needs in the sector during consideration of Supplementary Estimates No. I for FY 2023/24.
8. The State Department had an over-expenditure of KSh. 3.347 billion (58%) on the Agricultural Research & Development programme following an expenditure of KSh. 9.092 million against an approved budget of KSh. 5.745 billion. The over-expenditure resulted from the non-approval by the National Assembly of the Article 223 expenditure on Maize Flour Subsidy Programme for FY 2022/23.

9. On the implementation of the Food Security and Crop Diversification Project, the State Department utilised 96.5% of the allocation (KSh. 255 million out of KSh. 265 million) but achieved less than 50% in targets. This is because the State Department utilised KSh. 164.5 million to pay pending bills.
10. There were pending bills on account of the Maize Subsidy Programme for FY 2017/18 (KSh. 1,427,022,383, the Fertilizer Subsidy Programme for FY 2017/18 (KSh. 6,745,657,010) and the Maize Flour Subsidy Programme for FY 2022/23 (KSh. 3,023,029,817).
11. The Miraa Industry Revitalisation Project had targeted to construct four miraa market sheds but this was not achieved because the allocation was used to settle pending bills for FY 2021/22.
12. The State Department was able to procure and distribute subsidised fertilizers amounting to KSh. 7.293 billion in FY 2022/23. There was a challenge in achieving last mile distribution (distributing near the farmer) because some farmers still had to travel several kilometres to access the fertilizers.

CHAPTER FOUR

4 COMMITTEE RECOMMENDATIONS

The Committee made the following recommendations from the above observations:

4.1 GENERAL RECOMMENDATIONS

1. During budget revisions, the National Treasury should ensure that proposed reductions are not below the actual expenditure to avoid cases of pending bills.
2. The Cabinet Secretary, Ministry of Agriculture and Livestock Development should immediately commence discussions with the Cabinet Secretary for the National Treasury and Economic Planning and the Cabinet at large in order to ensure that the policy target under the Comprehensive African Agricultural Development Program (CAADP) in the Maputo Declaration requiring governments to invest at least 10% of their national budgets in Agriculture is adhered to. A well-funded agriculture sector is capable of increasing the country's GDP to great levels as a result of increased revenues from the sector through export of agricultural products and creation of employment.
3. The Ministry of Agriculture and Livestock Development should ensure compliance to the National Treasury Circular on prioritization of payment of pending bills and the requirement that pending bills should form the first charge of the budget.

4.2 STATE DEPARTMENT FOR LIVESTOCK DEVELOPMENT

4. The State Department should consult with the National Treasury on the way forward of settling the historical pending bill of KSh. 4.025 billion with a view of ensuring it is settled within the next three Financial Years starting with FY 2024/25.
5. The State Department should submit the draft Policies (the Livestock Policy and the Veterinary Policy) and Bills (particularly the Livestock Bill) to Parliament for consideration and approval within three months of adoption of this report.

4.3 STATE DEPARTMENT FOR CROP DEVELOPMENT

6. The Principal Secretary, State Department for Crop Development should prepare and submit a policy on implementation of subsidy programmes by the State Department to the National Assembly within six months of adoption of this report. This will ensure that subsidy programmes achieve the intended objectives and for accountability.
4. The State Department should take appropriate measures including registering or establishing additional warehouses where there are no NCPB stores to ensure easy access and availability of subsidized agricultural inputs across the country and near the farmers.

SIGNED.......... DATE 22/2/2024
HON. (DR.) JOHN KANYUITHIA MUTUNGA, PhD, MP
CHAIRPERSON
DEPARTMENTAL COMMITTEE ON AGRICULTURE AND LIVESTOCK