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REPUBLIC OF KENYA

THE NATIONAL ASSEMBLY
THIRTEENTH PARLIAMENT – FOURTH SESSION – 2025
DIRECTORATE OF DEPARTMENTAL COMMITTEES


DEPARTMENTAL COMMITTEE ON DEFENCE, INTELLIGENCE AND FOREIGN
RELATIONS

REPORT ON BUDGET IMPLEMENTATION OVERSIGHT FOR THE FINANCIAL
YEAR 2023/24 FOR THE FOLLOWING ENTITIES:

- a) VOTE 1053: STATE DEPARTMENT FOR FOREIGN AFFAIRS
- b) VOTE 1054: STATE DEPARTMENT FOR DIASPORA AFFAIRS
- c) VOTE 1221: STATE DEPARTMENT FOR EAST AFRICAN COMMUNITY

CLERK'S CHAMBERS
DIRECTORATE OF DEPARTMENTAL COMMITTEES
PARLIAMENT BUILDINGS
NAIROBI

MARCH 2025

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 01 APR 2025	
DAY: Tuesday	
TABLED BY:	Vice-Chairperson Hon. Abdullahi Bashir, MP
CLERK-AT-THE-TABLE:	Cyren de chabot



CHAIRPERSON'S FOREWORD

One of the roles of the National Assembly, as provided under Article 95 (4) (c) of the Constitution, is oversight over national revenue and its expenditure. It is on this basis that budget implementation oversight is a critical facet of the House's oversight mandate. Further, the National Assembly Standing Orders 216(5) (ba) and 245A focuses on budget implementation monitoring. Specifically, S.O 245A (2) requires each Departmental Committee to, pursuant to S.O 216(5) (ba), do the following:

- a) review the quarterly reports submitted by CS Finance pursuant to the PFM Act;
- b) review reports submitted by the Controller of Budget (CoB) 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.

In a bid to operationalize the mandate, the Committee requested information from MDAs regarding the 2023/2024 FY budget for implementation monitoring, including financial performance, non-financial performance, quarterly project information, re-allocations, pending payments, and liabilities incurred, through a letter dated 3rd August 2023. Having analyzed the information requested from the MDAs, the Committee made the following recommendations:

A. State Department for Foreign Affairs (SDFA)

- 1) To properly manage the problem of high rental and leasing costs for Missions abroad, the State Department for Foreign Affairs should submit to the Committee, within 30 days from the date of adoption of this report by the House, a detailed asset acquisition plan (rent-to-own scheme) to ensure that in the long run it owns the properties.
- 2) For all the Missions abroad, the State Department for Foreign Affairs should submit a report to the Committee, within 30 days from the date of adoption of this report by the House, documenting all the properties owned (the report should indicate the following: *date of purchase, location, current estimated value of the property, usage of the property, i.e., office/residential, and condition of the property*).

B. State Department for Diaspora Affairs (SDDA)

- 3) The State Department for Diaspora Affairs should submit to the Committee, within 30 days from the date of adoption of this report by the House, a report showing the statistics of the Kenyan diaspora in the various countries and, for those not registered, the plans they have put in place to ensure they are registered for effective service delivery and assistance in case of an emergency requiring evacuation.

C. State Department for East African Community (SDEAC)

- 4) The State Department for East African Community to submit to the Committee, within 30 days from the date of adoption of this report by the House, detailing how inadequate funding has inhibited it from fully discharging its mandate, and how its budgetary allocation compares with the equivalent Ministries/State Department of the other EAC Partner States, and how EAC has benefited Kenya viz-vis its contribution to EAC in the last 3 financial years.

The Hon. Nelson Koech, M.P.

Chairperson, Departmental Committee on Defence, Intelligence and Foreign Relations

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LIST OF ABBREVIATIONS AND ACRONYMS

A-I-A	Appropriations- in- Aid
ANC	Amani National Congress
ATMIS	African Union Transition Mission in Somalia
AU	African Union
BIO	Budget Implementation Oversight
CoB	Controller of Budget
DC	Departmental Committee
DRC	Democratic Republic of Congo
EAC	East African Community
FY	Financial Year
ICGLR	International Conference on the Great Lakes Region
IFMIS	Integrated Financial Management Information System
IGAD	Intergovernmental Authority on Development
MDAs	Ministries, Departments and Agencies
MFDA	Ministry of Foreign and Diaspora Affairs
N.A	National Assembly
ODM	Orange Democratic Party
PBO	Parliamentary Budget Office
PSOs	Peace Support Operations
QEBR	Quarterly Economic and Budget Review
S.O	Standing Orders
SAGAs	Semi-Autonomous Government Agencies
SDDA	State Department for Diaspora Affairs
SDEAC	State Department for East African Community
SDFA	State Department for Foreign Affairs
UDA	United Democratic Alliance
UDM	United Democratic Movement
UNEP	United National Environmental Programme
UNGA	United Nations General Assembly
UN-HABITAT	United Nations Human Settlements Programme
UNON	United Nations Office Nairobi
WDM-K	Wiper Democratic Movement-Kenya

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CHAPTER ONE

1.0 PREFACE

1.1 Mandate of the Committee

1. The Departmental Committee on Defence, Intelligence and Foreign Relations is one of the twenty (20) Departmental Committees of the National Assembly established under *Standing Order 216* whose mandates involve to, among others, *monitor and report on the implementation of the national budget in respect of their mandate.*
2. The Second Schedule to the National Assembly Standing Orders assigns the Departmental Committee on Defence, Intelligence and Foreign Relations the mandate to consider matters in related to *Defence, intelligence, foreign relations, diplomatic and consular services, international boundaries including territorial waters, international relations, and veteran affairs.*
3. In executing its mandate, the Committee is mandated to oversee and report on the expenditure and non-financial performance of the budget of the national government for the following State Organs under its purview:
 - a) Vote 1041: Ministry of Defence (MoD)
 - b) Vote 1053: State Department for Foreign Affairs (SDFA)
 - c) Vote 1054: State Department for Diaspora Affairs (SDDA)
 - d) Vote 1221: State Department for East African Community (SDEAC)
 - e) Vote 1281: National Intelligence Service (NIS)

I.2 Committee Membership

4. The Departmental Committee on Defence, Intelligence and Foreign Relations was constituted by the House on 27th October, 2022 and comprises the following Members:

Chairperson
Hon. Koech Nelson, M.P.
Belgut Constituency
UDA Party

Vice-Chairperson
Hon. Maj. (Rtd.) Sheikh Abdullahi Bashir, M.P.
Mandera North Constituency
UDM Party

Members

Hon. Wanjira Martha Wangari, M.P.
Gilgil Constituency
UDA Party

Hon. Joshua Kandie, MP
Baringo Central Constituency
UDA Party

Hon. Hassan Abdi Yusuf, MP
Kamkunji Constituency
Jubilee Party

Hon. Kwenya Thuku Zachary, MP
Kinangop Constituency
Jubilee Party

Hon. Odhiambo Millie G. Akoth, MP
Suba North Constituency
ODM Party

Hon. Logova Sloya Clement, MP
Sabatia Constituency
UDA Party

Hon. Kanchory Elijah Memusi, MP
Kajiado Central Constituency
ODM Party

Hon. Ikana Fredrick Lusuli, MP
Shinyalu Constituency
ANC Party

Hon. (Dr.) Kasalu Irene Muthoni, MP
Kitui County
WDM-K

Hon. Mohamed A. Hussein, MP
Lagdera Constituency
ODM Party

Hon. Kirima Moses Nguchine, MP
Imenti Central Constituency
UDA Party

Hon. Teresia Wanjiru Mwangi, MP
Nominated Member
UDA Party

Hon. Luyai Caleb Amisi, MP
Saboti Constituency
ODM Party

1.3 Committee Secretariat

5. The Committee is facilitated by the following staff:

Mr. Dennis M. Ogechi

Lead Clerk/Head of Secretariat

Mr. Lenny Muchangi
Legal Counsel II

Mr. Bernard Njeru

Clerk Assistant III

Mr. Salat Ali
Principal Serjeant-at-Arms

Mr. Machuki E. Mwebi
Fiscal Analyst III

Ms. Noelle Chelagat
Media Relations Officer I

Mr. John Ng'ang'a
Audio Recording Officer

Mr. Daniel Ominde
Research Officer III

Ms. Faith Malala
Public Communications Officer III

1.4 Overview on Budget Implementation Monitoring

6. One of the roles of the National Assembly (N.A) as provided under Article 95 (4) (c) of CoK 2010 regards oversight over national revenue and its expenditure. It is on this basis that budget implementation oversight is key for the N.A to execute its oversight mandate. Further, N.A Standing Orders (S.O) 216(5) (ba)¹ and S.O 245A focuses on budget implementation monitoring. Specifically, (S.O) 245A (2) requires that each Departmental Committee (DC) shall pursuant to S.O 216(5) (ba) do the following regarding budget implementation oversight:
- 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 (CoB) 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.
7. Budget Implementation Oversight (BIO) relies heavily on the scrutiny of the Approved Annual & Supplementary Estimates, Controller of Budget (COB) reports, Committee Reports, PBO Research, MDAs submissions, Quarterly Economic and Budget Review (QEBR) reports and other relevant publications.

¹ Requires the DCs to monitor and report on the national budget's implementation in relation to its mandate on a quarterly basis.

CHAPTER TWO

2.0 SUBMISSIONS BY MINISTRIES, DEPARTMENTS AND AGENCIES

8. The section will focus on the full-year performance for 2023/24 for 3 out of 5 MDAs under the Committee's purview.

2.1 State Department for Foreign Affairs

2.1.1 Financial Performance

9. The Department implements four programmes with nine sub-programmes whose expenditure performance in FY 2023/24 is shown in Table I.

Table I: SDFA FY 2023/24 Financial Performance FY 2023/24 (KES. Millions)

Programme	Approved	Supp. I	Supp. II (PBO)	Supp. II (SDFA)	Expenditure	Utilization Rate
GAPSS	3,125.80	3,327.44	4,246.14	4,246.14	3,473.65	81.81%
Current Expenditure	2,699.12	3,000.76	3,919.46	3,919.46	3,146.97	80.29%
Administration services	2,699.12	3,000.76	3,919.46	3,919.46	3,146.97	80.29%
Capital Expenditure	426.68	326.68	326.68	326.68	326.68	100.00%
Administration services	426.68	326.68	326.68	326.68	326.68	100.00%
Foreign Relation and Diplomacy	16,424.71	17,060.21	18,824.34	18,824.34	18,774.46	99.74%
Current Expenditure	14,980.39	16,215.89	17,980.02	17,980.02	17,930.14	99.72%
Management of Kenya missions abroad	13,961.67	14,711.64	15,475.77	15,216.93	15,194.68	98.18%
Management of International Treaties, Agreements and Conventions	32.81	31.18	31.18	31.18	30.87	99.00%
Coordination of State Protocol	769.73	1,265.01	2,265.01	2,731.91	2,704.59	119.41%
International Relations and Cooperation	216.18	208.05	208.05	-	-	0.00%
Capital Expenditure	1,444.32	844.32	844.32	844.32	844.32	100.00%
Infrastructure Development for Missions	1,194.32	694.32	694.32	694.32	694.32	100.00%
International Relations and Cooperation	250.00	150.00	150.00	150.00	150.00	100.00%
Economic Cooperation and Commercial Diplomacy	51.82	49.86	49.86	49.85	49.85	99.97%
Current Expenditure	51.82	49.86	49.86	49.85	49.85	99.97%
Economic and Commercial Cooperation	51.82	49.86	49.86	49.85	49.85	99.97%
Foreign Policy Research, Capacity Dev and Technical Cooperation	114.84	114.30	114.30	114.29	114.29	99.99%
Current Expenditure	114.84	114.30	114.30	114.29	114.29	99.99%
Foreign Policy Research and Analysis	114.84	114.30	114.30	114.29	114.29	99.99%
Total Current Expenditure	17,846.17	19,380.81	22,063.64	22,063.61	21,241.25	96.27%
Total Capital Expenditure	1,871.00	1,171.00	1,171.00	1,171.00	1,171.00	100.00%
Grand Total	19,717.17	20,551.81	23,234.64	23,234.61	22,412.24	96.46%

Source: SDFA Submissions Of Budget Performance Information for The FY 2023/24

10. From Table 1, cumulatively, the SDFA budget was initially increased by **KES.834.64 million** in Supplementary Estimates I and then by **KES.2,682.83 million** in Supplementary Estimates II, resulting in a total increase of **KES.3,517.47 million** i.e., from the initial approved amount of **KES.19,717.17 million** to the final revised amount of **KES.23,234.64 million**. It is important to note that the increase of **KES.3,517.47 million** comprises a current increase of **KES.4,217.47 million** and a **KES.700 million** reduction in capital spending.
11. Cumulatively, the SDFA has posted a total spending of **KES.22,412.24 million** in FY 2023/24 which is equivalent to **94.46%** (current-96.27% and capital-100%)
12. The Foreign Relation and Diplomacy programme that accounts for the largest share of allocation accounted for the largest share of spending among the four programmes and posted an absorption rate of **99.74%**. GAPSS programme posted an absorption rate of **81.81%**, Foreign Policy Research and Capacity Development programme posted an absorption rate of **99.99%** and Economic Cooperation and Commercial Diplomacy programme recorded an absorption rate of **99.97%**.
13. From Table 1, it is important to note that the coordination of state protocol sub-programme posted an absorption rate of **119.41%** while the international relations and cooperation sub-programme had a **0%** absorption rate. This is due to the reallocation of **KES.466.90 million** to the coordination of state protocol sub-programme, comprising of **KES.258.85 million** from the management of Kenya missions abroad sub-programme and **KES.208.05** from the international relations and cooperation sub-programme.
14. It is important to note that such re-allocations are provided for in Section 43(2) and 43(3) of the PFM Act, 2012 and Section 48 of the PFM (NG) Regulations, 2015. Such reallocations should be approved by the Accounting Officer and the same forwarded to the National Treasury, that shall consolidate them in the next revised budget for submission to and approval by the National Assembly.
15. From the submissions made by SDFA, the justification for the re-allocations was not provided, approval by the Accounting Officer and if the same was forwarded to the National Treasury.
16. The expenditure performance based on economic classification for the SDFA for FY 2023/24 is provided in Table 2.

Table 2: SDFA FY 2023/24 Financial Performance (KES. Millions) by Economic Classification

Economic Classification	Approved	Supp. I	Supp. II	Expenditure	Absorption Rate
Current Expenditure	17,846.17	19,380.81	22,063.64	21,241.25	96.27%
Compensation to Employees	9,300.53	10,346.65	11,017.46	11,016.77	99.99%
Use of Goods and Services	7,807.80	8,296.33	10,308.83	9,487.88	92.04%
Grants	737.84	737.84	737.34	736.60	99.90%
Capital Expenditure	1,871.00	1,171.00	1,171.00	1,170.89	99.99%
Grants	250.00	150.00	150.00	150.00	100.00%
Non-Financial Assets	1,621.00	1,021.00	1,021.00	1,020.89	99.99%
Total Expenditure	19,717.17	20,551.81	23,234.64	22,412.13	96.46%

Source: SDFA Submissions Of Budget Performance Information for The FY 2023/24

17. From Table 2, of the total current increase in the budget of the SDFA of **KES.4,217.47 million**, **KES.1,716.93 million** relates to compensation to employees and **KES.2,501.03 million** relates to use of goods and services. The current grants posted a **KES.0.5 million** reduction.
18. The **KES.700 million** cut in capital expenditure relates to **KES.100 million** cut in grants and **KES.600 million** reduction in non-financial assets.

19. Development grants posted the highest absorption rate of **100%**, followed by capital spending on non-financial assets and compensation to employees with an absorption rate of **99.99%**, then current grants with absorption rate of **99.90%** and finally use of goods and services with an absorption rate of **92.04%**.

2.1.2 Revenue Receipt Analysis

20. In FY 2023/24, the SDFA realized **87.28%** out of the projected receipts of **KES.23,234.69 million** for the year ending June 2024 comprising **87.19%** exchequer receipts and **96.56%** AiA as shown in Table 3.

Table 3: SDFA FY 2023/24 Budget Receipt Performance (KES. Millions)

Description	Budget/Projected Revenues	Actual Revenue Receipts	Funding Rate(%)
Exchequer Receipts	23,006.18	20,058.63	87.19%
Current	21,835.18	19,023.22	87.12%
Capital	1,171.00	1,035.41	88.42%
Appropriations-in-Aid	228.51	220.64	96.56%
Total	23,234.69	20,279.26	87.28%

Source: SDFA Submissions Of Budget Performance Information for The FY 2023/24

21. Comparing the receipts in Table 3 to actual expenditure as indicated in Tables 1 & 2, shows that the total expenditure for SDFA is **KES.22,412.13 million** against the actual receipt of **KES.20,279.29 million** resulting to underfunding of **KES.2,132.87 million**. The underfunding, which is mostly occasioned by delays in the exchequer does result in the issue of pending bills at the end of FY 2023/24.

2.1.3 Project Performance

22. In FY 2023/24, the State Department implemented fourteen (14) projects with a proposed allocation of **KES.1,170.89 million** which was entirely absorbed. The details of the project are shown in Table 4.

Table 4: SDFA FY 2023/24 Project Information (KES. Millions)

Project Name	Project Duration	Budget
Purchase of a chancery in London	Jan 21-Jun 24	450.00
Construction on Non-residential Building- Ministry Headquarters	Jan 21 - Jun 24	176.62
Construction of an office block and other works in Mogadishu.	July 15 - Dec 24	29.20
Renovation of government owned properties in Washington DC	May-17 - June 2	30.00
Upgrading and renovations of the ambassador's residence in London.	May 17 - Jun 24	30.00
Renovation of Government owned properties in Kinshasa	Jul 19 - Jun 26	20.00
Renovation and redevelopment of government owned properties in Addis Ababa.	Jul 19 - Jun 25	20.00
Renovation of Government properties in New York	Jul 17 -Jun 25	50.00
Renovation of government owned properties in Lusaka	Jul 19 -Jun 25	20.00
Renovation of ambassador's residence in Rome	Nov 15 - Jun 23	25.00
Renovation of GoK properties in Dar es Salaam and fencing of the land allocated in Dodoma	Nov 16 - Jun 25	20.12
Kenya International Technical Cooperation Facility	Continuous	150.00
Refurbishment of Headquarters Building	Mar 17 - Sept 26	49.98
ICT infrastructure in the Ministry and Kenya Mission abroad	Jul 22 - Jun 25	99.97
Total		1,170.89

Note: The source of funding for the projects is GoK

Source: SDFA Submissions Of Budget Performance Information for The FY 2023/24

23. The detailed project compendium is provided in Annex I.

2.1.4 Non-Financial Performance

24. During the FY 2023/24, the Department posted the following achievements:-

- (i) Deployed IFMIS installation in 25 Kenya missions.
- (ii) Opened and operationalized Kenya Mission to Rabat, Morocco; while operationalization of Kenya Missions Jeddah, Saudi Arabia and Abidjan, Côte d'Ivoire ongoing (Ambassadors appointed and Officers deployed).
- (iii) Lobbied and secured 12 country candidatures (5-UNWTO, 4-UNESCO, 1- IMO, 1- Committee on Social Development, and 1- UN Peacebuilding Commission) and 5 individual candidature positions.
- (iv) Coordinated and facilitated 10 inbound and 44 outbound State/Official visits.

25. A detailed breakdown of the non-financial performance is shown in Annex II.

2.1.5 Issues of Concern

26. As of 30th June 2024, the SDFA had a pending bill balance of **KES.2,122.98 million** comprising of historical bills of FY 2022/23 amounting to **KES.415.69 million** and new bills of FY 2023/24 totalling **KES.1,707.29 million**. Pending bills were attributed largely to: -

- (i) Non-issuance of exchequer,
- (ii) Inadequate budget for state visit and events,
- (iii) Hosting international conference without a budget,
- (iv) Inadequate budget for new missions, and
- (v) Foreign exchange losses.

27. From the submissions made by SDFA, the Department had made some sub-programmes reallocations that lacked justification, approval by the Accounting Officer and if the same was forwarded to the National Treasury.

2.2 State Department for Diaspora Affairs

2.2.1 Financial Performance

28. The Department implements only one programme, i.e., Management of Diaspora and Consular Affairs with 4 sub-programmes whose budget changes in FY 2023/24 is shown in Table 5.

Table 5: SDDA Budget Changes in FY 2023/24 (KES. Millions)

Sub-Program	Approved (a)	Supp. I (b)	Initial Changes (b-a)	Supp. II (c)	Final Changes (c- b)
Diaspora Economic, Commercial & Cultural Affairs	176.85	142.92	(33.93)	135.07	(7.84)
Management of Consular Services	66.99	60.08	(6.91)	58.54	(1.54)
Diaspora Interest Abroad	24.60	21.92	(2.67)	21.42	(0.50)
General Administration, Planning & Support Services (GAPSS)	1,045.57	1,090.79	45.22	972.68	(118.12)
Total	1,314.00	1,315.71	1.71	1,187.71	(128.00)

Source: SDDA Submissions Of Budget Performance Information for The FY 2023/24

29. From Table 5, in Supplementary Estimates I the SDDA budget was increased by **KES.1.71 million** while in Supplementary Estimates II it was reduced by **KES.128.00 million** resulting in

a total cumulative reduction of **KES.126.29 million** from the originally approved amount of **KES.1,314.00 million**.

30. The expenditure performance based on economic classification for the SDDA for FY 2023/24 is provided in Table 6.

Table 6: SDDA FY 2023/24 Financial Performance (KES. Millions) by Economic Classification

Economic Classification	Approved	Supp. I	Supp. II	Expenditure	Balance	Absorption Rate
Compensation of Employees	300.00	300.00	172.00	97.27	(74.73)	56.55%
Use of Goods and Services	828.05	829.76	783.36	772.40	(10.96)	98.60%
Acquisition of Non-Financial Assets	185.95	185.95	232.35	221.45	(10.90)	95.31%
Total	1,314.00	1,315.71	1,187.71	1,091.12	(96.59)	91.87%

Source: SDDA Submissions Of Budget Performance Information for The FY 2023/24

31. From Table 6, compensation to employees posted the lowest absorption rate of **56.55%**. Use of goods and services posted an absorption rate of **98.60%** while acquisition of non-financial assets absorption rate is **95.31%**. This gives a cumulative absorption rate of **91.87%** resulting in underspending of **KES.96.59 million**. The underspending was occasioned by the following:

-

- (i) Late activation of the IFMIS system in respect to the F.Y 2023/24 i.e., mid-September 2023.
- (ii) Administrative and transition challenges that affected posting of officers to selected missions abroad.
- (iii) Delays in approval and uploading of the 2023/24 budget (Work Plans) in the IFMIS System as well as other systemic challenges such as definition of the e-procurement end users in the IFMIS system.
- (iv) Delayed submission of invoices from suppliers and merchants in respect to goods and services provided
- (v) Delay in release of exchequer (liquidity).

2.2.2 Revenue Receipt Analysis

32. In FY 2023/24, out of the total revised budget of **KES.1,187.71 million** the SDDA received **KES.997.20 million** as exchequer from the National Treasury, this translates to **83.96%** funding rate. The underfunding, which is mostly caused by delays in exchequer releases, does lead to an accumulation of pending bills by the end of the financial year.

2.2.3 Non-Financial Performance

33. In FY 2023/24, the Department posted the following achievements: -

- (i) Hosted the first ever Diaspora Investment Conference from 13th to 15th December at the Kenyatta International Convention Centre (KICC) and attended by over **two thousand, eight hundred (2,800)** participants virtually and physically.
- (ii) Organized Strategic Diaspora engagements during State Visits to Belgium, Germany, United Kingdom, Canada, United States of America, Mozambique, Rwanda, Ireland, Botswana, Democratic Republic of Congo and Ethiopia.
- (iii) Repatriated one **hundred and eighty-seven (187)** distressed Kenyans from various countries including Thailand, Laos, Lebanon, Saudi Arabia, Turkey, France and Israel.

- (iv) Repatriated fifty-six (56) mortal remains of deceased diasporas from various countries including Mexico, Zanzibar, Qatar, Australia, United Arab Emirates and Spain.
 - (v) Conducted consular visitations to Kenyans incarcerated in Hong Kong, Thailand, Saudi Arabia and Bahrain.
 - (vi) Issued passports, IDs, birth certificates, marriage certificates and authentication of official documents to **13,305 Kenyans** in various countries abroad through the Mobile Consular Services (MCS) including Saudi Arabia, Oman, Malaysia, Japan, South Korea, Netherlands, Spain, Italy, Sweden, Mozambique, South Africa, Uganda, Ethiopia, Egypt, Nigeria, Senegal, United States and Canada.
 - (vii) Digitalized and on boarded nine (9) citizen centred services on the e-Citizen platform including counselling and distress reporting.
 - (viii) Launched the Dhow CSD, an online investment platform targeting Diaspora investments in September 2023, in conjunction with the Central Bank of Kenya (CBK).
34. A detailed breakdown of the non-financial performance is shown in Annex III.

2.2.4 Issues of Concern

35. As of 30th June 2024, the SDDA had a pending bill balance of **KES.177.10 million**. The pending bills have been subjected to pending bills verification by the Internal Auditor to enable payment.
36. Some of the challenges and emerging issues affecting the attainment of the Departments performance targets and planned outputs in the period under review include: -
- (i) Plight of the migrant workers and volatility of peace and security which affected Kenyans in the Diaspora.
 - (ii) Evolving Global conflicts and insecurity that threaten the Kenyan Diaspora.
 - (iii) Lack of accurate data of Kenyans in the Diaspora coupled with low registration of Kenyans affecting planning and decision making.
 - (iv) Inadequate Diaspora policy and legal frameworks.
 - (v) Expanded mandate without requisite funding e.g. formation of the Diaspora Placement Agency (DPA) under Executive Order No 2 of 2023.

2.3 State Department for East African Community

2.3.1 Financial Performance

37. The Department implements only one programme i.e., East African Affairs and Regional Integration with 5 sub-programmes whose expenditure performance in FY 2023/24 is shown in Table 7.

Table 7: SDEAC FY 2023/24 Financial Performance (KES. Millions)

Sub-Programme	Approved	Supp. I	Supp. II	Expenditure	Absorption Rate
East African Customs Union	28.07	26.35	26.35	22.73	86.26%
East African Common Market	454.51	464.88	550.78	542.84	98.56%
EAC Monetary Union	29.46	28.46	28.46	26.25	92.22%
Management of Northern Corridor Integration	51.41	44.92	44.92	41.47	92.32%
General Administration, Planning and Support Services (GAPSS)	154.92	363.11	332.21	327.50	98.58%
Total	718.37	927.71	982.71	960.78	97.77%

Source: SDEAC Submissions Of Budget Performance Information for The FY 2023/24

38. From Table 7, it is important to note that the SDEAC budget was revised upwards by **KES.209.35 million** in Supplementary Estimates I and then by **KES.55 million** in Supplementary Estimates II resulting in a cumulative increase of **KES.264.33 million** from the approved amount of **KES.718.37 million** to **KES.982.71 million** in final revised amount in Supplementary Estimates II. The increase was to cater for the newly recruited technical staff, renovation of offices, purchase of furniture & ICT equipment, additional rent, installation of Local Area Network and purchase of motor vehicles.
39. Cumulatively across the 5 sub-programmes the SDEAC spent **KES.960.78 million** in FY 2023/24 which is equivalent to **97.77%** budget absorption rate.
40. The expenditure performance based on economic classification for the SDEAC for FY 2023/24 is provided in Table 8.

Table 8: SDEAC FY 2023/24 Financial Performance by Economic Classification (KES. Millions)

Economic Classification	Approved	Supp. I	Supp. II	Expenditure	Balance	Absorption Rate
Compensation to Employees	301.13	342.43	322.43	306.08	(16.35)	94.93%
Operations and Maintenance (O&M)	417.24	585.28	660.28	654.70	(5.57)	99.16%
Total	718.37	927.71	982.71	960.78	(21.93)	97.77%

Source: SDEAC Submissions Of Budget Performance Information for The FY 2023/24

41. From Table 8, compensation to employees posted a **94.93%** absorption rate while O&M posted a **99.16%** absorption rate. The budget under absorption of **KES.16.35 million** in compensation to employees was occasioned by newly recruited officers that reported within the financial year, while their salaries were budgeted for the full year.

2.3.2 Revenue Receipt Analysis

42. In FY 2023/24, out of the total revised budget of **KES.982.71 million** the SDEAC received **KES.960.72 million** as exchequer from the National Treasury, this translates to **97.76%** funding rate. The underfunding of **KES.21.99 million**, which is mostly caused by delays in exchequer releases, does lead to accumulation of pending bills by the end of the financial year.

2.3.3 Non-Financial Performance

43. In FY 2023/24, the Department posted the following achievements: -
- Initiated new One Stop Boarder Post (OSBP) in Suam
 - Eliminated 274 NTBs.
 - Facilitated 348 Kenyan MSMEs Exhibitors participation in EAC Annual MSMEs exhibitions.
44. A detailed breakdown of the non-financial performance is shown in Annex IV.

2.3.4 Issues of Concern

45. As of 30th June 2024, the SDEAC had a pending bill balance of **KES.73.80 million**. The pending bills have been subjected to the pending bills verification committee to facilitate payment processing.

CHAPTER THREE

3.0 COMMITTEE OBSERVATIONS AND RECOMMENDATIONS

46. Having conducted the site visits, received and analyzed the information requested from the MDAs, the Committee made the following observations and recommendations:

3.1 State Department for Foreign Affairs

3.1.1 Observations

47. The State Department faced challenges in FY 2023/24, including foreign exchange losses, outdated foreign property conditions, high rental and leasing costs in missions, reduced Appropriation in Aid due to e-Citizen, conflicting procurement laws, global security threats, and geo-politics.
48. SDFA budgeting and performance reporting is not clearly linked to the five foreign policy pillars. This misalignment make it difficult to evaluate the effectiveness of the SDFA's initiatives and the efficient use of allocated resources.

3.1.2 Recommendations

49. To properly manage the problem of high rental and leasing costs for Missions abroad, the Principal Secretary in charge of the State Department for Foreign Affairs (SDFA) should submit to the Committee, within 30 days from the date of adoption of this report by the House, a detailed asset acquisition plan (rent-to-own scheme) to ensure that in the long run it owns the properties.
50. That, within 30 days from the date of adoption of this report by the House, the Principal Secretary in charge of the SDFA, ensures that the Department's budgeting and performance reporting should be linked to the five foreign policy pillars i.e., Peace Diplomacy, Economic Diplomacy, Environmental Diplomacy, Cultural Diplomacy and Diaspora Diplomacy. This will enable an assessment of the effectiveness in the use of resources allocated for the achievement of its mandate.

3.2 State Department for Diaspora Affairs

3.2.1 Observations

51. In FY 2023/24 the State Department experienced the following challenges: Inadequate funding to carry out the State Departments core mandate; Evolving global threats that threaten Diaspora e.g., regional instability, transnational crimes, the refugee crisis, and human trafficking; and Low registration of Kenyans abroad with our diplomatic missions abroad hampering effective delivery of consular services.
52. The SDDA is in the process of reviewing the Diaspora Policy 2014 and they have already developed a draft Diaspora Policy 2024 that will inform how it plans to achieve its mandate.

3.2.2 Recommendations

53. That, within 30 days from the date of adoption of this report by the House, the Principal Secretary in charge of the SDDA, submit to the Committee, the firm-up Diaspora Policy 2024 for the Committee's review and recommendations.

3.3 State Department for East African Community

3.3.1 Observations

54. Inadequate funding has continuously inhibited the Department from fully discharging its mandate as the Anchor state in the EAC block in taking a leading role of championing the EAC integration agenda. The low level of funding for the Department is evidence of the low priority given by Kenya to East African Affairs and the Regional Integration Agenda for the EAC compared to some of the fellow EAC members who have invested heavily in the EAC and may be ahead of Kenya.

3.3.2 Recommendations

55. That, within 30 days from the date of adoption of this report by the House, the Principal Secretary in charge of the SDEAC, submits a detailed report on how inadequate funding has inhibited it from fully discharging its mandate, and how its budgetary allocation compares with the equivalent Ministries/State Department of the other EAC Partner States, and how EAC has benefited Kenya viz-vis its contribution to EAC in the last 3 financial years.

SIGNED:  DATE: 14/3/2025

for: THE HON. NELSON KOECH, M.P.
CHAIRPERSON, DEPARTMENTAL COMMITTEE ON DEFENCE, INTELLIGENCE
AND FOREIGN RELATIONS

LIST OF ANNEXURES

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ANNEXURE II: SDFA NON-FINANCIAL PERFORMANCE FOR FY 2023/24

ANNEXURE III: SDDA NON-FINANCIAL PERFORMANCE FOR FY 2023/24

ANNEXURE IV: SDEAC NON-FINANCIAL PERFORMANCE FOR FY 2023/24

ANNEXURE V: REPORT ADOPTION SCHEDULE

ANNEXURE I: SDFA PROJECT COMPENDIUM (KES. MILLIONS)

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 01 APR 2025	
DAY.	
TABLED BY:	
CLERK-AT THE-TABLE:	

