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THIRTEENTH PARLIAMENT – THIRD SESSION

DIRECTORATE OF DEPARTMENTAL COMMITTEES

DEPARTMENTAL COMMITTEE ON COMMUNICATION, INFORMATION AND
INNOVATION

REPORT ON THE CONSIDERATION OF THE BUDGET IMPLEMENTATION
FOR THE FINANCIAL YEAR 2022/23

1. VOTE 1122: The State Department for ICT and Digital Economy
2. VOTE 1123: The State Department for Broadcasting and Telecommunications

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THE DIRECTORATE OF DEPARTMENTAL COMMITTEES

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CHAPTER ONE

1 PREFACE

1.1 Introduction

1. The report being a culmination of the Committees' engagements and deliberations with the various spending agencies under the purview of the Committee has the principal objective to inform decision making on the 2023/24 allocations to various components of the two votes: 1122 (State Departments for ICT & Digital Economy) and Vote 1123 (State Department for Broadcasting & Telecommunication) under the purview of the Committee as well as the Semi-Autonomous Government Agencies (SAGAs) under the purview of respective State Departments.
2. The resultant information and insights acquired during the Committee's processing of the proposed estimates have guided the formation of the Committee's observations and recommendations hence provide crucial and resourceful input in the final Budget and Appropriation Committee's report on the 2023/24 budget Estimates.

1.2 Establishment and Mandate of the Committee

3. The Departmental Committee on Communication, Information and Innovation is one of the Departmental Committees of the National Assembly established under Standing Order 216 whose mandates pursuant to the Standing Order 216 (5) are 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 the 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 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.*

4. In accordance with the Second Schedule of the Standing Orders, the Committee is mandated to oversee: Communication, information, media and broadcasting (except for broadcast of parliamentary proceedings), information technology, communication technology, including development and advancement of technology, data protection and privacy, cyberspace and cyber-security, artificial intelligence, block-chain technology, and other emerging technologies.
5. In executing its mandate, the Committee oversees the State Department for ICT and the Digital Economy.

1.3 Committee Membership

6. The Departmental Committee on Communication, Information and Innovation was constituted by the House on Thursday, 27th October 2022 and comprises the following Members:

Chairperson

Hon. John Kiarie Waweru, MP
Dagoretti South Constituency

UDA Party

Vice Chairperson

Hon. Alfah Miruka Ondieki, MP
Bomachoge Chache Constituency

UDA Party

Hon. Shakeel Shabbir Ahmed, CBS, MP
Kisumu East Constituency

Independent Member

Hon. Gideon Kipkoech Kimaiyo MP
Keiyo South Constituency

UDA Party

Hon. Erastus Kivasu Nzioka, MP
Mbooni Constituency

WDM-K Party

Hon. Flowrence Jematiah Sergon, MP
Baringo County

UDA Party

Hon. Joseph Kipkosgei Tonui, MP
Kuresoi South Constituency

UDA Party

Hon. Irene Nyakerario Mayaka, MP
Nominated Member

ODM Party

Hon. Bensuda Joyce Atieno Osogo, MP
Homabay County

ODM Party

Hon. Kakuta Maimai Hamisi, MP
Kajiado East Constituency

ODM Party

Hon. Bernard Kibor Kitur, MP
Nandi Hills Constituency

UDA Party

Hon. Khalif Ali Abdisirat MP
Nominated Member

UDA Party

Hon. Geoffrey Wandeto Mwangi, MP
Tetu Constituency

UDA Party

Hon. Mumina Gollo Bonaya, MP
Isiolo County

Jubilee Party

Hon. Umulkher Harun Mohamed, MP
Nominated Member

ODM Party

1.4 Committee Secretariat

7. The Committee is facilitated by the following staff secretariat:

Ms. Nuri Kitel Nataan
Clerk Assistant II

Mr. Sakana Saoli
Clerk Assistant III

Ms. Marlene Ayiro
Principal Legal Counsel

Ms. Winfred Kizia
Media Relations Officer

Mr. Manuel Leparachao
Sergeant At Arms

Mr. Thomas Ogwel
Fiscal Analyst I

Mr. Githinji Wanjohi
Research Officer III

Mr. Boaz Chebiego
Research Officer III

Mr. Kelvin Lengasi
Audio Officer

1.5 Overview on the Examination of the Budget Implementation

8. Pursuant to Standing order no. 245A which requires each Departmental Committee to;
 - i. review the quarterly reports submitted by the Cabinet Secretary responsible for finance pursuant to the Public Finance Management Act;
 - ii. review reports submitted by the Controller of Budget on matters relating to implementation of the Budget by the national government;
 - iii. examine and report on the expenditures and non-financial performance of the budget of the national government; and
 - iv. Examine the conformity of the implementation process with the principles and values of public finance as set out in Article 201 of the Constitution and
9. Standing Order 216 (5) (ba) requires departmental committees to monitor and report on quarterly basis the implementation of the National Government budget in their respective mandates.
10. Following the submissions on the 2022/23 budget implementation by the two State departments under the purview of the Departmental Committee on ICT & Innovations, the Departmental held a briefing meeting with the Parliamentary Budget Office (PBO) on 5th October 2023. The deliberations on the submissions culminated in compilation of this report regarding the budget performance in the programs and projects in the sub-sector of Communication, Information and Innovation.

1.6 Acknowledgement

11. The Committee wishes to thank the Offices of the Speaker and the Clerk of the National Assembly for their support in the execution of its mandate. The Committee also thanks the State Department for ICT and Digital economy and the State Department Broadcasting and Telecommunication for the submissions they made to the Committee.
12. Finally, I wish to express my appreciation to the Honorable Members of the Committee for their active participation in preparing this report. It is, therefore, my pleasant duty and privilege to present this report.

**HON. JOHN KIARIE, MP
(CHAIRPERSON)**

**DEPARTMENTAL COMMITTEE ON COMMUNICATION, INFORMATION AND
INNOVATION**

CHAPTER TWO

2 BROAD OVERVIEW OF THE BUDGET IMPLEMENTATION

The Fiscal Analyst from the Parliamentary Budget Office made a presentation to the Committee on the 5th of October of 2023 and provided an overview of the 2022/23 budget implementation status as:

13. The revised Gross budget for both the National and County Governments for the FY 2022/23 amounted to KSh 4.18 trillion comprising KSh 3.67 trillion for National Government and KSh 515.18 billion for the forty-seven County Governments. The National Government budget consisted of KSh 584.29 billion for Ministerial development expenditure, KSh 3.09 trillion for recurrent expenditure of which KSh 1.51 trillion for KSh recurrent ministerial and KSh 1.58 trillion for Consolidated Funds Service(CFS).
14. The total receipts into the Consolidated Fund amounted to KSh 3.24 trillion representing 89.6% of the revised net estimates of KSh 3.62 trillion. The total exchequer issues to MDAs, CFS and County Governments amounted to KSh 3.24 trillion representing 89.6% of the revised net estimates, a decrease compared to 89.9% recorded in the previous financial year 2021/22.
15. The total expenditure by the National Government amounted to KSh 3.18 trillion representing 86.6% of the revised gross estimates ,an increase compared to 3.0 trillion(85.4%) recorded in 2021/22. The expenditure comprised of Ministerial development expenditure at KSh 473.6 billion ,n absorption rate of 81% whereas the recurrent at KSh 1.4 trillion (an absorption rate of 92.8%), CFS at KSh 1.31 trillion (an absorption rate of 82.7%) and gross expenditure for County Governments at KSh 428.9 billion an absorption rate of 83.6%.
16. Development expenditure recorded a 14.4% decline compared to KSh 553.37 billion in 2021/22.The highest development expenditure categories included transfers to MDAs at KSh 345.09 billion followed by construction and civil works at KSh 25.17 billion representing 22.9% and 5.3% of gross development expenditures respectively.
17. Recurrent expenditure amounted to KSh 55.4 billion spent on Grants to MDAs and KSh 542.46 billion on compensation to employees' representing 39.4% and 38.7% of gross recurrent expenditure by MDAs respectively. Subsidies totaled KSh 127.8 billion.
18. Public debt stock recorded 18.8% growth from KSh 8.63 trillion reported on 30th June 2022 to KSh 10.25 trillion as of 30th June 2023. The growth is attributed to loan disbursements and weakening of the Kenyan Shillings.
19. The vital challenges that hindered effective budget implementation included the increase in the public debt leading to arise in the country's debt service which limited the government fiscal space and liquidity constraints on account of public revenue under performance.

2.1 State Department for ICT and Digital Economy

20. In the FY 2022/23, original gross estimates was KSh 19.3 billion comprising of KSh 2.3 billion and KSh 17.0 billion in recurrent and development respectively. However, the two supplementary budgets culminated in variations in the estimates which eventually caused a reduction of KSh 4.8 billion in the gross allocations. The revised estimates in Supplementary II was a gross of KSh 14.5 billion comprising of KSh 2.8 billion and 11.7 billion in recurrent and development respectively.
21. In the FY under review, out of the revised gross estimates of KSh 14.5 billion, actual expenditure was KSh 11.1 billion translating into an absorption rate of 77%.
22. The recurrent expenditure amounted to KSh 2.1 billion out of the revised gross estimates of KSh 2.8 billion translating into an absorption rate of 73%. According to economic classification, compensation to employees recorded highest absorption of which actual expenditures was at KSh 274 million whereas the approved estimates was KSh 269 .9 million resulting to an over expenditure by KSh 4.4 million. Grants and transfers to other government units had the lowest absorption with unutilized estimates of KSh 381 million largely on account of underperformance of Appropriation in Aid by ICTA in the E-Citizen Services.
23. The development expenditure amounted to KSh 9.1 billion out of the revised gross of KSh 11.7 billion representing an absorption rate of 77%. The under absorption was largely on account of delays in exchequer releases.
24. The programmes under implementation registered various absorption levels.
 - i. Programme I: ICT Infrastructural Development, in the sub-programme of ICT Infrastructure connectivity out of the approved estimates of KSh 3 billion, actual expenditure amounted to KSh 837 million translating to an absorption rate of 28%. The Sub-programme of ICT Business Process Outsourcing had actual expenditure of KSh 8.4 billion out of the approved estimates of KSh 8.9 billion representing an absorption rate of 94 %. The Sub-Programme of digital learning had an absorption rate of 100 % of the approved estimates KSh 10 million.
 - ii. Programme II: General Administration, Planning and Support Services: Out of the approved estimates of KSh 319 million, actual expenditure amounted to KSh 325 million, representing to an absorption rate of 102%.
 - iii. Programme III: E-Government Services: Out of the approved estimates of KSh 2.2 billion, actual expenditure amounted to KSh 1.6 billion, translating to an absorption rate of 72%.

2.1.3 State Department for Broadcasting and Telecommunications

25. In the FY 2022/23, original gross estimates was KSh 7.5 billion comprising of KSh 6.7 billion and KSh 0.8 billion in recurrent and development expenditure respectively. However, the two supplementary budgets culminated in variations in the estimates which eventually caused a reduction of KSh 1 billion in the gross allocations. The revised estimates in Supplementary II was a gross of KSh 6.5

billion comprising of KSh 6.2 billion and 0.3 billion in recurrent and development respectively.

26. In the FY under review, out of the revised gross estimates of KSh 6.5 billion, actual expenditure was KSh 5.7 billion translating into an absorption rate of 88%. The recurrent expenditure amounted to KSh 5.5 billion out of the approved gross estimates of KSh 6.3 billion representing an absorption rate of 87%. In development expenditure, the actual expenditure amounted to KSh 206 million out of the approved estimates of KSh 266 million resulting to an absorption rate of KSh 77%.
27. The programmes under implementation registered various absorption levels.
 - i. Programme I: Communication and Information, in the sub-programme of News and Information Services out of the approved estimates of KSh 4.1 billion, actual expenditure amounted to KSh 1.9 billion translating to an absorption rate of 47%. The Sub-programme of Brand Kenya Initiative had actual expenditure of KSh 166 million out of the approved estimates of KSh 171 million representing an absorption rate of 97 %. The Sub-Programme of ICT Media Regulatory Services had an absorption rate of 100 % of the approved estimates KSh 963 million.
 - ii. Programme II: General Administration, Planning and Support Services: Out of the approved estimates of KSh 211 million, actual expenditure amounted to KSh 87 million, representing to an absorption rate of 60%.
 - iii. Programme III: Mass Media Development Services: Out of the approved estimates of KSh 258 million, actual expenditure amounted to KSh 251million, translating to an absorption rate of 64%.

Salient Issues on the Budget Implementation

28. **Budget cuts in supplementary Estimates:** The perennial budget cuts derail the implementation of the various capital projects and programmes within the two votes. This also contributes to the accumulation of pending bills. In the original approved estimates, allocation to the State department for ICT and Digital Economy was KSh 19.3 billion which faced a budget cut of KSh 4.8 billion by Supplementary II (a reduction by 25%). Equally, the State department for Broadcasting and Telecommunication also faced a downward variation in its allocation. The original approved gross estimates was KSh 7.5 billion but in Supplementary II ,had budget cut of KSh 1 billion, a reduction by 13%.The budget cuts negate the noble expansionary policies and programmes in the sub-sector such as the ones espoused in the digital superhighway agenda.
29. **Pending Bills:** The accumulation of pending bills is impairing public service delivery within the sub-sector and escalating costs associated to various existing contracts. As at the end of the FY 2022/23, there existed huge pending bills in the state departments as:
 - i. State department for Broadcasting and Telecommunication had pending bills amounting to KSh 1.462 billion some of which had been outstanding prior to 2020/21. The lion share of the pending bills is domiciled in Government Advertising Agencies for advertisement services offered by the various

Media Houses and non-remission of payments by various MDAs. Kenya Broadcasting Corporation and the Postal Corporation of Kenya also have accumulated pending pensions arising from non-remission and payments of statutory deductions due to cash flow problems.

- ii. The State department for ICT and Digital Economy: Had pending bills amounting to KSh 806 million largely on services and commodities relating to maintenance and rehabilitation of the fiber optic networks.
30. **Non-achievement of set targets:** A review of the non-financial performance reveals that for various reasons, some set targets for the financial year were not met. This impairs public service delivery. Key areas with under performances include :
- i. State department for ICT & Digital Economy: NOFBI Network of which out of the targeted 99.9% uptime, only 82.9 % was achieved, Last Mile County Connectivity where no site was connected but a target was to connect 50 sites, Fibre Connectivity Eldoret-Nadapal, of which out of the 99.9% uptime targeted, only 62 % was achieved, connectivity to Special Economic Zones and Health facilities, Connectivity to schools, out of targeted 100, only 50 were connected, compliance to data protections in which it was targeted to assess and audit 500 data processors and controllers but only met 41.
 - ii. State Department for Broadcasting and Telecommunication: Underachievement in development of policies and legal frameworks (targeted 2 but nil was realized), establishment of Studio Mashinani (targeted 2 but nil was established), Media skills development (targeted to train 678 but only trained 643) and Office of the Government Spokesperson where the envisaged periodic dissemination of information was not achieved.
31. **Underperformance of Appropriation in Aid (AiA):** In the financial year under review (2022/23), some Agencies to not realize the projected AiA which puts pressure on dependence on exchequer funding and also necessitates budget cuts. Such agencies include :
- i. State department for ICT & Digital Economy: The State department revised total estimates for AIA was KSh 750 million whereas the actual realized was KSh.368 million resulting in a shortfall amounting KSh 382 million. The underperformance was largely by **ICTA**: estimates of AIA was revised by KSh 605 million during Supplementary I estimates when E-citizens services platform was transferred to ICTA in March 2023. ICTA was only able collect KSh 226.1 million from March 2023 to the remaining period of the FY 2022/23 resulting into a shortfall of KSh 383.4 million. Konza Technopolis Development Authority (**KotDA**) : In the FY 2022/23, KOTDA projected AIA was KSh 140 million but actual collection was KSh 142.1 million resulting into an over collection of KSh 2.1 million.
 - ii. State Department for Broadcasting and Telecommunication: The underachievement was mainly by GAA which realized 72% of the projected AiA (Out of the targeted KSh 1 billion, realized only KSh 436 million and KBC which targeted KSh 1.3 billion but achieved 1.1 billion).

32. **Remodeling of Public Advertisements:** Overtime, the need to remodel public advertisements has been underscored by the various stakeholders to enhance monitoring framework and for cost effectiveness. However, it is noted that the progress in remodeling is sluggish and keeps being reported as work in progress. The process needs to be fast tracked so that service delivery and value for money in this is realized.
33. **Fast tracking Legislations within the Sub-Sector:** There are reported legislative frameworks at various stages of development. There is need to fast track their enactment so that they play the envisaged supportive roles in the sub-sector. Such include the National Addressing System Policy and E-Commerce Strategy.
34. **Delays in Project Completion:** The completion status of various projects revealed by the Compendium of projects within the sub-sector reveal some projects risk missing the planned completion timelines. This is largely on account of low financial performance. Elongation of implementation period leads to loss of opportunities in public service delivery and escalates costs associated to the projects. Cost escalations are on account of fluctuations in inflation rates and exchange rates and contract variations.

CHAPTER THREE

3 SUBMISSIONS BY MINISTRIES, DEPARTMENTS AND AGENCIES

35. In the review and consideration of the status of budget implementation for the financial year 2022/23, the Departmental Committee on Communication, Information and Innovation received submissions from the State Departments on the relevant thematic areas.

3.1 STATE DEPARTMENT FOR ICT AND DIGITAL ECONOMY

36. The Principal Secretary of the State Department Eng. John Tanui, MBS made submitted on the status of the budget implementation for the financial year under review. The submissions covered the following thematic areas.

a) Background information

37. The Committee was reminded on mandate of the State department pursuant to the Executive Order No.1 of January 2023. To facilitate execution of its mandate, the Department has four Semi-Autonomous Government Agencies (SAGAs) and one independent Office. The SAGAs include Information and Communication Technology (ICTA), Konza Technopolis Development Authority (KoTDA), the East African Marine Cable System Limited (TEAMS) and Kenya Advanced Institute of Science and Technology(KAIST) and Office of Data Protection Commissioner as the independent office. Respective mandates of each agency was expounded on.

b) Financial Performance

38. The details of budgetary allocations including the mid-year budget revisions and absorption rates were provided. Details were as summarized in the table 1.

Table 1: Budget Estimates, variations and Absorption rates (Amounts in KSh. Million).								
Classification	Original Gross	Revised Gross (Supp. I)	Revised Gross (Supp. II)	Revised Net (Supp. II)	Exchequer Issues	Actual Expenditure	% Exch. Issues to Net	Absorption rate (Exp/R revised Gross)
VOTE 1122 :ICT & Digital Economy								
Recur.	2,268	2,797	2,815	2,065	2,065	2,066	100	73
Devt	16,986	11,211	11,670	1,170	631	9,073	54	77
Vote Total	19,254	14,008	14,485	3,235	2,696	11,139	83	77

Source: State Department

39. The budget cut was revealed to be substantial in the year under review and amounted to KSh 4.8 billion. The budget cut largely affected the development expenditure as is apparent in the table 1. The State department registered an absorption rate of 77% comprising of 73% and 78% and 77% in recurrent and development expenditure respectively.

40. An analysis of budget absorption per programmes was provided. Among the three programmed under implementation in the state department, general administration programme achieved an absorption rate of 102 % having exceeded its allocation by KSh 4 million .The sub-programme of ICT Infrastructure connectivity that largely covers fiber optic networks registered the lowest absorption rate of 28 % (Out of the allocated KSh 3 billion, it only utilized KSh837 million. The sub-programme of ICT Business Outsourcing Process which entails largely the civil works at Konza Technopolis achieved an absorption rate of 94% of which it utilized KSh.8.4 billion out of the approved allocation of KSh 8.9 billion.
41. Based on economic classification, compensation to employees exceeded its allocation in terms of actual expenditure by KSh 4.4 million. Grants to Other Government Agencies which had an approved allocation of KSh 2.3 billion utilized KSh 2.0 billion representing an absorption of 87%. Acquisition of fixed assets posted a low absorption rate of 47% on account of prolonged procurement processes and delays in exchequer releases.

c) Non-Financial Performance

42. An assessment of the set targets and their respective levels of achievement indicated a myriad of performances in the various projects and programmes. Key areas where the targets were missed include:
 - i. **NOFBI networks:** It was revealed that % uptime of the fiber networks fell short of the targeted 99.9%. NOFBI I realized an uptime of 82.9%, NOFBI II E at 93% and fiber connectivity from Eldoret to Nadapal only achieved 67% uptime. The Last Mile County Connectivity that targeted to connect 50 sites had nil site connected. It was underscored how the underachievement makes the NOFBI less competitive in the market. Fiber connectivity to Horn of Africa region which was to have 200 Kilometers installed had nil installation.
 - ii. 50 schools targeted to be connected in digital learning programme: targeted but only managed 35.
 - iii. 100 computer labs were targeted to be connected and equipped with devices in public secondary schools but only 50 were connected and equipped.
 - iv. 25 Health facilities targeted to be connected but managed only 12.
 - v. Connectivity to Special Economic Zones (Naivasha, Kenanie and Dongo Kundu) targeted 5 but none was connected.
 - vi. 500 Data controllers and Data Processors were targeted to be assessed and audited but only managed 41.

d) Causes of under absorption

43. Key among the reasons that occasioned underachievement of the targets included: exchequer delays, underperformance in Appropriation in Aid, expiry of the contract with Huawei in maintenance and rehabilitation of fiber optic networks, budget cuts that disrupts ongoing works where financial commitments have been made, long procurement procedures in acquisition of pieces of equipment in Last Mile County Connectivity programme and understaffing in the office of Data Protection Office.

e) Pending Bills

44. As of 30th June 2023, the State department had a pending bill of **KSh 806 million**. A large proportion of the pending bills are on expenditures incurred of maintenance and rehabilitation of fiber optic networks and to KPLC connectivity to Konza data center and TEAMS landing Station in Mombasa. Summary of the pending bills are as contained in the table 2.

Description	Development	Recurrent	Total
FY 2022/23	426.2	18.9	445.1
Prior Years	360.3	0.7	361.0
Total	786.5	19.6	806.1

Source: State Department for ICT and Digital Economy

45. As is apparent from the information in the table 2, pending bills keep accumulating.

Appropriation in Aid Performance

46. The State Department revised total estimates for AIA was KSh 750 million whereas the actual realized was KSh.368 million resulting in a shortfall amounting KSh 382 million. The AiA is generated by the ICTA and KoTDA.
47. **ICTA:** estimates of AIA was revised by KSh 605 million during Supplementary I estimates when E-citizens services platform was transferred to ICTA in March 2023. ICTA was only able collect KSh 226.1 million from March 2023 to the remaining period of the FY 2022/23 resulting into a shortfall of KSh 383.4 million.
48. **Konza Technopolis Development Authority (KoTDA):** In the FY 2022/23, KOTDA projected AIA was KSh 140 million but actual collection was KSh 142.1 million resulting into an over collection of KSh 2.1 million.

3.2 STATE DEPARTMENT FOR BROADCASTING AND TELECOMMUNICATION

49. On the 9th of August 2023, the Principal Secretary of the State Department Prof. Edward W. Kisiang'ani, Ph.D. made submissions to the Committee on budget implementation based on the thematic areas that where information and data had been sought pursuant to the invite letter.

a) Background information

50. The Committee was reminded on mandate of the State department pursuant to the Executive Order No.1 of January .2023. Details of the various Semi-Autonomous Government Agencies (SAGAs) and independent Offices and how their respective mandates facilitate execution of the State department was provided.

b) Financial Performance

51. The details of budgetary allocations including the mid-year budget revisions and absorption rates were provided. Details were as summarized in the table 3.

Table 3: Budget Estimates, variations and Absorption rates (Amounts in KSh. Million).								
Classification	Original Gross	Revised Gross (Supp. I)	Revised Gross (Supp. II)	Revised Net (Supp. II)	Exchequer Issues	Actual Expenditure	% Exch. Issues to Net	Absorption rate (Exp/Revised Gross)
VOTE 1123 : Broadcasting and Telecommunication								
Recur.	6,691	6,120	6,278	3,609	3,597	5,482	99	87
Devt	817	289	266	266	182	206	68	77
Vote Total	7,508	6,409	6,544	3,875	3,779	5,688	98	88

Source: The State Department for Broadcasting and Telecommunication.

52. The budget cut amounted to KSh 1 billion when the original and revised gross estimates is compared.
53. An analysis of budget absorption per programmes was provided. Among the three programmes under implementation in the state department, Communication and Information Service registered an absorption of 58 % of which it utilized only KSh 3.1 billion out of the allocates KSh 5.1 billion. General administration, planning and support services had the lowest absorption of 47 % (out of the allocated KSh 211 million, it only utilized KSh 87 million and the Mass Media Development Service programme utilized KSh 251 million out of the allocated KSh 258 million).
54. Based on economic classification, compensation to employees had a 100% absorption whereas grant transfers had an absorption of 93% in recurrent and 82% in development expenditure.

c) Non-Financial Performance

55. An assessment of the set targets and their respective levels of achievement indicated a myriad of performances in the various projects and programmes. The key details of the key achievements include:
- i. Developed National Spectrum Policy 2022
 - ii. Development National Spectrum Policy, 2022
 - iii. Drafted National Addressing System Policy and Bill 2022 in finalization stage.
 - iv. Developed E-Commerce Strategy
 - v. Reviewed Kenya Information and Communication Act 1998 and Regulations (4 Regulations completed and 12 ongoing)
 - vi. Produced 6,099 TV News items.
 - vii. Developed the Cabinet Memorandum to revitalize KBC and PCK
 - viii. 715,779,865 cyber threats were detected and issued 12,452,477 alerts and warnings to sectors CIRTs.

- ix. Published 50 MyGov weekly pullouts in one mainstream newspaper and upload an online version.
- x. Installed FM transmitters at Marsabit, Lodwar, Webuye, Migori, Kapenguria, Bomet, Malindi, Nyambene and Nyeri.
- xi. 643 media practitioners trained (KIMC)
- xii. Trained 3,101 on job journalists (MCK)
- xiii. Accredited 9,575 Journalists.

d) Causes of under absorption

- 56. Key among the reasons that occasioned underachievement of the targets included: exchequer delays and underperformance in Appropriation in Aid.

e) Pending Bills

- 57. The State department had a pending bill of KSh 1.462 billion at closure of the FY 2022/23. This was occasioned by inadequate budgetary provision and delayed payments by MDAs that had been provided with advertising services.

Description	My GoV (KSh Million)	General Merchant (KSh Million)	Total
FY 2022/23	552.0	26.1	578.1
FY 2021/22	517.0	23.9	540.9
FY 2020/21 & Prior Years	332.3	-	332.3
Total	1,401.3	50.0	1,451.3

Source: State department for Broadcasting and Telecommunications

- 58. As is apparent from the information in the table 4, pending bills keep accumulating.

f) Appropriation in Aid Performance

- 59. The total projections for AiA was KSh 2.669 billion of which the actual collection was KSh 1.922 billion representing 72 %. The AiA is sourced from services rendered. The Under collection was largely due to delayed and non-payments by MDAs that had been provided with advertising services and other services.
- 60. The underperformance of internally generated revenue was distributed as :
 - i. **Government Advertising Agency:** Targeted collection of KSh 1 billion but achieved KSh 436 million, representing a performance of 44%.
 - ii. **Kenya Broadcasting Corporation (KBC):** Targeted collection of KSh 1.3 billion but achieved KSh 1.1 billion, representing a performance of 87%.
 - iii. **Department of Information at the Headquarters:** Targeted collection of KSh 4 million but achieved KSh 3 million, representing a performance of 85%.

CHAPTER FOUR

4 COMMITTEE OBSERVATIONS

61. The Committee made the following observations:

4.1 Cross-cutting issues

62. **Huge Pending bills:** There exists huge pending bills among the two State departments. Some of the pending bills are historical and have been outstanding for a long period. The accumulation of the pending bills is worsened by the budget cuts in Supplementary Estimates. As of 30th June 2023, the reported pending bills were as:

- i. **State Department for Broadcasting and Telecommunication** had pending bills amounting to **KSh 1.462 billion** some of which had been outstanding prior to 2020/21. The lion share of the pending bills is domiciled in Government Advertising Agencies for advertisement services offered by the various Media Houses and non-remission of payments by various MDAs. Kenya Broadcasting Corporation and the Postal Corporation of Kenya also have accumulated pending pensions arising from non-remission and payments of statutory deductions due to cash flow problems.
- ii. **The State Department for ICT and Digital Economy:** Had pending bills amounting to **KSh 806 million** largely on services and commodities relating to maintenance and rehabilitation of the fiber optic networks.

63. **Slow pace (Delays) in the implementation of the Capital projects:** Information contained in the report on status of capital projects under implementation (Compendium of projects) in the two State Departments reveals below expectation financial performance in some capital projects. Indeed, some projects are still substantially incomplete yet they are past the planned completion timelines. If their implementation is not fast tracked, the planned completion timelines shall not only be missed and but also the envisaged public service from the projects shall be delayed as the project costs escalate. Some projects with delayed implementation status include:

a) Under State Department of ICT and Digital Economy

- i. **Installation of and Commission of Eldoret –Nadapal Fiber Optic Cable:** this project has planned timelines from 1st November 2015 to 31st December 2023 at an estimated cost amounting to KSh 2,980 million. As of 30th June 2023, the reported percentage completion was only at 45%.
- ii. **Connectivity to health facilities:** this project has planned timelines from 1st December 2019 to 1st December 2022 at an estimated cost amounting to KSh 10,500 million. As 30th June 2023, the reported completion was only at 7%.
- iii. **Connectivity to Special Economic Zone Textile Park in Naivasha:** this project has planned timelines from 1st December 2019 to 1st December 2022 at an estimated cost amounting to KSh 6,500 million. As 30th June 2023, the reported completion rate was only at 0%.
- iv. **Connectivity to Konza Data Centre and Smart City Facilities:** this project has planned timelines from 1st December 2019 to 1st December 2022 at an estimated cost amounting to KSh 5,500 million. As of 30th June 2023,

completion rate. As of 30th June 2023, the reported completion rate was only at 20%.

b) Under State department of Broadcasting and Telecommunication

- i. **Construction of Kenya Institute of Mass Communication -Eldoret Campus:** this project has planned timelines from 1st July 2018 to 30th June 2026 at an estimated cost amounting to KSh 1,620 million. As of 30th June 2023, the reported completion rate was only at 5%.
 - ii. **KBC Radio Mashinani:** this project has planned timelines from 1st July 2016 to 30th June 2025 at an estimated cost amounting to KSh 619 million. As of 30th June 2023, the reported completion rate was only at 5%.
64. **Generation of public revenue (Appropriation in Aid):** Considering the mandates and responsibilities of the Semi-Autonomous Government Agencies (SAGAs) domiciled in the two State Departments, with the necessary budgetary support, they can generate more AiA to support in financing the public expenditures. Such opportunities for enhanced public revenue are noted in Kenya Broadcasting Corporation (KBC), the Postal Corporation of Kenya (PCK), the Kenya Yearbook Editorial Board, the Communication Authority of Kenya (CA), the ICT Authority (ICTA) and Office of the Data Protection Commissioner and the Konza Technopolis Development Authority.

State Department for ICT and Digital Economy

65. **Maintenance and rehabilitation of the existing fiber optic networks:** Despite the fact that it continues to consume substantial amount of resources through the existing running contracts, the reported uptime of the fiber networks are wanting. NOFBI I network achieved 82.9% uptime out of the target of 99.9% on account of the expiry of contract with Huawei and fiber connectivity from Eldoret to Nadapal achieved 62% on account of the insecurity along the corridor. This negates commercial viability and reliability of the networks which make them less attractive to investors a matter that derails performance in Appropriation in Aid.
66. **Progress in Data Protection:** The operationalization of the Office of the Data Protection Commissioner needs to be fast-tracked. In the year under review, reportedly due to understaffing performance in compliance to data protection laws registered a very low score. Out the target to assess and audit 500 data controllers and processors, the Office only managed to assess and audit 41 which translates to 1% performance. With the rapid adoption of ICT technology, there is need to enhance the capacity of the Office of Data Protection so that data controllers and processors are well regulated.
67. **Connectivity to Health Facilities and Special Economic Zones:** In the financial year under review, connectivity to these facilities was quite low due to budget cuts. Out of the target to connect 25 health facilities, only 12 were connected. Besides, no connection was done to the 5 targeted 5 Special Economic Zones at Naivasha, Kenanie and Dongo Kundu. The connections are critical to enhance performance of the facilities in support of universal health coverage and job creation hence the need to protect resources already allocated.

68. **Low budget Absorption:** The Sub-programme of ICT Infrastructure connectivity achieved an absorption rate of 28% of which only KSh 837 million was utilized out of the approved estimates amounting to KSh 3 billion. Though there are various causes of low absorption including delays in exchequer releases beyond the control of the implementing agency (ICTA), the agencies need to be proactive and innovative in enhancing their utilization of the allocated resources. Such is manifested in the project of fiber connectivity to Horn of Africa region which missed its target on account of delays in procurements. Efficiency and effectiveness in administration needs to be enhanced for improvement in budget absorption.

4.3 The State Department for Broadcasting and Telecommunication

69. **Remodeling of government advertising services:** The State department has been in the process of reviewing the distribution of MyGov from the current model of using four daily newspapers to using Postal Corporation of Kenya in the distribution. This is aimed at streamlining the modality to enhance value for money in government advertisements. This shall also serve to institute a monitoring and evaluation framework in the government advertising services. Fast tracking the remodeling shall enhance value for money and improve effectiveness in the advertising services.

70. **Fast tracking development of pending Legal Frameworks:** The development of various legislative frameworks is ongoing and are at various stages. There is need to fast track their enactment and institutionalization to create a supportive and facilitate legal environment in the sub-sector. Such legislations include: The National Addressing System Policy, National Communication Policy, National Public Sector Advertising Policy, Review of Media Council Act and Develop Kenya Institute of Mass Communication Bill.

71. **Strategy for Business turnaround for Postal Corporation of Kenya (PCK) and Kenya Broadcasting Corporation (KBC):** There are underperformance in programmes and projects being implemented by KBC and PCK. For example, the sub-programme of News and Information services registered a low absorption rate of 47% (actual expenditure amounted to KSh 1.9 billion out of the approved budget of KSh 4.1 billion). This is on account of cash-flow challenges emanating from low performance of AiA. The restructuring of the two State Corporations is being pursued to make them commercially viable. There is a Cabinet memo being processed for the restructuring that needs to be fast tracked.

CHAPTER FIVE

5 RECOMMENDATIONS

Non-Financial recommendations

5.1 Cross cutting recommendations

72. The Committee to enhance its Monitoring and Evaluation on the projects and programmes that registered low financial and non-financial performance. This is to be done through project inspection visits and summoning of the MDAs under the purview of the Committee to provide submissions on remedial actions being taken to enhance budget performance. By end of February 2024, the Committee to have consultative engagements on budget implementation with all the MDAs under its purview.
73. By 1st March 2024, the two State Departments to submit a progress report to the Committee on the pending legislations under development within the sub-sector. This is aimed at fast tracking the enactments of the pending legislations.
74. Before the processing of the 2024/25 Budget Estimates is concluded, the National Treasury should develop a strategy to address settlement of the pending bills or debts owed among the state agencies. These include debts owed to Government Advertising Agency (GAA) by various MDAs, Postal Corporation of Kenya (PCK) and Kenya Broadcasting Corporation (KBC).

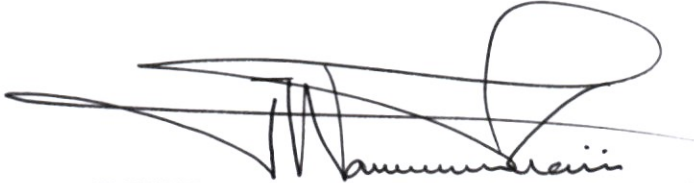
State Department for ICT and Digital Economy

75. The State Department for ICT and the Digital Economy in collaboration with ICTA to streamline the maintenance and rehabilitation of the existing fiber optic works. This should include review and evaluation of the existing running contracts with the aim of enhancing their effectiveness and efficiency. Given expiry of some of the contracts such as with Huawei, the review and evaluation shall inform the continued engagement or disengagement with the respective contractors. A report on the findings of the review to be submitted to the Department Committee by 1st March 2024.
76. The allocation to the digital learning was too immaterial at KSh 10 million in 2022/23 on account of the past poor implementation of the programme. ICTA in collaboration with the State Department for ICT and Digital Economy to establish an implementation strategy in the phase II of Digital Learning Programme which targets to establish ICT labs in public schools. The strategy to incorporate input from other related sectors like Education and Energy, the strategy to be presented before the 2024/25 Budget Estimates is reviewed and passed by the Committee.

State Department for Broadcasting and Telecommunication

77. By 30th March 2024, the Government Advertising Agency (GAA), in collaboration with the State Department for Broadcasting and Telecommunication to submit to the Committee a strategy policy for revamping the advertising modalities (a remodel) that leverages on digital platforms.

78. The processing of the reported Cabinet memo aiming to address financial and commercial viability problems of Kenya Broadcasting Corporation and Postal Corporation of Kenya to be fast tracked by the National Treasury so that the approved recommendations in the memo can start being implemented by assigned respective stakeholders by 30th April 2024.



SIGNED.....DATE.....

**HON. JOHN KIARIE, MP
(CHAIRPERSON)**

**DEPARTMENTAL COMMITTEE ON COMMUNICATION, INFORMATION AND
INNOVATION**



REPUBLIC OF KENYA
THE NATIONAL ASSEMBLY
THIRTEENTH PARLIAMENT SECOND SESSION – 2024
DIRECTORATE OF DEPARTMENTAL COMMITTEES
DEPARTMENTAL COMMITTEE ON COMMUNICATION, INFORMATION AND
INNOVATION

ADOPTION SCHEDULE

Agenda: *Adoption of Budget Implementation for the financial year 2022/23*

Date: 15th February 2024

Time: Start

End

No.	MEMBER	SIGNATURE
1.	Hon. John Kiarie Waweru, MP - Chairperson	<i>[Signature]</i>
2.	Hon. Alfah Miruka Ondieki, MP - Vice Chairperson	<i>[Signature]</i>
3.	Hon. Shakeel Shabbir Ahmed, CBS, MP	<i>[Signature]</i>
4.	Hon. Erastus Kivasu Nzioka, MP	<i>[Signature]</i>
5.	Hon. Joseph Kipkosgei Tonui, MP	<i>[Signature]</i>
6.	Hon. Bensuda Joyce Atieno Osogo, MP	<i>[Signature]</i>
7.	Hon. Bernard Kibor Kitur, MP	<i>[Signature]</i>
8.	Hon. Geoffrey Wandeto, MP	<i>[Signature]</i>
9.	Hon. Gideon Kimaiyo Kipkoech, MP	<i>[Signature]</i>
10.	Hon. Flowrence Jematiah Sergon, MP	<i>[Signature]</i>
11.	Hon. Irene Nyakerario Mayaka, MP	<i>[Signature]</i>
12.	Hon. Kakuta Maimai Hamisi, MP	<i>[Signature]</i>
13.	Hon. Khalif Ali Abdisirat, MP	<i>[Signature]</i>
14.	Hon. Mumina Gollo Bonaya, MP	<i>[Signature]</i>
15.	Hon. Umulkher Harun Mohamed, MP	<i>[Signature]</i>

Submitted by: _____ Signature: _____ Date: _____
Committee Clerk

Approved by: _____ Signature: _____ Date: _____
Director – Directorate of Departmental Committees



REPUBLIC OF KENYA

THE NATIONAL ASSEMBLY

THIRTEENTH PARLIAMENT – THIRD SESSION - 2024

DIRECTORATE OF DEPARTMENTAL COMMITTEES

MINUTES OF THE 2ND SITTING OF THE DEPARTMENTAL COMMITTEE ON COMMUNICATION, INFORMATION & INNOVATION HELD IN THE BOARDROOM ON GROUND FLOOR IN COUNTY HALL, PARLIAMENT BUILDINGS ON 15TH FEBRUARY 2024 AT 12.00 NOON.

PRESENT

- | | | |
|--|---|------------------|
| 1. Hon. John Kiarie Waweru, MP | - | Chairperson |
| 2. Hon. Alfah Miruka Ondieki, MP | - | Vice-Chairperson |
| 3. Hon. Erastus Kivasu Nzioka, MP | | |
| 4. Hon. Flowrence Jematiah Sergon, MP | | |
| 5. Hon. Gideon Kipkoech Kimaiyo, MP | | |
| 6. Hon. Irene Nyakerario Mayaka, MP | | |
| 7. Hon. Bensuda Joyce Atieno Osogo, MP | | |
| 8. Hon. Khalif Ali Abdisirat, MP | | |

ABSENT

1. Hon. Mumina Gollo Bonaya, MP
2. Hon. Geoffrey Wandeto, MP
3. Hon. Bernard Kibor Kitur, MP
4. Hon. Kakuta Maimai Hamisi, MP
5. Hon. Joseph Kipkosgei Tonui, MP
6. Hon. Shakeel Shabbir Ahmed, CBS, MP
7. Hon. Umulkher Harun Mohamed, MP

SECRETARIAT

- | | | |
|----------------------------|---|-------------------------|
| 1. Ms. Nuri Kitel Nataan | - | Clerk Assistant II |
| 2. Ms. Marlene Ayiro | - | Principal Legal Counsel |
| 3. Mr. Sakana Saoli | - | Clerk Assistant III |
| 4. Mr. Boaz Chebiego | - | Research Officer III |
| 5. Mr. Githinji Wanjohi | - | Research Officer III |
| 6. Mr. Emmanuel Leparachao | - | Serjeant-At-Arms |
| 7. Mr. Kelvin Lengasi | - | Audio Officer |



Agenda

1. Preliminaries
2. Confirmation of the Minutes
3. **Consideration and Adoption of the Report on Kenya Information Communication Amendment Bill**
4. **Consideration and Adoption of the 2022/23 Budget Implementation Oversight Report**
5. Any Other Business
6. Adjournment

MIN.NO/NA/CII/2024/007: PRELIMINARIES

The Chairperson called the meeting to order at 11.05 am, followed by a word of prayer. Members were briefed on the day's agenda.

The Agenda was adopted having being proposed by Hon. Erastus Kivasu, M.P, and seconded by Hon. Joyce Bensuda Osogo, M.P.

MIN.NO/NA/CII/2024/008: CONFIRMATION OF MINUTES

Minutes of the 1st Sitting

The minutes were confirmed as a true record of the proceedings, having been proposed by Hon. Irene Mayaka, M.P. and seconded by Hon. Erastus Kivasu, M.P.

MIN.NO/NA/CII/2024/009: CONSIDERATION AND ADOPTION OF THE REPORT ON KENYA INFORMATION COMMUNICATION AMENDMENT BILL

The Chairperson informed the meeting of the agenda and further briefed that the agenda would be rather short since the item had been canvassed at length. He called upon the legal counsel to brief the Members.

The legal counsel informed the meeting that the committee had been informed by the ministry during their engagements that they were working on formulating the KICA bill. A comprehensive bill would be presented before the cabinet and later tabled before the house.

Members' raised concerns that paragraph 49 of the report did not capture security prone areas were not captured and that it should be amended to capture that.

Counsel informed the members that there was need to allow for the Ministry to develop the Bill and advised that as per the report's recommendation for the bill to not be proceeded with.

The recommendation to have the bill **not be proceeded** with was adopted having being proposed by Hon. Erastus Kivasu, M.P. and seconded by Hon. Mumina Gullo, M.P.

MIN.NO.NA/CII/2024/010: CONSIDERATION AND ADOPTION OF THE 2022/23 BUDGET IMPLEMENTATION OVERSIGHT REPORT

The Chairperson called upon the secretariat to take members through the Budget Implementation Oversight report FY 2022/23.



Members of the committee wanted the information in the report be presented in tabular form for better visual presentation.

The Committee sought to have a systematic and practical format to identify and verify the various projects that have been undertaken by the MDAs.

The performance of the MDAs was questioned as the absorption and performance was said to be below expectation. Members sought to be informed the cause and the challenges faced by the same.

The Committee **adopted** the report with amendments having being proposed by Hon. Erastus Kivasu, M.P. and seconded by Hon. Gideon Kimaiyo, M.P.

MIN.NO.NA/CII/2024/011: ANY OTHER BUSINESS

a. Invitation by Hon. Shakeel Shabir, CBS, MP

The Chairperson informed the meeting that the committee was in receipt of a letter from a committee member, Hon. Shakeel Shabir, CBS, MP, that he had been invited to attend a conference in Johannesburg, South Africa by ID4 Africa. Committee Members were by extension invited.

The Committee resolved to have the member have the invitation be written to the Clerk of the National Assembly procedurally.

b. Workplan

The Committee tasked the secretariat to prepare a workplan and schedule of activities to be presented before the committee.

c. Budget Policy Statement 2024

The Committee was informed that there will be the consideration of the Budget Policy Statement 2024 from 19th to 22nd February, 2024 within Kiambu or Machakos counties. Members were urged to diarize and be available.

d. Meeting Venues

The secretariat was tasked to secure conducive venue's for committee meetings.

MIN.NO.NA/CII/2024/012: ADJOURNMENT

There being no other business to deliberate on, the meeting was adjourned twenty minutes to two o'clock (13.40 pm.). The next meeting will be held on notice.



SIGNED:DATE:

HON. JOHN KIARIE, MP (CHAIRPERSON)
DEPARTMENTAL COMMITTEE ON COMMUNICATION, INFORMATION AND INNOVATION



Financial Performance FY 2023/24-First Quarter

The utilisation level based on 1st quarter for the recurrent and first half for the development vote was at 58% as shown below.

VOTE	Total budget FY 2023/24	1 st Quarter for recurrent and first half for Development Budget FY 2023/24(Ksh)	Expenditure FY 2023/24(Ksh) as at 30th. Sept 2023	Absorption Rate (%)
Recurrent	6,553,972,277	1,631,493,066	843,838,731	52
Development	626,000,000	313,000,000	284,879,500	91
Total	7,179,972,277	1,944,493,066	1,128,718,231	58

The low expenditure under the recurrent vote is partly attributed to delayed/nonpayment by MDAs for the advertising services rendered on their behalf by Government Advertising Agency (GAA).

RECURRENT VOTE : KEY EXPENDITURE ITEMS

The expenditure under economic classification items is as tabulated below

EXPENDITURE ITEM	GROSS APPROVED FOR FY 23/24 (KSHS)	CUMULATIVE EXPENDITURE (KSHS)	ABSORPTION RATE (%)
Compensation to Employees	112,773,495.00	69,179,719.00	62
Use of Goods and Services	400,719,571.00	71,659,019.00	18
GRANTS/TRANSFER	1,118,000,000.00	702,999,993.00	63
TOTALS	1,631,493,066.00	843,838,731.00	52

The budget absorption under Recurrent Vote for the use of goods was below target due the nonpayment/delayed payments by MDAs for advertising services provided under GAA.

1st Quarter Development Expenditure

The total commitment under the development vote was Ksh. 284,879,500 against the original approved budget of Ksh.313,000,000 representing a utilization level of 91% as indicated in Development Vote Expenditure Analysis.

DEVELOPMENT VOTE EXPENDITURE ANALYSIS

NO	Project Name (a)	Gross Approved for FY 23/24 (Ksh)	first half for Development Budget FY 2023/24(Ksh)	Cumulative Development budget Expenditure(Ksh)	Absorption Rate (%)
1	KBC Analogue to Digital TV Migration	160,500,000	80,250,000	80,250,000	100
2	KBC Medium Wave to FM Broadcast Migration	45,000,000	22,500,000	20,000,000	100
3	KBC Rollout of Studio Mashinani	-	-	-	-
4	Modernization of KNA National Desk and Press Centre	110,000,000	55,000,000	29,379,500	54
5	Modernization of KIMC Film	40,500,000	20,250,000	20,250,000	100
6	Construction of Class Rooms	140,000,000	70,000,000	70,000,000	100
7	KYB Services Automation	10,000,000	5,000,000	5,000,000	100
8	Modern Outside Broadcasting	120,000,000	60,000,000	60,000,000	100
	TOTAL	626,000,000	313,000,000	284,879,500	91

PROGRAMME & SUB-PROGRAMME PERFORMANCE REPORT (FINANCIAL)

Name of the Programme & Sub-Programme	Approved/Gross Estimates (Kshs.)			Gross Expenditure (Kshs.)		
	Recurrent	Development	Gross	Recurrent	Development	Total
	a	b	c=a+b	d	e	f=d+e
1. General Administration, Planning and Support Services						
(a) General Administration, Planning and Support Services	67,801,391	-	67,801,391	32,569,709	-	32,569,709
Sub-Total	67,801,391	-	67,801,391	32,569,709	-	32,569,709
2. Information and Communication Services						
(a) News and Information	1,108,691,679	217,750,000	1,326,441,679	383,019,026	189,629,500	572,648,526
(b) Kenya Year Book Initiative	44,000,000	5,000,000	49,000,000	28,500,000	5,000,000	33,500,000
(b) ICT and Media Regulatory Services	349,000,000	-	349,000,000	345,249,999	-	345,249,999
Sub-Total	1,501,691,679	222,750,000	1,724,441,679	756,769,025	194,629,500	951,398,525
3. Mass Media Skills Development						
(a) Mass Media Skills Development	62,000,000	90,250,000	152,250,000	54,499,998	90,250,000	144,749,998
Sub-Total	62,000,000	90,250,000	152,250,000	54,499,998	90,250,000	144,749,998
Grand Total	1,631,493,070	313,000,000	1,944,493,070	843,838,732	284,879,500	1,128,718,232

**BUDGET IMPLEMENTATION REPORT FOR THE FIRST HALF (1
& 2 quarter) OF FY 2023/24**

Financial Performance FY 2023/24-First Half

The utilisation level based on first half allocation was at 77.54% as shown below

VOTE	Total budget FY 2023/24	First Half Budget	Expenditure FY 2023/24(Ksh) as at 31 st December 2023	Absorption Rate (%)
Recurrent	6,628,828,269	3,314,414,134	2,417,246,344	73
Development	526,000,000	263,000,000	356,638,040	135.6
Total	7,154,828,269	3,577,414,134	2,773,884,384	77.54

- The low expenditure under the recurrent vote is partly attributed to delayed/ nonpayment by MDAs for the advertising services rendered on their behalf by Government Advertising Agency (GAA) and;
- Under-collection of AIA under KBC is due to low signal coverage especially for F.M radio, competition from online media, wide range of online programs and increased use of mobile applications.
- The development budget had a decrease of Ksh. 100M in Revised 1 and recurrent budget a net increase of 74 Million

RECURRENT VOTE : KEY EXPENDITURE ITEMS

The expenditure under economic classification items is as tabulated below

EXPENDITURE ITEM	GROSS APPROVED FOR FY 23/24 (KSHS)	CUMULATIVE EXPENDITURE (KSHS)	ABSORPTION RATE (%)
Compensation to Employees	225,546,990.00	207,506,242.48	92
Use of Goods and Services	775,617,144 .00	480,448,442.85	62
GRANTS/TRANSFER	2,313,250,000.00	1,729,291,659	74.7
TOTALS	3,314,414,134.00	2,417,246,344.33	73

The budget absorption under Recurrent Vote for the use of goods and Grants to SAGAs was below target due the non-payment/delayed payments by MDAs for advertising services provided under GAA and under collection of AIA by KBC.

Kindly note that the new organisation structure has been approved with an estimated cost of Ksh. 1B against a budget of Ksh. 460 Million

Development Expenditure

- The total commitment under the development vote is Kshs. **356,638,040** against the approved budget of Kshs.**263,000,000** representing a utilization level of **135.6%**

No	Project Name (a)	Gross Approved for FY 23/24 (Ksh M)	First half Budget for FY 2023/24(KshM)	Exp.commitment as at 31.Dec.2023(Ksh)	Absorption Rate (%)
1	KBC Analogue to Digital TV Migration	115.5	57.75	80.25	139
2	KBC Medium Wave to FM Broadcast Migration	45	22.5	22.22	99
3	Modernization of KNA National Desk and Press Centre	95	47.5	38.92	82
4	Modernization of KIMC Film	40.5	20.25	20.25	100
5	Construction of Class Rooms	100	50	70	140
6	KYB Services Automation	10	5	5	100
7	Modern Outside Broadcasting	120	60	120	200
	TOTAL	526	263	356.64	135.6

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Cont'

- The commitment of **Kshs.356.64Million** is above the approved first half allocation of **Kshs.263Million** is due to the rationalization of the budget during the revised budget NO.1 for the Financial Year, 2023/24 long after the commitment had been effected.
- The National Treasury had also granted full access of **Kshs.120Million** to KBC for the procurement of modern Outside Broadcasting Van (OB Van) thus, a utilization/commitment level of **200%**.

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PROGRAMME & SUB-PROGRAMME PERFORMANCE REPORT (FINANCIAL)

The expenditure levels as at 31st Dec. 2023 per programme and sub-programmes is as indicated below

Name of the Programme & Sub-Programme	2023/24 Budget Estimates (Kshs. M)			Expenditure (Kshs. M) as at 31/12/2023		
	Recurrent	Development	Gross	Recurrent	Development	Total
	a	b	c=a+b	d	e	f=d+e
1.General Administration, Planning and Support Services						
(a)General Administration, Planning and Support Services	132.55	-	132.55	121.97	-	121.97
Sub-Total	132.55	-	132.55	121.97	-	121.97
2.Information and Communication Services						
(a)News and Information	2,194.61	187.75	2,382.36	1,420.11	261.39	1,681.50
(b)Kenya Year Book Initiative	88	5	93	75.67	5	80.67
(c)ICT and Media Regulatory Services	775.25	-	775.25	690.50	-	690.50
Sub-Total	3,057.86	192.75	3,250.61	2,186.29	266.39	2,452.67
3.Mass Media Skills Development						
(a)Mass Media Skills Development	124	70.25	194.25	109	90.25	199.25
Sub-Total	124	70.25	194.25	109	90.25	199.25
Grand Total	3,314.41	263	3,577.41	2417.26	356.64	2,773.89

3.0 a)Progress reports on Legislation Initiatives and strategic plan

S/No.	Legislative Initiatives	Status
1	Review of Kenya Information and Communications Act, 1998	16 Draft Regulations formulated and the multi-sectoral Committee is incorporating comments from the Sector Working Group. Regulations are expected to be gazetted by 15th May, 2024. The KICA Review Bill is ready for submission to Cabinet by 15th May, 2024.
2	National Addressing Systems Policy and Bill 2023	Draft Policy and Bill under development and estimated to be ready for presentation to Cabinet by 15th March, 2024
3	Access to Information Policy	Draft policy under development and estimated to be ready for presentation to Cabinet by 15th May, 2024.
4	National Public Sector Advertising Policy	Draft Policy is expected to be ready for presentation to Cabinet by 30th June, 2024
5	National Communications Policy and Strategy	Drafts are ready. Public participation will be conducted by 15th April, 2024. To be completed by June, 2024
6	Public Relations and Communications Management Bill 2023.	Bill has been forwarded to the Clerk of the National Assembly.
7	Kenya Broadcasting Corporation Act	Draft Bill under development. Awaiting inputs from Sector Working Group. Expected to be completed by June, 2024
8	Media Council Act,2013	Draft Policy and Bill under development. The estimated timelines for transmittal of the documents to Cabinet is June 2024
9	Kenya Postal Corporation Act	Draft Bill under development. Awaiting inputs from Sector Working Group. To be completed by June, 2024
10	Revitalization of K.B.C and P.C.K	1. Cabinet Memorandum on KBC Digital Broadcasting Infrastructure Phase II is undergoing consultations with Attorney General and National Treasury. Estimated to be completed by 15th April, 2024. 2. Cabinet Memorandum on KBC Transformation Strategy is undergoing consultations with Attorney General and National Treasury. Estimated to be completed by 15th May, 2024. 3. Cabinet Memorandum on KBC Land Asset is undergoing internal consultations with KBC. Estimated time of completion is 30th June, 2024. 4. PCK Cabinet Memorandum under development in liaison with the National Treasury and Attorney General. Estimated time of completion is by 30th June, 2024
11	Kenya Institute of Mass Communication Bill	Review Committee formulating a draft which will be ready for public participation by 30th April, 2024
12	Kenya Yearbook Editorial Board Bill	Review Committee formulating a draft which is estimated to be ready for public participation by end of June, 2024.

3.0 b) Progress on Development of Strategic Plans

- The Ministerial Strategic Plan 2023-27 has been developed awaiting to be launched on 13th March, 2024.
- The Departmental Strategic Plan 2023-27 has also been developed awaiting approval once the Ministerial Strategic Plan has been launched

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Index of Kenya Information and Communications Regulations

1. The Kenya Information and Communications (Compliance and Enforcement) Regulations, 2024
2. The Kenya Information and Communications Act (Consumer Protection) Regulations, 2024
3. The Kenya Information Communications (Domain Names Administration) Regulations, 2024
4. The Kenya Information and Communications (Electronic Certification Administration) Regulations, 2024
5. The Kenya Information and Communications (Interconnection) Regulations, 2024
6. The Kenya Information and Communications (Fair Competition and Equal Treatment) Regulations, 2024

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7. The Kenya Information and Communications (General Licensing) Regulations, 2024
8. The Kenya Information and Communications (Infrastructure Sharing) Regulations, 2024
9. The Kenya Information and Communications (Numbering) Regulations, 2024
10. The Kenya Information and Communications (Postal and Courier Services) Regulations, 2024
11. The Kenya Information and Communications (Radio Communication and Frequency Spectrum) Regulations, 2024
12. The Kenya Information and Communications (Registration of Telecommunications Service Subscribers) Regulations, 2024
13. Kenya Information and Communications (Tariff) Regulations, 2024
14. The Kenya Information and Communications (Communications Equipment Type Approval) Regulations, 2024
15. The Kenya Information and Communications (Universal Access and Service) Regulations, 2024
16. Kenya Information and Communication (Broadcasting) Regulations, 2024

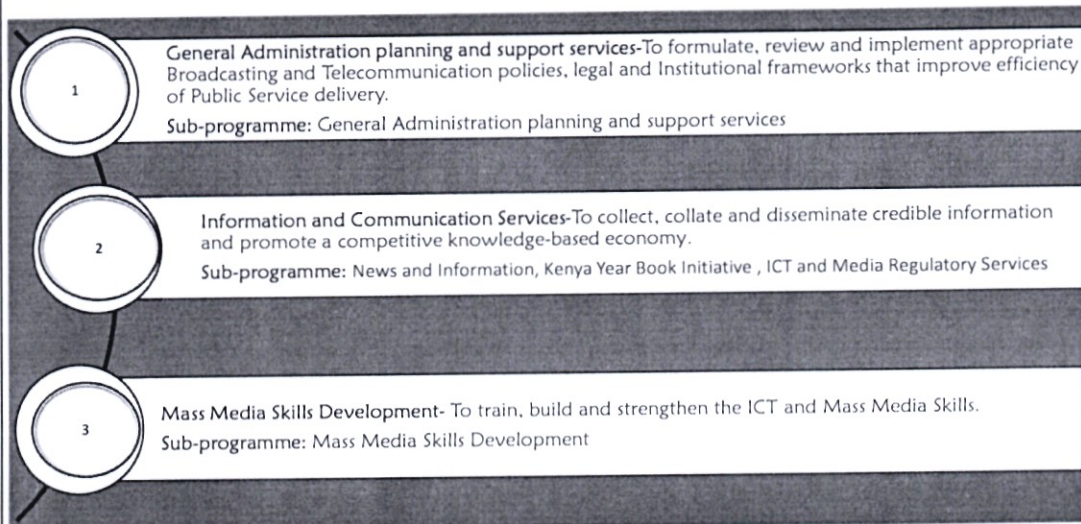
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Policies and Strategies Developed

- Public Relations and Communications Management Policy 2023;
- National Spectrum Policy;
- National E-commerce Strategy, 2023.

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4.0 PROGRAMMES AND THEIR OBJECTIVES



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5.0 FIRST HALF (1st & 2nd KEY ACHIEVEMENTS)

Programme	SUB-PROGRAMME	Key Output	Key Performance Indicator	Annual Target	1 st Quarter Achievement	2 nd Quarter Achievement	Actual Cumulative Achievement	Remarks
Information and Communication Services	News & Information Services	Public News and information services	Daily and Weekly News and information Briefs	302	65	78	153	Target surpassed due to acquisition of additional equipment (laptops, computers and cameras) has improved performance
			No. of TV news items produced	4,000	1,800	1,800	3,600	Surpassed the target. Acquisition of additional equipment (laptops, computers and cameras) has improved performance
			No of Regional & online publications editions produced	56	13	11	24	Target affected by underfunding and shortage of graphic designers.
			No. of print News items Produced and disseminated	20,000	9,554	7,311	16,869	Surpassed the target. Acquisition of additional equipment (laptops, computers and cameras) has improved performance

5.0 FIRST HALF (1st & 2nd KEY ACHIEVEMENTS)

Programme	SUB-PROGRAMME	Key Output	Key Performance Indicator	Annual Target	1 st Quarter Achievement	2 nd Quarter Achievement	Actual Cumulative Achievement	Remarks
Information and Communication Services	News & Information Services	Government media coverage	No. of IEC material on Government Policies, Strategies and Programmes disseminated	200	50	64	114	Target surpassed. IEC material produced and disseminated
		Senior Government Officers trained on Public Communications skills	No. of officers trained	1,000	210	210	420	on-target
		Standardized Government Advertisements	No. of Weekly MyGov Pull Out	50	13	13	26	On-target. In addition, reduction of Government advertising cost by 47% from 17Million to 9 Million
		Public Broadcasting Services	Number of public broadcasting services hours	2190	548	548	1,096	Target achieved. Public broadcast services provided.
		Studio Mashinani Youth recordings	No. of recordings	500	50	74	124	

5.0 FIRST HALF (1st & 2nd KEY ACHIEVEMENTS)

Programme	SUB-PROGRAMME	Key Output	Key Performance Indicator	Annual Target	1 st Quarter Achievement	2 nd Quarter Achievement	Actual Cumulative Achievement	Remarks
Information and Communication Services	Kenya Yearbook Initiative	Publication	Kenya Yearbook 2023 Edition	100%	20%	30%	50%	Prototype ready awaiting printing
			Kenya Yearbook 2024 Edition	80%	20%	20%	40%	On target
			Bottom-Up Economic Transformation Agenda (BETA) publication on Agri-Innovation	100%	25%	25%	50	On target
			No. of AgendaKenya Newspaper disseminated	40,000	10,000	10,000	20,000	Target achieved. Copies of AgendaKenya Newspaper disseminated produced and disseminated

5.0 FIRST HALF (1st & 2nd KEY ACHIEVEMENTS)

Programme	SUB-PROGRAMME	Key Output	Key Performance Indicator	Annual Target	1 st Quarter Achievement	2 nd Quarter Achievement	Actual Cumulative Achievement	Remarks
Information and Communication Services	Media Regulatory Services	Media Regulation Services	% of the media complaints resolved	100	55.5	100	100	The Council has resolved all cases received: 2 cases carried forward from previous FY, 3 cases received in Q1 and 4 cases in Q2. There is no pending case requiring determination.
			No. of Media Standards Developed	4	1	2	3	Target achieved
			No. of on-job Journalists trained	3,000	1,000	1,118	2,118	Target exceeded due to partnerships.
			No. of Journalist Accredited	8,900	812	988	1,800	Target surpassed
Mass Media Skills Development	Media Skills Development	Mass Media skills	No. of Trained media practitioners	752	619	619	619	KUCCPS student admissions calendar for long term courses changed to September 2023 from May 2024.

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Key Commitments

- Revitalize Kenya Broadcasting Corporation(KBC), Postal Corporation of Kenya (PCK)
- Revamp/Modernize Kenya News Agency(KNA)
- Strengthen Government communication
- Undertake Capacity building for Senior Government officials on public communications
- Establishment of Studio Mashinani in the remaining 41 Counties
- Establishment of digital content production centers by MCK
- Training and accreditation of media practitioners.
- Operationalization of National Addressing System countrywide to ease access to information and promote e-commerce.
- Digitization of Government Advertising services.
- Upgrade of Cyber Security Management Tools by CA
- Upgrade of Broadcaster loggers by CA
- Voice Infrastructure Project Phase II by CA

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6.0 PROJECT STATUS

The following are the projects status and FY2024/25 allocation:

Implementing Agency	Project	Project cost (Ksh, M)	Cumulative expenditure (Ksh.M)	% completion	2023/24 Financial Year Budget	Proposed FY 2024/25 (Ksh,M)	Status
KBC	KBC Analogue to Digital TV Migration (Digital Terrestrial Television coverage rollout)	6,000	5.816	98	115.5	68	The amount received has been used to establish 39 transmitting sites and Head-end facility at Broadcasting House.
KBC	Studio Mashinani	619	209	40	-	50	Seven (7) Studios in Mombasa, Kisumu, Kitui, Muranga, Machakos, Komarock and Langata has been established. The project was not allocated funds in the financial year 2023/24. K.B.C plans to establish an additional forty one (41) audio visual recording studios in all the Counties

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Implementing Agency	Project	Project cost (Ksh,M)	Cumulative expenditure (Ksh.M)	% completion	2023/24 Financial Year Budget	Proposed FY 2023/24 (Kshs,M)	Status/Remarks
KBC	Procurement of Modern Outside Broadcasting Van (OB)	120	0	-	120.0	0	The OB Van can produce both TV and Radio signals simultaneously unlike the old one. The National Treasury is yet to release one off Exchequer
	Medium Wave to FM Broadcast Migration	2,720	12.5	1	45.0	100	Second phase of the Analogue to Digital TV roll out involving acquisition, installation and commissioning of FM radio
	Solar Power	220	0	-	-	100	

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Implementing Agency	Project	Project cost (Ksh,M)	Commulative expenditure (Ksh.M)	% completion	2023/24 Financial Year Budget	Proposed FY 2024/25 (Kshs,M)	Status
KIMC	KIMC Eldoret Campus(construction of classrooms)	1,690	102.5	10	100.0	150	Perimeter wall and gate house of the campus is complete. Structural designs, BQs and approvals for vertical infrastructure are ready. Currently the students are hosted by the County Government facility.
	Modernization of KIMC Film -	276.5	67.25	25	40.5	100	Partial modernization of studio equipment has been done. Current equipment can not support revised curriculum.

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Implementing Agency	Project	Project cost (Ksh, M)	Commulative expenditure (Ksh.M)	% comp	2023/24 Financial Year Budget	Proposed FY 2024/25	Status/Remarks
Kenya Year book Editorial Board	KYEB Office & Service Automation	146	43.5	40	10	47	The 40% completion entails office renovations and installation of ERP system is done. Phase 2 entails putting in place automated publishing equipment to enhance publishing capacity, increased production and efficiency
DI(HQS)	Modernization of KNA National Desk and Press Centre	791	216.8	25	95	180	The project is at 25% having refurbishment thirty five (35) existing offices and acquiring part of the modern equipment for contents development, management and transmission of news and information.
TOTAL		12,362.5	6,467.55		526	795	

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