

# Vincent K. Kimosop

Policy & Governance  
Expert



SOVEREIGN  
INSIGHT

*Sharpening Your Competitive Edge!*





# BB COST IMPLICATIONS



# THE PEOPLE OF KENYA

## NATIONAL GOVT

---

- The President
  - The Cabinet
  - The National Civil Service
- National Assembly
  - Senate
  - Constitutional Commissions
  - Constitutional Offices

## COUNTY GOVT

---

- The Governor
- The County Assembly
- The County Executives
- The County Civil Service

- Judiciary

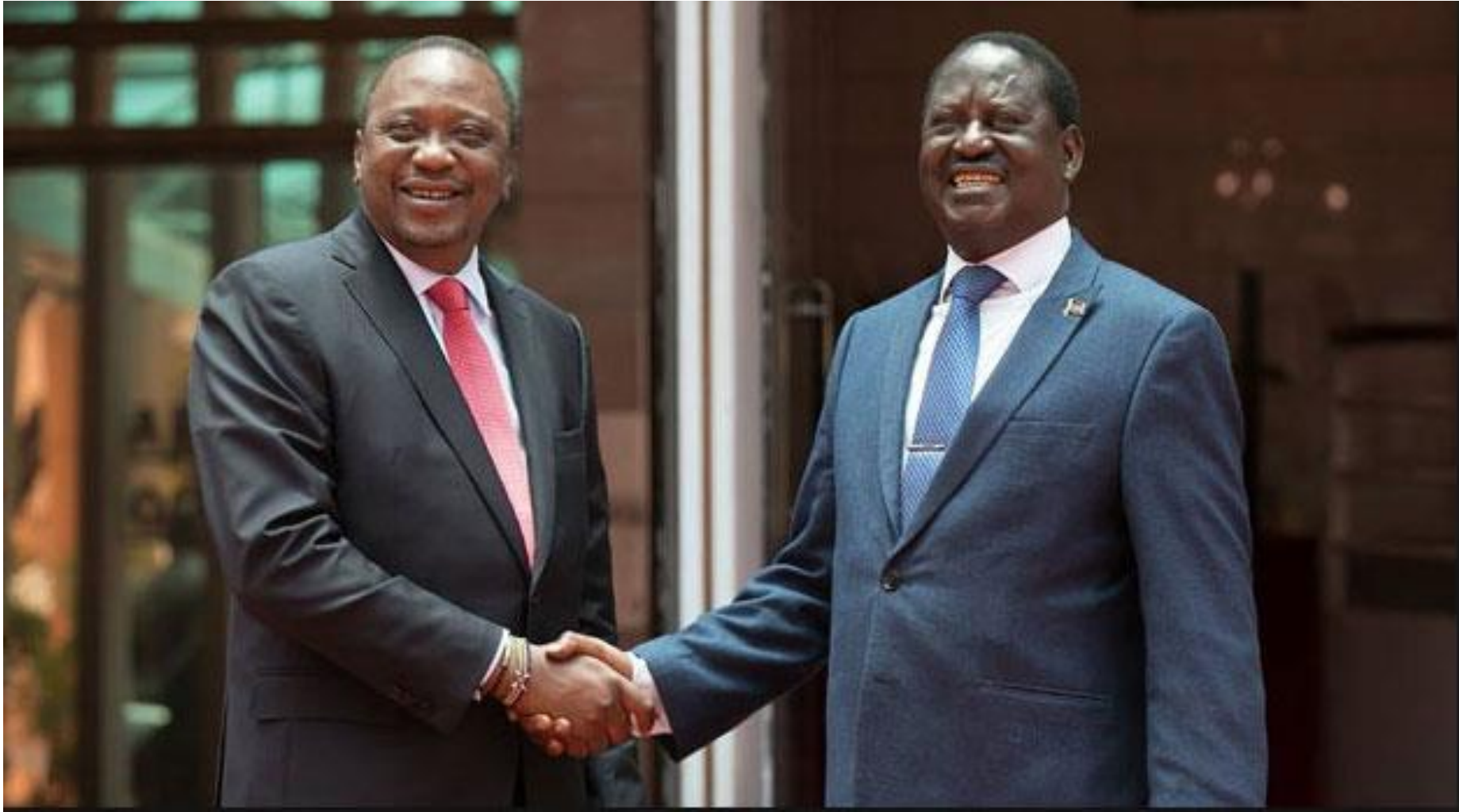




How we  
got here



# March 9, 2018





# May 31, 2018

*BBI Team formed: Public participation – collect recommendations across the 47 counties*



**KShs 100  
Million**

1. How to end ethnic division
2. Inclusivity
3. How to solve polarizing elections
4. Safety and security
5. How to deal with corruption
6. How to deal with lack of national ethos
7. Responsibility and rights
8. Shared prosperity
9. Enhancing devolution





November 27, 2019

*The first BBI Report released ~Bomas  
of Kenya*





October 21, 2020

*Second BBI Report released – Kisii*



# FINAL REPORT

October 26, 2020 Bomas public unveil

Nov 19, 2020

Signature collection drive to  
support the Constitution  
Amendment Bill 2020





# Next

- The county assemblies and Parliament debate BBI
- If more than half (24) pass the Bill, it will be introduced to the Senate and the National Assembly(Parliament).



**KShs4.5 billion**  
**Car grant**



- President notification to the IEBC
- Referendum (between April and June 2021)

**14 billion –  
Referendum**





- Elections between Financial Year 2016/2017 and 2018/2019



**Kshs 45.4 Billion**



1	Legal and Regulatory Framework	1,585,428,340
2	Voter Education and Stakeholder Engagement	1,487,315,300
3	Voter Registration*	4,415,298,851
4	Electoral Technologies*	4,535,549,000
5	Electoral Process Logistics	10,376,699,520
6	Nominations	92,978,100
7	Voting including materials and Ballot papers	7,143,686,889
8	Election Results Management -Tallying Centres	916,417,750
9	Electoral Security	475,715,000
10	Human Resource and Administrative costs	14,377,753,547





# Structure Amendments and Cost



# 1. The Executive

---

The President

The Deputy  
President

The Cabinet

A Prime Minister

2 Deputy Prime Ministers

---



# Salary (Not inclusive of admin cost)

- **Prime Minister** = Pay of a vice president
- Kshs. 1,227,188 Per Month
- **2 Deputy Prime Ministers** = Pay of a CS
- KShs 924,000 per month x 2 = 1,848,000
- Total Per Year
- $(1,227,188 \text{ PM} + 1,848,000 \text{ 2DPMs}) \times 12 \text{ months} = 36,902,256$





# 2. National Assembly

290 Constituencies

290 Members of  
National Assembly

12 Nominated  
Members

360 Constituencies

360 Members of  
National Assembly

6 Nominated  
Members

- **4** = 2men & 2women  
rep persons with  
disabilities
- **2** = 1man & 1woman  
rep youth

- Nominated by political Parties according to proportion of members of NA
- To represent special interests including the youth, persons with disabilities and workers;



# New Constituencies

- Mombasa (3)
- Kwale (3)
- Kilifi (4)
- Mandera (1)
- Meru (2)
- Embu (1)
- Machakos (3)
- Makueni (1)
- Kirinyaga (1)
- Murang'a (1)
- Kiambu (6)
- Turkana (1)
- West Pokot (1)
- Trans Nzoia (2)
- Uasin Gishu (3)
- Nandi (1)
- Laikipia (1)
- Nakuru (5)
- Narok (3)
- Kajiado (3)
- Kericho (1)
- Bomet (2)
- Kakamega (2)
- Bungoma (3)
- Siaya (1)
- Kisumu (2)
- Nyamira (1)
- Nairobi (1 2)



# 3. The Senate

47 Senators

94 Senators

*1 Man + 1 Woman from each of the 47 counties*



# National Assembly

## Special Seat Members

- *Necessary to ensure that no more than two-thirds of the membership of Parliament are of the same gender*
- *E.g. If among the 366 there is yet to be achieved a 2/3 gender rule (122 Women) then more women will be nominated to fulfill the rule (this is unpredictable)*



National Assembly



Senate



Parliament

**2010 Constitution (excluding speakers)**

$$349 + 67 = 418$$

**BBI Increase**

$$17 + 27 = 44 + 41$$

Women to achieve 2/3 gender rule



- The National Assembly has 76 Women,
- Still short by 41 seats to make 117 or one-third of the 349 MPs — 290 elected, 47 woman representatives and 12 nominated members.

2/3 Gender rule  
– 117/349

41 seats less



# COST - Parliamentary Budget Office

The cost of sustaining one MP is pegged at **KSh30 million annually**

- Cumulative basic salary and allowances estimated at Sh10.8 million. Basic salary
  - ✓ Responsibility allowance
  - ✓ Vehicle fixed cost
  - ✓ Sitting allowances





# COST

Avg Tot cost - 1 constituency office per year is **KSh12 million**

Avg Tot cost - Mileage claims per year - **KSh9.6 million**

**the current annual Legislature's budget is 2 per cent of the national budget, translating to Sh39 billion.**



# 4. The Opposition

## Leader of Opposition

- *2nd greatest no of votes in a presidential election*
- *Whose political party or coalition of parties has at least 25% of all the members of the National Assembly.*
- *Prime Minister is not appointed from the person's political party or coalition of parties.*



# 5. The Judiciary

## Judiciary Ombudsman

- *An Ex officio member*
- *Investigate and prosecute complaints against judicial officers*
- *Appointed by the president with approval of Senate*



Supreme Court

Judicial Service  
Commission

Court of Appeal

Ombudsman

High  
Court

Industr  
ial  
Court

Land and  
Environme  
nt

Tribuna  
ls

Kadhi'  
s

Marti  
al

Magi  
strat  
es

Magi  
strat  
es



# 6. The Counties

Ward Development Fund –each county

- *5% of all county government revenue each financial year*
- *equitable distribution and*
- *development in the wards*



# 6. The Counties

County Governments fund  
allocation of 35%

- *35% Funds allocated to county governments from 15%*
- *County governments have adequate funds to carry out their operations*



- Constitution of Kenya, 2010
- minimum 15% allocation to county government

FY	%
2015/2015	22%
<b>2015/16</b>	22%
2016/2017	21%
2017/2018	22%
2018/2019	18%
2019/2020	19*



# 7. Education

Citizen

Service Providers

- *Public Participation*
- *Character Moulding*

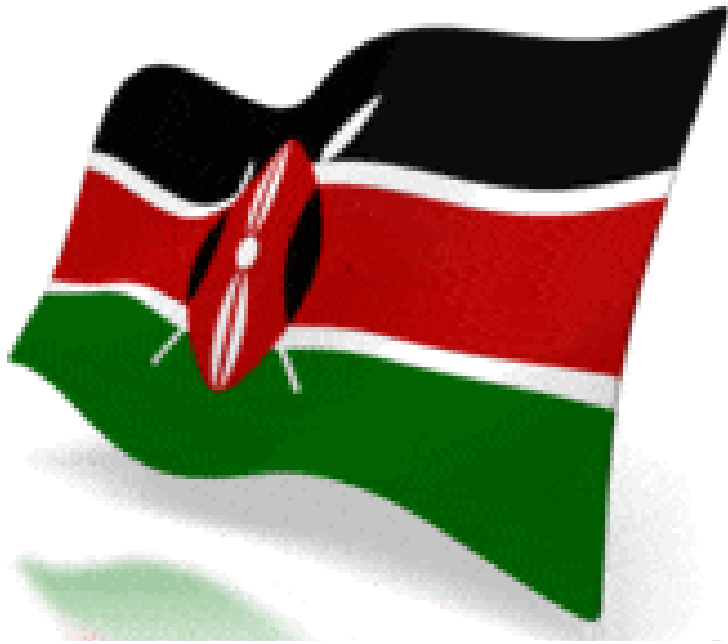


# 8. Policy

New policy, policy review  
or policy implementation)

- *Formulation/Development*
  - *Review*
  - *Implementation*
  - *Monitoring and Evaluation*
- **Doctrines**
  - Policy Guide on National Heritage and History
  - Policy Guide on National Ethos and Responsible Citizenship
  - Policy Guide on Citizen Education
  - Policy Guide on Productivity and Shared Prosperity
  - Policy Guide on Health and Wellness
  - Policy Guide on Good Governance
  - Policy Guide on Justice
  - Policy Guide on Security and Safety
  - Policy Guide on Unity in Diversity





**Worth  
Noting**





# Tax

- *7 years Tax Holiday for new and small businesses as a support to youth entrepreneurship and job creation*





## Public Wage Bill

- Sept 2016 socio-economic audit report on the 2010 constitution by the working group chaired by former Auditor-General Edward Ouko.
- Cost of implementing the 2010 constitution is too high... running a very expensive government that will be difficult to maintain. Calling for constitutional amendments to reduce the size of government.
- “A growing public wage bill will crowd out resources for the development budget, and by that affect economic growth,”





## Public Wage Bill

- *The budget of the national executive-ministries, department, and agencies had increased by 21 percent from Sh1.011 billion in 2013/14 to Sh1.461 billion in 2015/16.*
- *This translates to every Kenyan contributing, on average, slightly over Sh25,000 per year, or about Sh2,083 per month, to support the running of the national executive.*




# PUBLIC DEBT

- November 2020 - 7,254,462.03

- External Debt - 3,771,808.47

- Domestic Debt - 3,482,653.56

A red circle with a thin blue border containing the text "68.6% of GDP" in white.

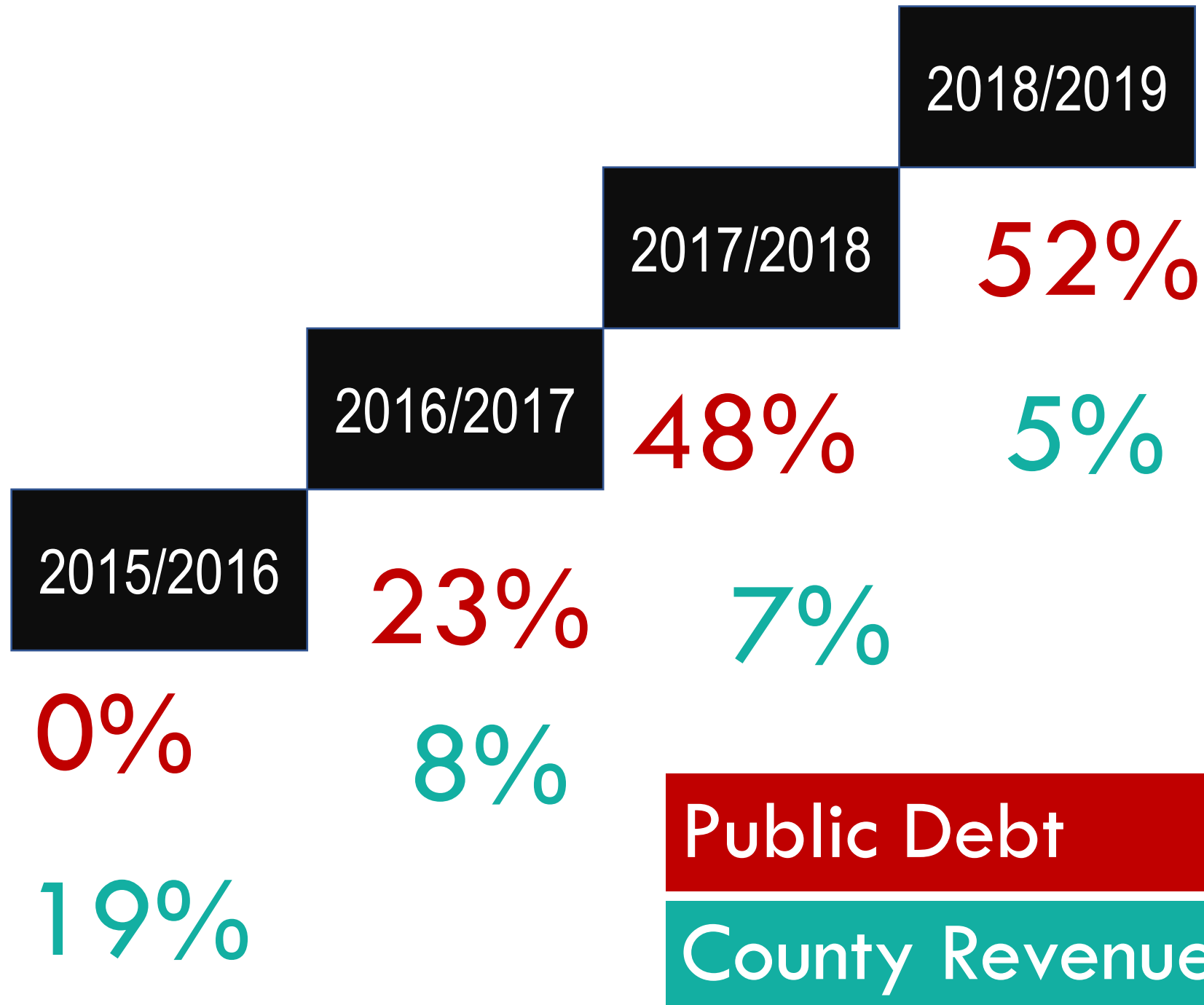
68.6%  
of GDP

- Current (2021) 8.4 Trillion

A red circle with a thin blue border containing the text "70% of GDP" in white.

70% of  
GDP





Public Debt

County Revenue Allocation



# Kenya's Current Account

- Current Account Balance (Percent of GDP)
  - Deficit -4.6%



# Kenya Pensions



- In 2018, The Treasury issued an alert over the mounting pension bill,
- Warning that the expense is a risk to the Budget
- “The pension Budget had increased by over three-fold in the last 10 years from Sh25 billion in the financial year 2008/09 to Sh86 billion in FY 2018/19.

*“This is unsustainable,” the Treasury informed Parliament in a note.*



- In the FY2020/2021 The Pension budget stands at 136Billion (136,978,000,000 )
  - *Ordinary Pension - Kshs. 57.2 billion*
  - *Commutated pension (Gratuities) - Kshs. 61.7 billion.*
  - *Retired state officers: a) Chief Justice, b) Deputy Chief Justice, c) prime minister, d) Deputy President or Vice President -*



# Africa Priorities



1. Relaunching African: economies during and beyond the COVID-19 crisis
2. Support for public health: Preparing for the next pandemic
3. Human development: Protecting vulnerable populations
4. Private sector leadership: Building African businesses and creating jobs
5. Continental integration: Uniting a revitalized Africa
6. Good governance: Strengthening trust between people and their leaders