MEMORANDUM TO THE SENATE AD-HOC COMMITTEE ON COVID-19

Wednesday, 08 April 2020

This joint memorandum is submitted in line with the call by the ad-hoc committee on COVID-19 of the Senate of Kenya. It speaks to specific issues as summarized in the next section and detailed thereafter.

Summary of recommendations

1. National and County governments should urgently formulate and approve supplementary budgets to release more resources to the critical health functions to deal with the COVID-19 pandemic. These reallocations should consider the multisectoral nature of the response to the crisis. However, these adjustments of the budget should not move resources from programs that are meant to provide services to the poor and vulnerable groups in the country.

2. The government should expand social protections under the health sector. Here we recommend the expansion of funding to two vital programs; first, the free primary health care program by expanding it to include Level 4 health facilities. Second, the social protection program through the National Health Insurance Fund for poor households, including a waiver on outstanding NHIF payments for non-compliant members to increase access to healthcare for poor households. This will ensure that governments increase access to health services.

3. We recommend the expansion of the other social protection programs in two ways, first by allocating an additional Ksh 20 billion to the measures given by the President. Secondly, to expand the definition of the vulnerable to include the urban poor.

4. The procurement process in at the national and county levels must be efficient and effective in the procurement of vital supplies to deal with the pandemic. In addition, it must be transparent and verifiable, which is a key role for Parliament in its oversight. Therefore, the Public Procurement Oversight Authority should urgently provide guidelines to help government improve their procurement processes in this emergency without opening loopholes for corruption and mismanagement.

5. Small businesses will need a mix of reliefs from the government to remain afloat and be ready to be up and running after the pandemic. Over 80% of businesses in Kenya are informal. In
addition to the tax and credit measures announced by the President we recommend additional reliefs from paying for water, electricity and rent.

6. Parliament should consider the introduction of a moratorium on all personal and business loans with both financial institutions and micro-finance enterprises for the next six months.

7. We also recommend areas where the government can make savings to fund the proposed measures in this memorandum

DETAILED ANALYSIS

A. HEALTH RESPONSES

1. The current global health pandemic is going to test and stretch our health care system in many ways. Therefore, the government should ensure that adequate resources are re-allocated to critical aspects of our healthcare systems to handle what may come. According to Oxfam, poor countries have to double allocations to their health sectors if they are to be able to respond to COVID-19.¹ According to data from the Commission on Revenue Allocation and the National Treasury Kenya, the total allocation to health was Ksh 184.2 billion, (Ksh 91.5 billion at the county level and Ksh 92.7 billion at the national level). In anticipation of the rollout of the Universal Health Coverage across all the 47 counties, the National Assembly Approved an additional Ksh 22 billion through a supplementary budget in November 2019. It’s not clear if these additional funds had already been allocated to the earmarked services, but this is the first place to get the additional resources for addressing COVID-19 at the national level but also at the county level.

2. Both levels of government should present supplementary budgets that will release more resources to health functions. This amendment will give the executive arms, timely resources to ensure health care workers have all they need to facilitate preventive measures and address any cases of COVID-19 that are identified in the country. The current shortage of testing and safety equipment across the world means that procurement of essential equipment will take time and more reasons for Parliament and county assemblies to quickly pass these measures. However, these budget changes should be done in a transparent manner so that Kenyans have clarity on why certain priorities will not be implemented as had been approved initially.

3. Paying for health services is one of the main causes of poverty in Kenya and each year, many Kenyans suffer this fate. The COVID-19 pandemic presents a real risk that many households will sink further into poverty because out of the pocket expenditure. Poor households and even those with health insurance will face situations where they are not able to handle financial needs related health care and more extended periods of isolation, especially

¹ https://oxfam.qc.ca/covid19-health-spending-must-double/
of the breadwinners. The government already runs two programs that could be strengthened in this period and could save thousands of households from this reality.

The **free primary health** care program guarantees that Kenyans can access free health care at dispensaries and health centres across the country. The program is currently allocated Ksh 900 million which has been the case since 2015/16. We recommend that this program be expanded to include Level 4 facilities. This will require an increase in the allocation to this conditional grant under the current Division of Revenue process or directly through the supplementary budget. This will cushion poor households from the costs of any COVID-19 related illness which may require admission to hospital, which at the county level happens in Level 4 hospitals.

In addition, the government has a **social protection program** that pays NHIF fee for poor households, the old and vulnerable persons. The current coverage as shown in Figure 1 is just 190,000. We recommend an expansion of this program to cover more households and progressively improved going in 2020/21. Also, the government should give a waiver for poor families that are in default so that they can access healthcare through NHIF as soon as they need it.

**Figure 1: Social protection Programs under the Ministry of Health**

![Social protection Programs under the Ministry of Health](image)

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4. **While responding to the pandemic, a focus in the delivery of critical services should be maintained.** While issuing COVID-19 preparedness guidelines issuing immunization guidelines on the pandemic, WHO has warned countries against shifting focus from key health issues as this will have dire consequences on the health systems but rather strike a balance to

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limit direct mortality and increased indirect mortality cases. Thus we recommend that the Parliament ensures that national and county governments support health facilities to strike a balance while responding to COVID-19 while maintaining equitable access to critical services. This is by scaling up essential healthcare services such as immunization, maternal and child health services, contraceptives and family planning, antenatal and post-natal care services that are the primary focus for UHC to ensure as the efforts towards eliminating the pandemic progress while still prioritizing access to essential services, therefore ensuring the country is still promoting the health and well-being for all. It is critical to continue collecting data on the demand and access of health services during this period in order to monitor the health trends that are otherwise not caused by the pandemic.

5. **Transparent and accountable procurement for health services and commodities is imperative.** Due to the COVID-19 pandemic, the Senate should ensure national and county level procurement do not hinder service delivery. While there is the likelihood that the whole of government could adopt single-source procurement with reliable and trusted suppliers to expedite the process, measures as per the Public Procurement and Disposal Act 2015 and subsequent regulations should be adhered to. Senate should consider requiring the Procurement Authority though the National Treasury to issue additional guidance on how to manage procurement process in times of pandemic. Some of the key recommendations that the Senate should make include real-time publication by government departments on their websites on procured goods and services and provision of monthly reports to the Senate. This will also help in mitigating the possible risks of fraud and provide audit trails. Further, the Senate should guide the procurement authority on provision of bid securities and guarantees in order to keep the cost of supplies low and increase turnaround for quotation response by businesses.

6. **Tracking and reporting of emergency response measures should be structured along spending programs.** Budgets preparation in Kenya is based on programs as required by section 12, second schedule of the Public Finance Management Act 2012. We implore for the Senate to consider requiring county governments to ensure their reporting on COVID-19 spending is in conformity with program-based budgeting. This will ensure that transparent mechanisms are set up for tracking, accounting, and reporting of emergency funds deployed and that comprehensive and timely information is available to policymakers and the public. Further, this reporting should contain disaggregated data up to subprogram level.

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B. ECONOMIC AND FINANCE RESPONSES

7. The measures put in place to control the spread of corona virus infections have dire economic and financial effects to individuals, households and organizations. Governments response moving forward must thus address a number of issues to ensure that the people of Kenya continue to have a dignified life.

8. Notably most of the measures established so far do not have a direct effect on the informal sector which make up 80% of businesses in Kenya. In order to provide relief to these businesses as well as to households in marginalized areas. In addition to the tax and credit measures announced by the President, we propose the following:
   a. Free water provision over 3 months
   b. Free electricity over 3 months
   c. Rent holiday for all staff in government owned properties, and tax reliefs to property owners for mandatory pass down to renters - for example reduction in residential rental income from 10% to zero for at least 6 months.
   d. Reduce taxes on fuel and gas pass on the benefits of the collapsed crude price to citizens moreso subsidize 6kg LPG and refills

9. Prioritize healthcare and the vulnerable when implementing COVID-19 response strategies especially during the restricted movement period. For those losing their jobs and those already hovering or under the poverty line, those who have to take care of sick family members or those who become sick themselves, they will need support. Unfortunately, this is a burden that will be most felt by the low- and middle-income households who do not have enough savings to tide them over. They will need social assistance such as cash transfers, and in-kind reliefs such as food vouchers. Many will also need loan holidays, including those with microloans, mortgages and other personal loans.

10. Consider a supported fiscal stimulus package for low- and middle-income households.
A KES. 5000 per month per household in those income groups, could cost Ksh 30 billion for one month yet it would keep millions of Kenyans afloat. This can be considered under the COVID-19 fund which we propose to be resourced as per point 8 above. These transfers can be made through existing cash transfer programmes in place, and in conjunction with the private sector, for purchase of food or hygiene products. A stimulus package could spur consumer spending against businesses that would have also taken advantage of credit made available through recent government actions, and businesses would have confidence that there is demand for their products and maintain their staff contingent. This is a self-fulfilling prophecy that will snowball into a reviving economy.

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11. Fund the stimulus package through savings, borrowing and seek IMF support. Re-prioritization of the government's budget through a supplementary reallocation from non-productive budget items as well as development expenditures that can be postponed such as roads. Strive to borrow domestically (2-year maturity) at favourable terms, as well as externally where possible. An IMF package must also be negotiated.

12. At a county level, business permits and other business-related fees and charges should be put on hold for at least 12 months. This will give businesses a much-needed lifeline. Table 1 provides a breakdown of further proposals along what the government has already issued.

Table 1: Further proposals on economic and financial interventions

<table>
<thead>
<tr>
<th>Government intervention</th>
<th>Proposal</th>
<th>Justification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction of Turnover Tax from 3% to 1% for all MSMEs</td>
<td>Waive turnover tax from 3% to 0% in the next three months and then apply at 1% for at least one year.</td>
<td>Out of 7.4 million SMEs in the country only 1.6 million (22%) are licensed. Formalization of businesses by SMEs in the country is a significant challenge for many MSMEs and over this period there need to be incentives to remain formal in operation. Waiving corporate tax which is already a high tax burden will be a show of goodwill over this challenging period.</td>
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<tr>
<td>Suspension of Credit Reference Bureau (CRB) listing for any person, Micro, Small and Medium Enterprises (MSMEs) and corporate entities</td>
<td>The suspension should be for an initial period of 12 months to allow for access of credit by the MSMEs</td>
<td>The value of the MSME's output is 34 per cent of the national output. The COVID-19 measures in place will likely see many MSMEs at risk of going out of business. Already MSMEs face a relatively higher cost of capital than larger firms and more credit rationing due to limited collateral. The extension of the suspension period will allow MSMEs to recover by increasing access to finance locally and internationally. The suspension can be reviewed after 12 months.</td>
</tr>
<tr>
<td>Lowering of</td>
<td>Each commercial bank</td>
<td>While reducing the CBR will increase market liquidity, it</td>
</tr>
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5 Scaling up SMEs for inclusive growth. Data from Kenya Association of Manufacturers’ (KAM)
http://kam.co.ke/scaling-up-smes-for-inclusive-growth/

6 “Ibid”
<table>
<thead>
<tr>
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<th>Justification</th>
</tr>
</thead>
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<tr>
<td>the Central Bank Rate (CBR) by 100 basis point to release credit to MSMEs</td>
<td>should commit to secure a percentage of their credit to business, especially MSMEs, with government guarantee.</td>
<td>is not guaranteed that banks will pass these savings on to MSMEs and households. To incentivize banks to pass on these savings, must commit to transparently pass on these savings to businesses and especially to MSMEs. This commitment can be backed by government guarantee to provide more confidence to banks.</td>
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| Payment of pending bills to the tune of Ksh 13 bn and directive of private sector to do the same in 3 weeks. | The government should follow up and clear verified bills while ensuring no further commitments - particularly on major projects - are made over the COVID-19 response period. | Before the COVID-19 pandemic, several businesses were owed a total of Ksh 88.9 billion as per the figures submitted to the Auditor General for verification by the County Governments. Of these Ksh 51.2 billion (57.5%) were found to be eligible and payable. With the current situation, these businesses are at risk. Verified pending bills should be made, prioritizing MSMEs in order to add additional liquidity in the market, instill confidence with businesses and provide some relief. |

13. Compliance with the law must be adhered to ensure that proceeds of crime and Anti-Money Laundering (AML) do not fund COVID-19 initiatives. Government will be seeking support including from individuals of good will. In the wake of an emergency, the risk of handling money from the proceeds of crime, corruption, bribery or other financial crimes is usually much higher for governments. Not only do public and private sector face a higher risk of financial fraud and exploitation scams, but a lot of people are also holding proceeds of crime and would likely take advantage of this opportunity to donate money, amongst other methods of legalizing the illegal, which can then be written off in their tax returns. The Financial Action Task Force (FATF) have already recognized that every available resource will be required to combat this pandemic and encourages governments to work with financial institutions and other agencies to adopt their risk-based approach to remain alert to new and emerging illicit finance risks. Parliament should ensure that treasury and other institutions cooperate with the Financial Reporting Centre (FRC) and the Kenya Revenue Authority (KRA) to prevent any proceeds of the tax and financial crimes

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7 A summary of Pending Bills after the audit by the OAG and Status on payment by County Governments as at 24th January 2020. Office of the Controller of Budget (CoB)
from moving undetected. These agencies can provide support, guidance and assistance for the private and public sector on how national AML laws and regulations should be applied at this time. This is an opportunity to seize any proceeds that could be used to finance the national response and apprehend any tax and financial crimes.

14. **There are more tax measures that should be put in place in addition to the current measures being applied.** Parliament should consider the following:

- Suspend penalties and interest on late payment of taxes for as long as the situation persists. This will provide relief to companies that are currently unable to remit their taxes or expect to face delays in doing so.

- Delay the filing of annual tax returns for all taxpayers. Although the filing of returns has been fully automated, challenges on the system often necessitate a number of taxpayers visiting KRA offices for support and this may pose a risk to 'social distancing' requirements. The process of preparation of returns for most businesses often requires extensive consultation with accountants and advisors to review and adjust appropriately, given the slowdown in operations this process is likely to take even more time. In addition, this will reduce the pressure on taxpayers to pay any outstanding taxes in this period.

- Provide further relief on Personal Income Tax or Pay As You Earn (PAYE) in the form of an additional 5% rate reduction for all income bands.

- Temporarily withdraw or reduce (to a rate of 5%) excise duties on the following essential services:
  - Mobile cellular phone services (10% of excisable value)
  - Excise duty on fees charges for money transfer services (10% of excisable value)
  - Telephone and internet data services (15% of excisable value)

- Reduction or waiver on VAT to petroleum products from the current 8% to 7% in line with the rate reduction of VAT or complete removal of VAT to enhance accrued benefits in the production and transportation of goods and services. This should also apply to the removal of the levy on paraffin as well as road maintenance levy to ensure that benefits are passed along to both businesses and households.

15. **Institute a moratorium on servicing of personal and business loans.** Parliament should consider the introduction of a moratorium on all personal and business loans with both financial institutions and micro-finance enterprises for the next 6 months. A moratorium will entail no requirement to repay the principal and no accrual of interest until the end of the period. This will protect citizens from accruing debt without cashflow.
C. SOCIAL, PUBLIC ORDER AND HUMAN RIGHTS

16. As we support government measures to address the pandemic, we are also keen to ensure that human rights are not abused even as Courts operations remain suspended or low. Ensuring that institutions that champion for human rights, IPOA, KHRC, are also adequately funded amidst resource reallocation. In line with the mantra, the process is as important as the result.

17. We note that the social protection programs in place do not include urban food programs as they are only done in rural counties in Northern Kenya through the Hunger Safety Net Programme. The current pandemic will expose the urban poor to risks of lack of food and it’s critical that government sets up mechanism to provide food to people especially in the informal settlements. The National Government had carried out a pilot in Mombasa in 2012 under the Urban Food Subsidy Programme which provides a model for the role out in other urban areas across the country.

18. The social protection program has methodologies to target and identify households that fit the criteria set by the government. Policy guidelines should also note the vulnerabilities of female headed households; urban poor; those who are vulnerable due to lack of legal status; how will recipients be continuously identified; continuous consultations on identification criteria and running of the scheme– take whole of government approach (inter-ministerial and national-county). However, in a dire situation like the one facing Kenya today, the government should consider introducing a universal grant that would benefit households that fall within the description of informal settlements for a faster rollout. Local administration offices such as sub-chiefs and village and ward administrators can help in such cases.

19. The budget implementation for 2019-20 is ongoing as the formulation for 2020-21 continues providing an opportunity to make provisions for the social programs above. As the National Treasury formulates supplementary budgets to submit to the National Assembly for approval, the National Treasury to avert the risk of re-allocating social protection programmes, that might expose the vulnerable. The crisis has been heavily driven by the national government despite health being a devolved function. As the infection cases increases, the counties will be realigning their budgets to have financial and non-financial resources to address this pandemic and thus critical to have a concurrent focus on counties as we monitor the national government.

20. There is an urgent need to address escalation of domestic and sexual violence. According to the Judiciary, 35 percent of criminal cases presented before it in the last few

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weeks are sexual assault cases. This means that as the government has asked the country to work from home, cases of sexual assault and domestic violence are on the rise. Therefore, the government has to expand its gender-based violence monitoring and response urgently. We make the following recommendations to this end:

a. Allocate more resources to the State Department for Gender for its gender-based violence unit to be able to rapidly respond to urgent needs. These resources will go towards expanding the number of emergency response officer in the Programme Management Unit. The current team is small and overstretched. The additional resources will also help the department to provide alternative shelters for GBV victims as well as rape kits for the cases of sexual assault.

b. Enhance the capacity of the Gender and Equality Commission to be able to monitor GBV incidences across the counties. This means there is better information that can help the government address the issues fast and comprehensively in conjunction with the State Department for Interior.

c. Lastly, the Affirmative Action Fund has some allocation for civic education and emergencies, and we recommend that these funds be used to create awareness of this issue and fund alternative shelters for victims.

**D. ACCESS TO FOOD, WATER AND OTHER BASIC COMMODITIES**

21. As the health pandemic continues to affect different aspects of Kenya social and economic life, the poor and marginalized persons in Kenya are most vulnerable to the adverse effects of the crisis. Therefore, there is an urgent need to align resources to programs that will cushion poor households from these harsh economic realities. The government already runs a substantive social protection program which provides a good platform to reach additional poor household.\(^\text{10}\) According to the Kenya National Bureau of Statistics last report on poverty in 2016, Kenya had more than 12 million people living below the poverty line. These people were spread across more than 3.1 million households.\(^\text{11}\) The budget approved for 2019/20 shows that only about 1.2 million poor households were reached through the program by the end of 2017/18 which is about 39 per cent for the total number of poor households.

The budgetary allocation for the social protection program for 2018/19 was Ksh 27 billion. The measures presented by the President in late March allocated an additional Ksh 10 billion to the program. However, this will still not cover the range of poor households in Kenya, including those who may fall into these groups as economic activities slow down over the next few months. It would, therefore, be prudent for the government to increase its reach on already targeted households. This should be run concurrently with an ongoing resource mobilization effort from development partners to expand the reach of the programme to

\(^\text{10}\) [https://www.socialprotection.or.ke/single-registry](https://www.socialprotection.or.ke/single-registry)
cushion the risk of the unemployed, working poor and cash poor from expanding the numbers of poor individuals and households in the face of the pandemic.

22. **Washing hands several times a day and maintaining general hygiene have been constantly given as ways to reduce the risk of infection from COVID-19, yet millions of Kenya have no access to clean and running water.** One-quarter of Kenyan households do not have access to clean water according to the Kenya Integrated Household Survey 2015/16 carried out by KNBS. In addition, 12 per cent of Kenyan households (1.4 million households) have to walk for more than 30 minutes to access water. In the circumstance where they are also supposed to stay at home, this makes the situation untenable. Therefore, the government should role out a program that will ensure that areas with very poor access to water get emergency sources of water, whether through drilling shallow wells and boreholes, roving water tankers and stationary water tanks etc. Otherwise, a large section of the Kenyan population cannot take the preventive measures that are asked of all by health experts.

E. **SUPPORT SERVICES AND CROSS-CUTTING ISSUES**

23. **Supply chains of essential commodities should not be disrupted.** We have noted that with the curfew and restriction on movements around the Nairobi Metropolitan Area and the Coast, there are disruptions on even the movement of essentials like food. Parliament should firm up the commitment that all such supply chains will be protected as they hold the lifeline of millions of Kenyans. The government should rein in all exploitative action by logistics companies and individuals who seek to profit in the face of saving lives. That will ensure that the increased costs are not transferred to the consumers.

F. **SOURCES OF FUNDS FOR THE ABOVE MEASURES**

24. **The starting place is the funds allocated for emergency funds and other rainy-day instruments at the national and county level.** We however have noted confusion in how these funds should be applied and lack of clarity as to how much is currently available. The Constitution of Kenya and other enabling laws create several funds mean to address emergent issues that cannot be predicted at the point of budget formulation and approval. If well-resourced in line with the law these funds would provide an important lifeline in scenarios like the one the country is facing today. Here are some of the fund

a. **Contingencies Fund:** The Constitution created a special rainy day fund known as the "Contingencies Fund" which is supposed to fund "urgent and unforeseen need for expenditure". The fund is supposed to be allocated resources each year but this special account should not exceed Ksh 10 billion according to the Public Finance Management Act. So ideally, we should have a Ksh 10 billion rainy day account run by the National Treasury. In 2019/20 (the current year) National Treasury allocated Ksh 5 billion to the fund and considering we did not spend a penny out of the fund in 2017/18 and 2018/19 according to the Budget Policy Statement 2020, one would assume that the fund has at least the Ksh 5 billion or the max of Ksh 10 billion.
b. Counties are also supposed to create emergency funds that should also be resources to cater for any unforeseen events. The PFM Act allows them to spend an amount equal to or less than 2 percent of their revenue for the emergency fund. Therefore, with approved revenue of Ksh 456 billion which means they could send up to Ksh 9.1 billion for emergency purposes this financial year.

c. Other funds such as the National Government Constituency Development Funds and the Affirmative Action Fund also have legal requirements for emergency allocations. For example, the NG-CDF Act requires 5 percent of the Fund be set aside for emergencies which would come to Ksh 2.1 billion.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Allocation to Emergencies</th>
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<tbody>
<tr>
<td>1 Contingencies Fund</td>
<td>10.00</td>
</tr>
<tr>
<td>2 County Emergency Funds</td>
<td>9.10</td>
</tr>
<tr>
<td>3 National Government Const</td>
<td>2.10</td>
</tr>
<tr>
<td>4 Affirmative Action Fund</td>
<td>0.04</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>21.24</strong></td>
</tr>
</tbody>
</table>

Source: Respective Establishing Laws

Therefore, at the beginning of this pandemic, the country ought to have had some resources even if not the whole Ksh 21 billion before supplementary budgets are done to free up additional resources. However, this does not seem to be the case. The arrangements on the allocation and use of these funds seem not be very clear. Aware of this, there is need to evaluate how different they could be managed to ensure that these resources are ring-fenced to use in these scenarios as national and governments prepare supplementary budgets. In the long term there is needed to re-look the laws that guide their management so that in future emergencies funds can actually play their role.

25. **Reallocation in the national budget possibly sourcing from what was being spent on BBI.** Or redirecting what is being cut from certain salaries. Plus, a portion from what Kenya has inevitably borrowed to deal with this crisis – calling for a moratorium on all foreign debt financing. Also calling for a moratorium on all PPP contracts.

26. **Since travel will be cancelled for the next 3-4 months at the very least, re-allocate these government domestic and foreign travel funds to the above.** In addition to any funds for any international government hosted conferences that were scheduled. According to the National Government Budget Implementation Review Report from the office of the Controller of Budget, the national government spent Ksh 8.9 billion in travel for the first two-quarters of 2019/20. Therefore, we estimate savings of approximately Ksh 4.45 billion for the last quarter of the year. At the county level travel budget per quarter in 2018/19 was approximately Ksh 2.8 billion. Therefore, the country saves Ksh 7.25 billion from this budget line.

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27. Debt payment deferment for the period April to June 2020 should be considered immediately to limit debt service pressure. Deferring Kenya's debt payments for both principal and interest for FY 2019/20 would free up approximately KSH 170 billion. This in consideration that between July 2019 and February 2020, the government of Kenya had made debt payment both in Principal and Interest of approximate Ksh 483,077,370,891.25 out of annual target of Ksh 696,554,161,987.00.

28. State corporations holding surplus cash and investment in bonds and bills should be requested to liquidate the same and such proceeds made available for spending in the COVID-19 emergency fund. The Senate should further, consider amending the PFM Act on reporting by State corporations to report directly to Parliament to ensure that these corporations remain accountable to the people of Kenya. In the FY 2018/19, total recurrent disbursements to Semi-Autonomous Government Agencies (SAGA) was approximate Ksh 375 billion as reported by Controller of Budget. This reporting was done by parent ministries without disaggregation of data on programs and subprograms. Any SAGA non-essential capital and recurrent expenditure should further be deferred.

29. The national government has some space to freeze some capital expenditure to free up further resources to address issues related to the pandemic.

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