



MINISTRY OF LABOUR AND SOCIAL PROTECTION
OFFICE OF THE CABINET SECRETARY

SPEECH BY

HON. SIMON K. CHELUGUI
CABINET SECRETARY, MINISTRY OF LABOUR AND
SOCIAL PROTECTION

DURING THE RETREAT WITH THE LABOUR AND SOCIAL
WELFARE COMMITTEE OF THE NATIONAL ASSEMBLY ON
THE SOCIAL ASSISTANCE (REPEAL BILL) 2020

ON OCTOBER, 9TH 2020

AT THE LAKE NAIVASHA RESORT

The Chairperson, Labour and Social Welfare Committee of the National Assembly, Hon. Mwathi, P. Mungai and all, members of the Labour and Social Welfare Committee present in this forum;

The Chief Administrative Secretary, Ministry of Labour and Social Protection;

The Principal Secretary, State Department for Social Protection;

Members of the Inter Agency Taskforce on the development of the Public Finance management (Social Assistance Fund) regulations, 2019;

All Ministry Senior Staff present in this forum;

Distinguished Guests;

Ladies and Gentlemen,

Good Morning,

It gives me great pleasure to join each and every one of you today, and especially so, to deliberate on a matter that is not only dear to all of us, but is also of great importance to the citizens of this country.

Hon. Chairperson, let me start by thanking you and your committee for accepting our invitation to this retreat despite your tight schedules. We do not take this for granted. Let me also recognize, that your committee continues to give my Ministry support over matters that affect

implementation of its mandates. It is just in the month of September that you hosted a virtual meeting with us on the subject matter of this forum. We are indeed grateful for this support.

Hon. Members, even as am aware that this forum is intended specifically to discuss the Social Assistance (Repeal Bill) 2020 that has come before you, allow me to take a moment and share with you the overall mandates of my ministry. Today we have in our representation senior officials from the State Department for Social Protection (SDSP), which constitutes one of the departments in my ministry. The other departments not represented here today is the State Department for Labour.

The Executive Order No. 1 of June 2018 (Revised) outlines key functions to be delivered under this ministry through both the State Departments for Labour and Social Protection. Whereas a detailed presentation will be presented to you on the functions under the State Department for Social Protection, let me mention some of the key ones under the State Department for Labour, which include: National Labour and Employment Policy Management; Labour Productivity and Competitiveness; Human Resource Planning and Development; Child Labour Policy and Regulations Management; Workplace Inspection; Promotion of Occupational Health and Safety at Work; and Industrial Relations Management among others.

The Ministry has under its management a number of Government Agencies, these being the National Social Security Fund (NSSF) and five Semi-Autonomous Government Agencies (SAGAs) namely: National Industrial Training Authority (NITA); National Employment Authority (NEA); National Council for Persons with Disabilities (NCPWD); National Council for Children Services (NCCS); and Child Welfare

Society of Kenya (CWSK). Other gazetted entities under the Ministry are: National Labour Board; National Council for Occupational Safety and Health (NACOSH); Steering Committee on Child Adoption in Kenya; National Assistance Trust Fund for Victims of Trafficking in Persons; Advisory Committee for Counter Trafficking in Persons; and the Street Families Trust Fund (SFTF). Through both these State departments and agencies, the Ministry continues to play a fundamental role in the provision of social protection in the country.

Hon. Members, discussions in this forum can only serve to advance this crucial role of the ministry in the delivery of social protection in the country.

Specifically, coming back to the Social Assistance role played by my Ministry, Hon. Chairperson, and all of us here today, will appreciate the journey we have come, in the provision of cash transfers as a key instrument in delivering social assistance and social protection in the country. Let me just remind us all that this is a journey that started back in the mid-2000's, in 2004 with the cash transfer to as few as 500 households of poor Orphans and Vulnerable Children (OVC-CT) in select districts in the country. Gradually it has expanded to include the two more population categories of Older Person's (POCT) and Person's with Severe Disabilities (PWSD-CT) with the number of households covered immensely growing to reach over 1.2 Million in all constituencies. And this, just to mention, only considers the cash transfer initiative under my Ministry.

The Government has continued to roll out other social assistance cash transfer programmes, such as the Hunger Safety Net Programme (HSNP) under the National Drought Management Authority (NDMA) that covers households in specific geographical regions among other

social protection affirmative programmes. Ladies and Gentlemen, these efforts are driven through political good will and good governance. Discussions from this forum underpin both of these considerations.

Despite this significant progress, Hon. Members, specifically you, who understand the plight of many of your constituents, and indeed the entire country, will appreciate that compared to the existing need, which has now been compounded with the COVID 19 Pandemic, much more needs to be done to realize meaningful impacts among vulnerable and marginalized populations. It is worth noting for example that expansion under the social assistance cash transfer programmes in my Ministry last expanded in the 2014/2015 FY with only the OPCT programme recently expanding in 2017. The value of the transfer has remained constant and the same across households despite increasing inflation and diverse household circumstances over the years.

Hon. Chairperson, these among other limitations continue to undermine gains made under the programmes and compromise the overall objective of improving livelihoods and graduating poor and vulnerable households out of poverty.

A major limitation that the programmes continue to face, and for which we will continue to appeal for support from your committee Hon. Chairperson, is the inadequate budgetary allocations. As you will be informed today, the cash transfers have consistently faced a cash deficit of an estimated Kshs 4 to 5 billion annually for the last five or so years. This has meant that far fewer households have been paid their regular transfers despite having already been enrolled in the programmes. This continues to mar the otherwise good image of this well intended government intervention.

Besides also affecting expansion of the programmes, **the deficit has denied government an opportunity to access, so far, an estimated USD 55 million under the National Safety Net Programme (NSNP)**. The NSNP which brings together all the four cash transfer programmes of government, including the OVC-CT, OP-CT, PWSD-CT and the HSNP, is the World Bank Supported Government initiative under the Performance for Results (P4R) financing instrument through Disbursement Linked Indicators (DLIs) that was started back in 2012 and has guided the expansion and growth of the government cash transfer programmes. The NSNP was due to close on 30th June, 2020 although the closing period has now been extended to 31st December, 2020.

Key of the unmet DLIs includes the expansion by an additional 50,000 households in the ASAL counties under the North and North Eastern Development Initiative (NEDI). Government was only able to expand by 13,500 households under the OPCT Programme. The proposal to establish a social assistance fund as will be discussed with the honourable members today, is essentially to mitigate on all these limitations I highlight before you today.

Notwithstanding these limitations, Ladies and Gentlemen, my Ministry continues to come up with strategies and establish systems geared at ensuring that the programmes continue to contribute to improved livelihoods among the target vulnerable populations. Strategies that leverage on technology through establishment of Beneficiary Information Management Systems such as the Consolidated Cash Transfer Programme Management Information System (CCTP-MIS) and putting in place a Choice Model Payment System go a long way to ensuring that the programmes are accountable and transparent.

In addition, Hon. Chairperson, as I conclude, to further strengthen the Social Protection System in the country, In March, 2019, my Ministry signed off the Kenya Social and Economic Inclusion Project (KSEIP) support by the World Bank and the Foreign Commonwealth Development Office (FCDO), (*formerly DFID*). This initiative will enable the enhancement of the Single Registry (ESR) for Social Protection (ESR) to capture data of poor and vulnerable households across the country through harmonized processes that will utilize a digital data collection platform thus enhancing targeting of social protection programmes.

Through this project, Government intends to roll out a nutrition sensitive cash transfer programme that will target five counties with high levels of stunting and malnutrition, as well as an Economic Inclusion programme, to also be tested in an additional five counties. The two programmes are intended to promote social and economic inclusion of poor and vulnerable households in the country. This project will also support structured increase and enrolment of cash transfer beneficiaries under the NHIF.

Hon. Members, my ministry has and will continue to provide logistical support to the running of the social assistance programme at the local levels through staff of the Departments of Social Development, Children Services and the National Council for Disabilities while coordination and supervision of the programmes will be supported through the SDSP head office.

As will be presented to you in the course of this retreat, the establishment of the social assistance fund will certainly provide an avenue for continued expansion of the programme both in numbers

covered and sufficiency of the transfers to enrolled beneficiaries while ensuring transparency and accountability in delivery of services.

My appeal to you Hon. Chairperson and your committee is to consider the proposals that we present before you favourably as they will contribute to the general public good, and specifically improve livelihoods among poor and vulnerable populations.

I Thank you and God bless you.