



THE REPUBLIC OF KENYA

25/7/18

PARLIAMENT
OF KENYA

OFFICE OF THE CONTROLLER OF BUDGET

**NATIONAL GOVERNMENT
BUDGET IMPLEMENTATION REVIEW REPORT**

FIRST NINE MONTHS OF FY 2017/18

PARLIAMENT
OF KENYA
LIBRARY

MAY, 2018

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FOREWORD

The Office of the Controller of Budget (OCOB) is pleased to present the National Government Budget Implementation Review Report (BIRR) for the first nine months of Financial Year (FY) 2017/18 covering the period July, 2017 to March, 2018. This report has been prepared in accordance with Article 228 (6) of the Constitution of Kenya, 2010 and the Controller of Budget Act, 2016, which require the Controller of Budget (COB) to submit to both Houses of Parliament a report on implementation of budgets of both the National and County Governments every four months.

The report provides information on receipts into the Consolidated Fund, withdrawals, and expenditure performance. Expenditure is analysed by development and recurrent expenditure categories, and by Sector, and further disaggregated by Ministries, Departments and Agencies (MDAs) and also compared against performance in the similar period of FY 2016/17.

The report is based on analysis of financial reports received from MDAs in line with Section 83(4) of the Public Finance Management Act, 2012, expenditure data from the Integrated Financial Management Information System (IFMIS), and OCOB records of exchequer issues. The report identifies the key challenges that affected effective budget implementation and contains appropriate recommendations to address the challenges.

It is my expectation that, the information provided in this report will be useful to all stakeholders and inform timely decision making on budget implementation. This includes the Legislature and the Executive who are conferred with the oversight and budget implementation roles respectively.

The Office will endeavor to fulfill its constitutional mandate by providing regular information on budget implementation and urges all the stakeholders to effectively discharge their duties so as to ensure prudent financial management in the public sector and effective service delivery to citizens of Kenya..



Mrs. Agnes Odhiambo, CBS
CONTROLLER OF BUDGET

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LIST OF ABBREVIATIONS AND ACRONYMS

AIA	Appropriations-in-Aid
AMISOM	Africa Union Mission in Somali
ARUD	Agricultural Rural and Urban Development
ASAL	Arid and Semi-arid Lands
Bn	Billion
BIRR	Budget Implementation Review Report
CFS	Consolidated Fund Services
COB	Controller of Budget
CRA	Commission on Revenue Allocation
Dev	Development
EACC	Ethics and Anti-Corruption Commission
EI & ICT	Energy Infrastructure and Information Communication Technology
Est	Estimates
EWNR	Environment Protection, Water and Natural Resources
Exch	Exchequer
Exp	Expenditure
FY	Financial Year
GECA	General Economic and Commercial Affairs
GJLOS	Governance, Justice, Law and Order Sector
IEBC	Independent Electoral and Boundaries Commission
IFMIS	Integrated Financial Management Information System
IPOA	Independent Policing Oversight Authority
JSC	Judicial Service Commission
KEMRI	Kenya Medical Research Institute
KEMSA	Kenya Medical Supplies Agency
KMTC	Kenya Medical Training College
KNCHR	Kenya National Commission on Human Rights
KNH	Kenyatta National Hospital
Kshs.	Kenya Shillings

MDAs	Ministries Departments and Agencies
MoLPP	Ministry of Lands and Physical Planning
MTRH	Moi Teaching and Referral Hospital
NACC	National Aids Control Council
NGEC	National Gender and Equality Commission
NHIF	National Hospital Insurance Fund
NIS	National Intelligence Service
NLC	National Land Commission
NPSC	National Police Service Commission
OCOB	Office of the Controller of Budget
O&M	Operations and Maintenance
PAIR	Public Administration and International Relations
PFM Act	Public Finance Management Act
PLWDs	Persons Living with Disability
Rec	Recurrent
RMNCAH	Reproductive, Maternal Newborn Child and Adolescent Help
Rev	Revised
SAGAs	Semi-Autonomous Government Agencies
TSC	Teachers Service Commission
WPA	Witness Protection Agency

EXECUTIVE SUMMARY

This is the third National Government Budget Implementation Review Report for FY 2017/18 and covers the period from July, 2017 to March, 2018. The report is prepared in line with Article 228 of the Constitution of Kenya, 2010 and Section 9 of the Controller of Budget Act, 2016, which require the Controller of Budget to submit to Parliament quarterly budget implementation reports for the National and County Governments every four months.

The report presents the progress made in implementing the National Government budget in the first nine months of FY 2017/18. It gives information on receipts into the Consolidated Fund, withdrawals, and expenditure performance. Expenditure is analysed by development and recurrent expenditure categories, and by Sector, and is further disaggregated by Ministries, Departments and Agencies (MDAs) and is also compared against performance in a similar period of FY 2016/17. The key challenges that affected budget implementation during the period are identified and appropriate recommendations are made.

During the first nine months of FY 2017/18, receipts into the Consolidated Fund amounted to **Kshs.1.5 trillion**, representing **70.7 per cent** of the revised annual target of Kshs.2.1 trillion. This translates to a 13 per cent growth compared to Kshs.1.3 trillion received in a similar period of FY 2016/17. Total exchequer issues to MDAs, Consolidated Funds Service (CFS), and County Governments amounted to **Kshs.1.4 trillion**, representing 64 per cent of the revised net estimates. The exchequer issues comprised of Kshs.646.7 billion for MDAs' recurrent expenditure, Kshs.192.9 billion for development expenditure, Kshs.356.3 billion towards CFS, and Kshs.174.5 billion to County Governments.

Gross expenditure by the MDAs and CFS amounted to **Kshs.1.3 trillion**, representing **60.2 per cent** of the revised gross estimates, an increase compared to 56.9 per cent recorded in a similar period of FY 2016/17. The expenditure comprised of **Kshs.1.04 trillion** for recurrent activities and **Kshs.282.6 billion** for development programmes. Recurrent expenditure consisted of **Kshs.702.5 billion** incurred by the MDAs, representing 66.8 per cent of the revised gross recurrent estimates, 16.6 per cent growth from Ksh.602.4 billion (65.6 per cent) recorded in a similar period of FY 2016/17, and **Kshs.339.3 billion** on CFS. The CFS expenditure was 62.4 per cent of the revised estimates, an increase compared to 61.9 per cent recorded in a similar period of FY 2016/17.

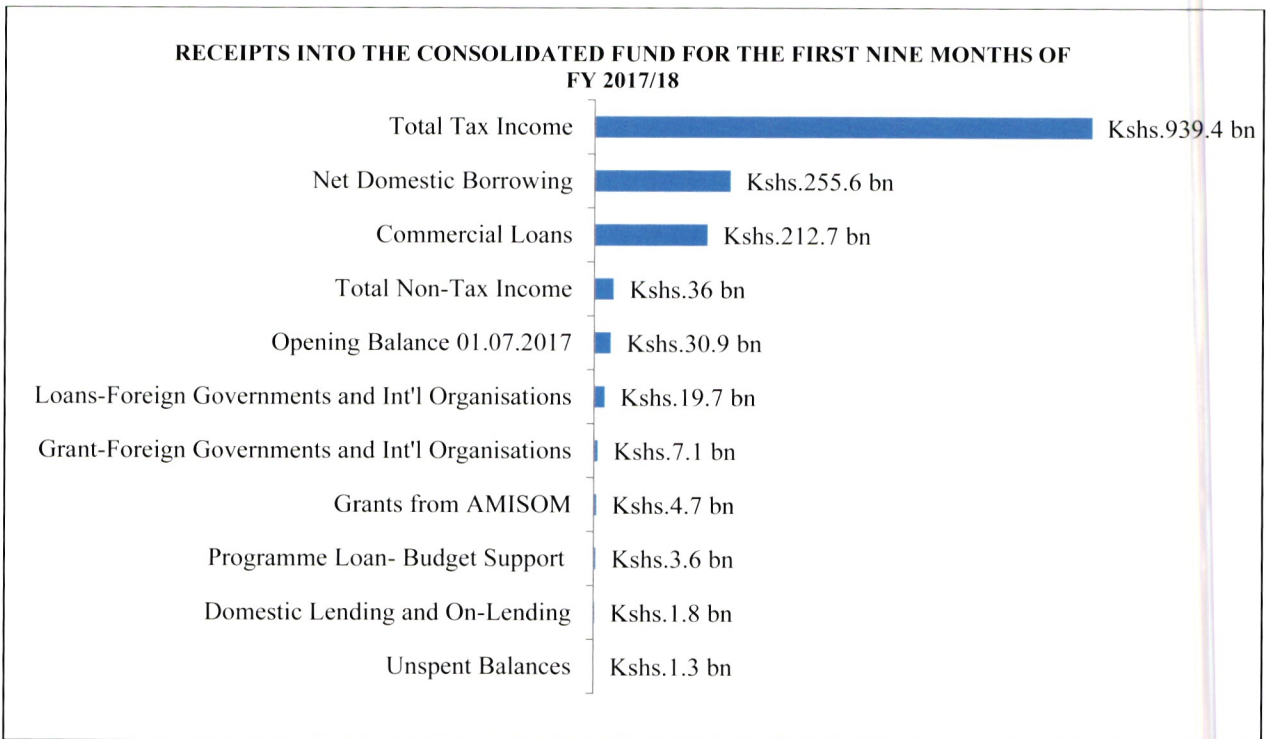
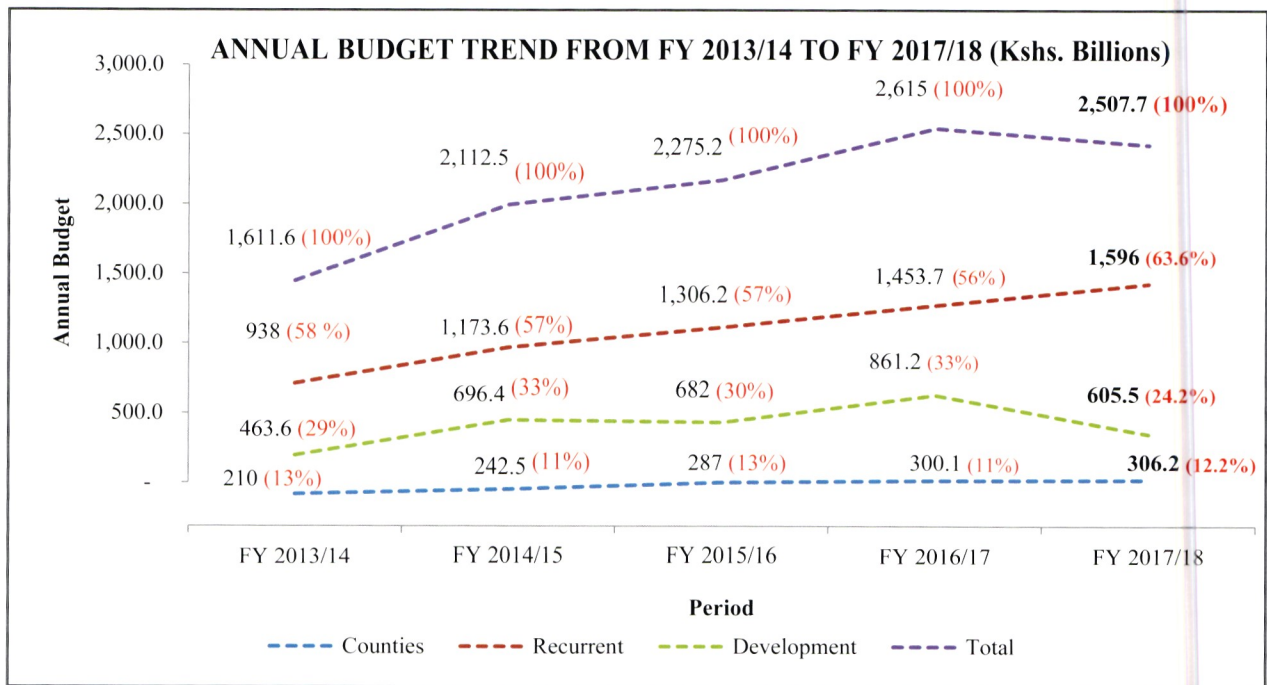
Analysis of the MDA's recurrent expenditure by major economic items shows that, most expenditure related to; Personnel Emoluments (PE), Current Transfers to Semi-Autonomous Government Agencies (SAGAs), Rentals and Rates for Non-residential, Travelling and Hospitality. The Personnel Emoluments category (excluding National Intelligence Service, Ministry of Defence and Ethics and Anti-corruption Commission) incurred the highest expenditure at Kshs.277.9 billion, representing 39.5 per cent of the total MDAs recurrent expenditure. The Teachers Service Commission (TSC) reported the highest expenditure on PE at Kshs.162 billion, which translated to 58.3 per cent of the total PE expenditure by the MDAs. Current transfers to SAGAs was the second highest at Kshs.273 billion, representing 38.9 per cent of the total recurrent expenditure. Rentals and rates for non-residential buildings recorded the third highest expenditure at Kshs.10 billion, representing 1.4 per cent of the total recurrent expenditure by MDAs.

The gross development expenditure amounted to Kshs.282.6 billion, representing an absorption rate of 46.7 per cent, an increase compared to 45.1 per cent recorded in a similar period FY 2016/17. Analysis of expenditure by major economic items indicates that the highest expenditure category was Capital

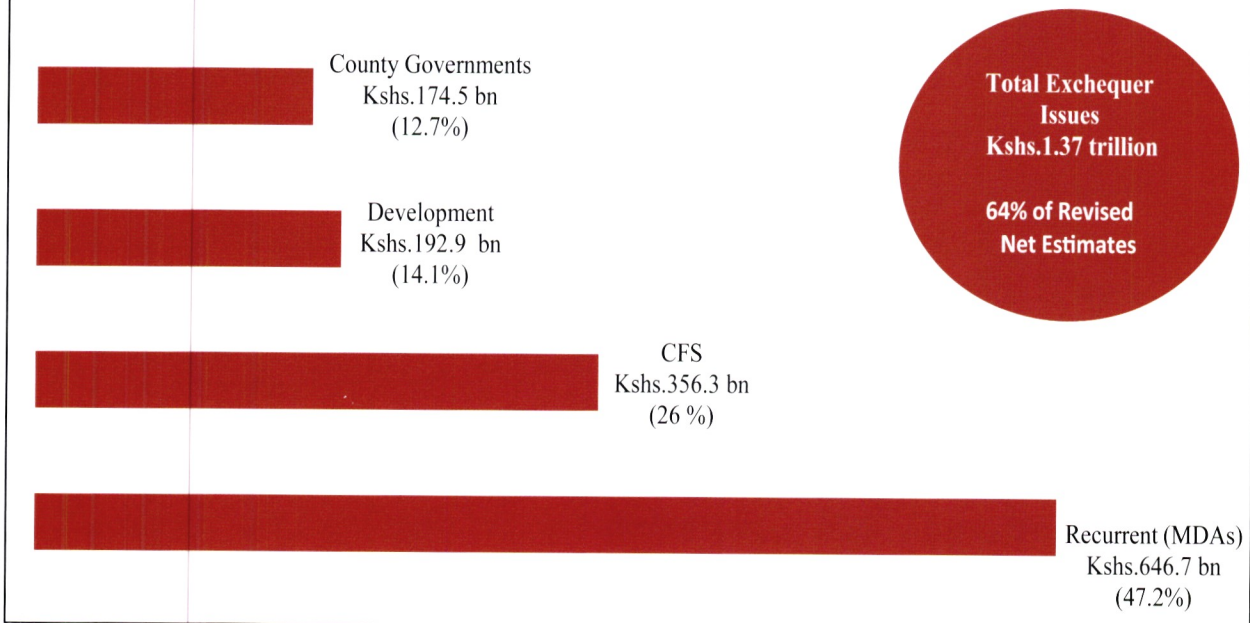
Transfers to SAGAs at Kshs.166.9 billion, followed by Construction and Civil Works at Kshs.31.4 billion per cent and Refurbishment of Buildings/Infrastructure at Kshs.27.3 billion, representing 59.1 per cent, 11.1 per cent and 9.7 per cent of the gross development expenditure respectively.

During the period under review budget implementation faced a number of challenges. These include; delay by MDAs to submit quarterly financial reports to the Controller of Budget, Failure to align budget reallocation to actual performance, Low absorption of development expenditure budget and failure to report on programme and project achievements by MDAs. The Controller of Budget recommends that all Accounting Officers to ensure timely submission of expenditure reports and also ensure the reports have sufficient information on programme and project achievements as set out in the Programme Based Budget framework. Finally, all those MDAs affected by budget rationalization should liaise with National Treasury to allocate funds against over drawn items in the subsequent supplementary budget.

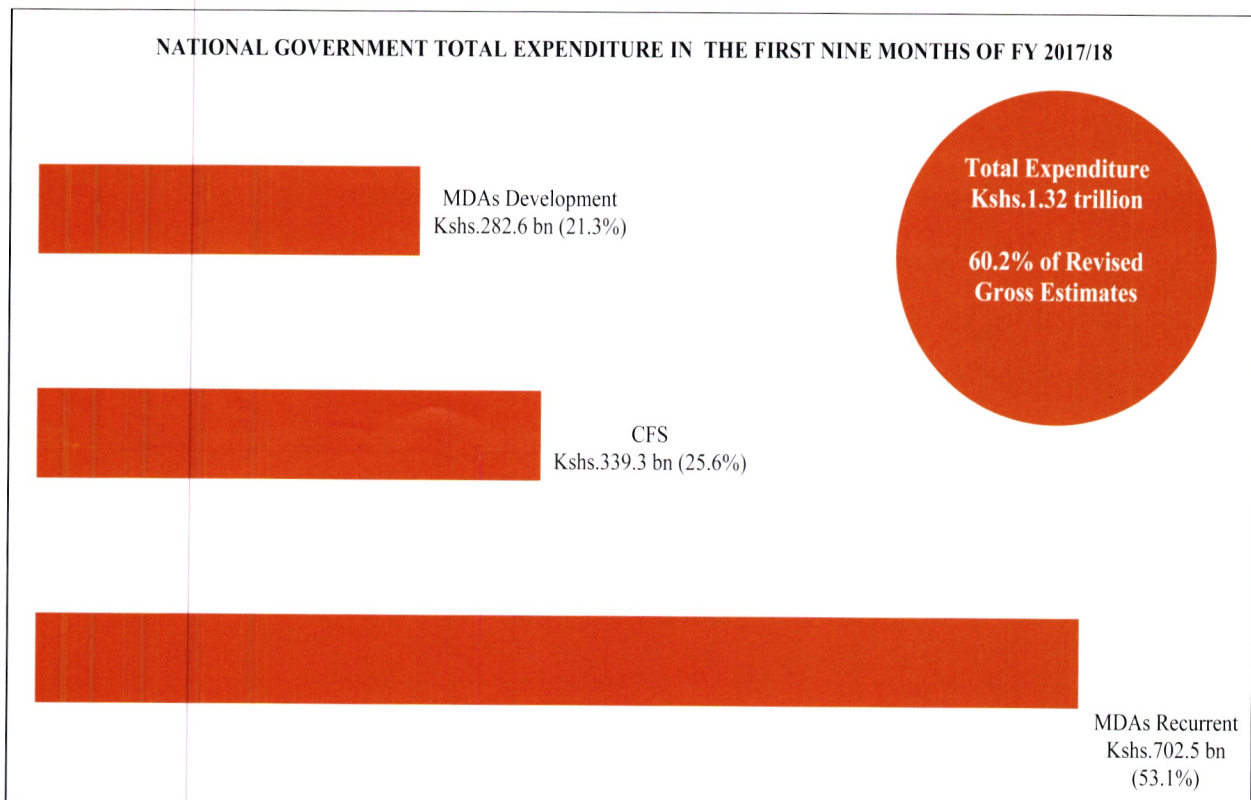
KEY HIGHLIGHTS

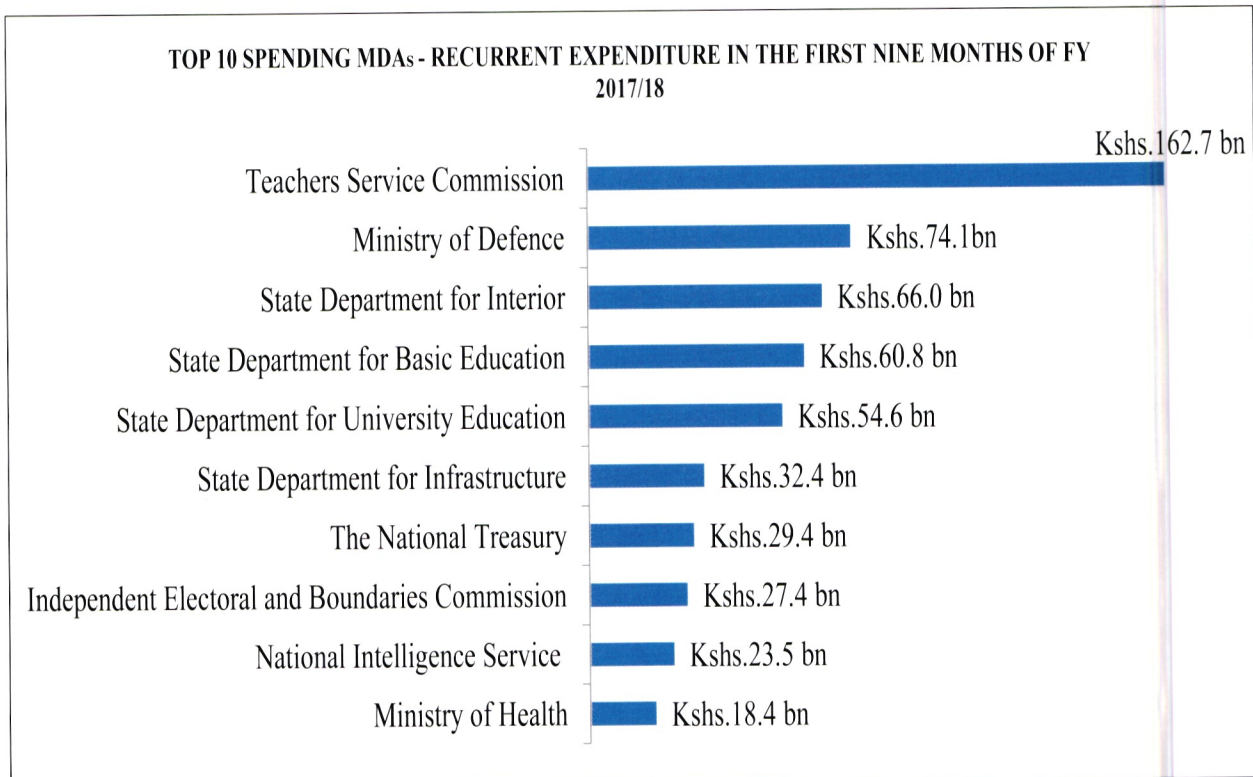
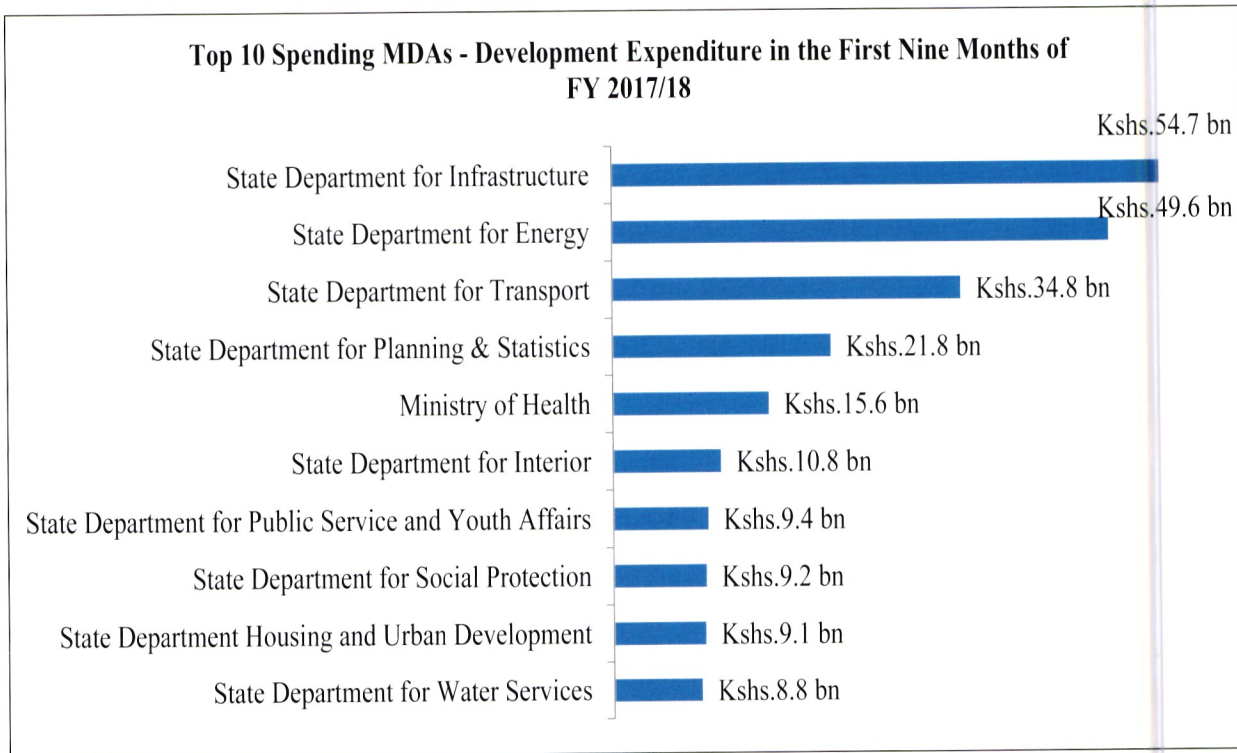


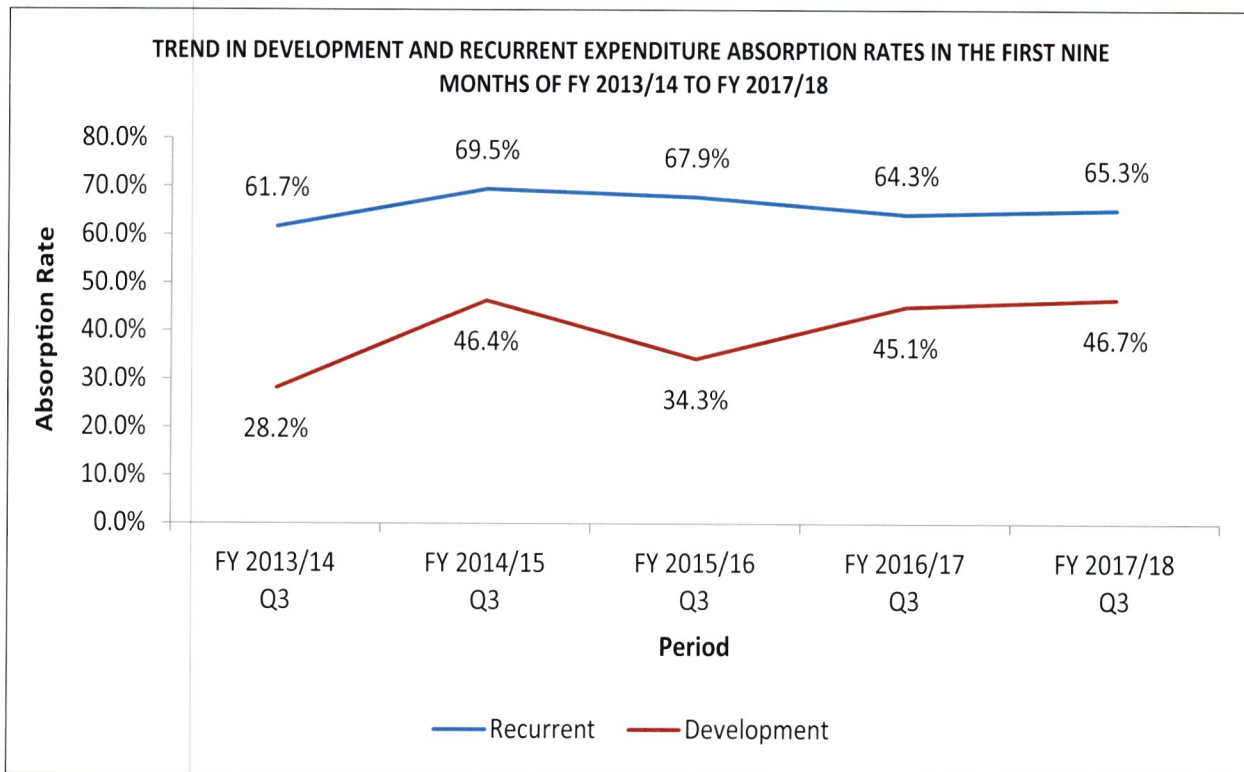
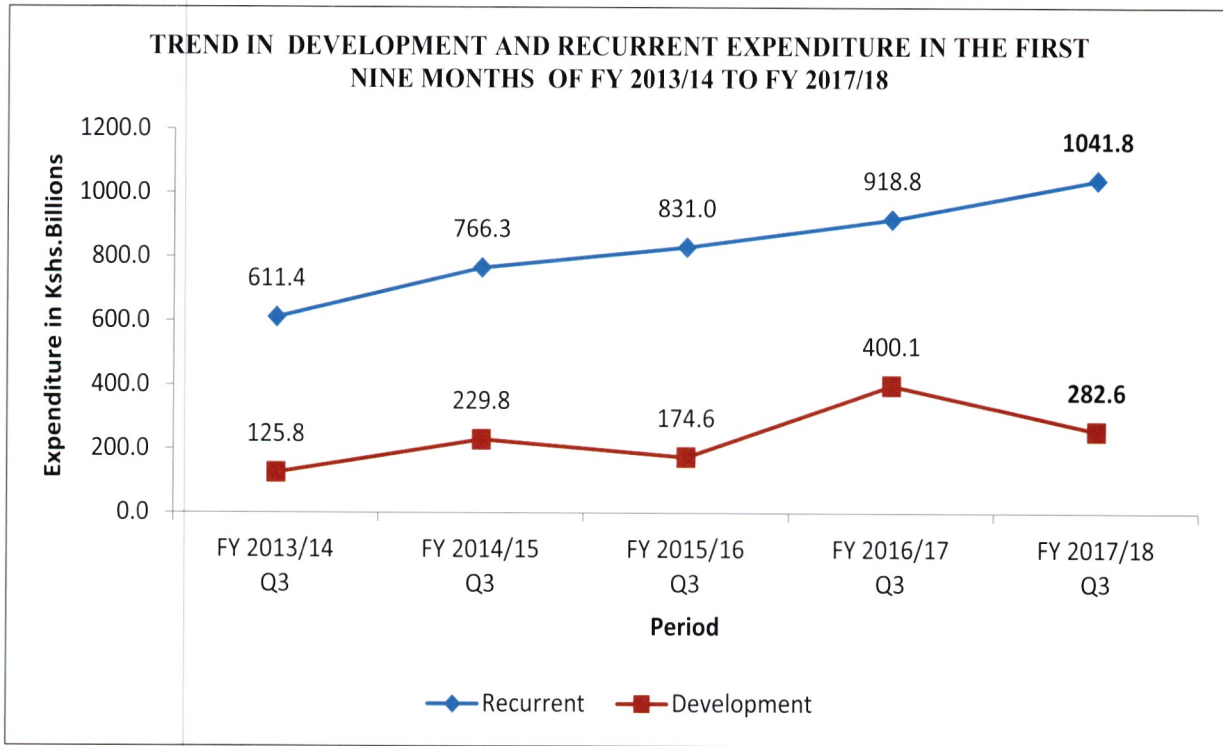
EXCHEQUER ISSUES IN THE FIRST NINE MONTHS OF FY 2017/18



NATIONAL GOVERNMENT TOTAL EXPENDITURE IN THE FIRST NINE MONTHS OF FY 2017/18









1 INTRODUCTION

This National Government Budget Implementation Review Report for the first nine months of FY 2017/18 has been prepared in compliance with Article 228 (6) of the Constitution of Kenya, 2010 and the Controller of Budget Act, 2016, which require the Controller of Budget to submit to each House of Parliament a report on the implementation of the budgets of the National and County Governments every four months. It provides analysis of budget performance by the National Government on budget allocation to MDAs and CFS; receipts into the Consolidated Fund, exchequer issues, and, development and recurrent expenditure against the approved budget in the period under review.

The report is organized into seven chapters. Chapter one offers the introduction. Chapter two presents analysis of receipts into the Consolidated Fund, exchequer issues to MDAs, CFS and County Governments. Exchequer issues to MDAs are disaggregated into development and recurrent votes and classified under the ten sectors. Chapter three provides breakdown for both recurrent and development expenditure. Consolidated Fund Services is presented under recurrent expenditure and captures public debt, salaries and allowances to Constitutional Office holders, and payments for pensions and gratuities.

Chapter four provides analysis of budget performance by sector for both development and recurrent expenditure. It contains information on budget estimates, exchequer issues, and expenditure by the MDAs under each of the ten sectors. Budget performance is also presented through absorption of funds and percentage of exchequer issues to fund planned activities. The ten sectors include; Agriculture, Rural and Urban Development, Education, Energy, Infrastructure and Information Communications Technology, Environmental Protection, Water and Natural Resources, Governance, Justice, Law and Order, Health, National Security, Public Administration and International Relations and lastly Social Protection, Culture and Recreation. Chapter five provides summary on programme performance by the MDAs which includes allocation of funds and total expenditure for both development and recurrent programmes.

In executing its advisory role, the Office has identified some challenges that affected smooth budget implementation by the MDAs. These are presented in Chapter six and recommendations on how to address them are also made. The conclusion is provided in Chapter seven.

2 ANALYSIS OF RECEIPTS AND EXCHEQUER ISSUES

2.1 Introduction

This chapter provides a summary of receipts into the Consolidated Fund during the first nine months of FY 2017/18. It also provides a breakdown of Exchequer issues to the MDAs for both development and recurrent expenditure, and Exchequer issues towards CFS and County Governments.

2.2 Analysis of Revenue Estimates and Receipts into the Consolidated Fund

This section presents an overview of the revenue estimates and actual receipts into the Consolidated Fund for the first nine months of FY 2017/18.

2.2.1 FY 2017/18 Revenue Estimates

The initial projected revenue to fund government expenditure in FY 2017/18 was Kshs.2.27 trillion. This amount was revised to Kshs.2.14 trillion in the FY 2017/18 Supplementary Budget, a slight increase compared to Kshs.2.10 trillion projected in FY 2016/17.

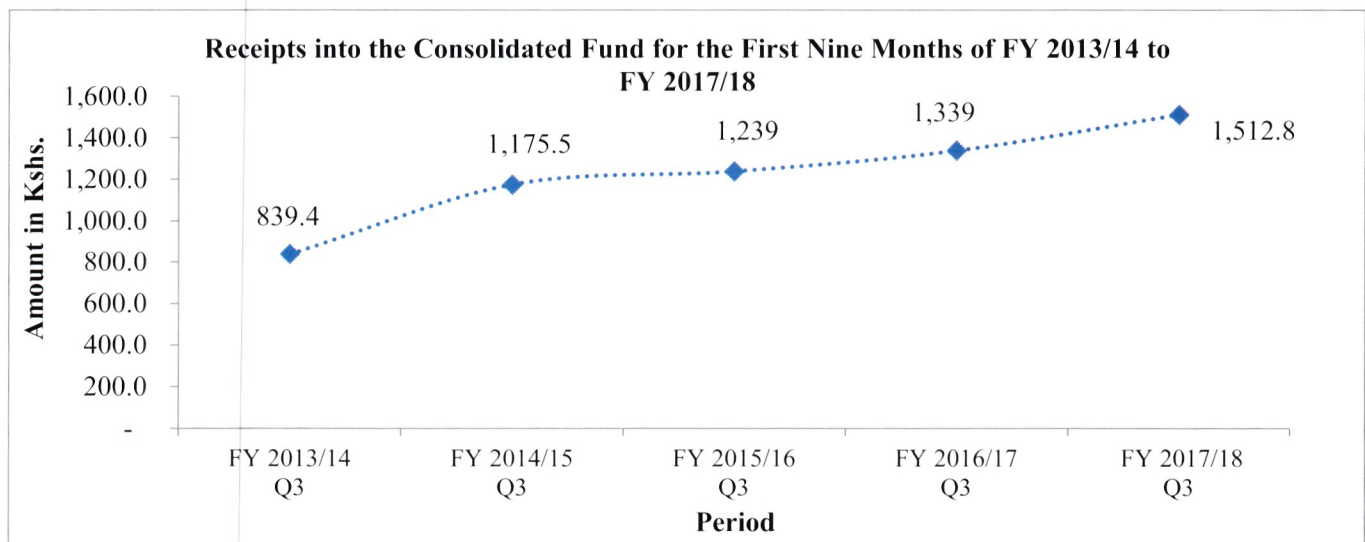
The National Treasury (NT) projects to raise funds through ordinary revenue, grants, and loans from both internal and external sources. Specific sources of revenue are as follows; Tax income (Kshs.1.4 trillion), Non-tax income (Kshs.50.4 billion), Net Domestic borrowing (Kshs.330.9 billion), Commercial Loans (Kshs.250 billion), Loans from Foreign Governments and International Organizations (Kshs.40.2 billion). Other sources of exchequer revenue include; Grants from Foreign Governments and International Organisations (Kshs.13.7 billion), Grants from AMISOM (Kshs.6.1 billion), Programme Loan- Budget Support (Kshs.6 billion) and Domestic Lending and on-Lending (Kshs.3.8 billion).

2.2.2 Receipts into the Consolidated Fund

Receipts into the Consolidated Fund in the first nine months of FY 2017/18 amounts to Kshs.1.5 trillion and comprised of balance brought forward from the previous financial year, tax and non-tax income, net domestic borrowing, loans and grants from foreign governments and international organizations, programme loan for budget support, domestic lending and on-lending, grants from AMISOM, commercial loans and unspent balances from FY 2016/17.

Figure 1 shows trend of receipts into the Consolidated Fund for the first nine months from FY 2013/14 to FY 2017/18.

Figure 1: Trend of receipts into the Consolidated Fund for the First Nine Months of FY 2013/14 to FY 2017/18 (Kshs. Billions)



Source: National Treasury

Table 2.1 presents a statement of receipts into the Consolidated Fund for the period July 2017 to March 2018.

Table 2.1 Statement of Receipts into the Consolidated Fund for the Period July 2017 to March 2018 (Kshs. Billions)

Receipts Category	Revised Estimates FY 2017/18	Actual Receipts as at 31 st March 2018	Performance Against Annual Target (%)	Contribution by Category (%)	Actual Receipts March 2017	Increase/ (Decrease) in receipts over March 2017	Change (%)
Opening Balance 01.07.2017	-	30.9	-	2.0	59.8	-	-
Total Tax Income	1440.0	939.4	65.2	62.1	868.7	70.7	8.1
Total Non-Tax Income	50.4	36.0	71.4	2.4	38.4	(2.4)	(6.3)
Net Domestic Borrowing	330.9	255.6	77.3	16.9	210.4	45.2	21.5
Loans-Foreign Governments and International Organisations	40.2	19.7	49.0	1.3	22.7	(3)	(13.2)
Programme Loan- Budget Support	6.0	3.6	60.0	0.2	3.7	(0.1)	(2.7)
Domestic Lending and On-Lending	3.8	1.8	47.4	0.1	0.9	0.9	100
Grant-Foreign Governments and International Organisations	13.7	7.1	51.8	0.5	6.6	0.5	7.6
Grants from AMISOM	6.1	4.7	77.0	0.3	5.0	(0.3)	(6.3)
Commercial Loans	250.0	212.7	85.1	14.1	116.4	96.3	82.7
Unspent Balances	-	1.3	-	0.1	6.6	(5.3)	(80.3)
Total Receipts	2,141.1	1,512.9	70.7		1,339	173.8	13.0

Source: National Treasury

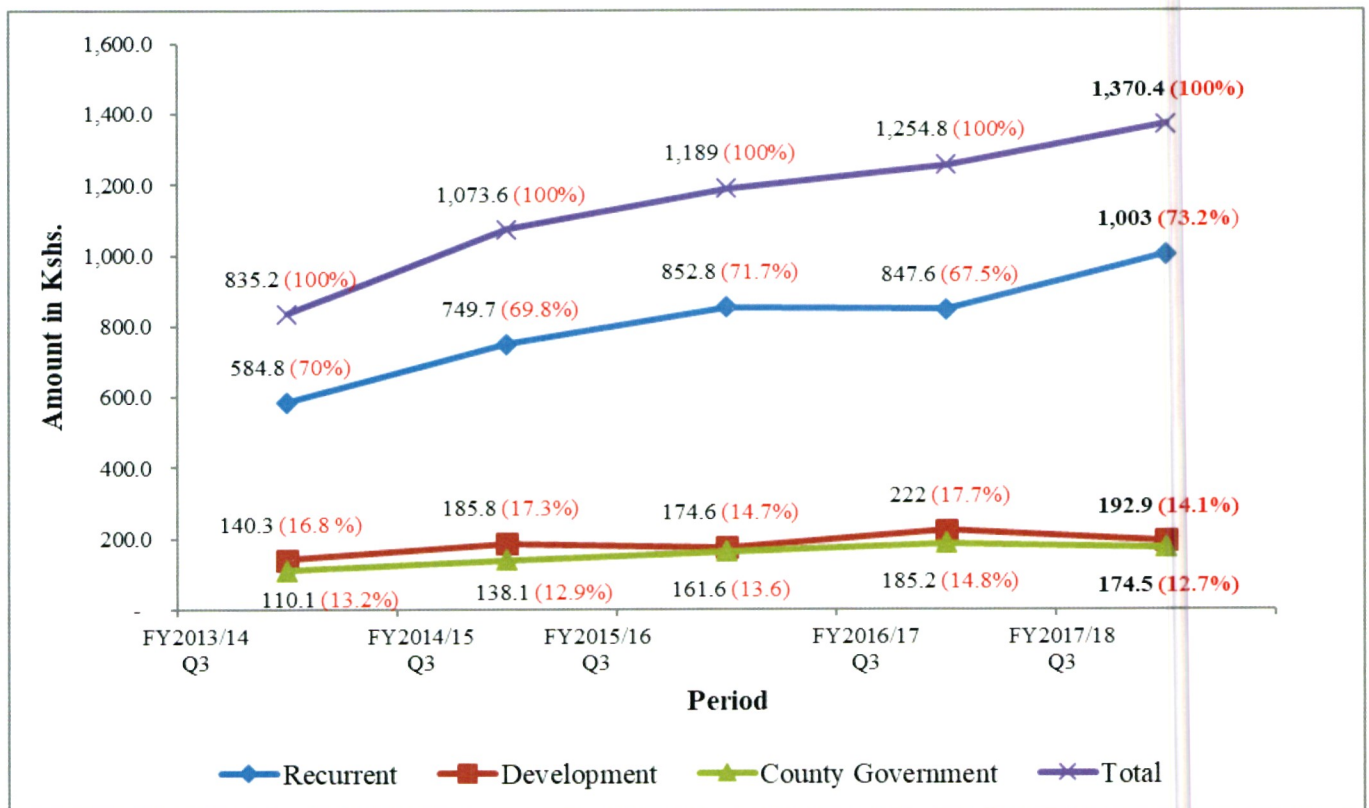
2.3 FY 2017/18 Overall Budget

The revised overall budget for FY 2017/18 was Kshs.2.5 trillion, comprising of Kshs.1.1 trillion for MDAs' recurrent expenditure, Kshs.605.5 billion for MDAs' development expenditure, Kshs.543.7 billion for CFS expenditure and Kshs.306.2 billion as shareable revenue for financing of County Governments.

2.4 Exchequer Issues to the MDAs and County Governments

In the first nine months of FY 2017/18, the total exchequer issues to MDAs and County Governments from the Consolidated Fund amounted to Kshs.1.4 trillion representing 64 per cent of the revised net estimates. This was an increase compared to 61.1 per cent recorded in a similar period of FY 2016/17. Figure 2.1 shows the trend in exchequer issues from the Consolidated Fund in the first nine months of the year from FY 2013/14 to FY 2017/18.

Figure 2.1: Trend in Exchequer Issues from the Consolidated Fund for the First Nine Months for the Period FY 2013/14 to FY 2017/18 (Kshs. Billions)



Source: National Treasury & OCOB

Exchequer issues in the first nine months for the five years period shows that, recurrent expenditure received the highest proportion of exchequer issues while county governments received the lowest.

Table 2.2 presents a summary of Exchequer issues for the first nine months of FY 2017/18.

Table 2.2: Summary of Exchequer Issues for the Period July 2017 to March, 2018 (Kshs. Billions)

Vote	Third Quarter, FY 2017/18					Third Quarter, FY 2016/17				
	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	% of Exch. Issues to net Rev Estimates	% of Exchequer issues to total Issues	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	% of Exch. Issues to Net Rev Estimates	% of Exch. issues to total Issues
Recurrent	1,596.0	1,483.8	1,003.0	67.6	73.2	1,429.10	1,341.60	847.6	63.2	67.5
: MDAs	1,052.3	940.1	646.7	68.8	47.2	918.3	830.9	532	64	42.4
: CFS	543.7	543.7	356.3	65.5	26.0	510.7	510.7	315.6	61.8	25.2
Development (MDAs)	605.5	351	192.9	55.0	14.1	887.3	427.7	222	51.9	17.7
County Governments (Shareable Revenue)	306.2	306.2	174.5	57.0	12.7	300.1	284.7	185.2	65.1	14.8
Total	2,507.7	2,141.1	1,370.4	64.0	-	2,616.5	2,054.1	1,254.8	61.1	-

Source: National Treasury & OCOB

From the analysis of table 2.2, recurrent expenditure received the highest proportion of exchequer issues to revised net estimates at 67.6 per cent which is an increase compared to 63.2 per cent issued in a similar period FY 2016/17, followed by County governments at 57 per cent, a decline compared 65.1 per cent recorded in a similar period of FY 2016/17. Development expenditure received the lowest at 55 per cent, an increase compared to 51.9 per cent recorded in similar period of FY 2016/17.

Table 2.3 shows a summary of exchequer issues by sector for the first nine months of FY2017/18.

Table 2.3: Revised Gross Estimates and Exchequer Issues by Sector for the Period from July 2017 to March 2018 (Kshs. Billions)

Sector	Third Quarter, FY 2017/18				Third Quarter, FY 2016/17			
	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	% of Exch. To Rev. Net Estimates	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	% of Exchequer To Rev. Net Estimates
Agriculture, Rural & Urban Development	49.2	46.6	32.2	69.1	48.3	37.2	23.1	62.0
Education	397.0	352.1	271.0	77.0	346.4	320.9	225.3	70.2
Energy, Infrastructure and Information Communications Technology (EI & ICT)	398.3	154.0	97.8	63.5	613.8	200.6	96.5	48.1
Environmental Protection, Water and Natural Resources	73.1	38.7	24.8	64.1	94.3	43.6	25.2	57.8
General Economic & Commercial Affairs (GECA)	13.3	12.2	7.7	63.1	24.4	19.7	13.5	68.5
Governance, Justice, Law and Order (GJLOS)	216.0	213.8	153.3	71.7	205.4	203.1	119.3	58.8
Health	60.9	45.6	33.0	72.4	73.6	59.2	35.1	59.3
Public Administration and International Relations (PAIR)	259.0	239.0	99.9	41.8	216.8	194.6	111.7	57.4
Social Protection, Culture and Recreation	55.9	54.2	28.7	53.0	53.7	50.7	26.5	52.3
National Security	135.1	135.0	91.3	67.6	129.0	129.0	77.7	60.2
Total	1,657.8	1,291.2	839.6	65.0	1,805.7	1,258.6	754.0	59.9

Source: National Treasury & OCOB

Analysis of exchequer issues by sector shows that, the Education sector received the highest proportion of exchequer issues to revised net estimates at 77 per cent, while the Public Administration and International Relations sector received the lowest proportion at 41.8 per cent.

2.4.1 Recurrent Exchequer Issues by Sector

The revised gross estimate for recurrent expenditure in FY 2017/18 was Kshs.1.1 trillion an increase by 13.5 per cent compared to Kshs.927.5 billion allocated in the FY 2016/17.

In the reporting period, recurrent exchequer issues to MDAs amounted to Kshs.646.7 billion, representing 68.8 per cent of the revised recurrent net estimates. This was a marginal increase compared to 64 per cent (Kshs. 532 billion) recorded in the same period of FY 2016/17.

Table 2.4 shows the revised recurrent estimates and exchequer issues by sector for the first nine months of FY 2017/18.

Table 2.4: Revised Recurrent Estimates and Exchequer issues by Sector for the Period from July 2017 to March, 2018 (Kshs. Billions)

Sector	Third Quarter FY 2017/18				Third Quarter FY 2016/17			
	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	% of Exch. To revised Net Estimates	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	% of Exch. To revised Net Estimates
Agriculture, Rural & Urban Development (ARUD)	26.5	26.4	21.2	80.1	18.5	18.5	11.2	60.9
Education	378.5	337.9	264.7	78.3	317.9	299.6	213.7	71.3
Energy, Infrastructure and Information Communications Technology (EI & ICT)	66.3	10.5	7.8	73.9	65.5	12.7	6.8	53.4
Environmental Protection, Water and Natural Resources	22.2	13.3	8.2	61.3	23.0	13.3	8.3	62.5
General Economic and Commercial Affairs (GECA)	9.2	8.2	5.5	67.7	13.3	12.3	9.0	73.0
Governance, Justice, Law and Order (GJLOS)	191.4	190.6	141.0	73.9	171.1	170.3	105.4	61.9
Health	30.9	26.9	20.1	74.7	34.1	30.2	15.5	51.5
Public Administration and International Relations (PAIR)	162.9	161.9	70.4	43.5	120.7	119.9	72.3	60.3
Social Protection, Culture and Recreation	29.4	29.3	16.6	56.6	25.1	25.1	11.9	47.4
National Security	135.0	135.0	91.3	67.6	129.0	129.0	77.7	60.2
Total	1,052.3	940.1	646.7	68.8	918.4	830.9	532.0	64.0

Source: National Treasury & OCOB

The Agriculture, Rural & Urban Development (ARUD) sector received the highest percentage of exchequer issues to revised recurrent net estimates at 80.1 per cent, an increase from 60.9 per cent received in a similar period of FY 2016/17. Public Administration and International Relations (PAIR) sector recorded the lowest proportion at 43.5 per cent, a decline compared to 60.3 per cent recorded in a similar period of FY 2016/17.

2.4.2 Exchequer Issues towards Consolidated Fund Services (CFS) for the Period July 2017 to March 2018

The revised allocation to CFS in FY 2017/18 was Kshs.543.7 billion representing 21.7 per cent of the revised gross budget. This is an increase by 6.5 per cent compared to Kshs.510.7 billion allocated in FY 2016/17.

Table 2.5 presents the revised estimates and exchequer issues towards CFS in the first nine months of FY 2017/18.

Table 2.5: Consolidated Fund Services Revised Budget Allocation and Exchequer Issues for the Period July 2017 to March 2018 (Kshs. Millions)

Consolidated Fund Services (CFS)	Third Quarter FY 2017/18			Third Quarter FY 2016/17		
	Revised Net Estimates	Exchequer Issues	% of Exchequer issues to Rev. Net Estimates	Revised Net Estimates	Exchequer Issues	% of Exchequer issues to Rev. Net Estimates
Public Debt	466,228.2	309,250.2	66.3	449,437.7	273,643.7	60.9
Pensions and Gratuities	71,895.1	44,021.2	61.2	55,691.1	39,155.6	70.3
Salaries, Allowances & Miscellaneous	5,564.9	3,017.7	54.2	5,615.8	2,755.6	49.1
Subscriptions to International Organizations	0.5	-	-	0.5	-	-
Total	543,688.7	356,289.2	65.5	510,745.1	315,555.0	61.8

Source: National Treasury and OCOB

The total exchequer issues towards CFS amounted to Kshs.356.3 billion. This represented 65.5 per cent of the revised net estimates, an increase from 61.8 per cent reported in similar period of FY 2016/17. Public debt received the highest proportion of exchequer issues to revised net estimates at 66.3 per cent, while Salaries, Allowances & Miscellaneous received the lowest at 54.2 per cent.

2.4.3 Development Exchequer Issues by Sector

In FY 2017/18, the revised net allocation towards development expenditure was Kshs.351 billion. The total exchequer issues towards development activities in the period under review amounted to Kshs.192.9 billion. This amount represented 54.9 per cent of the revised development net estimates, an improvement from 51.9 per cent recorded in a similar period of FY 2016/17. Table 2.6 presents the revised development estimates and exchequer issues by sector for the first nine months of FY 2017/18.

Table 2.6: Revised Development Estimates and Exchequer Issues by Sector for the Period July 2017 to March 2018 (Kshs. Billions)

Name of the Sector	Third Quarter FY 2017/18				Third Quarter FY 2016/17			
	Revised Gross Estimates	Revised Net Estimates	Exch. Issues	% of Exch. to Net Estimates	Revised Gross Estimates	Revised Net Estimates	Exch. Issues	% of Exch. to Net Estimates
Agriculture, Rural and Urban Development	22.7	20.2	11	54.5	29.8	18.8	11.8	63.0
Education	18.5	14.2	6.3	44.7	28.5	21.3	11.6	54.5
Energy, Infrastructure and ICT	332	143.5	90.1	62.8	548.2	188	89.6	47.7
Environment Protection, Water and Natural Resources	50.8	25.4	16.6	65.4	71.3	30.3	16.9	55.7
General Economics and Commercial Affairs (GECA)	4.1	4	2.1	53.7	11.1	7.3	4.5	60.9
Governance, Justice, Law and Order (GJLOS)	24.6	23.1	12.3	53.3	34.3	32.8	14	42.5
Health	30	18.7	12.9	69.1	39.4	29	19.6	67.5
Public Administration and International Relations	96.1	77.1	29.4	38.2	96.1	74.7	39.4	52.8
Social Protection, Culture and Recreation	26.5	24.9	12.1	48.6	28.5	25.6	14.6	57.1
Total	605.5	351.0	192.9	54.9	887.3	427.7	222.0	51.9

Source: National Treasury & OCOB

Analysis of development exchequer issues by Sector indicates that the Health sector received the highest development exchequer issues to revised net estimates at 69.1 per cent while the Public Administration and International sector received the lowest at 38.2 per cent.

3 NATIONAL GOVERNMENT OVERALL EXPENDITURE ANALYSIS

3.1 Introduction

This chapter presents expenditure analysis for the first nine months of FY 2017/18 for both development and recurrent expenditure by the national government Ministries, Departments and Agencies (MDAs). The Consolidated Fund Services (CFS) is discussed under recurrent expenditure and provides information on Public Debt, Pensions and gratuity, Salaries and allowances to Constitutional Office holders, and Miscellaneous Services.

3.2 Overall Government Budget Performance

The revised budget for FY 2017/18 amounts to Kshs.2.5 trillion, comprising of Kshs.1.1 trillion and Kshs.605.5 billion for MDAs' recurrent expenditure and development expenditure respectively, Kshs.543.7 billion towards CFS and Kshs.306.2 billion as shareable revenue for financing of County Governments.

Table 3.1 shows the overall government revised budget.

Table 3.1: Overall Government Revised Budget Allocation and Budget Performance for the First Nine Months of FY 2017/18 (Kshs. Billion)

VOTE	Third Quarter, FY 2017/18						Third Quarter, FY 2016/17					
	Revised Gross Estimates	Revised Net Estimates	Cumulative Exchequer Issues	Cumulative Expenditure	% of Exchequer to Rev. Net Estimates	(%) of Exp. to revised Gross Estimate	Revised Gross Estimates	Revised Net Estimates	Cumulative Exchequer Issues	Cumulative Expenditure	% of Exchequer to Rev. Net Estimates	(%) of Exp. to revised Gross Estimate
Recurrent	1,596.0	1,483.8	1,003.0	1,041.8	67.6	65.3	1,429.1	1,341.6	847.6	918.8	63.2	64.3
:MDAs	1,052.3	940.1	646.7	702.5	68.8	66.8	918.3	830.9	532.0	602.4	64.0	65.6
:CFS	543.7	543.7	356.3	339.3	65.5	62.4	510.7	510.7	315.6	316.3	61.8	61.9
Development	605.5	351.0	192.9	282.6	55.0	46.7	887.3	427.7	222.0	400.1	51.9	45.1
County Governments	306.2	306.2	174.5*	183.7**	57.0	44.4***	300.1	284.7 *	185.2	207.8**	65.1	51.9 ***
Total	2,507.7	2,141.1	1,370.4	1,508.1	64.0	60.1	2,616.5	2,054.0	1,254.8	1,526.7	61.1	56.3

Source: NT, OCOB, MDAs & County Treasuries

*Amounts relates to exchequer issues to county governments from revenue raised nationally.

** The difference between the exchequer issues and expenditure is financed by revenue from local sources and cash balances brought forward from previous financial years.

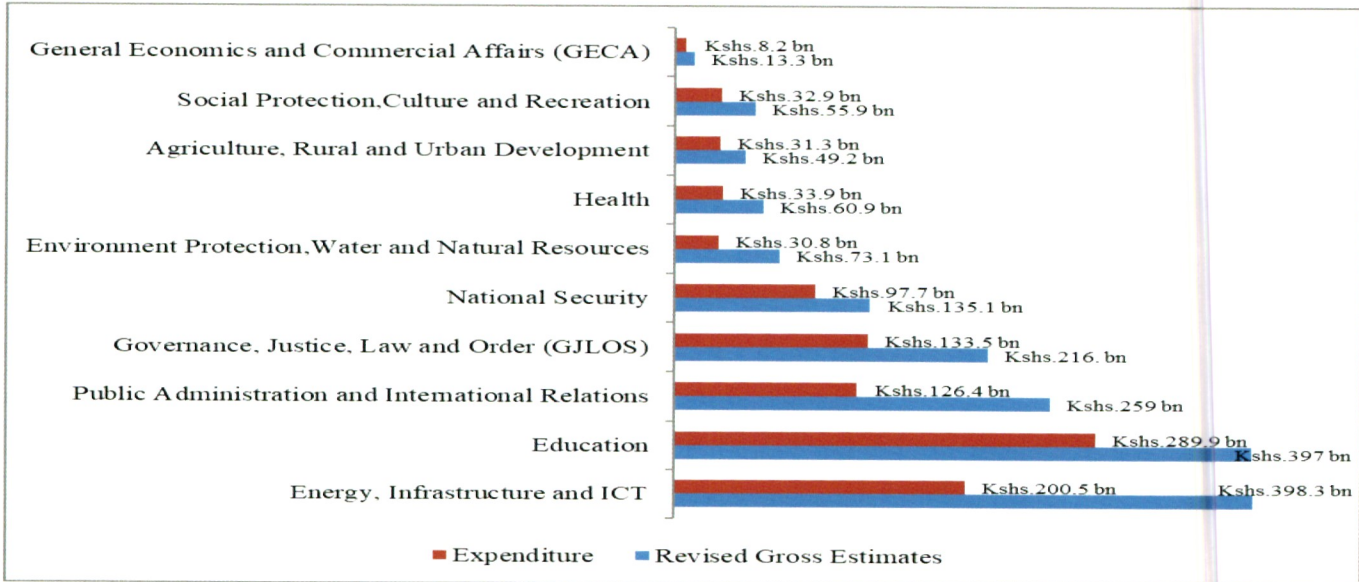
***Overall absorption rate is calculated from the gross budget for county governments. .

The total exchequer issues in the first nine months of FY 2017/18 amounted to Kshs.1.4 trillion, representing 58.7 per cent of the revised net estimates. This was a decline compared to 61.1 per cent recorded in a similar period of FY 2016/17.

The exchequer issues comprised of Kshs.1 trillion for recurrent expenditure, Kshs.192.9 billion for development expenditure and Kshs.174.5 billion to County Governments. Gross expenditure for both the National and County governments was Kshs.1.5 trillion (Kshs.1.04 trillion on recurrent,

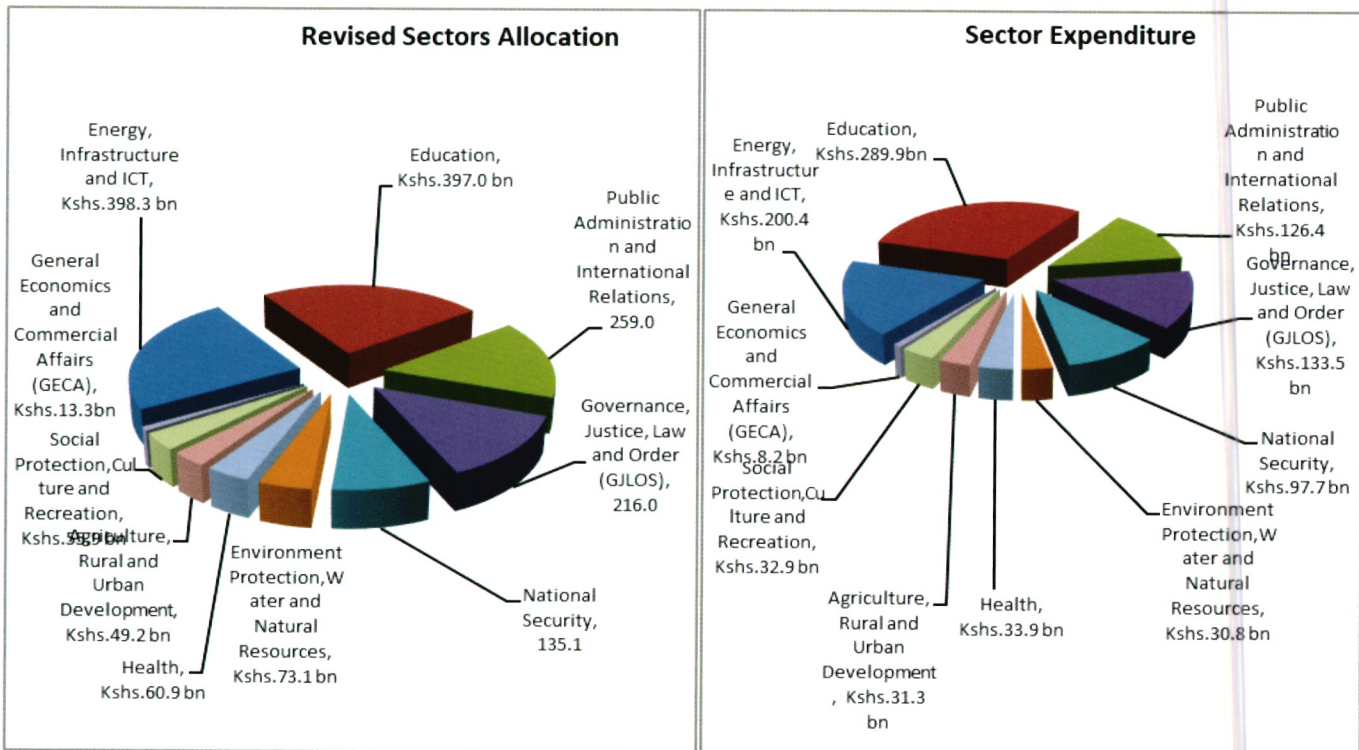
Kshs.282.6 billion on development expenditure, and Kshs.183.7 billion for County Governments), representing an overall absorption rate of 60.1 per cent, which was an increase compared to 56.3 per cent recorded in a similar period of FY 2016/17.

Figure 3.1: Comparison of Revised Gross Estimates and Expenditure by Sector in the First Nine Month of FY 2017/18



Source: MDAs & National Treasury

Figure 3.2: Revised Gross Estimates and Expenditure by Sector in the First Nine Months of FY 2017/18



Source: MDAs & National Treasury

3.3 Consolidated Fund Services (CFS)

Consolidated Fund Services comprise of funds allocated towards: (i) Repayment of Public Debt (domestic and foreign debt, and government guaranteed loans to State Corporations), (ii) Pensions and gratuities, (iii) Salaries and allowances to Constitutional Office holders and miscellaneous services, and (iv) Subscriptions to International Organizations. Table 3.2 presents a summary on CFS exchequer issues and expenditure performance in the first nine months of FY 2017/18.

Table 3.2: Cumulative Expenditure for CFS in the First Nine Months of FY 2017/18 (Kshs. Millions)

Consolidated Fund Services (CFS)	Revised Estimates	Exchequer Issues	Cumulative Expenditure	Expenditure as a % of Revised Estimates
Public Debt	466,228.2	309,250.2	295,173.0	63.9
Pensions and Gratuities	71,895.1	44,021.2	41,021.2	57.1
Salaries, Allowances & Miscellaneous	4,277.0	3,017.7	2,052.4	48.0
Subscriptions to International Organizations	0.5	-	-	-
Guaranteed Debt	1,287.9	1,049.3	1,049.3	81.5
Total	543,688.7	356,289.2	339,295.9	46.1

Source: National Treasury & OCOB

The revised allocation to CFS in FY 2017/18 was Kshs.543.7 billion representing 21.7 per cent of the revised budget. This is an increase by 6.5 per cent compared to Kshs.510.7 billion allocated in FY 2016/17.

3.3.1 Public Debt

The revised allocation towards repayment of public debt in the FY 2017/18 was Kshs.466.2 billion, representing 3.7 per cent increase compared to Kshs.449.4 billion allocated in FY 2016/17. Public Debt recorded the highest proportion of the CFS budget at 85.7 per cent.

Exchequer issued in the first nine months of FY 2017/18 amounted to Kshs.309.3 billion, representing 66.3 per cent of the revised net estimates. The actual expenditure was Kshs.295.2 billion, representing 63.3 per cent of the revised net estimates, an increase compared to Kshs.274.3 billion incurred in the first nine months of FY 2016/17.

3.3.2 Guaranteed Debt to State Corporations

In FY 2017/18, the allocation towards repayment of guaranteed loans to State Corporations was Kshs.1.2 billion. Actual expenditure in the first nine months of FY 2017/18 amounted to Kshs.1.1 billion, representing 81.5 per cent of the revised net estimates.

3.3.3 Salaries and Allowances for Constitutional Office Holders

The revised allocation for payment of Salaries and Allowances for Constitutional Office holders in the FY 2017/18 was Kshs.4.3 billion. Exchequer issues in the first nine months amounted to Kshs.3 billion representing 70.6 per cent of the revised estimates while actual expenditure was Kshs.2.1 billion, representing 48 per cent of the revised gross estimates.

3.3.4 Pensions and Gratuities

The budgetary allocation for pensions and gratuities was Kshs.71.9 billion representing 9.8 per cent of the total CFS revised budget and 18 per cent increase compared to Kshs.60.7 billion allocated in FY 2016/17. Exchequer issues amounted to Kshs.44 billion, representing 61.2 per cent of the gross estimates.

Total expenditure for the period under review was Kshs.41 billion, representing 57.1 per cent of the revised net estimates, a decline compared with 70.3 per cent recorded in a similar period, FY 2016/17.

3.4 MDAs Expenditure Analysis

This section disaggregates MDAs expenditure for both development and recurrent activities based on major economic items. It also provides Appropriations-In-Aid (AIA) received in the first nine months of FY 2017/18 as reported by MDAs. Recurrent expenditure is disaggregated into two main categories, namely; Personnel Emoluments and Operation and Maintenance (O&M). The Personnel Emoluments includes; Basic salaries for permanent employees, Basic wages for temporary employees, Personal allowances paid as part of salary, Employer contributions to compulsory National Social Security Schemes and Employer contributions to compulsory health insurance schemes. The O&M category includes; Domestic and foreign travel, Printing and advertising, Rentals and rates for non-residential, buildings Training, Hospitality, Maintenance expenses for motor vehicles and other assets among other expenses. The analysis also presents Current transfers to SAGAs by the MDAs to implement their recurrent activities.

Development expenditure is disaggregated by major economic items, which include; Maintenance of motor vehicles and other assets for programmes/projects, Capital transfers to SAGAs to implement their capital activities, Civil works and construction of residential buildings, Refurbishment of buildings/ infrastructure, Purchase of specialized plant, equipment and machinery, Pre-feasibility studies and other development activities.

3.4.1 MDAs Recurrent Expenditure Analysis

The revised gross estimate for recurrent expenditure in FY 2017/18 was Kshs.1.1 trillion an increase by 13.5 per cent compared to Kshs.927.5 billion allocated in FY 2016/17. In the first nine months of FY 2017/2018, gross expenditure on recurrent activities by the MDAs amounted to Kshs.702.5 billion representing 66.8 per cent of the revised recurrent gross estimates. This is an increase compared to 65.6 per cent (Kshs.602.4 billion) recorded in a similar period of FY 2016/17.

The breakdown of the MDAs recurrent expenditure for the first nine months of FY 2017/18 is as presented in table 3.3.

Table 3.3: Breakdown of Recurrent Expenditure by MDAs for the First Nine Months of FY 2017/18 (Kshs. Millions)

MINISTRY/STATE DEPARTMENT	PERSONNEL EMOLUMENT (PE)	OPERATIONS & MAINTENANCE (O&M)											Current Transfers	Gross Expenditure	(A-I-A)	Net Expenditure
		Domestic Travel	Foreign Travel	Printing and Advertising	Rentals and Rates- Non Residential	Training	Hospitality	Maintenance Expenses- Motor Vehicles	Maintenance Expenses- Other Assets	Other Expenses						
The Presidency	772.0	432.2	36.5	18.9	5.3	6.7	638.9	143.9	5.1	2,902.5	-	4,962.1	-	4,962.1	-	4,962.1
State Department for Interior	46,051.5	659.0	26.8	0.7	642.4	654.0	241.9	251.8	88.9	16,954.9	410.0	65,981.9	-	65,981.9	-	65,981.9
State Department for Correctional Services	9,232.6	72.1	13.9	8.0	74.4	22.2	40.9	53.4	5.3	2,604.2	-	12,127.0	-	12,127.0	-	12,127.0
State Department for Devolution	98.0	11.5	0.0	0.2	42.3	1.1	5.0	3.4	0.3	18.8	307.7	488.4	-	488.4	-	488.4
State Department for Special Programmes	112.9	23.4	0.8	0.4	56.3	3.0	4.9	3.8	1.0	552.9	3,716.8	4,476.4	-	4,476.4	-	4,476.4
State Department for Planning & Statistics	274.1	80.8	13.3	11.2	17.6	21.0	27.9	12.4	1.7	152.4	3,099.3	3,711.8	-	3,711.8	-	3,711.8
Ministry of Defence	650.5	35.5	9.4	2.1	-	10.1	10.1	7.3	1.1	41.0	73,382.1	74,149.2	-	74,149.2	-	74,149.2
Ministry of Foreign Affairs and International Trade	5,529.4	181.6	985.0	21.2	1,969.8	67.6	362.1	96.5	79.4	1,547.8	1,197.4	12,037.8	425.3	11,612.4	-	11,612.4
State Department for Basic Education	2,750.6	95.5	5.8	2.0	19.4	12.1	14.9	25.9	3.0	45,278.1	12,620.7	60,828.0	0.4	60,827.5	-	60,827.5
State Department for Vocational and Technical Training	143.9	11.9	1.4	0.3	39.0	1.0	4.0	4.2	0.0	9.6	1,570.3	1,785.7	-	1,785.7	-	1,785.7
State Department for University Education	156.5	24.2	1.7	0.6	-	4.2	5.7	10.0	1.4	6,138.3	48,258.1	54,600.8	10,455.4	44,145.5	-	44,145.5
The National Treasury	3,965.1	26.5	21.9	0.6	0.6	8.8	119.0	0.7	1.5	745.9	24,486.8	29,377.5	-	29,377.5	-	29,377.5
Ministry of Health	4,004.1	20.4	0.7	1.9	4,945.0	118.2	4.8	12.3	20.6	704.7	8,526.8	18,359.4	-	18,359.4	-	18,359.4
State Department for Infrastructure	750.5	20.3	1.4	0.5	-	2.4	4.9	6.9	3.9	90.9	31,486.2	32,367.8	36,373.2	(4,005.4)	-	(4,005.4)
State Department for Transport	121.9	8.6	1.0	0.2	3.2	1.0	1.5	3.0	0.6	101.8	5,685.2	5,928.1	4,905.0	1,023.1	-	1,023.1
State Department for Maritime Affairs	38.7	15.7	7.0	0.3	12.0	1.0	4.3	0.5	0.2	11.7	63.2	154.8	-	154.8	-	154.8

MINISTRY/STATE DEPARTMENT	PERSONNEL EMOLUMENT (PE)	OPERATIONS & MAINTENANCE (O&M)										Gross Expenditure	(A-1-A)	Net Expenditure
		Domestic Travel	Foreign Travel	Printing and Advertising	Rentals and Rates- Non Residential	Training	Hospitality	Maintenance- Motor Vehicles	Maintenance Expenses- Other Assets	Other Expenses	Current Transfers			
State Department for Housing & Urban Development	444.3	21.7	1.5	0.9	93.2	3.8	4.5	7.0	2.1	87.2	527.1	1,193.3	-	1,193.3
State Department for Public Works	246.2	13.7	7.2	0.1	63.0	0.5	1.2	0.8	0.7	13.3	2.8	349.5	-	349.5
State Department for Water Services	640.3	17.2	1.5	0.1	-	1.8	0.4	3.3	0.9	83.8	886.2	1,635.5	-	1,635.5
State Department for Irrigation	28.9	8.4	1.8	0.3	0.7	1.4	1.4	4.3	0.2	5.4	154.0	205.3	121.3	83.9
State Department for Environment	812.8	10.7	5.0	0.2	38.2	4.1	3.1	2.0	4.4	312.1	891.4	2,083.9	4.9	2,079.1
State Department for Natural Resources	85.5	23.2	9.6	0.4	64.9	4.2	4.7	5.9	0.8	189.0	9,280.5	9,668.9	-	9,668.9
Ministry of Lands and Physical Planning	1,354.9	16.6	0.6	0.6	0.9	2.6	2.1	3.5	1.5	-	57.8	1,441.1	9.7	1,431.4
State Department of Information Communications & Technology & Innovation	121.8	17.9	3.6	3.8	17.9	9.0	7.3	3.1	2.8	32.2	476.0	695.4	-	695.4
State Department for Broadcasting & Telecommunications	245.7	26.8	5.5	655.7	33.1	16.8	9.3	4.9	2.7	153.4	743.9	1,897.7	113.1	1,784.5
State Department for Sports Development	80.2	60.5	350.6	0.1	12.8	3.5	52.2	2.0	0.1	1,010.0	777.7	2,349.7	-	2,349.7
State Department for Arts and Culture	198.7	52.9	6.4	11.5	20.2	109.6	14.2	7.8	1.9	70.7	1,644.2	2,138.2	-	2,138.2
State Department Energy	253.0	18.8	3.3	0.2	-	16.8	13.9	3.1	3.2	12.4	1,134.0	1458.7	97.1	1,361.6
State Department of Petroleum	65.0	11.6	1.8	1.8	2.2	0.8	7.0	0.3	0.2	12.4	-	103.1	24.7	78.4
State Department for Agriculture	669.0	14.4	1.7	1.3	19.2	1.1	0.9	3.3	0.7	8,542.0	2,978.8	12,232.5	-	12,232.5
State Department for Livestock	912.4	57.0	0.6	0.2	52.7	2.5	1.5	15.3	0.5	4,101.6	-	5,144.3	6.0	5,138.3
State Department for Fisheries and the Blue Economy	341.4	12.6	2.8	-	1.3	0.1	0.3	4.1	0.0	77.6	748.9	1,189.2	-	1,189.2

MINISTRY/STATE DEPARTMENT	PERSONNEL EMOLUMENT (PE)	OPERATIONS & MAINTENANCE (O&M)											Current Transfers	Gross Expenditure	(A-I-A)	Net Expenditure
		Domestic Travel	Foreign Travel	Printing and Advertising	Rentals and Rates- Non Residential	Training	Hospitality	Maintenance Expenses- Motor Vehicles	Maintenance Expenses- Other Assets	Other Expenses						
State Department of Investment and Industry	282.0	57.6	11.1	1.2	91.4	28.4	8.3	4.2	0.9	298.7	1,089.3	1,873.0	24.5	1,848.5		
State Department for Cooperatives	130.4	17.5	2.8	6.2	-	4.0	3.9	2.2	2.9	317.2	62.3	549.2	6.1	543.2		
State Department for Trade	186.1	38.7	18.4	2.2	62.1	2.9	10.8	5.5	19.4	78.7	640.2	1,065.1	3.1	1,062.0		
State Department for East African Integration	136.2	35.6	55.0	3.1	43.4	4.0	23.7	4.3	0.8	996.5	25.1	1,327.7	-	1,327.7		
State Department for Labour	441.2	29.9	6.2	2.2	141.6	1.3	8.0	6.0	1.4	64.4	454.3	1,156.5	-	1,156.5		
State Department for Social Protection	680.1	104.5	4.9	17.4	-	11.4	43.3	15.1	14.6	108.3	3,933.1	4,932.5	-	4,932.5		
Ministry of Mining	300.6	8.8	1.6	1.9	3.1	2.8	8.3	4.9	5.0	396.3	-	733.2	0.5	732.7		
Ministry of Tourism	101.5	12.2	5.9	0.7	19.2	2.4	3.1	3.1	0.3	38.1	800.7	987.2	882.8	104.4		
State Department for Public Service and Youth Affairs	1,519.6	70.1	6.9	3.7	114.0	622.6	19.1	27.3	7.8	7,797.1	450.0	10,638.3	-	10,638.3		
State Department for Gender	157.2	31.0	8.7	1.1	28.8	18.1	6.3	3.2	-	17.1	292.5	564.0	-	564.0		
State Law Office and Department of Justice	758.4	28.1	9.8	0.7	47.3	13.2	7.7	3.9	0.4	224.0	1,451.3	2,544.8	-	2,544.8		
The Judiciary	3,719.9	242.5	15.3	22.6	12.8	9.5	76.8	143.1	9.0	1,964.3	560.0	6,775.7	-	6,775.7		
Ethics & Anti-Corruption Commission	-	-	-	-	-	-	-	-	-	-	2,120.6	2,120.6	-	2,120.6		
National Intelligence Service	-	-	-	-	-	-	-	-	-	-	23,540.4	23,540.4	2.7	23,537.7		
Office of the Director of Public Prosecutions	930.6	63.3	5.0	4.4	107.3	25.9	23.4	12.3	6.5	278.1	-	1,456.7	-	1,456.7		
Office of the Registrar of Political Parties	129.1	17.2	-	0.3	17.0	3.6	12.0	0.7	-	27.6	278.4	485.9	-	485.9		

MINISTRY/STATE DEPARTMENT	PERSONNEL EMOLUMENT (PE)	OPERATIONS & MAINTENANCE (O&M)										Current Transfers	Gross Expenditure	(A-I-A)	Net Expenditure
		Domestic Travel	Foreign Travel	Printing and Advertising	Rentals and Rates- Non Residential	Training	Hospitality	Maintenance Expenses- Motor Vehicles	Maintenance Expenses- Other Assets	Other Expenses					
Witness Protection Agency	123.6	3.1	1.0	1.2	11.0	8.1	10.2	3.8	1.3	136.7	-	299.8	-	299.8	
Kenya National Commission on Human Rights	169.1	7.4	1.9	1.3	35.5	1.4	1.6	3.9	0.1	33.6	35.3	291.0	-	291.0	
National Lands Commission	539.3	33.4	3.1	4.9	20.0	1.6	18.6	5.1	0.1	119.3	-	745.5	-	745.5	
Independent Electoral and Boundaries Commission	10,172.0	369.9	150.7	564.2	502.3	737.7	1,347.1	74.3	61.4	13,455.6	-	27,435.3	8.8	27,426.5	
Parliamentary Service Commission	2,948.8	665.6	462.0	36.6	162.3	170.8	184.6	13.5	49.2	1,382.6	375.7	6,451.7	-	6,451.7	
National Assembly	7,673.7	1,100.3	714.2	53.6	-	74.6	90.2	8.7	13.4	924.4	1,774.3	12,427.5	-	12,427.5	
Judicial Service Commission	117.5	-	-	-	-	-	-	-	-	-	-	117.5	-	117.5	
Commission on Revenue Allocation	121.9	3.7	-	2.6	45.8	2.3	9.5	3.4	-	75.4	-	264.7	-	264.7	
Public Service Commission	425.7	56.4	24.0	24.9	2.6	31.7	46.2	3.9	5.8	351.9	1.5	974.6	-	974.6	
Salaries & Remuneration Commission	178.6	11.6	0.0	5.3	7.6	11.0	67.2	1.7	1.7	117.1	-	401.7	-	401.7	
Teachers Service Commission	162,014.6	125.5	2.0	2.1	14.8	17.9	21.0	41.4	10.8	441.6	-	162,691.8	409.6	162,282.2	
National Police Service Commission	119.7	57.9	0.2	0.4	46.3	1.0	9.5	3.3	0.3	46.6	-	285.2	-	285.2	
Auditor General	2,013.8	233.9	31.3	12.4	161.9	52.0	10.8	12.1	3.2	526.2	-	3,057.5	102.0	2,955.5	
Controller of Budget	193.0	4.9	0.4	29.9	0.4	2.6	5.2	2.4	1.0	36.6	-	276.5	-	276.5	
The Commission on Administrative Justice	168.3	3.0	0.9	0.9	38.6	1.5	1.6	2.1	0.8	68.2	-	285.9	-	285.9	
National Gender & Equality Commission	103.7	17.5	4.1	4.1	31.6	9.5	3.5	2.7	0.2	66.2	-	243.2	-	243.2	

MINISTRY/STATE DEPARTMENT	PERSONNEL EMOLUMENT (PE)	OPERATIONS & MAINTENANCE (O&M)										Current Transfers	Gross Expenditure	(A-I-A)	Net Expenditure
		Domestic Travel	Foreign Travel	Printing and Advertising	Rentals and Rates- Non Residential	Training	Hospitality	Maintenance Expenses- Motor Vehicles	Maintenance Expenses- Other Assets	Other Expenses					
Independent Policing Oversight Authority	177.0	31.9	1.2	2.2	30.5	3.2	25.4	4.1	1.4	138.4	-	415.3	-	415.3	
Total	277,885.6	5,586.2	3,078.7	1,560.6	10,046.8	2,990.0	3,721.7	1,128.9	456.4	123,085.4	272,998.9	702,539.2	53,976.2	647,023.3	

Source: MDAs and National Treasury IFMIS Directorate¹

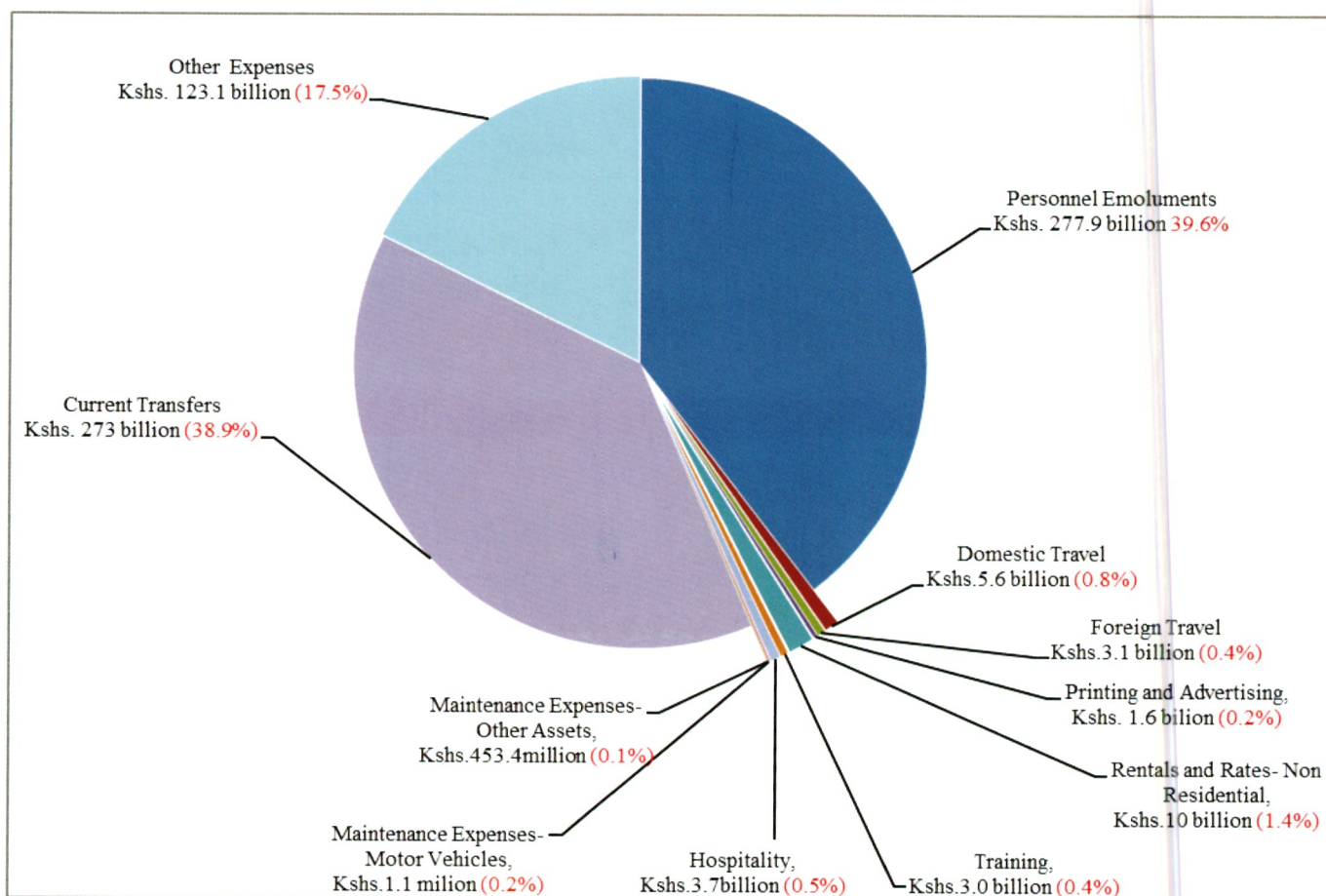
¹ The breakdown analysis for MDAs is based on expenditure/financial reports and IFMIS data. Some MDAs reported on Appropriations-in-Aid (AIA) and spent to fund their budgets. Expenditure on PE does not include figures for the National Intelligence Service and partially for the Ministry of Defence and Ethics and Anti-Corruption Commission and aggregated under their 'current transfers' category.

The highest recurrent expenditure category by the MDAs in the first nine months of FY 2017/18 was Personnel Emoluments at Kshs.277.9 billion, representing 39.6 per cent of the gross recurrent expenditure. The second highest was current transfers to SAGAs at Kshs.273 billion, representing 38.9 per cent of the gross recurrent expenditure. Other economic items with significant expenditure included; Kshs.10 billion spent on Rentals and Rates for Non-residential Buildings, Kshs.5.6 billion on Domestic Travel, Kshs.3.7 billion on Hospitality, Kshs.3.1 billion on Foreign Travel and Kshs.3 billion on Training.

Under the PE category the highest expenditure of Kshs.162 billion was incurred by TSC on remuneration to teachers. The highest amount transferred to SAGAs was reported by the Ministry of Defence at Kshs.73.4 billion representing 27 per cent of the total amount spent on current transfers category. Other notable categories of expenditure included; Kshs.4.9 billion on Rentals and Rates on Non-residential buildings by the Ministry of Health, Kshs.2 billion, on Rentals and Rates on Non-Residential buildings by the Ministry of Foreign Affairs and International Trade, Kshs.1.3 billion on Hospitality by the Independent Electoral and Boundaries Commission and Kshs.1.1 billion by National Assembly on Domestic travel.

Figure 3.3 shows the composition of MDAs recurrent expenditure for the third quarter of FY 2017/18.

Figure 3.3: Summary Analysis of MDAs' Recurrent Expenditure in the First Nine Months of FY 2017/18



Source: MDAs and National Treasury

3.4.2 MDAs Development Expenditure Analysis

The revised gross estimate for development expenditure in FY 2017/18 was Kshs.605.5 billion, a decrease by 29.7 per cent compared to Kshs.861.2 billion allocated in the FY 2016/17.

In the first nine months of FY 2017/18, gross development expenditure was Kshs.282.6 billion representing an absorption rate of 46.7 per cent, a slight increase compared to 45.1 per cent recorded in a similar period of FY 2016/17.

Table 3.4 shows a breakdown of development expenditure by the MDAs for the first nine months of FY 2017/18.

Table 3.4: Breakdown of Development Expenditure by MDAs for the First Nine Months of FY 2017/18 (Kshs. Millions)

MINISTRY/STATE DEPARTMENT	Motor Vehicles Maintenance (Programmes/Projects)	Maintenance of other Assets	Capital Transfers	Construction of Non-Residential Buildings (Offices, Schools, Hospitals, etc)	Refurbishment of Buildings/ Infrastructure	Residential Buildings (Including Hostels etc)	Construction and Civil Works	Purchase of Specialised Plant, Equipment and Machinery	Pre-Feasibility and Appraisal Studies	Other Expenses	Gross Expenditure	(A-I-A)	Net Expenditure
The Presidency	-	-	100.0	-	83.8	5.6	-	-	-	3.6	193.1	-	193.1
State Department for Interior	-	-	1,761.6	851.3	144.2	-	-	-	13.0	8,008.2	10,778.4	-	10,778.4
State Department for Correctional Services	-	-	-	208.3	-	-	49.0	128.0	-	0.8	386.1	-	386.1
State Department for Devolution	-	-	1,074.0	-	-	-	-	-	-	1,395.8	2,469.8	-	2,469.8
State Department for Special Programmes	-	-	2,971.3	-	4.0	-	-	-	2.7	7.9	2,985.9	-	2,985.9
State Department for Planning & Statistics	-	-	21,024.2	-	5.8	-	-	-	273.0	499.2	21,802.2	-	21,802.2
Ministry of Defence	-	-	-	-	-	-	-	-	-	37.5	37.5	-	37.5
Ministry of Foreign Affairs	-	-	21.5	-	230.0	-	-	-	-	3.2	254.7	-	254.7
State Department for Basic Education	-	-	3,328.3	-	-	-	-	-	-	1,516.6	4,845.0	-	4,845.0
State Department for Vocational and Technical Training	-	-	1,180.9	74.1	-	-	-	-	-	-	1,255.1	-	1,255.1
State Department for University Education	-	-	1,306.4	1,669.5	-	-	-	-	-	230.9	3,206.7	1,900.4	1,306.3
The National Treasury	-	-	4,398.7	-	10.0	-	22.0	186.0	374.0	938.6	5,929.3	-	5,929.3
Ministry of Health	-	-	8,468.3	-	-	-	-	760.9	-	6,353.2	15,582.4	-	15,582.4
State Department for Infrastructure	-	-	51,861.4	-	54.5	-	-	-	181.2	2,555.9	54,652.9	54,652.9	-
State Department for Transport	-	-	13,127.5	-	21,625.3	-	-	-	-	20.1	34,772.9	-	34,772.9
State Department Housing and Urban Development	-	-	1,125.0	243.0	31.2	-	6,655.0	104.1	51.0	933.5	9,142.7	3,138.9	6,003.8
State Department of Public Works	-	-	-	83.5	12.7	140.2	-	-	1.7	1.0	239.1	-	239.1
State Department for Water Services	-	-	7,806.0	-	-	-	-	-	-	953.5	8,759.5	-	8,759.5

MINISTRY/STATE DEPARTMENT	Motor Vehicles Maintenance (Programmes/Projects)	Maintenance of other Assets	Capital Transfers	Construction of Non-Residential Buildings (Offices, Schools, Hospitals, etc)	Refurbishment of Buildings/ Infrastructure	Residential Buildings (Including Hostels etc)	Construction and Civil Works	Purchase of Specialised Plant, Equipment and Machinery	Pre-Feasibility and Appraisal Studies	Other Expenses	Gross Expenditure	(A-I-A)	Net Expenditure
State Department for Irrigation	-	-	-	-	-	-	214.7	-	1.8	4,910.1	5,126.6	110.0	5,016.5
State Department for Environment	0.6	-	496.3	-	80.5	-	-	-	-	396.9	974.2	-	974.2
State Department for Natural Resources	-	-	1,436.0	-	-	-	-	-	-	1.0	1,437.0	-	1,437.0
Ministry of Lands and Physical Planning	-	-	-	20.9	4.5	-	-	-	93.8	2,165.8	2,284.9	-	2,284.9
State Department of Information Communications & Technology & Innovation	-	-	6,210.8	-	-	-	-	-	-	-	6,210.8	-	6,210.8
State Department of Broadcasting and Telecommunications	-	-	116.4	-	-	-	-	-	-	12.4	128.9	-	128.9
State Department for Sports Development	-	-	481.2	-	1,752.6	-	-	-	-	-	2,233.8	-	2,233.8
State Department for Arts and Culture	-	-	449.7	26.3	-	-	-	-	-	5.6	481.6	-	481.6
State Department for Energy	-	-	24,794.4	-	-	-	24,441.3	0.8	252.7	116.6	44,606.0	25,378.8	24,227.0
State Department of Petroleum	-	-	-	-	-	-	-	-	1,589.0	-	1,589.0	893.9	695.1
State Department for Agriculture	5.3	0.1	341.5	-	469.0	-	-	-	86.0	5,570.4	6,472.1	-	6,472.1
State Department for Livestock	34.9	-	12.5	-	393.0	-	-	-	-	1,239.6	1,680.0	-	1,680.0
State Department for Fisheries and Blue Economy	0.7	0.7	62.0	7.7	-	-	3.0	-	5.5	0.1	79.7	-	79.7
State Department for Investment and Industry	-	-	1,335.5	14.4	0.0	-	-	60.7	25.8	3.4	1,439.8	-	1,439.8
State Department for Cooperatives	-	-	-	-	-	-	-	187.5	-	229.9	417.4	-	417.4
State Department for Trade	-	-	-	0.7	-	-	-	-	-	29.1	29.8	-	29.8
State Department for Labour	-	-	-	45.9	-	-	-	-	12.2	32.1	90.2	-	90.2
State Department for Social Protection	0.9	0.9	8,842.3	4.1	3.7	-	-	-	-	389.1	9,241.0	-	9,241.0
Ministry of Mining	-	3.7	-	7.0	5.5	-	-	48.8	-	96.5	161.4	-	161.4
Ministry of Tourism	-	-	363.8	-	-	-	-	-	133.0	-	496.7	-	496.7

MINISTRY/STATE DEPARTMENT	Motor Vehicles Maintenance (Programmes/Projects)	Maintenance of other Assets	Capital Transfers	Construction of Non-Residential Buildings (Offices, Schools, Hospitals, etc)	Refurbishment of Buildings/ Infrastructure	Residential Buildings (Including Hostels etc)	Construction and Civil Works	Purchase of Specialised Plant, Equipment and Machinery	Pre-Feasibility and Appraisal Studies	Other Expenses	Gross Expenditure	(A-1-A)	Net Expenditure
State Department for Public Service and Youth Affairs	55.1	-	76.3	4.9	2,202.6	67.7	-	-	-	7,040.7	9,447.3	-	9,447.3
State Department for Gender	-	-	2,291.8	-	-	-	-	-	-	-	2,291.8	-	2,291.8
State Law Office and Department of Justice	-	-	-	-	-	-	-	-	0.8	5.3	6.1	-	6.1
The Judiciary	-	-	-	145.0	80.4	-	-	-	-	1,533.4	1,758.7	-	1,758.7
Office of the Directorate of Public Prosecution	-	-	-	-	-	-	-	-	-	6.3	6.3	8.6	-2.2
National Land Commission	-	-	-	-	-	-	-	-	-	16.5	16.5	-	16.5
Parliamentary Service Commission	-	-	-	834.2	52.2	-	-	-	-	19.8	906.1	-	906.1
Commission on Revenue Allocation	-	-	-	-	9.0	-	-	-	-	-	9.0	-	9.0
Public Service Commission	-	-	-	409.6	-	-	-	-	-	267.6	677.2	-	409.6
Auditor General	-	-	-	42.8	-	-	-	-	-	-	42.8	-	42.8
Total	97.5	5.4	166,865.6	4,693.2	27,254.5	213.5	31,385.0	1,476.8	3,097.2	47,547.7	282,636.0	84,182.3	198,453.7

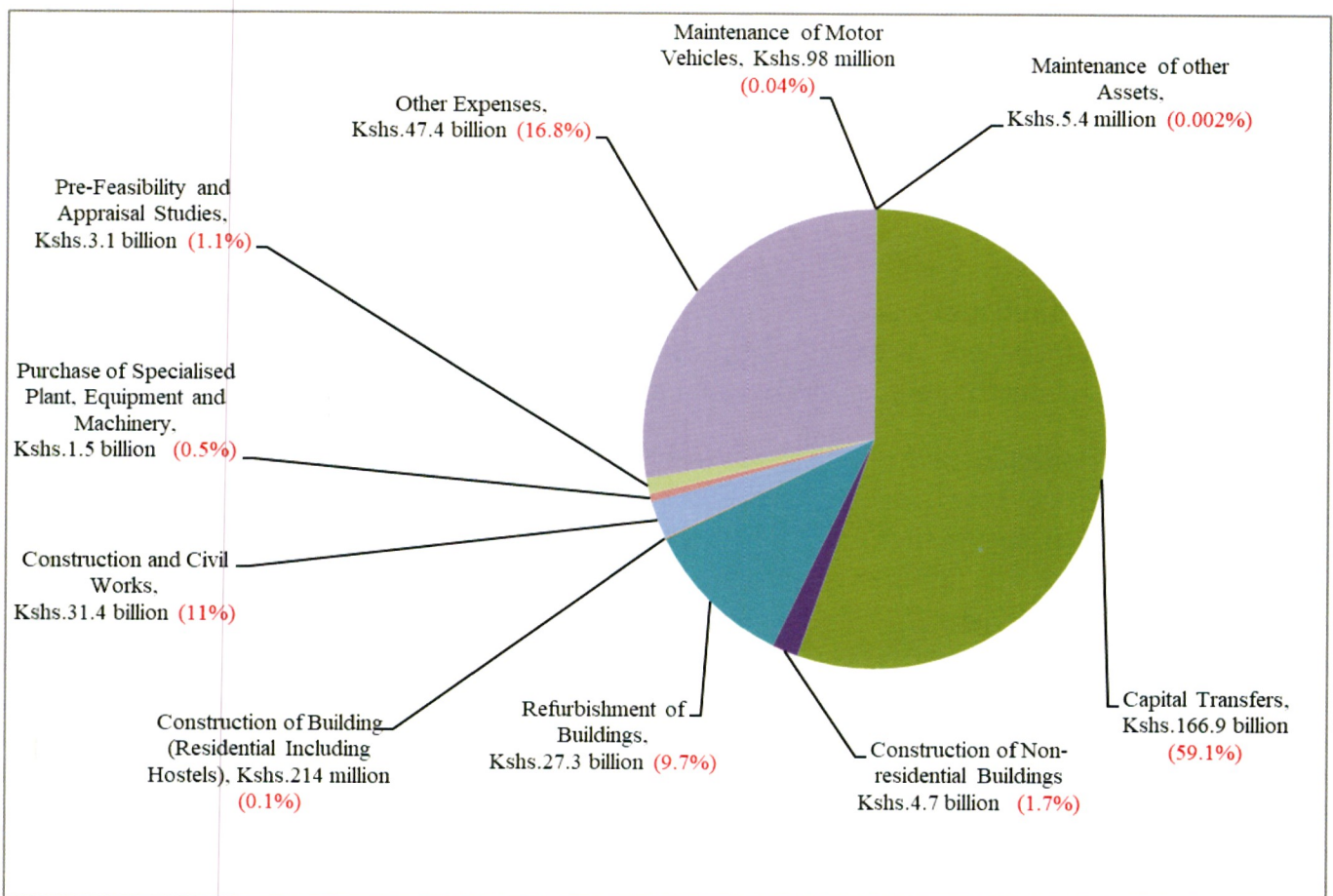
Source: MDAs and National Treasury IFMIS Directorate

During the first nine months of FY 2017/18, the highest development expenditure category was Capital Transfers to SAGAs at Kshs.166.9 billion, representing 59.1 per cent of the gross development expenditure. The second highest was on Construction and Civil Works at Kshs.31.4 billion representing 11.1 per cent. Other categories with high expenditure included; Refurbishment of Buildings/Infrastructure at Kshs.27.3 billion representing 9.7 per cent, Construction of Building (Non-residential) at Kshs.4.7 billion and Pre-Feasibility and Appraisal Studies at Kshs.3.1 billion.

Further analysis shows that the State Department for Infrastructure had the highest capital transfers to its SAGAs at Kshs.51.9 billion, representing 31.1 per cent of the total capital transfers. This was followed by the State Department for Energy at Kshs.24.8 billion, which represented 14.9 per cent. The State Department for Transport incurred the highest expenditure on Refurbishment of Buildings/infrastructure at Kshs.21.6 billion, translating into 79.3 per cent of the total expenditure on this category while the State Department for Energy spent Kshs.24.4 billion representing 77.7 per cent of the total expenditure on Construction and Civil Works.

Figure 3.4 shows the breakdown of MDAs development expenditure for the first nine months of FY 2017/18.

Figure 3.4: Summary Analysis of MDAs' Development Expenditure in the First Nine Months FY 2017/18.



Source: MDAs and National Treasury

4 DEVELOPMENT AND RECURRENT EXPENDITURE ANALYSIS BY SECTOR IN THE FIRST NINE MONTHS OF FY 2017/18

4.1 Introduction

This chapter presents an analysis of performance by sector for both development and recurrent expenditure in the first nine months of FY 2017/18. The sectors are discussed in alphabetical order as follows; Agriculture, Rural and Urban Development (ARUD); Education; Energy, Infrastructure and Information Communications Technology (EI & ICT); Environmental Protection, Water and Natural Resources (EWNR); Governance, Justice, Law and Order (GJLOS); Health, National Security; Public Administration and International Relations (PAIR) and Social Protection, Culture and Recreation sector.

4.2 Agriculture, Rural and Urban Development (ARUD) Sector

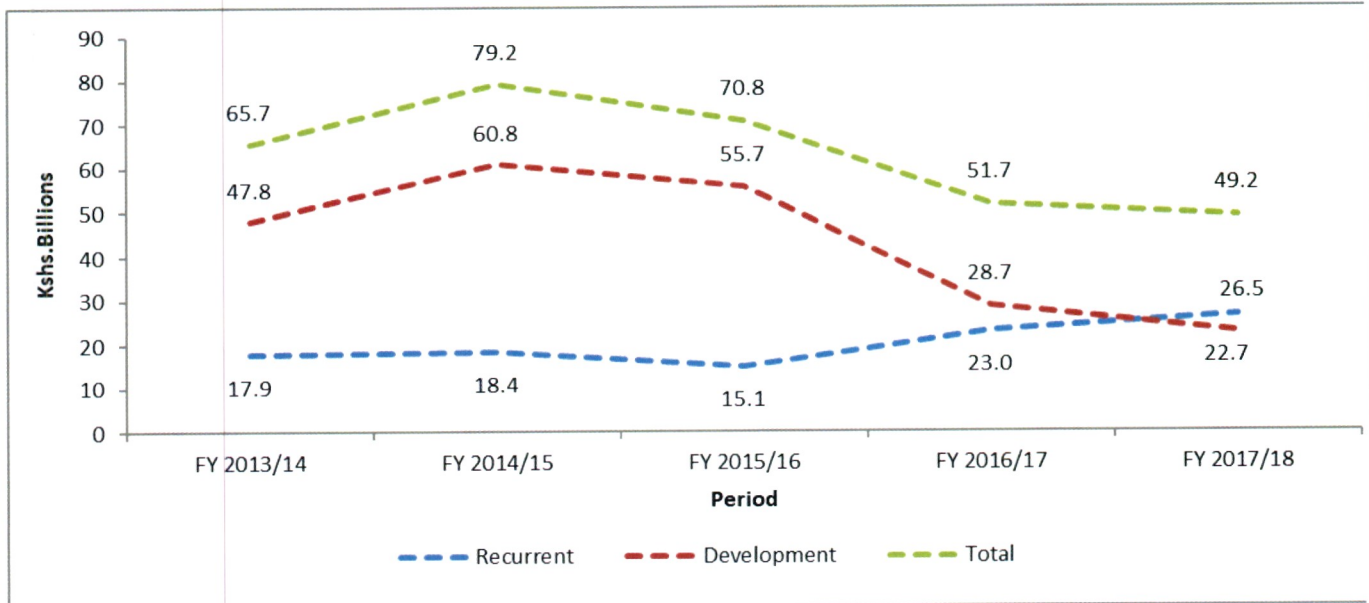
The Agriculture Rural and Urban Development (ARUD) Sector consists of five MDAs namely: the Ministry of Lands and Physical Planning (MoLPP); the State Department for Agriculture, State Department for Livestock, State Department for Fisheries and the Blue Economy and National Land Commission (NLC). The Sector has twenty six Semi-Autonomous Government Agencies (SAGAs) and nine training institutions.

ARUD Sector is identified as one of the sectors aimed at delivering the 10 per cent economic growth rate under the vision 2030. The Sector contributes significantly to the economy through the provision of raw materials for agro-based industries, agricultural exports as well as availing food to the Kenyan population. The goal of this Sector is to attain national food security and sustainable management of land and the blue economy. Some of the objectives of the Sector include: improve market access and trade; strengthen institutional capacity for improved service delivery; enhance the role of youth and women in the Sector; enhance accessibility, equity and sustainable management of the land resource; and improve storage, access and retrieval of land resource data and information.

The revised budgetary allocation to the sector in FY 2017/18 was Kshs.49.2 billion, representing 1.8 per cent of the revised gross budget, a decline compared Kshs.51.7 billion allocated in FY 2016/17. The allocation comprised of Kshs.22.7 billion (46.2 per cent) for development activities and Kshs.26.5 billion (53.8 per cent) for recurrent expenditure. State Department for Agriculture received the highest budgetary allocation of Kshs.29.2 billion (59.3 per cent of the Sector's allocation), while National Land Commission (NLC) had the lowest budgetary allocation of Kshs.1.1 billion (2.2 per cent of the Sector's allocation).

Figure 4.1 below shows the budgetary allocation trend for the ARUD Sector for the period FY 2013/14 to FY 2017/18

Figure 4.1: Budgetary Allocation Trend for the ARUD Sector from FY 2012/13 to FY 2017/18



Source: National Treasury

In the first nine months of FY 2017/18, the sector received exchequer issues of Kshs.32.2 billion, representing 69 per cent of the sector's revised net estimates. This comprised of Kshs.11 billion for development expenditure representing 54.5 per cent of the revised development net estimates and Kshs.21.2 billion for recurrent expenditure representing 80.1 per cent of the revised recurrent net estimates.

Table 4.1 shows ARUD Sector analysis of exchequer issues and expenditure in the first nine months of FY 2017/18.

Table 4.1: ARUD Sector-Analysis of Exchequer Issues and Expenditure for the period July 2017 to March 2018 (Kshs. Billions)

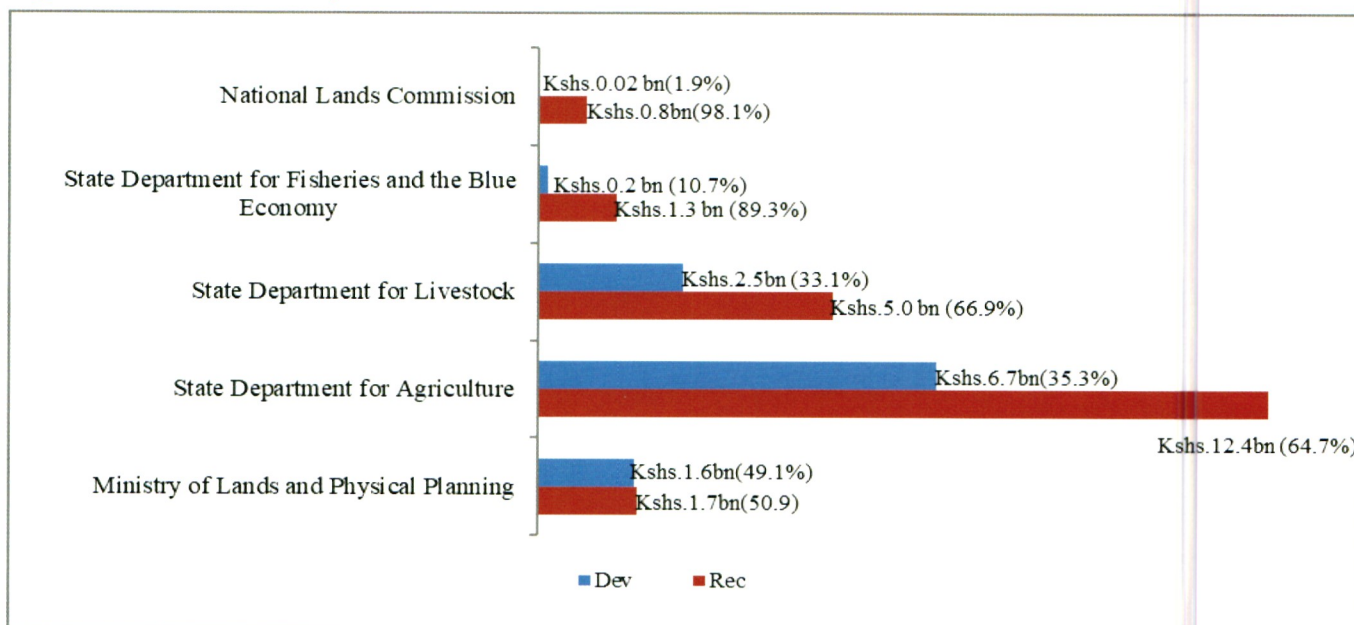
VOTE	Development						Recurrent					
	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Rev. Gross Est.	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
Ministry of Lands and Physical Planning	3.6	3.6	1.6	2.3	45.7	64.1	2.3	2.3	1.7	1.4	73.2	62.3
State Department for Agriculture	15.0	13.3	6.7	6.5	50.6	43.0	14.1	14.1	12.4	12.2	87.6	86.7
State Department for Livestock	3.7	2.9	2.5	1.7	85.7	45.5	7.1	7.1	5.0	5.1	70.4	72.3
State department for Fisheries and Blue Economy	0.4	0.4	0.2	0.08	37.7	18.9	1.8	1.8	1.3	1.2	71.9	64.5
National Land Commission	-	-	0.02	-	-	-	1.1	1.1	0.8	0.7	75.4	68.4
Total	22.7	20.2	11.0	10.5	54.5	46.3	26.5	26.4	21.2	20.8	80.1	78.4

VOTE	Development						Recurrent					
	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Rev. Gross Est.	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
Total for the Sector							Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Revised Net Est.	% of Exp. to Rev. Gross Est.
Development							22.7	20.2	11.0	10.5	54.5	46.3
Recurrent							26.5	26.4	21.2	20.8	80.1	78.4
Total							49.2	46.6	32.2	31.3	69.0	63.6

Source: MDAs and National Treasury

In the first nine months of FY 2017/18, State Department for Livestock received the highest proportion of exchequer issues to revised net estimates for development expenditure at 85.7 per cent while State Department for Fisheries and Blue Economy received the lowest at 37.7 per cent. State Department for Agriculture received the highest proportion of recurrent exchequer issues to the revised net estimates at 87.6 per cent while State Department for Livestock received the lowest at 70.4 per cent for recurrent expenditure. Figure 4.2 shows the exchequer issues to the ARUD Sector in the first nine months FY 2017/18.

Figure 4.2: Exchequer Issues to the ARUD Sector for the First Nine Months of FY 2017/18



Source: National Treasury

The total expenditure for the sector in the first nine months FY 2017/18 was Kshs.31.3 billion, representing 63.6 per cent of the revised gross estimates, an increase compared to 54.9 per cent recorded in a similar period of FY 2016/17. The expenditure comprised of Kshs.10.5 billion for development, representing absorption of 46.3 per cent, an increase compared to 44.8 per cent recorded in a similar period of FY 2016/17 and Kshs.20.8 billion as recurrent expenditure, representing 78.4 per cent of the revised recurrent estimates, an improvement from 71.3 per cent in a similar period of FY 2016/17.

Ministry of Lands and Physical Planning recorded the highest absorption on development expenditure at 64.1 per cent while the State Department for Fisheries and Blue Economy recorded the lowest at 18.9

per cent. State Department of Agriculture recorded the highest percentage of recurrent expenditure to the revised net recurrent estimates at 86.7 per cent while Ministry of Lands and Physical Planning had the lowest at 62.3 per cent.

4.3 Education Sector

The Education Sector consists of four MDAs namely: State Department for Basic Education, State Department for University Education, State Department for Vocational and Technical Training and Teachers Service Commission (TSC) together with their affiliated agencies and institutions.

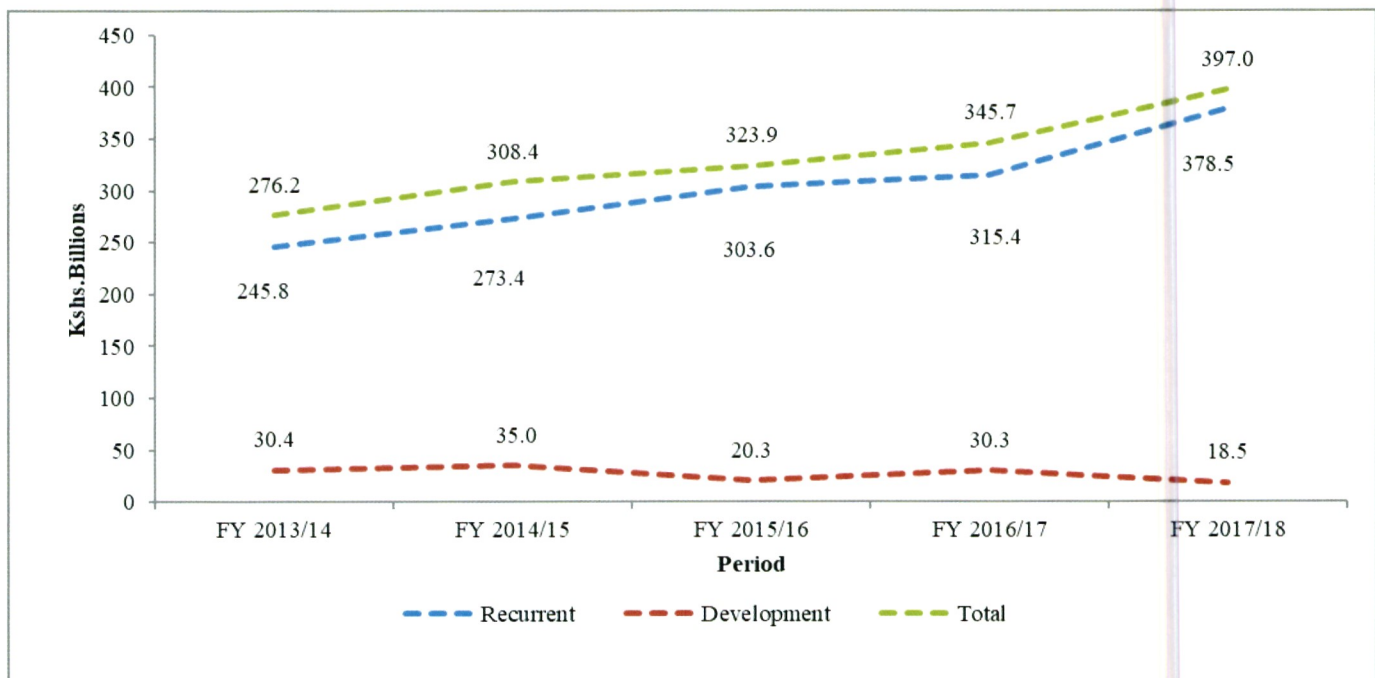
The sector envisions a globally competitive education, training, research and innovation for sustainable development. In order to realize this, the sector undertakes to provide, promote and coordinate quality education for sustainable development. The sector's overall goal is to increase access to education and training; improve quality and relevance of education; reduce inequality as well as leverage on knowledge and skills in science, technology, and innovation for global competitiveness.

The sector's goals and objectives have been aligned to the Constitution of Kenya 2010 and Vision 2030 as well as to the global trends. The sector's policies, legal and regulatory reforms are aimed at achieving the objects of the Constitution with regard to education and training. These objectives aim at enhancing quality of education, expanded access and inclusivity in education. It also aims at ensuring that the education system is relevant and promotes and integrates research, science and technology and innovation at all levels i.e. primary, secondary and tertiary institutions.

The revised budgetary allocation to the sector in FY 2017/18 was Kshs.397 billion, representing 14.7 per cent of the revised gross budget, an increase compared to Kshs.345.7 billion allocated in FY 2016/17. The allocation comprised of Kshs.18.5 billion (4.7 per cent) for development expenditure and Kshs.378.5 billion (95.3 per cent) for recurrent expenditure. The Teachers Service Commission received the highest budgetary allocation of Kshs.202 billion (50.9 per cent of the sector's allocation), while State Department for Vocational and Technical Training had the lowest budgetary allocation of Kshs.8.3 billion (2.1 per cent of the sector's allocation).

Figure 4.3 below shows budgetary allocation trend of the Education Sector for the period FY 2013/14 to FY 2017/18

Figure 4.3: Budgetary Allocation Trend for the Education Sector from FY 2012/13 to FY 2017/18



Source: National Treasury

In the first nine months of FY 2017/18, the sector received exchequer issues amounting to Kshs.271 billion representing 77 per cent of the sector's revised net estimates, an increase compared to 70.2 per cent recorded in a similar period of FY 2016/17. The exchequer issues comprised of Kshs.6.3 billion for development expenditure, representing 44.7 per cent of the revised development net estimates and Kshs.264.7 billion for recurrent expenditure, representing 78.3 per cent of revised recurrent net estimates.

Table 4.2: Education Sector-Analysis of Exchequer Issues and Expenditure for the period July 2017 to March, 2018. (Kshs. Billions)

VOTE	Development						Recurrent					
	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Rev. Gross Est.	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
State Department for Basic Education	7.3	7.1	4.5	4.8	63.0	66.8	83.3	81.8	63.6	60.8	77.8	73.0
State Department for Vocational and Technical Training	5.7	4.4	1.0	1.3	21.5	21.9	2.5	2.5	1.8	1.8	71.5	70.4
State Department for University Education	5.4	2.5	0.9	3.2	35.7	59.0	90.8	52.1	40.0	54.6	76.7	60.2
Teachers Service Commission	0.1	0.1	-	0.7	-	>100*	201.9	201.4	159.2	162.7	79.0	80.6
Total	18.5	14.2	6.3	10.0	44.7	53.8	378.5	337.9	264.7	279.9	78.3	74.0
Total for the Sector							Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Revised Net Est.	% of Exp. to Rev. Gross Est.
Development							18.5	14.2	6.3	10.0	44.7	53.8
VOTE	Development						Recurrent					
	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Rev. Gross Est.	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
Total	397.0	352.1	271.0	289.9	77.0	73.0						

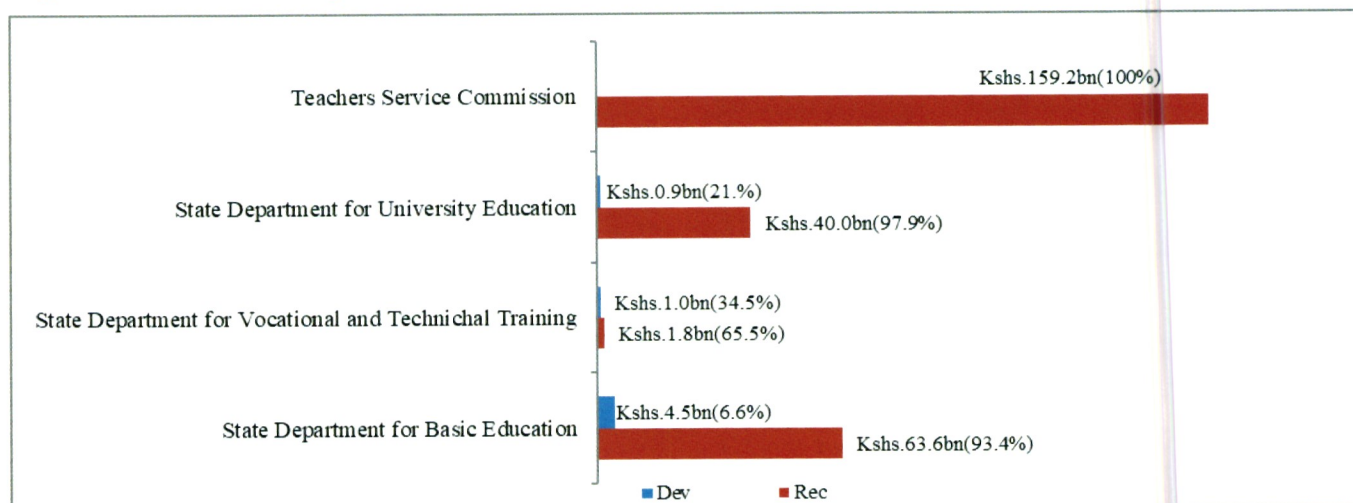
Source: MDAs and National Treasury

*573.9 per cent

In the first nine months of the FY 2017/18, State Department for Basic Education received the highest proportion of exchequer issues to revised development net estimates at 63 per cent while Teachers Service Commission received the highest for recurrent at 79 percent. The State Department for Vocational and Technical Training received the lowest proportion of exchequer issues to the revised net estimates at 21.5 per cent and 71.5 per cent for development and recurrent expenditure respectively.

Figure 4.4 shows the exchequer issues to the Education Sector in the first nine months of FY 2017/18.

Figure 4.4: Exchequer Issues to the Education Sector for the First Nine Months of FY 2017/18



Source: National Treasury

The total expenditure for the sector during the first nine months of FY 2017/18 amounted to Kshs.289.9 billion, representing 73 per cent of the revised gross estimates, an increase compared to 69.1 per cent (Kshs.239.2 billion) recorded in a similar period FY 2016/17. The expenditure comprised of Kshs.10 billion for development activities, an absorption rate of 53.8 per cent, and Kshs.279.9 for recurrent expenditure billion and representing 74 per cent of the revised recurrent gross estimates.

State Department for Basic Education recorded the highest absorption of development expenditure at 66.8 per cent while the State Department for Vocational and Technical Training had the lowest absorption of development budget at 21.9 per cent. Teachers Service Commission recorded the highest percentage of recurrent expenditure to revised annual recurrent estimates at 80.6 per cent while State Department for University Education recorded the lowest at 60.2 per cent.

4.4 Energy, Infrastructure and Information Communications Technology (EI & ICT) Sector

This sector comprises of 9 MDAs namely: State Department for Infrastructure, Transport, Maritime and Shipping Affairs, Housing and Urban Development, Public Works, Information Communications Technology and Innovation, Broadcasting and Telecommunication, Petroleum and Energy. The sector is identified as one of the key areas upon which the three pillars of the Kenya Vision 2030 are anchored and an enabler of sustainable economic growth, development and poverty reduction. The sector aims at sustaining and expanding physical infrastructure to support a rapidly-growing economy in line with the priorities in the Constitution of Kenya and the Kenya's Vision 2030.

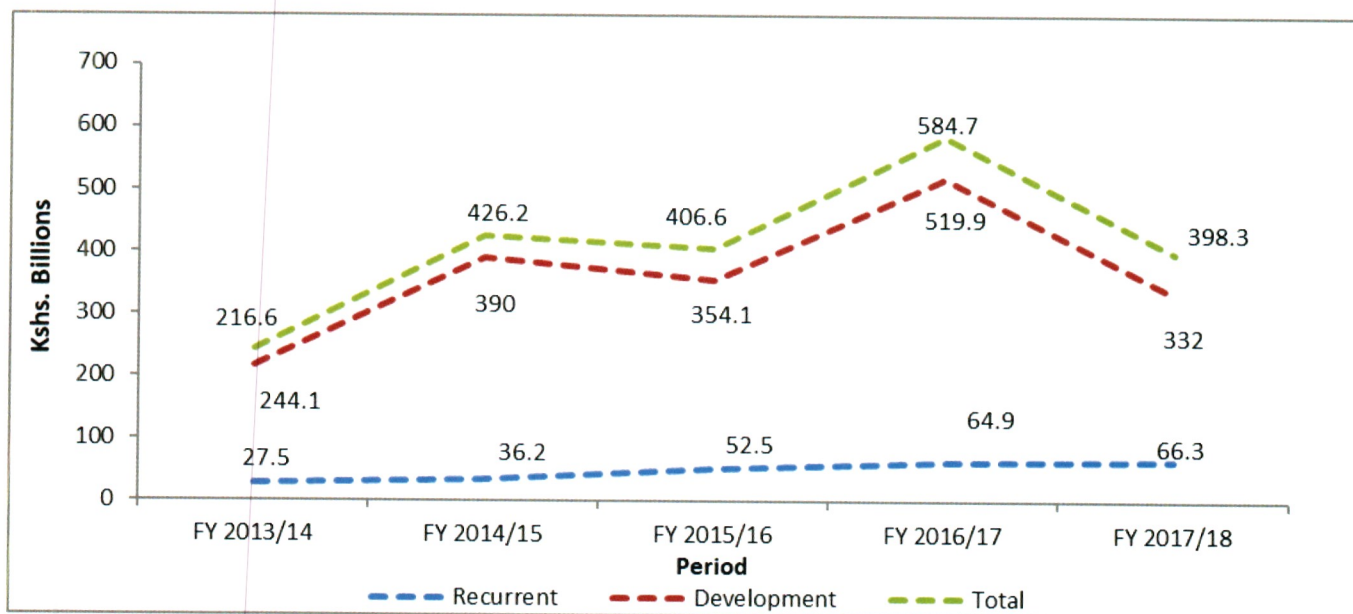
Key strategic goals of the sector are to develop and maintain sustainable infrastructural facilities and services to facilitate efficient movement of goods and people, develop and sustain access to opportunities in the shipping and maritime industry, improve universal access to information technology enabled services, improve access to competitive reliable and safe supply of petroleum products to all Kenyans, among others.

The revised budgetary allocation to the sector in FY 2017/18 was Kshs.398.3 billion, representing 14.8 per cent of the revised gross budget, a decrease compared to Kshs.584.7 billion allocated in FY 2016/17. The allocation comprised of Kshs.332 billion (83.3 per cent) for development expenditure and Kshs.66.3 billion (16.7 per cent) for recurrent expenditure. State Department for Infrastructure

received the highest allocation of Kshs.182.5 billion (45.8 per cent of the sector's allocation) while State Department for Maritime and Shipping Affairs had the lowest budgetary allocation of Kshs.0.2 billion of the sectors' allocation.

Figure 4.5 shows the budgetary allocation trend for the EI & ICT Sector for the period FY 2013/14 to FY 2017/18.

Figure 4.5: Budgetary Allocation Trend for the EI & ICT Sector from FY 2013/14 to FY 2017/18



Source: National Treasury

In the first nine months of FY 2017/18, the total exchequer issues to the sector amounted to Kshs.97.8 billion representing 63.5 per cent of the revised net estimates. This comprised of Kshs.90.1 billion for development expenditure, representing 62.8 per cent of the revised development net estimates and Kshs.7.8 billion for recurrent expenditure representing 73.9 per cent of the revised recurrent net estimates.

Table 4.3 shows EI & ICT sector analysis of exchequer issues and expenditure in the first nine months of FY 2017/18.

Table 4.3: EI & ICT-Analysis of Exchequer Issues and Expenditure for the period July 2017 to March 2018. (Kshs. Billions)

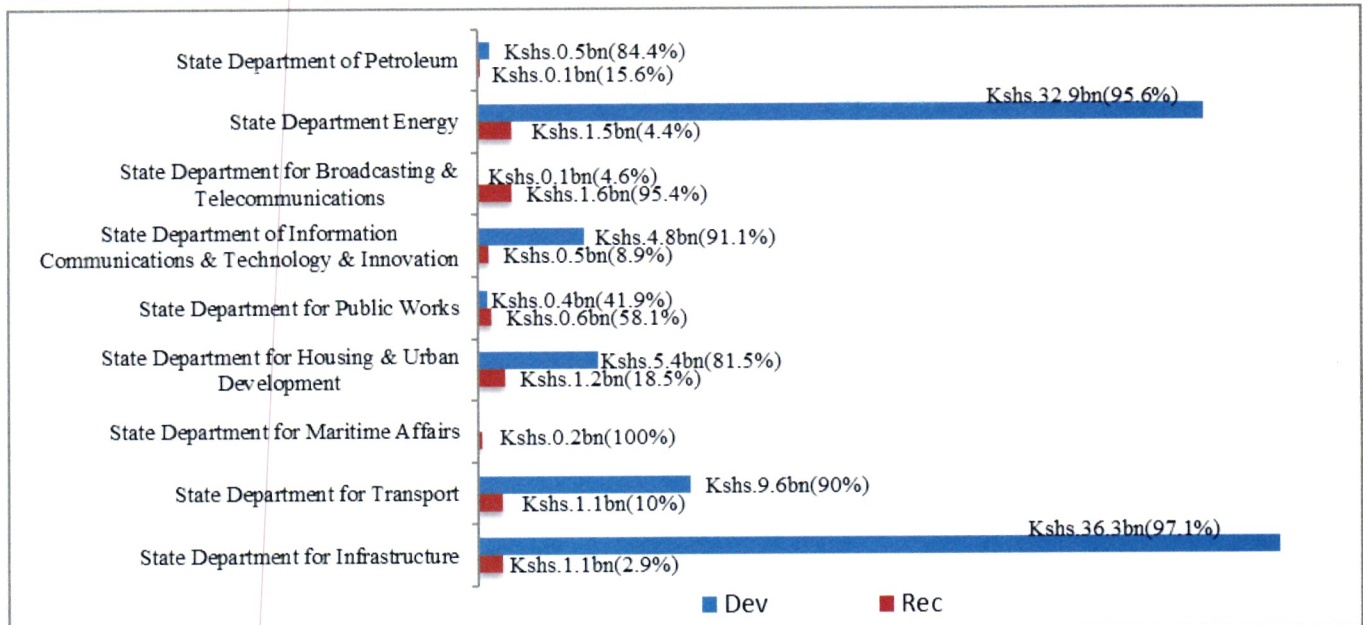
VOTE	Development						Recurrent					
	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
State Department for Infrastructure	130.0	76.9	36.3	54.7	47.2	42.0	52.5	1.7	1.1	32.4	62.6	61.7
State Department for Transport	89.0	7.8	9.6	34.8	123.8	39.1	6.0	1.4	1.1	5.9	75.3	98.5
State Department for Maritime & Shipping Affairs	-	-	-	-	-	-	0.2	0.2	0.2	0.2	71.1	70.8
State Department for Housing & Urban Development	13.3	8.3	5.4	9.1	65.2	68.5	1.6	1.6	1.2	1.2	76.4	74.2
State Department for Public Works	0.5	0.5	0.4	0.2	76.4	44.0	0.8	0.8	0.6	0.3	73.5	44.3
State Department of ICT & Innovation	11.9	8.9	4.8	6.2	54.1	52.0	1.0	1.0	0.5	0.7	47.8	70.6
State Department for Broadcasting & Telecommunications	0.2	0.2	0.1	0.1	39.3	67.5	2.0	1.8	1.6	1.9	87.8	97.0
State Department Energy	82.7	38.9	32.9	49.6	84.5	60	2.1	1.8	1.5	1.5	82.5	71.1
State Department of Petroleum	4.3	2.1	0.5	1.6	26.5	37.2	0.2	0.1	0.1	0.1	68.4	52.8
Total	332.0	143.5	90.1	156.3	62.8	47.1	66.3	10.5	7.8	44.1	73.9	66.6
Total for the Sector							Rev. Gross Estimates	Rev. Net Estimates	Rev. Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
Development							332.0	143.5	90.1	156.3	62.8	47.1
Recurrent							66.3	10.5	7.8	44.1	73.9	66.5
Total							398.3	154.0	97.8	200.5	63.5	50.3

Source: MDAs and National Treasury

In the first nine months of FY 2017/18, State Department for Transport received the highest proportion of exchequer issues to revised net estimates for development expenditure at 123.8 per cent while State Department for Petroleum received the lowest at 26.5 per cent. State Department for Broadcasting and Telecommunication received the highest proportion of exchequer issues to revised net estimates for recurrent expenditure at 87.8 per cent while the State Department of ICT and Innovation received the lowest at 47.8 per cent.

Figure 4.6 shows the exchequer issues to the EI & ICT Sector in the first nine months of FY 2017/18.

Figure 4.6: Exchequer Issues to the EI & ICT Sector for the period July 2017 to March 2018.



Source: National Treasury

The total expenditure for the sector in the first nine months of FY 2017/18 amounted to Kshs.200.5 billion, representing 50.3 per cent of the revised gross estimate, an increase from 45.5 per cent recorded in a similar period of FY 2016/17. The expenditure comprised of Kshs.156.3 billion as development expenditure, recording an absorption of 47.1 per cent, an increase compared to 43 per cent recorded in a similar period of FY 2016/17 and Kshs.44.1 billion as recurrent expenditure, representing 66.5 per cent of the revised recurrent estimates, a slight improvement compared to 66 per cent recorded in a similar period of FY 2016/17.

State Department for Housing and Urban Development recorded the highest absorption of the development budget at 68.5 per cent while the State Department of Petroleum recorded the lowest at 37.2 per cent. State Department for Transport recorded the highest percentage of recurrent expenditure to revised recurrent estimates at 98.5 per cent while State Department of Public Works recorded the lowest 44.3 per cent.

4.5 Environmental Protection, Water and Natural Resource Sector

The Environmental Protection, Water and Natural Resources Sector comprises of five MDAs namely: The State Department for; Environment, Natural Resources, Water Services, Irrigation and Ministry of Mining with a total of 26 SAGAs.

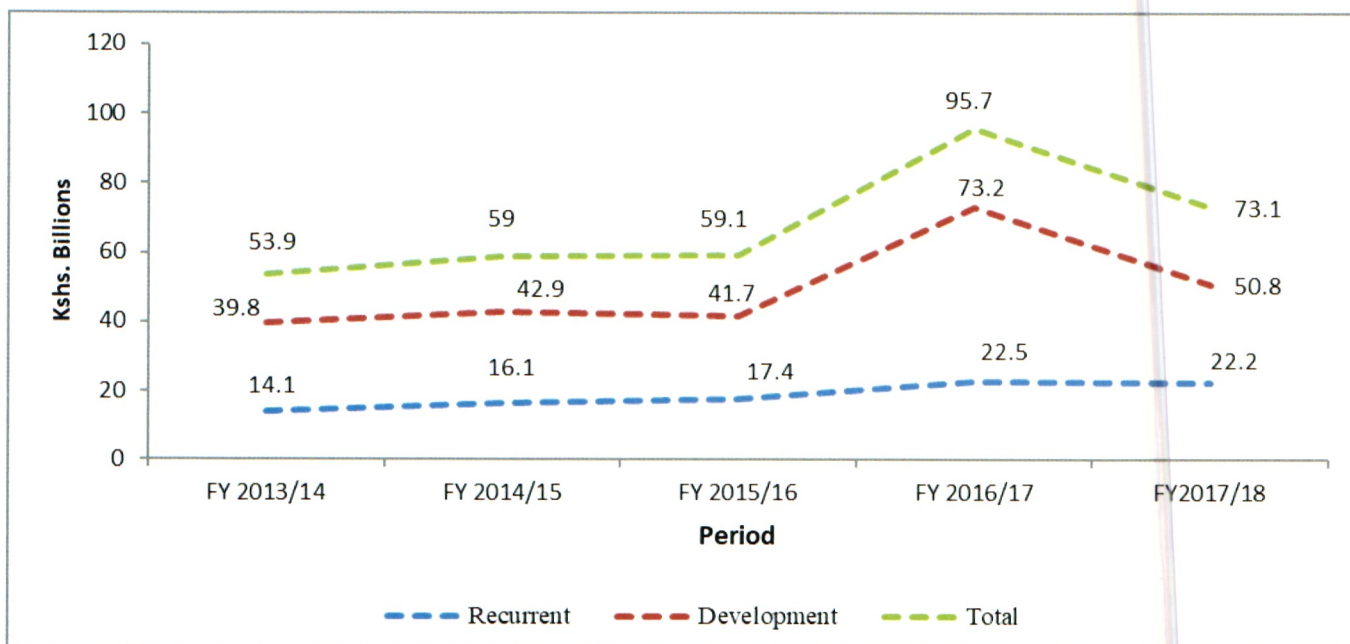
The overall goal of the sector is to ensure sustainable development in a clean and secure environment. The specific objectives of the sector is to: enhance sustainable management of environment, water, irrigation and natural resources; ensure access to water and natural resources benefits for socio-economic development; and enhance capacity building for environment, water and natural resources management. It also aims at increasing utilization of land through irrigation, drainage and land reclamation; enhance research on environment, water and natural resources for sustainable development and protect and reclaim the environment in order to establish a durable and sustainable system of development and resilience to climate change.

The revised budgetary allocation to the sector in FY 2017/18 was Kshs.73.1 billion, representing 2.7 per cent of the revised gross budget, a significant decrease compared to Kshs.95.7 billion allocated in

FY 2016/17. The allocation comprised Kshs.50.8 billion (69.6 per cent) for development expenditure and Kshs.22.2 billion (30.4 per cent) for recurrent expenditure. State Department for Water Services received the highest allocation of Kshs.37 billion (50.6 per cent of the sector's allocation), while the Ministry of Mining had the lowest allocation of Kshs.1.6 billion (2.2 per cent of the sector's allocation).

Figure 4.7 below shows the budgetary allocation trend for the Environmental Protection, Water and Natural Resources Sector for the period in FY 2013/14 to FY 2017/18.

Figure 4.7: Budgetary Allocation Trend for the Environmental Protection, Water and Natural Resources Sector from FY 2013/14 to FY 2017/18



Source: National Treasury

In the first nine months of FY 2017/18, total exchequer issues to the sector amounted to Kshs.24.8 billion, representing 64 per cent of the sector's revised net estimates. This comprised Kshs.16.6 billion for development expenditure representing 65.4 per cent of the revised development net estimates and Kshs.8.2 billion for recurrent expenditure, representing 61.3 per cent of the revised recurrent net estimates.

Table 4.4 shows Environmental Protection, Water and Natural Resources sector analysis of exchequer issues and expenditure in the first nine months of FY 2017/18.

Table 4.4: Environmental Protection, Water and Natural Resources Sector-Analysis of Exchequer Issues and Expenditure for the period July 2017 to March 2018. (Kshs. Billions)

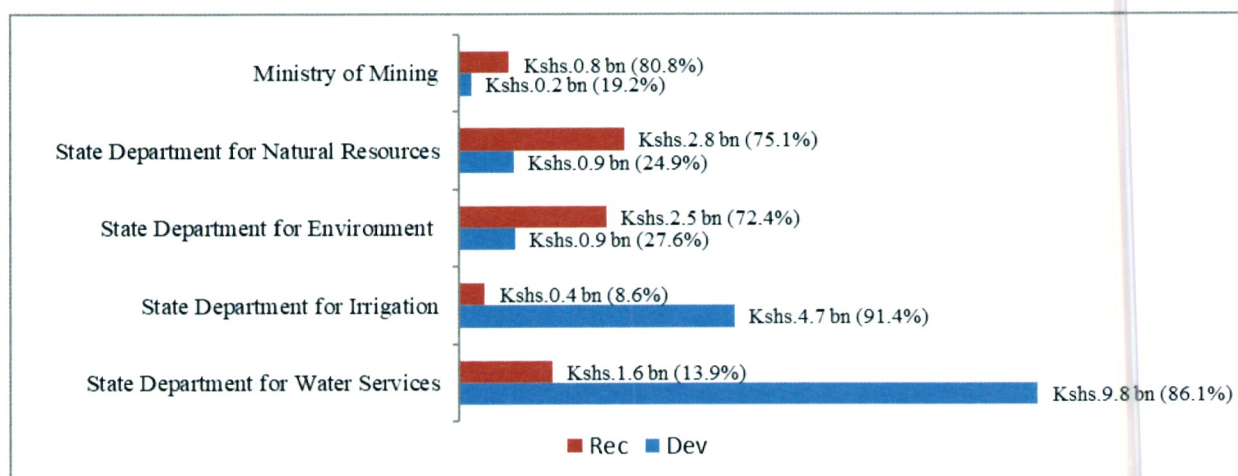
VOTE	Development						Recurrent					
	Rev. Gross Est.	Rev. Net Estimates	Exch. Issues	Exp.	of Exch. to Rev.Net Est.	of Exp. to Rev. Gross Est.	Rev. Gross Est.	Rev. Net Estimates	Exch. Issues	Exp.	of Exch. to Rev.Net Est.	of Exp. to Rev. Gross Est.
State Department for Water Services	32.6	11.7	9.8	8.8	84.1	26.9	4.4	2.3	1.6	1.6	69.9	37.1
State Department for Irrigation	12.5	9.2	4.7	5.1	50.7	41.1	0.9	0.5	0.4	0.2	87.5	22.8
State Department for Environment	2.3	2.0	0.9	1.0	46.4	42.3	2.7	2.6	2.5	2.1	94.5	76.0
State Department for Natural Resources	3.2	2.1	0.9	1.4	44.3	45.4	12.9	6.7	2.8	9.7	42.1	75.0
Ministry of Mining	0.3	0.3	0.2	0.2	65.5	48.8	1.3	1.3	0.8	0.7	66.7	56.9
Total	50.8	25.4	16.6	16.5	65.4	32.4	22.2	13.3	8.2	14.3	61.3	64.5
Total for the Sector							Rev. Gross Est.	Rev. Net Estimates	Exch. Issue	Exp	of Exch. to Rev.Net Est.	of Exp. to Rev. Gross Est.
Development							50.8	25.4	16.6	16.5	65.4	32.4
Recurrent							22.2	13.3	8.2	14.3	61.3	64.5
Total							73.1	38.7	24.8	30.8	64.0	42.1

Source: MDAs and National Treasury

In the first nine months of FY 2017/18, the State Department for Water Services received the highest proportion of development exchequer issues to revised development net estimates at 84.1 per cent while the State Department of Natural Resources had the lowest at 44.3 per cent. The State Department for Environment received the highest proportion of recurrent exchequer issues to revised recurrent net estimates at 94.5 per cent while the State Department of Natural Resources had the lowest at 42.1 per cent.

Figure 4.8 shows the exchequer issues to the Environmental Protection, Water and Natural Resources sector in the first nine months of FY 2017/18.

Figure 4.8: Exchequer Issues to the Environmental Protection, Water and Natural Resources Sector for the First Nine Months of FY 2017/18



Source: National Treasury

The total expenditure for the sector in the first nine months of FY 2017/18 amounted to Kshs.30.8 billion, representing 42.1 per cent of the revised gross estimates, an increase from 31.6 per cent recorded in the same period of FY 2016/17. The expenditure comprised Kshs.16.5 billion as development expenditure, representing an absorption rate of 32.4 per cent, an increase from 28.5 per cent recorded in a similar period of FY 2016/17 and Kshs.14.3 billion as recurrent expenditure, representing 64.5 per cent of the revised recurrent gross estimates, an increase compared to 41.3 per cent recorded in the same period of FY 2016/17.

Ministry of Mining recorded the highest absorption on development budget at 48.8 per cent while the State Department for Water Services recorded the lowest at 26.9 per cent. The State Department for Environment recorded the highest percentage of expenditure to revised recurrent gross estimates at 76 per cent while the State Department for Irrigation recorded the lowest at 22.8 per cent.

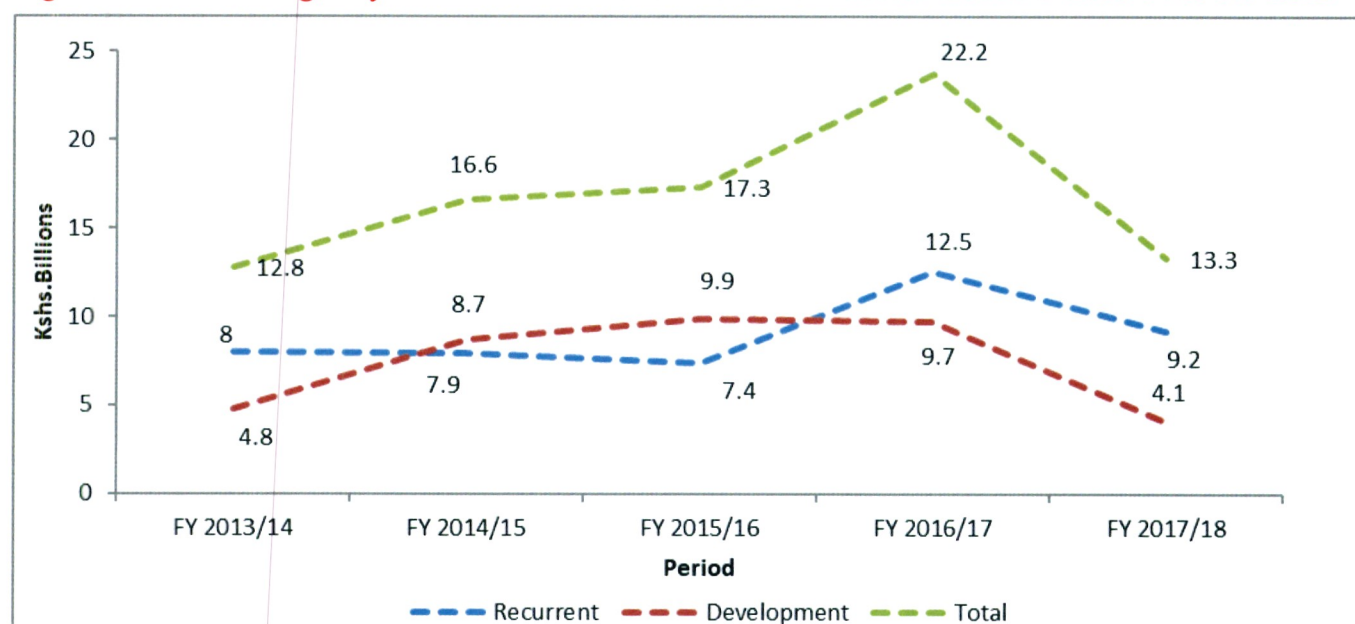
4.6 General Economic and Commercial Affairs (GECA) Sector

The General Economic and Commercial Affairs (GECA) Sector consists of five MDAs namely; State Department for Investment and Industry, Cooperatives Development, Trade, East African Integration and Ministry of Tourism. The Sector aims at promoting investments, increased manufacturing share to the GDP and exports, improvement of the business environment, savings mobilization and good governance in cooperative development, trade development and fair trade practices, promotion of regional integration and sustaining tourism.

The revised budgetary allocation to the sector in FY 2017/18 was Kshs.13.3 billion, representing 0.5 per cent of the revised gross budget, a decrease compared to Kshs.23.7 billion allocated in FY 2016/17. The allocation comprised of Kshs.4.1 billion (30.8 per cent) for development expenditure and Kshs.9.2 billion (69.2 per cent) for recurrent expenditure. State Department for Investment and Industry received the highest budgetary allocation of Kshs.4.8 billion (36 per cent of the sector's allocation), while State Department for Cooperatives had the lowest allocation at Kshs.1.1 billion (8.4 per cent of the sector's allocation).

Figure 4.9 shows the budgetary allocation trend for the GECA Sector from FY 2013/14 to FY 2017/18.

Figure 4.9: Budgetary Allocation Trend for the GECA Sector from FY 2013/14 to FY 2018



Source: National Treasury

In the first nine months of FY 2017/18, the sector received exchequer issues amounting to Kshs.7.7 billion, representing 63.1 per cent of the sector's revised net estimates. The exchequer issues comprised of Kshs.2.1 billion for development expenditure, representing 53.7 per cent of the revised development net estimates, and Kshs.5.5 billion for recurrent expenditure representing 67.7 per cent of the revised recurrent net estimates.

Table 4.5 presents analysis of exchequer issues to GECA Sector and expenditure in the first nine months of FY 2017/18.

Table 4.5: GECA Sector-Analysis of Exchequer Issues and Expenditure for the period July 2017 to March 2018 (Kshs. Billions)

VOTE	Development						Recurrent					
	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
State Department for Investment and Industry	2.6	2.6	1.2	1.4	47.8	55.1	2.2	2.2	1.9	1.9	86.0	85.6
State Department for Cooperatives	0.4	0.4	0.4	0.4	98.7	108.4	0.7	0.7	0.6	0.5	76.0	74.4
State Department for Trade	0.1	0.1	0.03	0.03	35.6	41.9	2.2	2.1	1.1	1.1	49.2	49.2
State Department for East African Integration	0.1	-	-	-	-	-	1.4	1.4	1.3	1.3	96.2	97.9
Ministry of Tourism	1.0	1.0	0.5	0.5	52.7	50.7	2.8	1.8	0.8	1.0	42.8	35.5
Total	4.1	4.0	2.1	2.4	53.7	57.9	9.2	8.2	5.5	5.8	67.7	62.9

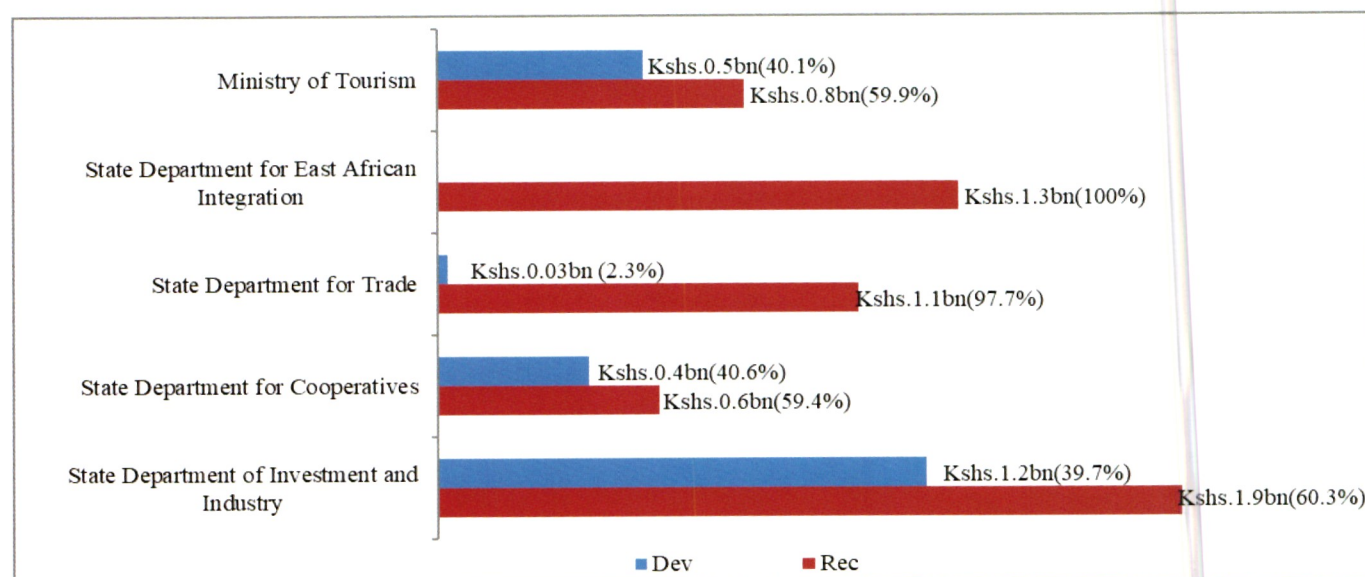
VOTE	Development						Recurrent					
	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
Total for the Sector							Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	of Exch. to Rev. Net Est.	of Exp. to Rev. Gross Est.
Development							4.1	4.0	2.1	2.4	53.7	57.9
Recurrent							9.2	8.2	5.5	5.8	67.7	62.9
Total							13.3	12.2	7.7	8.2	63.1	61.4

Source: MDAs and National Treasury

In the first nine months of FY 2017/18, State Department of Cooperatives received the highest proportion of exchequer issues to revised net estimates for development expenditure at 98.7 per cent while the State Department for Trade received the lowest at 35.6 per cent. State Department for East African Integration received the highest proportion of exchequer issues to revised net estimates for recurrent expenditure at 96.2 per cent while Ministry of Tourism had the lowest at 42.8 per cent.

Figure 4.10 shows the exchequer issues to GECA Sector in the first nine months of FY 2017/18.

Figure 4.10: Exchequer Issues to the GECA Sector for the First nine months of FY 2017/18



Source: National Treasury

The total expenditure for the sector in the first nine months of FY 2017/18 amounted to Kshs.8.2 billion representing 61.4 per cent of the revised gross estimate, a decline from 64.2 per cent recorded in a similar period of FY 2016/17. The expenditure comprised of Kshs.2.4 billion for development expenditure, representing an absorption of 57.9 per cent, an increase from 46.2 per cent recorded in a similar period of FY 2016/17, and Kshs.5.8 billion for recurrent expenditure, representing 62.9 per cent of the revised recurrent gross estimates, a decrease compared to 79.1 per cent recorded in a similar period of FY 2016/17.

State Department for Cooperatives absorption on development budget was more than 100 per cent while the State Department for Trade recorded the lowest at 41.9 per cent. State Department for East African Integration recorded the highest percentage of recurrent expenditure to revised recurrent estimates at 97.9 per cent while Ministry of Tourism recorded the lowest 35.5 per cent.

4.7 Governance, Justice, Law and Order Sector (GJLOS)

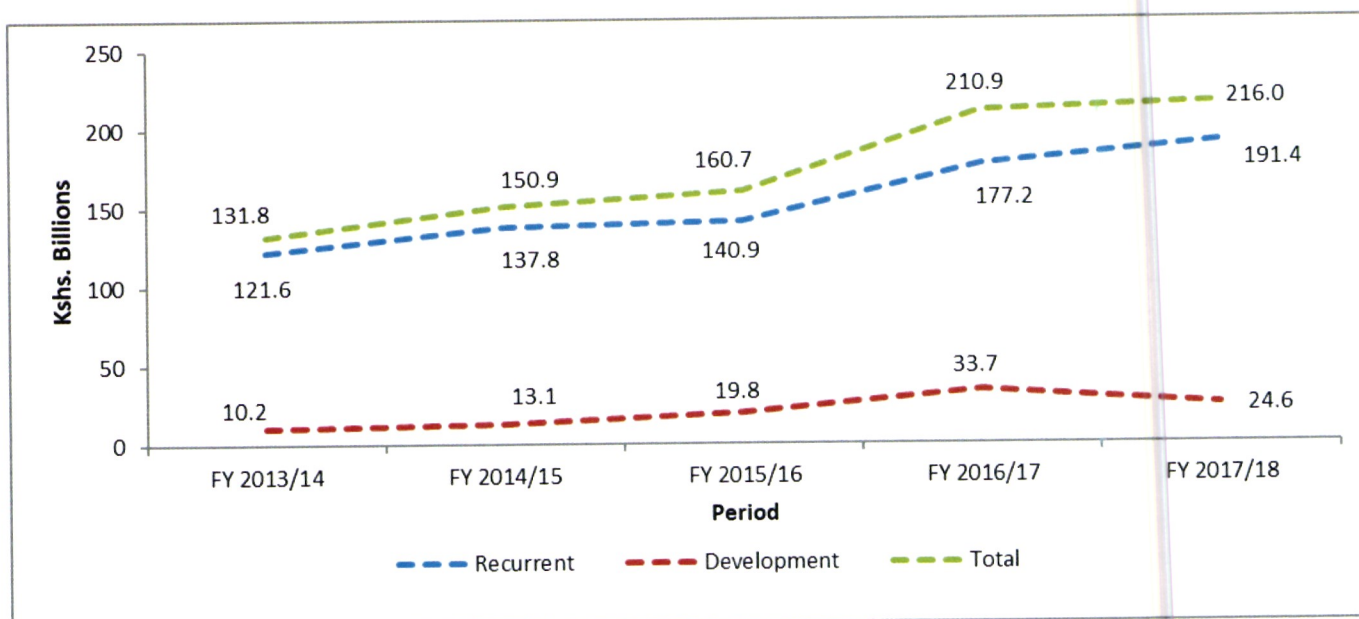
The GJLOS Sector consists of fourteen (14) MDAs, twenty (20) SAGAs and fifteen (15) Tribunals each with specific mandates. The 14 MDAs are: State Department for Interior, State Department for Correctional Services, State Law Office and Department of Justice, The Judiciary, Ethics and Anti-Corruption Commission (EACC), Office of the Director of Public Prosecutions, Office of the Registrar of Political Parties, Witness Protection Agency (WPA), Kenya National Commission on Human Rights (KNCHR), Independent Electoral and Boundaries Commission (IEBC), Judicial Service Commission (JSC), National Police Service Commission (NPSC), National Gender and Equality Commission (NGEC), and the Independent Policing Oversight Authority (IPOA).

The role of the sector includes; provision of security, correctional services, legal advisory services to government agencies, and administration of justice. It also plays a major role in promoting integrity and the fight against corruption, provision of prosecution services, regulating political parties, protecting witnesses, and protecting human rights. Further, the Sector plays an instrumental role in the delimitation of electoral boundaries and management of electoral process, promotion of gender equality and inclusion of marginalized groups and communities, and civilian policing oversight.

In addition, the sector plays a role in border management, peace building and conflict management, registration services, regulation of the gaming industry, provision of population management services, eradication of drugs and substance abuse, crime research and government printing services. The sector also plays a key role in ensuring achievement of national values, and promoting national cohesion.

The revised budgetary allocation to the sector in FY 2017/18 was Kshs.216 billion, representing 8 per cent of the revised gross budget, an increase compared to Kshs.210.9 billion allocated in FY 2016/17. The allocation comprised of Kshs.24.6 billion (11.4 per cent) for development expenditure and Kshs.191.4 billion (88.6 per cent) for recurrent expenditure. State Department for Interior received the highest budgetary allocation of Kshs.130 billion (60.2 per cent of the sector's allocation), while Judicial Service Commission had the lowest at Kshs.0.2 billion (less than 1 per cent of the sector's allocation). Figure 4.11 shows the budgetary allocation trend for the GJLOS sector for the period FY 2013/14 to FY 2017/18.

Figure 4.11: Budgetary Allocation Trend for the GJLOS Sector from FY 2013/14 to FY 2017/18



Source: National Treasury

In the first nine months of FY 2017/18, the sector received exchequer issues amounting to Kshs.153.3 billion, representing 71.7 per cent of the sector's revised net estimates. This amount comprised of Kshs.12.3 billion for development expenditure, representing 53.3 of the revised development net estimates and Kshs.141 billion for recurrent expenditure, representing 73.9 per cent of the revised recurrent net estimates.

Table 4.6 shows the GJLOS Sector's analysis of exchequer issues and expenditure in the first nine months of FY 2017/18.

Table 4.6: GJLOS Sector-Analysis of Exchequer Issues and Expenditure for the period July 2017 to March 2018. (Kshs. Billions)

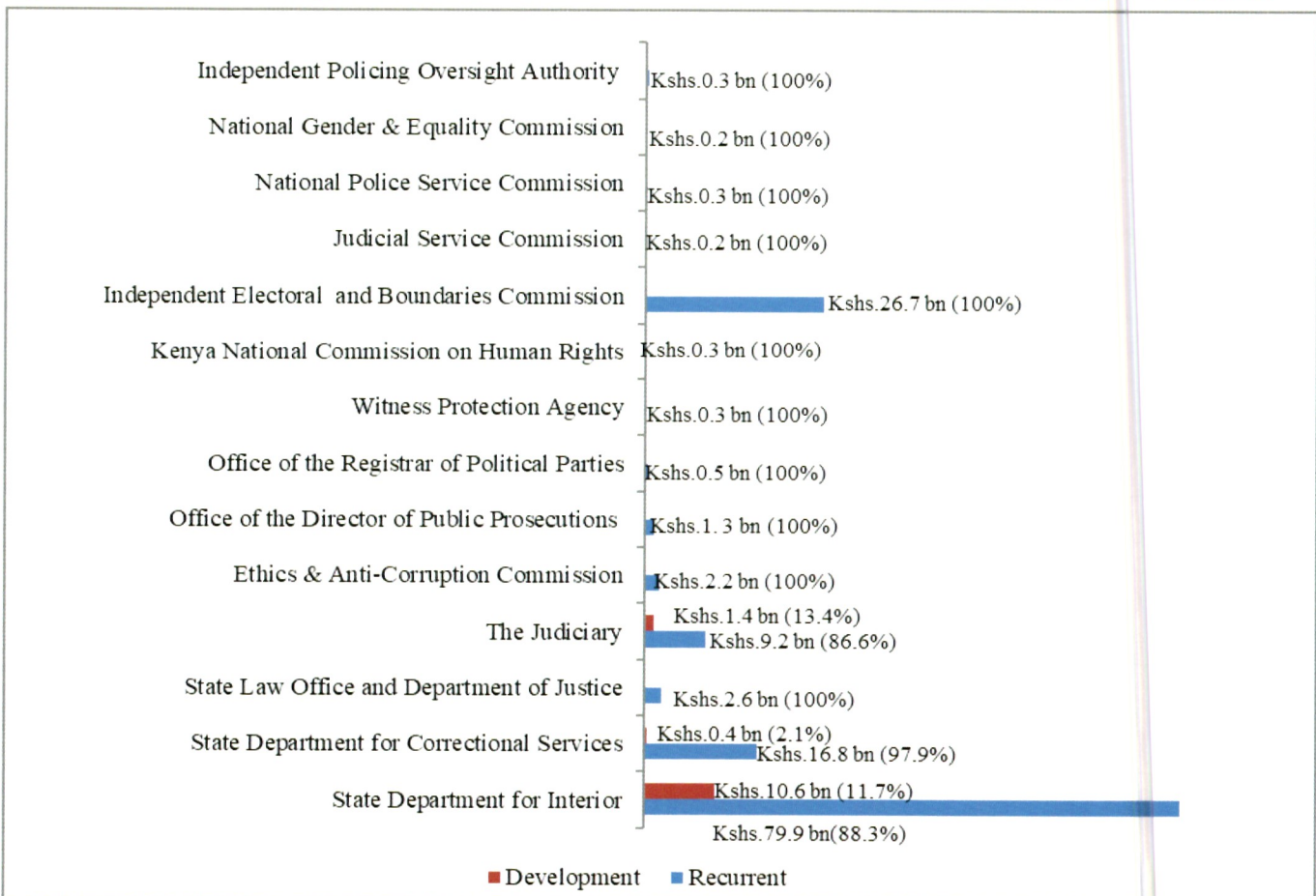
VOTE	Development						Recurrent					
	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Rev. Gross Est.	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
State Department for Interior	18.1	17.6	10.6	10.8	59.8	59.6	111.9	111.5	79.9	66.0	71.6	59.0
State Department for Correctional Services	0.9	0.9	0.4	0.4	39.3	42.9	21.5	21.5	16.8	12.1	78.2	56.3
State Law Office and Department of Justice	0.4	0.1	-	0.006	-	1.6	4.4	4.0	2.6	2.5	66.0	58.1
The Judiciary	3.2	3.2	1.4	1.8	44.0	54.1	12.4	12.4	9.2	6.8	74.6	54.8
Ethics & Anti-Corruption Commission	1.3	1.3	-	-	-	-	3.1	3.1	2.2	2.1	71.0	69.1
Office of the Director of Public Prosecutions	0.003	0.003	-	0.006	-	248.7	1.9	1.9	1.3	1.5	68.3	74.9
Office of the Registrar of Political Parties	-	-	-	-	-	-	0.8	0.8	0.5	0.5	64.3	60.8
Witness Protection Agency	-	-	-	-	-	-	0.4	0.4	0.3	0.3	68.0	67.8
Kenya National Commission on Human Rights	-	-	-	-	-	-	0.4	0.4	0.3	0.3	80.7	74.7
Independent Electoral and Boundaries Commission	0.7	-	-	-	-	-	32.9	32.9	26.7	27.4	81.2	83.5
Judicial Service Commission	-	-	-	-	-	-	0.2	0.2	0.2	0.1	88.6	64.0
National Police Service Commission	-	-	-	-	-	-	0.5	0.5	0.3	0.3	64.5	61.0
National Gender & Equality Commission	-	-	-	-	-	-	0.4	0.4	0.2	0.2	68.6	68.9
Independent Policing Oversight Authority	-	-	-	-	-	-	0.7	0.7	0.3	0.4	49.6	59.7
Total	24.6	23.1	12.3	12.9	53.3	52.6	191.4	190.6	141.0	120.6	73.9	63.0
Total for the Sector							Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Revised Net Est.	% of Exp. to Rev. Gross Est.
Development							24.6	23.1	12.3	12.9	53.3	52.6
Recurrent							191.4	190.6	141.0	120.6	73.9	63.0
Total							216.0	213.8	153.3	133.5	71.7	61.8

Source: MDAs and National Treasury

The State Department for Interior received the highest proportion of development exchequer issues to revised development net estimates at 59.8 per cent, followed by the Judiciary while the State Department for Correctional Services was third recording 39.3 per cent. The Judicial Service Commission received the highest proportion of recurrent exchequer issues to revised recurrent net estimates at 88.6 per cent, while the Independent Policing Oversight Authority received the lowest at 49.6 per cent.

Figure 4.12 shows the exchequer issues to the GJLOS Sector in the first nine months of FY 2017/18

Figure 4.12: Exchequer Issues to the GJLOS Sector for the first nine months of FY 2017/18



Source: National Treasury

The total expenditure for the sector during the first nine months of FY 2017/18 amounted to Kshs.133.5 billion, representing 61.8 per cent of the revised gross estimates. The development expenditure was Kshs.12.9 billion, representing an absorption rate of 52.6 per cent while recurrent expenditure was Kshs.120.6 billion, representing 63 per cent of the revised recurrent gross estimates. The Office of the Director of Public Prosecutions recorded the highest absorption of development expenditure at 248.7 per cent while State Law Office and Department of Justice was the least with 1.6 per cent. The Independent Electoral and Boundaries Commission recorded the highest proportion of recurrent expenditure to annual estimates at 83.5 per cent while the Judiciary recorded the lowest at 54.8 per cent.

4.8 Health Sector

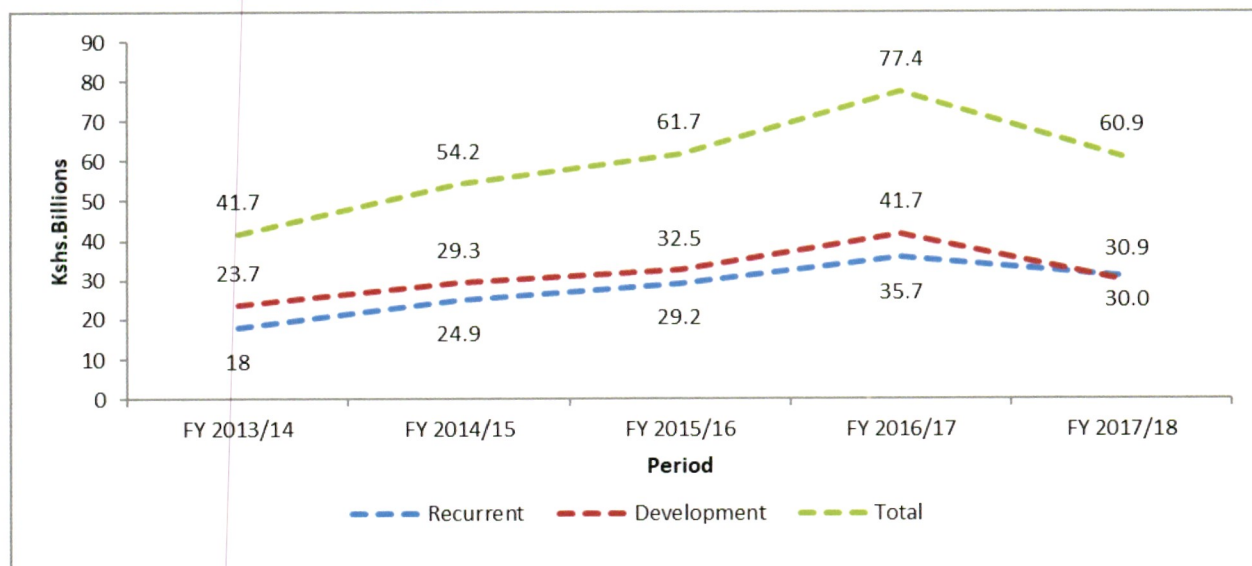
The Health Sector has only one Ministry of Health and seven SAGAs namely; Kenyatta National Hospital (KNH), Moi Teaching and Referral Hospital (MTRH), Kenya Medical Research Institute (KEMRI), Kenya Medical Supplies Authority (KEMSA), Kenya Medical Training College (KMTC), National AIDS Control Council (NACC), and the National Health Insurance Fund (NHIF).

The mandate of the national health sector includes referral services, policy formulation, capacity building, regulation and technical support, while service delivery is assigned to the County Governments. The County Governments are responsible for; County health facilities and pharmacies, ambulance services, promotion of primary health care, licensing and control of undertakings that sell food to the public, veterinary services (excluding regulation of the profession), cemeteries, funeral parlors and crematoria, and, refuse removal, refuse dumps and solid waste disposal.

The revised budgetary allocation to the sector in FY 2017/18 was Kshs.60.9 billion, representing 2.3 per cent of the revised gross budget, a decrease compared to Kshs.77.4 billion allocated in FY 2016/17. The allocation comprised of Kshs.30 billion (49.3 per cent) for development expenditure and Kshs.30.9 billion (50.7 per cent) for recurrent expenditure. Figure 4.13 shows the budgetary allocation trend for the Health Sector for the period FY 2013/14 to FY 2017/18.

Figure 4.13 below shows the budgetary allocation trend for the Health Sector for the period FY 2013/14 to FY 2017/18.

Figure 4.13: Budgetary Allocation Trend for the Health Sector from FY 2013/14 to FY 2017/18 (Kshs. Billion)



Source: National Treasury

In the first nine months of FY 2017/18, the sector received exchequer issues of Kshs.33 billion, representing 72.4 per cent of the sector's revised net estimates. This comprised of Kshs.12.9 billion for development expenditure, representing 69.1 per cent of the revised development net estimates and Kshs.20.1 billion for recurrent expenditure, representing 74.7 per cent of the revised recurrent net estimates. Table 4.7 shows Health sector analysis of exchequer issues and expenditure in the first nine months of FY 2017/18.

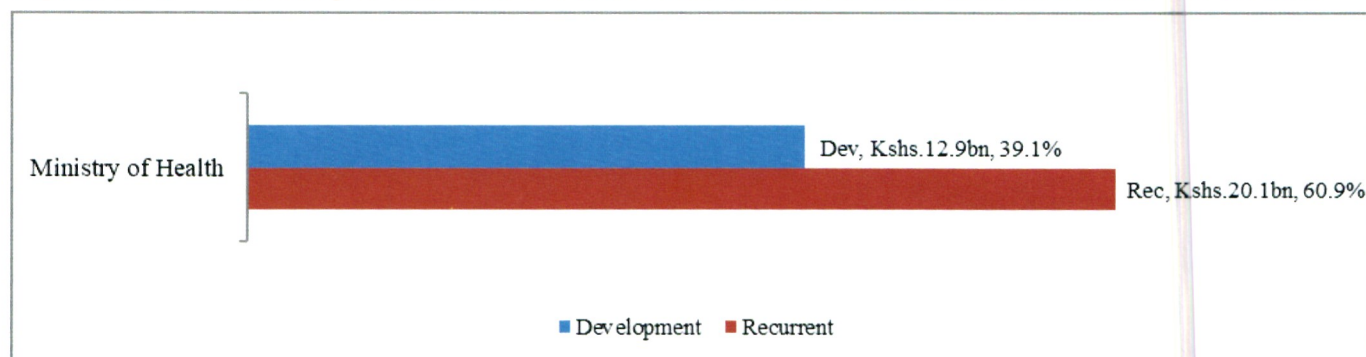
Table 4.7: Health Sector-Analysis of Exchequer Issues and Expenditure for the period July 2017 to March, 2018. (Kshs. Billions)

VOTE	Development						Recurrent					
	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Rev. Gross Est.	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
Ministry of Health	30.0	18.7	12.9	15.6	69.1	51.9	30.9	26.9	20.1	18.4	74.7	59.5
Total	30.0	18.7	12.9	15.6	69.1	51.9	30.9	26.9	20.1	18.4	74.7	59.5
Total for the Sector							Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Revised Net Est.	% of Exp. to Rev. Gross Est.
Development							30.0	18.7	12.9	15.6	69.1	51.9
Recurrent							30.9	26.9	20.1	18.4	74.7	59.5
Total							60.9	45.6	33.0	33.9	72.4	55.7

Source: MDAs and National Treasury

Figure 4.14 shows the exchequer issues to Health Sector in the first nine months of FY 2017/18.

Figure 4.14: Exchequer Issues to the Health Sector for the First Nine Months of FY 2017/18



Source: National Treasury

The total expenditure for the sector during the first nine months of FY 2017/18 amounted to Kshs.33.9 billion, representing 55.7 per cent of the revised estimates, a slight decline compared to 56.3 per cent recorded in a similar period of FY 2016/17. The expenditure consists of Kshs.15.6 billion for development activities, representing an absorption rate of 51.9 per cent, a decline from 62.9 per cent recorded in a similar period of FY 2016/17 and Kshs.18.4 billion for recurrent expenditure, representing 59.5 per cent of the revised recurrent estimates, an increase from 48.6 per cent reported in a similar period of FY 2016/17.

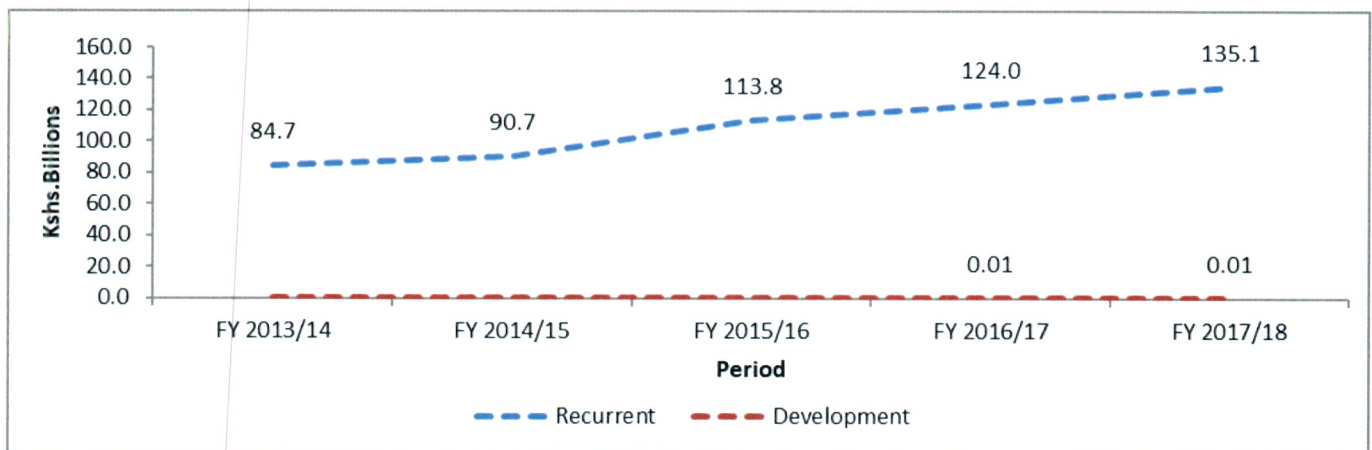
4.9 National Security Sector

The sector consists of the Ministry of Defence and the National Intelligence Service (NIS). The mandate of the sector is to ensure security of the country against any threats emanating from within or outside the Kenyan borders, defend the country, and provide support to civil power in maintaining peace and order.

The revised budgetary allocation to the sector in FY 2017/18 was Kshs.135.1 billion, representing 5 per cent of the revised gross budget, an increase compared to Kshs.124 billion allocated in FY 2016/17. The allocation comprised Kshs.45 million for development expenditure and Kshs.135 billion for recurrent expenditure. Ministry of Defence received the highest allocation of Kshs.105.3 billion (77.9 per cent of the sector's allocation), while National Intelligence Service received Kshs.29.8 billion (22.1 per cent of the sector's allocation).

Figure 4.17 below shows the budgetary allocation trend for the National Security Sector for the period FY 2013/14 to FY 2017/18.

Figure 4.15: Budgetary Allocation Trend for the National Security Sector from FY 2013/14 to FY 2016/17



Source: National Treasury

In the first nine months of FY 2017/18, the sector received exchequer issues totaling to Kshs.91.3 billion, representing 67.6 per cent of the sector's revised net estimates. The Ministry of Defence received Kshs.67.2 billion while the NIS received Kshs.24.1 billion, representing 63.9 per cent and 80.9 per cent of the revised net estimates respectively.

Table 4.8 shows the National Security sector analysis of exchequer issues and expenditure in the first nine months of FY 2017/18.

Table 4.8: National Security Sector-Analysis of Exchequer Issues and Expenditure for the period July 2017 to March 2018 (Kshs. Billions)

VOTE	Development						Recurrent					
	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
Ministry of Defence	0.05	-	-	0.04	-	83.3	105.3	105.3	67.2	74.1	63.9	70.4
National Intelligence Service	-	-	-	-	-	-	29.8	29.8	24.1	23.5	80.9	79.1
Total	0.05	-	-	0.04	-	83.3	135.0	135.0	91.3	97.7	67.6	72.4
Total for the Sector							Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
Development							0.05	-	-	0.04	-	83.3
Recurrent							135.0	135.0	91.3	97.7	67.6	72.4
Total							135.1	135.0	91.3	97.7	67.6	72.4

Source: MDAs and National Treasury

The total expenditure for the sector in the first nine months of FY 2017/18 amounted to Kshs.97.7 billion, representing 72.4 per cent of the revised gross estimates, an increase compared to Kshs.89 billion spent in a similar period of FY 2016/17. The Ministry of Defence spent Kshs.37.5 million on development activities, representing 83.3 per cent of the revised development estimates, and Kshs.74.1 billion on recurrent activities, representing 70.4 per cent of the revised recurrent estimates, an increase compared to 68.4 per cent (Kshs.69.2 billion) recorded in the first nine months of FY 2016/17. NIS expenditure amounted to Kshs.23.5 billion, representing 79.1 per cent of revised recurrent estimates, an increase from 68.4 per cent (19.8 billion) recorded in a similar period of FY 2016/17.

4.10 Public Administration and International Relations (PAIR) Sector

The Public Administration and International Relations Sector (PAIR) consists of 14 MDAs namely; The Presidency, State Department for Planning and Statistics, State Department for Devolution, Ministry of Foreign Affairs, National Treasury, State Department for Public Service and Youth Affairs, Parliamentary Service Commission, National Assembly, Commission on Revenue Allocation, Public Service Commission, Salaries and Remuneration Commission, Office of Auditor General, Controller of Budget, and Commission on Administrative Justice.

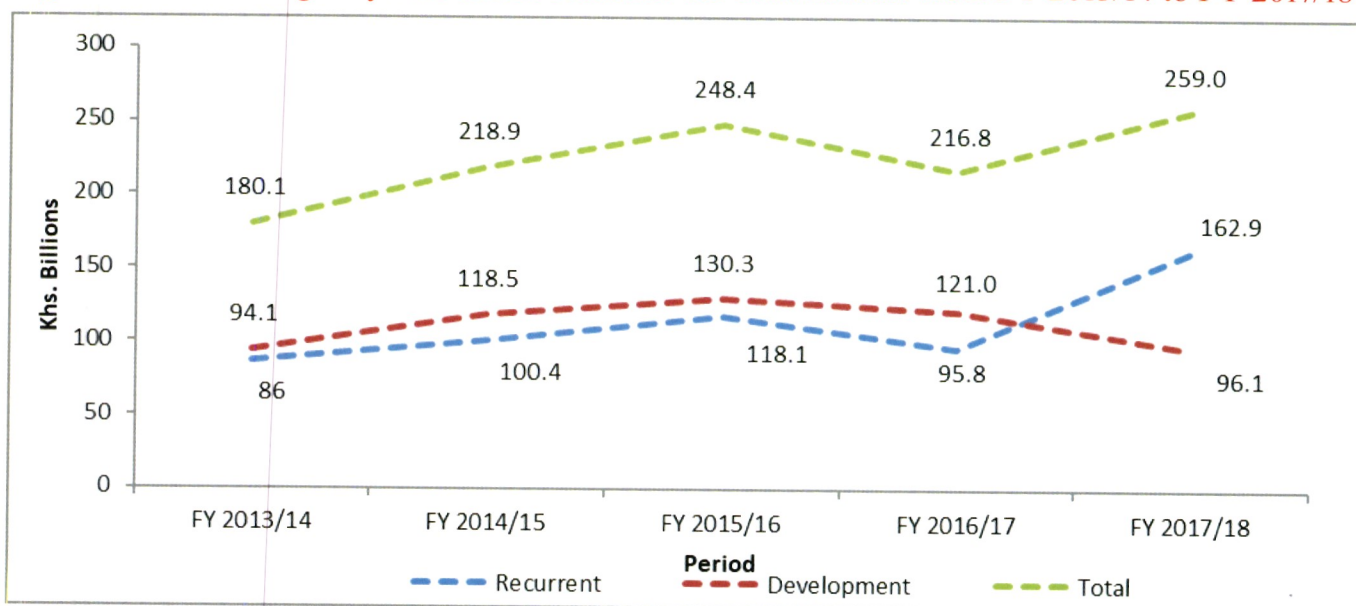
The sector provides overall policy and leadership direction to the country, oversees national legislation as well as the human resource function in the public service. It further coordinates national policy formulation, implementation, and, monitoring and evaluation. Other key mandates undertaken by the sector include resource mobilization and management, implementation of foreign policy, and provision of oversight on the use of public resources, and delivery of other services.

The revised budgetary allocation to the sector in FY 2017/18 was Kshs.259 billion, representing 9.6 per cent of the revised gross budget, an increase compared to Kshs.216.8 billion allocated in FY 2016/17. The allocation comprised of Kshs.96.1 billion (37.1 per cent) for development expenditure and Kshs.162.9 billion (62.9 per cent) for recurrent expenditure. The National Treasury received the

highest budgetary allocation of Kshs.128.2 billion (49.5 per cent of the sector's allocation), while Commission on Revenue Allocation (CRA) had the lowest at Kshs.0.4 billion (less than 1 per cent of the sector's allocation).

Figure 4.16 shows the budgetary allocation trend for the PAIR Sector for the period FY 2013/14 to FY 2017/18.

Figure 4.16: Budgetary Allocation Trend for the PAIR Sector from FY 2013/14 to FY 2017/18



Source: National Treasury

In the first nine months of FY 2017/18, the sector received exchequer issues of Kshs.99.9 billion, representing 41.8 per cent of the sector's revised net estimates. This comprised of Kshs.29.4 billion for development programmes, representing 38.2 per cent of the revised development net estimates, and Kshs.70.4 billion for recurrent expenditure representing 43.5 per cent of the revised recurrent net estimates. Table 4.9 shows PAIR Sector analysis of exchequer issues and expenditure in the first nine months of FY 2017/18.

Table 4.9: PAIR Sector-Analysis of Exchequer Issues and Expenditure for the period July 2017 to March 2018. (Kshs. Billions)

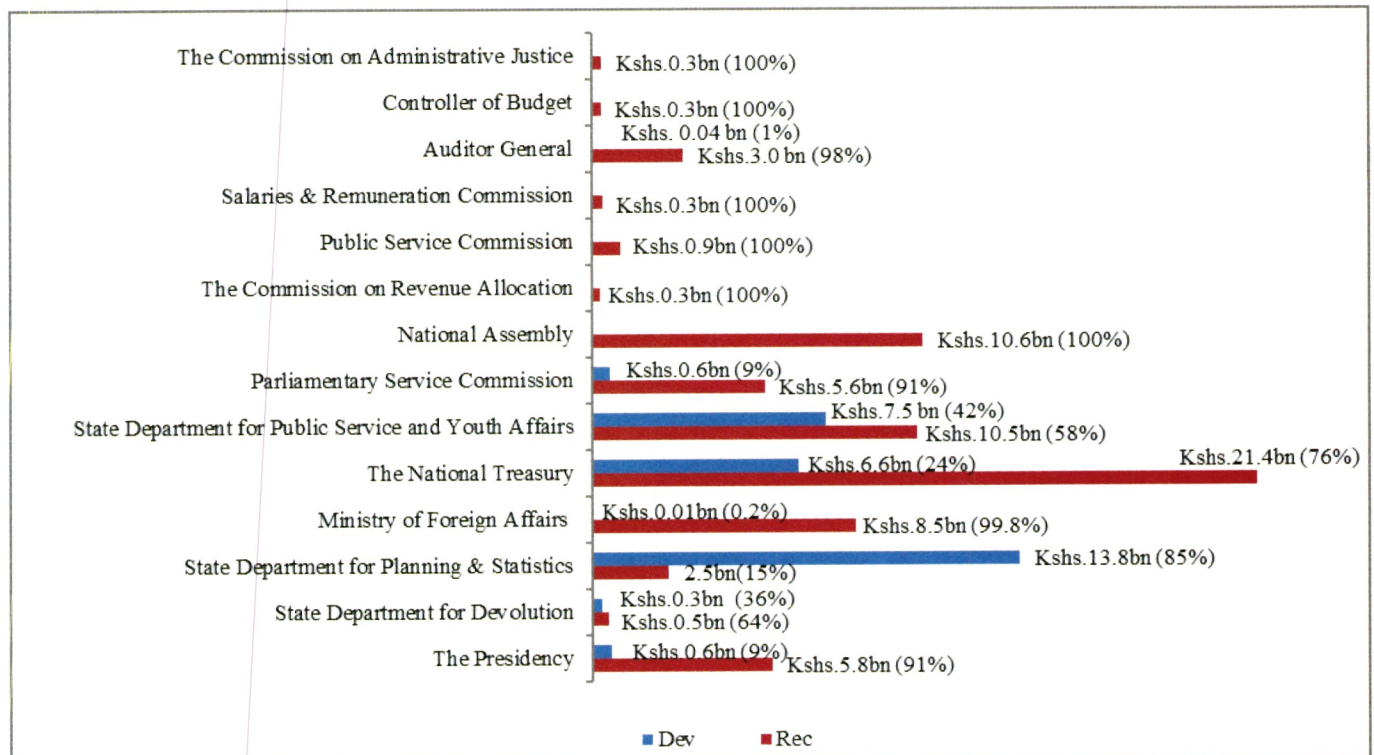
VOTE	Development						Recurrent					
	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Rev. Gross Est.	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
The Presidency	0.9	0.9	0.6	0.2	67.7	21.6	7.9	7.9	5.8	5.0	73.7	63.1
State Department for Devolution	3.5	2.5	0.3	2.5	11.6	69.8	1.0	1.0	0.5	0.5	52.7	48.5
State Department for Planning & Statistics	30.0	29.4	13.8	21.8	46.8	72.7	5.4	5.1	2.5	3.7	48.9	68.9
Ministry of Foreign Affairs	0.2	0.2	0.01	0.3	5.7	102.9	14.6	14.2	8.5	12.0	59.8	82.6
The National Treasury	46.7	29.4	6.6	5.9	22.6	12.7	81.4	81.4	21.4	29.4	26.3	36.1
State Department for Public Service and Youth Affairs	11.9	11.9	7.5	9.4	63.2	79.4	14.5	14.3	10.5	10.6	73.3	73.6
Parliamentary Service Commission	2.6	2.6	0.6	0.9	22.0	34.4	10.2	10.2	5.6	6.5	54.3	63.0
National Assembly	-	-	-	-	-	-	19.6	19.6	10.6	12.4	54.3	63.4
The Commission on Revenue Allocation	-	-	-	-	-	-	0.4	0.4	0.3	0.3	72.2	67.6
Public Service Commission	0.02	0.02	0.01	0.01	33.3	59.9	1.4	1.4	0.9	1.0	69.3	72.1
Salaries & Remuneration Commission	-	-	-	-	-	-	0.6	0.6	0.3	0.4	57.4	65.9
Auditor General	0.2	0.2	0.04	0.04	23.4	25.0	5.1	5.0	3.0	3.1	59.5	59.8
Controller of Budget	-	-	-	-	-	-	0.5	0.5	0.3	0.3	58.7	55.9
The Commission on Administrative Justice	-	-	-	-	-	-	0.4	0.4	0.3	0.3	71.5	68.6
Total	96.1	77.1	29.4	41.1	38.2	42.7	162.9	161.9	70.4	85.4	43.5	52.4
Total for the Sector							Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Revised Net Est.	% of Exp. to Rev. Gross Est.
Development							96.1	77.1	29.4	41.1	38.2	42.7
Recurrent							162.9	161.9	70.4	85.4	43.5	52.4
Total							259.0	239.0	99.8	126.5	41.8	48.8

Source: MDAs and National Treasury

The Presidency received the highest proportion of exchequer issues to revised net estimates for both development and recurrent at 67.7 per cent and 73.7 per cent respectively. The National Treasury received the lowest proportion of development exchequer issues to revised development net estimates at 26.3 per cent while the Ministry of Foreign Affairs received the lowest proportion of recurrent exchequer issues to revised recurrent net estimates at 5.7 per cent.

Figure 4.16 shows the exchequer issues to the PAIR Sector in the first nine months of FY 2017/18.

Figure 4.17: Exchequer Issues to the PAIR Sector for the First Nine Months of FY 2016/17



Source: National Treasury

The total expenditure for the sector during the first nine months FY 2017/18 amounted to Kshs.126.4 billion, representing 48.8 per cent of the revised gross estimates, a decrease compared to 61.3 per cent (Kshs.132.8 billion) recorded in a similar period of FY 2016/17. The expenditure comprised of Kshs.41.1 billion for development expenditure representing an absorption rate of 42.7 per cent, a decrease from 55.7 cent recorded in the same period of FY 2016/17 and Kshs.85.4 billion for recurrent expenditure representing 52.4 per cent of the revised recurrent gross estimates, a decrease compared to 65.6 per cent reported in the same period of FY 2016/17.

The Ministry of Foreign Affairs recorded the highest absorption of both development and recurrent budget at 102.9 per cent (Kshs.0.3 billion) and 82.6 per cent (Kshs.12 billion) respectively while the National Treasury had the lowest absorption of development and recurrent budget at 12.7 per cent (5.9 billion) and 36.1 per cent (29.4 billion) respectively.

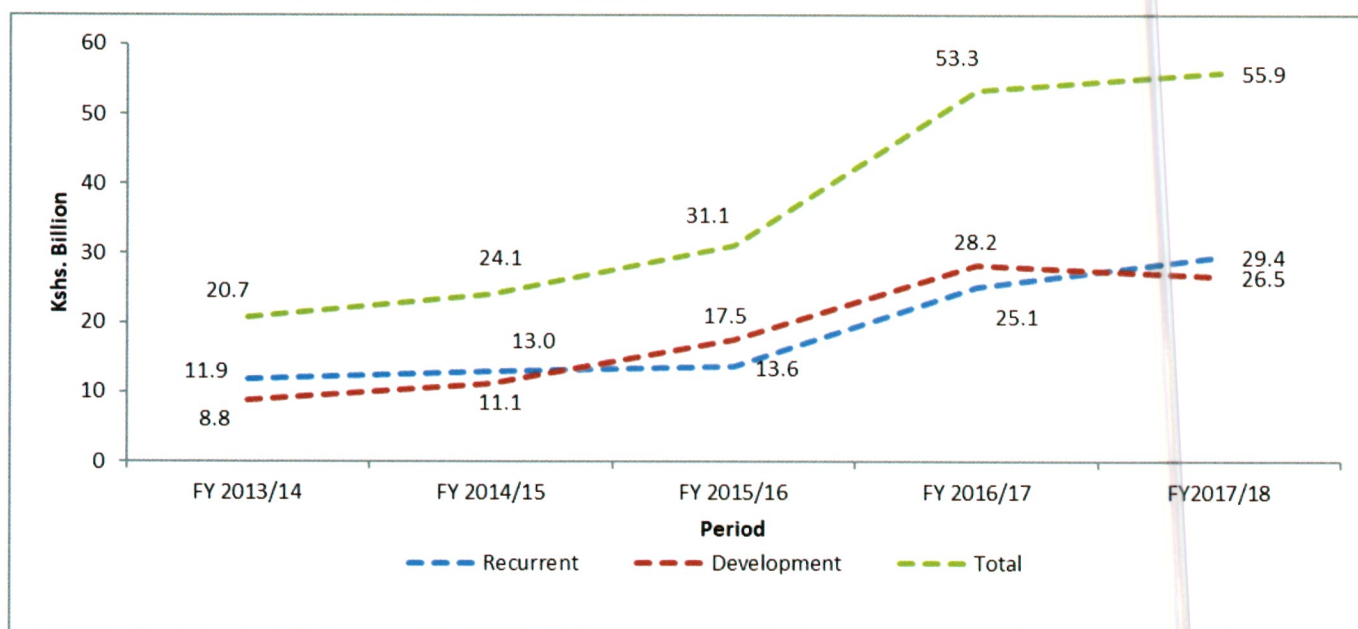
4.11 Social Protection, Culture and Recreation Sector

The Social Protection, Culture and Recreation Sector comprise of six MDAs namely; State Departments for Sports Development, Arts and Culture, Labour, Social Protection, Special Programmes and Gender Affairs. The sector plays a major role in the country's transformation by promoting and exploiting Kenya's diverse cultures and arts, enhancing a reading culture, regulation, development and promotion of sports, the film and music industry and preservation of the country's heritage. It also promotes harmonious industrial relations, safety and health at workplaces, employment promotion, industrial training, and regulation of trade unions, productivity improvement, manpower planning and development, social security, social assistance, children care and protection and vocational training for Persons Living with Disability (PLWDs) and development of community groups.

The revised budgetary allocation to the sector in FY 2017/18 was Kshs.55.9 billion, representing 2.1 per cent of the revised gross budget, an increase compared to Kshs.44.6 billion allocated in FY 2016/17. The allocation comprised Kshs.26.5 billion (47.4 per cent) for development expenditure and Kshs.29.4 billion (52.6 per cent) for recurrent expenditure. State Department for Social Protection received the highest allocation of Kshs.29.9 billion (53.5 per cent of the sector's allocation), while State Department for Labour had the lowest budgetary allocation of Kshs.2.4 billion (4.3 per cent of the sector's allocation).

Figure 4.18 shows the budgetary allocation trend for the Social Protection, Culture Recreation Sector for the period FY 2013/14 to FY 2017/18.

Figure 4.18: Budgetary Allocation Trend for the Social Protection, Culture Recreation Sector from FY 2013/14 to FY 2017/18



Source: National Treasury

In the first nine months of FY 2017/18, the sector received exchequer issues amounting to Kshs.28.7 billion representing 52.9 per cent of the sector's revised net estimates. This comprised Kshs.12.1 billion for development expenditure representing 48.6 per cent of the revised development estimates and Kshs.16.6 billion for recurrent expenditure representing 56.6 per cent of the revised recurrent net estimates.

Table 4.10 shows an analysis of exchequer issues and expenditure incurred by the Social Protection, Culture Recreation Sector in the first nine months of FY 2017/18.

Table 4.10: Social Protection, Culture Recreation Sector-Analysis of Exchequer Issues and Expenditure for the period July 2017 to March, 2018. (Kshs. Billions)

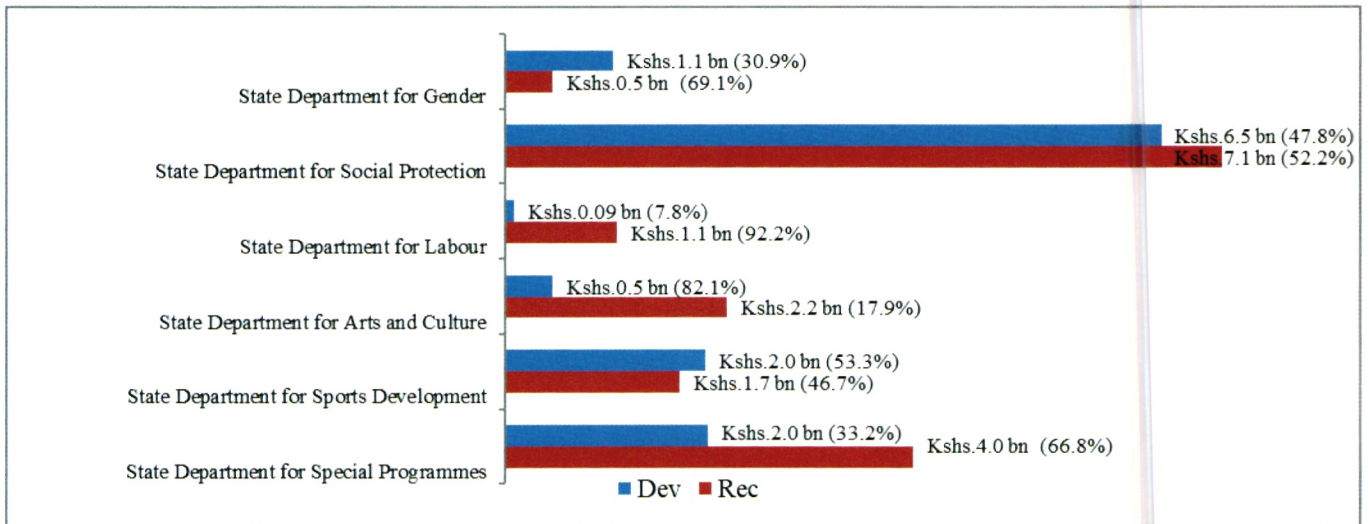
VOTE	Development						Recurrent					
	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.	Rev. Gross Est.	Rev. Net Estimates	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
State Department for Special Programmes	4.4	2.8	2.0	3.0	71.9	68.5	4.3	4.3	4.0	4.5	92.7	103.2
State Department for Sports Development	3.0	3.0	2.0	2.2	66.9	75.7	3.7	3.7	1.7	2.3	46.1	62.7
State Department for Arts and Culture	0.7	0.6	0.5	0.5	74.5	70.5	2.9	2.9	2.2	2.1	76.7	74.6
State Department for Labour	0.6	0.6	0.09	0.09	14.8	14.2	1.8	1.8	1.1	1.2	62.2	64.5
State Department for Social Protection	14.7	14.7	6.5	9.2	44.1	63.0	15.2	15.2	7.1	4.9	46.6	32.4
State Department for Gender	3.2	3.2	1.1	2.3	33.4	71.9	1.4	1.4	0.5	0.6	33.5	39.6
Total	26.5	24.9	12.1	17.3	48.6	65.4	29.4	29.3	16.6	15.6	56.6	53.1
Total for the Sector							Rev. Gross Est.	Rev. Net Estimates	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
Development							26.5	24.9	12.1	17.3	48.6	65.4
Recurrent							29.4	29.3	16.6	15.6	56.6	53.1
Total							55.9	54.2	28.7	32.9	52.9	59.0

Source: MDAs and National Treasury

In the first nine months of FY 2017/18, the State Department for Arts and Culture received the highest proportion of development exchequer issues to revised development net estimates at 74.5 per cent while the State Department for Labour received the lowest at 14.8 per cent. The State Department for Special Programmes received the highest proportion of recurrent exchequer issues to revised recurrent net estimates at 92.7 per cent while the State Department for Gender received the lowest at 33.5 per cent.

Figure 4.19 shows the exchequer issues to the Social Protection, Culture Recreation Sector in the first nine months of FY 2017/18.

Figure 4.19: Exchequer Issues to the Social Protection, Culture Recreation Sector for the Period July 2017 to March 2018



Source: National Treasury

The total expenditure for the sector in the first nine months of FY 2017/18 amounted to Kshs.32.9 billion, representing 59 per cent of the revised gross estimates, an increase compared to 56.6 per cent recorded in a similar period of FY 2016/17. This comprised Kshs.17.3 billion as development expenditure, representing an absorption rate of 65.4 per cent, an improvement from 57.6 per cent recorded in FY 2016/17 and Kshs.15.6 billion as recurrent expenditure, representing 53.1 per cent of the revised recurrent estimates, a decline from 55.5 per cent recorded in a similar period of FY 2016/17.

The State Department for Sports Development recorded the highest absorption on development budget at 75.7 per cent while the State Department of Labour recorded the lowest at 14.2 per cent. The State Department for Special Programmes recorded the highest absorption on recurrent expenditure at 103.2 per cent while the State Department for Social Protection recorded the lowest at 32.4 per cent.

5 BUDGET PERFORMANCE BY PROGRAMMES IN THE FIRST NINE MONTHS OF FY 2017/18

5.1 Introduction

This chapter presents an analysis of MDAs budget performance based on programmes implemented in the first nine months of FY 2017/18. The chapter also provides detailed information on how funds were allocated to the various programmes within the MDAs for both development and recurrent expenditure and the implementation status of each programme. The sectors are presented in an alphabetical order.

5.2 Agriculture, Rural and Urban Development (ARUD) Sector

The revised allocation to the ARUD sector in FY 2017/18 amounts to Kshs.49.2 billion for implementing twelve programmes. This comprises of Kshs.22.7 billion (46.2 per cent) for development activities and Kshs.26.5 billion (53.8 per cent) for recurrent expenditure. The analysis of sector programmes in the first nine months of FY 2017/18 is presented in table 5.1.

Table 5.1: ARUD Sector's Programme Performance for the Period July 2017 to March 2018 (Kshs. Billions)

VOTE	Programme	Revised Estimates			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
Ministry of Lands and Physical Planning	Land Policy and Planning	3.6	2.3	5.9	2.3	1.4	3.7	63.4
State Department for Agriculture	General Administration Planning and Support Services	0.6	5.4	6.0	0.3	3.1	3.4	56.8
	Crop Development and Management	13.4	8.5	21.9	6.0	9.0	15.0	68.5
	Agribusiness and Information Management	1.1	0.2	1.3	0.2	0.11	0.3	23.5
State Department for Livestock	Livestock Resources Management and Development	3.7	7.1	10.8	1.7	5.1	6.8	63.1
State Department for Fisheries and the Blue Economy	Fisheries Development and Management	0.4	1.4	1.8	0.1	0.9	1.0	54.7
	General Administration Planning and Support Services	-	0.2	0.2	-	0.1	0.1	69.8
	Development and Coordination of Blue Economy	0.0	0.3	0.3	0.0	0.2	0.2	54.9
National Land Commission	Land Administration and Management	-	0.7	0.7	-	0.5	0.5	76.8
	General Administration Planning and Support Services	-	0.3	0.3	0.0	0.2	0.2	60.2
	Land Disputes and Conflict Resolutions	-	0.04	0.04	-	0.02	0.0	56.0
	National Land Information Management Systems	-	0.1	0.1	-	0.05	0.1	53.5
Total		22.7	26.5	49.2	10.5	20.8	31.3	63.6

Source: MDAs and National Treasury

The Crop Development and Management programme under the State Department for Agriculture received the highest budgetary allocation at Kshs.21.9 billion, which accounted for 44.5 per cent of

the total budgetary allocation to the sector while the Land Disputes and Conflict Resolutions under the NLC received the lowest allocation at Kshs.0.04 billion, less than 1 per cent of the sector total budgetary allocation.

The total expenditure for the programmes in the first nine months of FY 2017/18 amounted to Kshs.31.3 billion representing 63.6 per cent of the revised gross estimates. It comprised of development expenditure of Kshs.10.5 billion, recording an implementation rate of 46.4 per cent and Kshs.20.8 billion for recurrent expenditure representing 78.4 per cent of the revised gross estimates for recurrent programmes.

Analysis by programme performance shows that the Land Administration and Management programme under the NLC recorded the highest rate of implementation at 76.8 per cent while the Agribusiness and Information Management programme under State Department for Agriculture recorded the lowest rate of programme implementation at 23.5 per cent under the ARUD sector.

5.3 Education Sector

The Education sector allocation in the revised budget for FY 2017/18 amounts to Kshs.397 billion for implementing thirteen programmes. This comprises of Kshs.18.5 billion (4.7 per cent) for development programmes and Kshs.378.5 billion (95.3 per cent) for recurrent programmes. Analysis of the sector programmes for the first nine months of FY 2017/18 is presented in table 5.2.

Table 5.2: Education Sector's Programme Performance for the Period July 2017 to March 2018 (Kshs. Billions)

VOTE	Programme	Revised Estimates			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
State Department for Basic Education	Primary Education	4.5	17.0	21.4	3.1	10.7	13.8	64.5
	Secondary Education	2.7	57.8	60.5	1.3	44.2	45.5	75.2
	Quality Assurance and Standards	0.1	4.1	4.2	0.7	1.8	2.5	60.0
	General Administration, Planning and Support Services	0.1	4.4	4.4	-	4.0	4.0	90.6
State Department for Vocational Training and Technical Training	Technical Vocational Education and Training	3.7	2.7	6.4	1.2	1.7	2.9	45.3
	Youth Training and Development	2.0	0.1	2.0	0.0	0.03	0.1	2.8
	General Administration, Planning and Support Services	-	0.2	0.2	-	0.1	0.1	43.5
State Department for University Education	University Education	4.8	86.9	91.7	2.9	52.2	55.1	60.1
	Research, Science, Technology and Innovation	0.7	3.8	4.5	0.1	2.2	2.2	50.4
	General Administration, Planning and Support Services	-	0.5	0.5	-	0.3	0.3	46.3
Teachers Service Commission	Teacher Resource Management	-	195.0	195.0	-	162.1	162.1	83.1
	Governance and Standards	-	0.1	0.1	-	0.04	0.0	69.9
	General Administration, Planning and Support Services	0.1	5.9	6.0	0.7	0.59	1.3	21.0
Total		18.5	378.4	397.0	10.0	279.9	289.9	73.0

Source: MDAs and National Treasury

The Teacher Resource Management and Governance and Standards programmes both under Teachers Service Commission received the highest and lowest budgetary allocation at Kshs.195 billion (49.1 per cent) and Kshs.54 million (less than 1 per cent) respectively.

The total expenditure for the programmes in the first nine months of FY 2017/18 amounted to Kshs.289.9 billion representing implementation rate of 73 per cent. This comprised of Kshs.10 billion as development expenditure, representing 53.9 per cent of the revised gross estimates for development programmes and Kshs.279.9 billion for recurrent expenditure, at a rate of 74 per cent of revised gross estimates for the recurrent programmes.

Analysis by programme performance shows that, General Administration, Planning and Support Services programme under State Department for Education recorded the highest proportion of programme expenditure to its revised gross estimate at 90.6 per cent while Youth Training and Development under the State Department for Vocational Training and Technical Training recorded the lowest at 2.8 per cent.

5.4 Energy, Infrastructure and Information Communications Technology (EI & ICT) Sector

The revised allocation to EI & ICT Sector in FY 2017/18 amounts to Kshs.398.3 billion to implement 25 programmes. The allocation comprises of Kshs.332 billion (83.3 per cent) for development activities and Kshs.66.3 billion (16.7 per cent) for recurrent expenditure. The analysis of the EI & ICT Sector's programmes for the first nine months of FY 2017/18 is presented in Table 5.3.

Table 5.3: EI & ICT Sector's Programme Performance for the Period July 2017 to March 2018 (Kshs. Billions)

VOTE	Programme	Revised Estimates			Expenditure			Implementation
		Dev.	Rec.	Gross	Dev.	Rec.	Total	Rate (%)
State Department of Transport	General Administration, Planning and Support Services	0.8	0.7	1.5	0.1	0.6	0.7	48.0
	Rail Transport	75.3	-	75.3	29.2	-	29.2	38.7
	Marine Transport	6.8	0.6	7.4	3.0	0.5	3.5	46.7
	Air Transport	5.6	4.6	10.2	2.2	4.5	6.8	66.3
	Road Safety	0.3	0.44	0.7	0.2	0.3	0.6	74.8
State Department for Infrastructure	Road Transport	130.0	52.5	182.5	55.1	32.6	87.6	48.0
State Department for Maritime Affairs	Marine Transport	-	0.2	0.2	-	0.2	0.2	70.8
State Department for Public Works	Government Buildings	0.4	0.3	0.7	0.3	0.2	0.5	62.9
	Coastline Infrastructure and Pedestrian Access	0.1	0.1	0.2	0.01	0.04	0.04	20.0
	General Administration, Planning and Support Services	-	0.4	0.4	-	0.2	0.2	46.8

VOTE	Programme	Revised Estimates			Expenditure			Implementation
		Dev.	Rec.	Gross	Dev.	Rec.	Total	Rate (%)
State Department for Housing & Urban Development	Housing Development and Human Settlement	5.7	0.4	6.1	4.2	0.3	4.5	73.9
	Urban and Metropolitan Development	7.5	0.3	7.8	5.0	0.2	5.2	67.6
	General Administration, Planning and Support Services	-	0.2	0.2	-	0.1	0.1	70.4
	Regulation and Development of the Construction Industry	-	0.7	0.7	0.02	0.6	0.6	78.0
State Department for Information Communications & Technology	General Administration Planning and Support Services	-	0.1	0.1	-	0.1	0.1	86.8
	ICT Infrastructure Development	-	0.3	0.3	-	0.2	0.2	74.5
	E-Government Services	5.6	0.3	5.9	5.6	0.1	5.7	97.4
State Department for Broadcasting & Telecommunication	General Administration Planning and Support Services	-	0.2	0.2	-	0.2	0.2	99.9
	Information and Communication Services	0.1	1.5	1.7	0.1	1.5	1.6	99.1
	Mass Media Skills Development	0.1	0.2	0.3	-	0.2	0.2	59.2
State Department for Energy	General Administration Planning and Support Services	14.6	0.8	15.3	49.6	1.5	51.1	60.3*
	Power Generation	60.7	0.8	61.5				
	Power Transmission and Distribution	13.6	0.1	13.8				
	Alternative Energy Technologies	0.4	0.4	0.8				
State Department for Petroleum	Exploration and Distribution of Oil and Gas	4.3	0.2	4.5	1.6	0.1	1.7	37.8
Total		332.0	66.3	398.3	156.3	44.1	200.5	50.3

Source: MDAs and National Treasury

*Breakdown by programme was not available.

From the analysis, Road Transport programme under State Department for Infrastructure received the highest allocation of Kshs.182.5 billion (45.8 per cent of the sector's revised allocation) while the General Administration Planning and Support Services programme under State Department for Information Communications & Technology had the lowest allocation of Kshs.0.1 billion (less than 1 per cent of the sector's revised allocation).

The total expenditure for the sector programmes in the period under review amounted to Kshs.200.5 billion representing 50.3 per cent of the revised gross estimates. This comprised of Kshs.156.3 billion for development expenditure, recording an implementation rate of 47.1 per cent and Kshs.44.1 billion for recurrent expenditure at 66.5 per cent of the revised recurrent gross estimates.

Analysis of the programme performance shows that General Administration Planning and Support Services programme under State Department for Broadcasting & Telecommunication recorded the highest programme implementation rate at 99.9 per cent while Coastline Infrastructure and Pedestrian Access programme under State Department for Public Works had the lowest rate of 20 per cent.

5.5 Environmental Protection, Water and Natural Resources Sector

The revised allocation to the Sector in FY 2017/18 amounts to Kshs.73.1 billion for implementing thirteen programmes. This comprise of Kshs.50.8 billion (69.6 per cent) for development programmes and Kshs.22.2 billion (30.4 per cent) for recurrent expenditure. Table 5.4 presents analysis of Environmental Protection, Water and Natural Resources sector programmes for the first nine months of FY 2017/18.

Table 5.4: Environmental Protection, Water and Natural Resources Sector's Programme for the Period July 2017 to March 2018 (Kshs. Billion)

VOTE	Programme	Revised Estimate			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
State Department for Water Services	General Administration, Planning and Support Services	0.4	0.6	1.0	0.1	0.2	0.3	31.0
	Water Resources Management	5.0	1.3	6.3	1.4	0.5	1.9	29.6
	Water and Sewerage Infrastructure Development	27.2	2.5	29.7	7.3	1.0	8.2	27.7
State Department for Irrigation	Irrigation and Land Reclamation	6.6	0.9	7.5	3.1	0.2	3.3	44.2
	Water Storage and Flood Control	5.8	-	5.8	2.0	-	2.0	34.3
	General Administration, Planning and Support Services	-	0.01	0.01	-	0.002	0.002	28.7
State Department for Environment	Meteorological Services	0.2	0.4	0.6	0.1	0.3	0.3	56.3
	Environment Management and Protection	1.2	1.3	2.4	0.6	1.0	1.7	68.8
	General Administration, Planning and Support Services	1.0	1.1	2.0	0.3	0.8	1.1	52.1
State Department for Natural Resources	Natural Resource Management	3.2	12.9	16.1	1.4	9.7	11.1	69.2
Ministry of Mining	General Administration Planning and Support Services	0.0	0.8	0.8	0.0	0.4	0.5	56.5
	Resources Surveys and Remote Sensing	0.1	0.2	0.3	0.0	0.08	0.1	36.5
	Mineral Resources Management	0.2	0.3	0.6	0.1	0.23	0.4	66.6
Total		50.8	22.2	73.1	16.5	14.3	30.8	42.2

Source: MDAs and National Treasury

Water and Sewerage Infrastructure Development programme under the State Department for Water Services received the highest budgetary allocation at Kshs. 29.7 billion (40.6 per cent of the total budget allocation for the sector) while the General Administration, Planning and Support Services programme under the State Department for Irrigation received the lowest budgetary allocation at Kshs.5.3 million (less than 1 per cent of the total budget allocation for the sector).

The total expenditure for the programmes in the first nine months of FY 2017/18 amounted to Kshs.30.8 billion recording an implementation rate of 42.2 per cent. Expenditure comprised of Kshs.16.5 billion for development expenditure, recording implementation rate of 32.4 per cent and Kshs.14.3 billion for recurrent expenditure, representing 64.5 per cent of the revised gross estimates for recurrent programmes.

Analysis by programme performance shows that the Natural Resource Management programme under State Department for Natural Resources recorded the highest rate of implementation at 69.2 per cent while the Water and Sewerage Infrastructure Development programme under State Department for Water Services recorded the lowest at 27.7 per cent.

5.6 General Economic and Commercial Affairs Sector (GECA)

The Sector's revised allocation for FY 2017/18 amounts to Kshs.13.3 billion for implementing seven programmes. This comprises of Kshs.4.1 billion (30.8 per cent) for development programmes and Kshs.9.2 billion (69.2 per cent) for recurrent programmes. Analysis of GECA Sector programmes for the first nine months of FY 2017/18 is presented in Table 5.5.

Table 5.5: GECA Sector's Programme Performance for the Period July 2017 to March 2018 (Kshs. Billions)

VOTE	Programme	Revised Estimates			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
State Department for Investment and Industry	General Administration Planning and Support Services	0.7	1.2	1.9	0.4	1.0	1.3	69.1
	Industrial Development and Investments	1.3	0.6	1.9	0.8	0.6	1.4	71.8
	Standards and Business Incubation	0.6	0.4	1.0	0.3	0.3	0.6	63.0
State Department for Cooperatives	Cooperative Development and Management	0.4	0.7	1.1	0.4	0.5	1.0	86.1
State Department for Trade	Trade Development and Promotion	0.1	2.2	2.2	0.004	1.1	1.1	49.0
State Department for East African Integration	East African Affairs and Regional Integration	0.1	1.4	1.4	-	1.3	1.3	93.4
Ministry of Tourism	Tourism Development and Promotion	1.0	2.8	3.8	0.5	1.0	1.5	39.5
Total		4.1	9.2	13.3	2.4	5.8	8.2	61.3

Source: MDAs and National Treasury

Tourism Development and Promotion programme under the Ministry of Tourism received the highest budget allocation at Kshs.3.8 billion (28.2 per cent of the total budget allocation for the sector) while the Standards and Business Incubation programme under the State Department for Investment and Industry received the lowest allocation at Kshs.1 billion (7.4 per cent of the sector allocation).

The total expenditure for the sector programmes in the first nine months of FY 2017/18 amounted to Kshs.8.2 billion representing to an absorption rate of 61.3 per cent. This comprised of Kshs.2.4 billion for development activities, an absorption rate of 57.9 per cent of the revised annual estimates and Kshs.5.8 billion incurred on recurrent activities representing 62.9 per cent of the revised recurrent estimates.

Analysis by programme performance shows the East Africa Affairs and Regional Integration programme under the State Department for East Africa Integration recorded the highest programme implementation rate at 93.4 per cent while Tourism Development and Promotion programme under the Ministry of Tourism recorded the lowest at 39.5 per cent.

5.7 Governance, Justice, Law and Order Sector (GJLOS)

The Sector's revised allocation in FY 2017/18 amounts to Kshs.216 billion to implement twenty programmes. The allocation comprises of Kshs.24.6 billion (11.4 per cent) for development expenditure and Kshs.191.4 billion (88.6 per cent) for recurrent expenditure. Analysis of the GJLOS sector programmes for the first nine months of FY 2017/18 is presented in Table 5.6.

Table 5.6: GJLOS Sector Programme Performance for the Period July 2017 to March 2018 (Kshs. Billions)

VOTE	Programme	Revised Estimate			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
State Department for Interior	Policing services	12.3	81.6	93.8	5.8	56.3	62.1	66.2
	Planning, Policy Coordination and Support Services	5.7	29.6	35.2	4.9	9.3	14.2	40.2
	Government Printing Services	0.2	0.8	0.9	0.1	0.4	0.5	54.4
State Department for Correctional Services	Betting Control, Licensing and Regulation Services	-	0.1	0.1	-	0.06	0.1	46.7
	Correctional services	0.9	20.8	21.7	0.4	11.7	12.1	55.7
	General Administration, Planning and Support Services	0.0	0.6	0.6	0.0	0.4	0.4	59.3
State Law Office and Department of Justice	Legal Services	-	2.0	2.0	-	1.1	1.1	55.6
	Governance, Legal Training And Constitutional Affairs	0.4	1.7	2.1	0.0	1.0	1.0	48.9
	General Administration, Planning and Support Services	-	0.7	0.7	-	0.4	0.4	60.4
The Judiciary	Dispensation of Justice	3.2	12.4	15.6	1.8	6.8	8.5	54.7
Ethics and Anti-Corruption Commission	Ethics and Anti-Corruption	1.3	3.1	4.3	-	2.1	2.1	48.9
Office of Director of Public Prosecutions	Public Prosecution Services	0.0	1.9	1.9	0.0	1.5	1.5	75.1
Office of the Registrar of Political Parties	Registration, Regulation and Funding of Political Parties	-	0.8	0.8	-	0.5	0.5	60.8
Witness Protection Authority	Witness Protection	-	0.4	0.4	-	0.3	0.3	67.8
Kenya National Commission on Human Rights	Protection and Promotion of Human Rights	-	0.4	0.4	-	0.3	0.3	74.7
Independent Electoral and Boundaries Commission	Management of Electoral Processes	0.7	32.9	33.6	-	27.4	27.4	81.7
Judicial Service Commission	Dispensation of Justice	-	0.2	0.2	-	0.1	0.1	64.0
National Police Service Commission	National Police Service Human Resource Management	-	0.5	0.5	-	0.3	0.3	61.0
National Gender and Equality Commission	Promotion of Gender Equality and Freedom from Discrimination	-	0.4	0.4	-	0.2	0.2	68.9
Independent Policing Oversight Authority	Policing Oversight Services	-	0.7	0.7	-	0.4	0.4	59.7
Total		24.6	191.4	216.0	12.9	120.6	133.5	61.8

Source: MDAs and National Treasury

The Policing Services programme under State Department for Interior received the highest allocation at Kshs.93.8 billion (43.4 per cent of the revised gross estimates for the sector) while Betting Licensing and Regulations Services received the lowest allocation at Kshs.0.1 billion, which is less than 1 per cent.

The total expenditure for the programmes in the first nine months of FY 2017/18 amounted to Kshs.133.5 billion recording implementation rate of 61.8 per cent of the sector revised gross estimates. This comprised of Kshs.12.9 billion for development expenditure, a programme implementation rate of 52.6 per cent and Kshs.120.6 billion for recurrent expenditure representing 63 per cent of the revised gross estimates for recurrent programmes.

Analysis by programme performance shows that the Management of Electoral Processes programme under the Independent Electoral and Boundaries Commission recorded the highest proportion of programme expenditure to its revised gross estimates at 81.7 per cent while the Planning, Policy Coordination and Support Services programme under State Department for Interior recorded the lowest at 40.2 per cent.

5.8 Health Sector

The Health sector's revised allocation in FY 2017/18 was Kshs.60.9 billion to fund five programmes. The allocation comprised of Kshs.30 billion (49.3 per cent) for development programmes and Kshs.30.9 billion (50.7 per cent) for recurrent programmes. Table 5.7 presents an analysis of the Health Sector programmes for the first nine months of FY 2017/18.

Table 5.7: Health Sector's Programme Performance for the Period July 2017 to March 2018 (Kshs. Billions)

VOTE	Programme	Revised Estimate			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
Ministry of Health	Preventive, Promotive and RMNCAH*	5.7	2.4	8.0	3.9	1.2	5.1	63.7
	National Referral & Specialized Services	14.4	13.0	27.4	5.8	7.8	13.6	49.7
	Health Research and Development	1.3	5.9	7.2	0.4	3.9	4.3	60.4
	General Administration, Planning & Support Services	1.3	7.3	8.6	0.4	4.1	4.5	52.2
	Health Policy, Standards and Regulations	7.4	2.3	9.6	5.1	1.3	6.4	66.2
Total		30.0	30.9	60.9	15.6	18.4	33.9	55.8

Source: MDAs and National Treasury

*Reproductive, Maternal, Newborn Child and Adolescent Help

National Referral & Specialized Services programme received the highest allocation at Kshs.27.4 billion (45 per cent of the revised gross estimates for the sector) while the Health Research and Development programme had the lowest allocation at Kshs.7.2 billion (11.8 per cent of the sector's revised gross estimate).

The total expenditure for the programmes in the first nine months of FY 2017/18 amounted to Kshs.33.9 billion, representing an implementation rate of 55.8 per cent. This expenditure comprised of Kshs.15.6 billion for development programmes, representing an implementation rate of 52 per cent and Kshs.18.4 billion for recurrent programmes recording 59.5 per cent.

Analysis by programme performance shows that Health Policy, Standards and Regulations programme recorded the highest implementation rate of programme expenditure to its' revised gross estimates at 66.2 per cent while the National Referral and Specialized Services programme had the lowest rate at 49.7 per cent.

5.9 National Security Sector

The National Security Sector revised allocation in FY 2017/18 amounts to Kshs.135.1 billion to fund its two programmes. This comprises of Kshs.45 million (less than 1 per cent) for development expenditure and Kshs.135 billion (99.9 per cent) for recurrent expenditure. The analysis of National Security sector programmes for the period July 2017 to March 2018 is presented in Table 5.8.

Table 5.8: National Security Sector's Programme Performance for the Period July 2017 to March 2018(Kshs. Billions)

VOTE	Programme	Revised Estimate			Expenditure			Implementation Rate (%)
		Dev.	Rec	Gross	Dev.	Rec.	Total	
Ministry of Defence	Defence	0.05	105.3	105.3	0.04	74.1	74.2	70.4
National Intelligence Service	National Security Intelligence	-	29.8	29.8	-	23.5	23.5	79.1
Total		0.05	135.0	135.1	0.04	97.7	97.7	72.4

Source: MDAs and National Treasury

The Sector has two programmes namely the Defence and the National Security Intelligence. Defence programme under Ministry of Defence received the highest allocation at Kshs.105.3 billion (77.9 per cent of the Sector's revised allocation) while National Security Intelligence under National Intelligence Service was allocated Kshs.29.8 billion (22.1 per cent of the revised allocation for the sector) respectively.

The total recurrent expenditure for the sector programmes in the first nine months of FY 2017/18 amounted to Kshs.97.7 billion, representing 72.4 per cent of the revised gross estimates. Analysis of programme performance indicated that the National Security Intelligence programme under the National Intelligence Service recorded the highest implementation rate of programme expenditure to the revised gross estimates at 79.1 per cent while the Defence programme under the Ministry of Defence had 70.4 per cent.

5.10 Public Administration and International Relations (PAIR) Sector

The Public Administration and International Relations (PAIR) Sector's revised allocation in FY 2017/18 amounts to Kshs.259 billion to implement thirty three programmes. This comprises of Kshs.96.1 billion (37.1 per cent) for development programmes and Kshs.162.9 billion (62.9 per cent) for recurrent programmes. Analysis of PAIR sector programmes for the period July 2017 to March 2018 is presented in Table 5.9.

Table 5.9: PAIR Sector's Programme Performance for the Period July 2017 to March 2018 (Kshs. Billions)

VOTE	Programme	Revised Estimate			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
The Presidency	Cabinet Affairs	0.2	2.0	2.2	0.1	1.0	1.1	48.7
	Government Advisory Services	-	1.8	1.8	-	0.5	0.5	82.4
	State House Affairs	0.3	3.4	3.7	0.1	2.4	2.5	67.3
	Deputy President Services	0.4	1.9	2.3	-	1.1	1.1	48.5
State Department for Planning and Statistics	Economic Policy and National Planning	25.1	1.1	26.2	19.4	0.8	20.1	76.9
	National Statistical Information Services	1.5	2.3	3.8	1.1	1.7	2.8	73.3
	Monitoring and Evaluation Services	0.1	0.1	0.3	0.1	0.1	0.1	54.9
	General Administration Planning and Support Services	-	0.3	0.3	-	0.3	0.3	74.0
	Integrated Regional Development	1.3	1.5	2.8	1.3	0.9	2.2	79.1
State Department for Devolution	Devolution Services	3.5	0.8	4.3	2.5	0.4	2.8	65.6
	General Administration and Management	0.02	0.2	0.2	0.001	0.1	0.1	54.5
Ministry of Foreign Affairs	General Administration Planning and Support Services	0.1	2.8	2.9	0.003	2.7	2.7	92.0
	Foreign Relation and Diplomacy	0.2	11.6	11.7	0.3	9.1	9.4	79.8
	Economic and Commercial Diplomacy	-	0.04	0.04	-	0.04	0.04	84.9
	Foreign Policy Research, Capacity Development and Technical Cooperation	-	0.1	0.1	-	0.1	0.1	83.5
The National Treasury	General Administration, Planning and Support Services	6.2	71.2	77.5	3.2	19.5	22.7	29.3
	Public Financial Management	39.1	4.5	43.5	2.4	7.7	10.1	23.2
	Economic and Financial Policy Formulation and Management	1.4	5.3	6.7	0.4	1.9	2.3	34.3
	Market Competition	0.1	0.3	0.4	-	0.3	0.3	65.9
	Government Clearing Services	-	0.1	0.1	-	0.05	0.05	62.0
State Department for Public Service and Youth Affairs	General Administration, Planning and Support Services	9.6	7.7	17.3	8.1	6.5	14.6	75.6
	Youth Empowerment	2.3	6.7	9.0	1.4	4.1	5.5	60.8
Parliamentary Service Commission	Senate Affairs	-	5.3	5.3	-	3.4	3.4	65.1
	General Administration, Planning and Support Services	2.6	5.0	7.6	0.9	3.0	3.9	51.6
National Assembly	National Legislation, Representation and Oversight	-	19.6	19.6	-	12.4	12.4	63.4
Commission on Revenue Allocation	Inter-Governmental Revenue and Financial Matters	-	0.4	0.4	-	0.3	0.3	67.6
Public Service Commission	General Administration, Planning and Support Services	0.02	1.0	1.0	0.01	0.7	0.7	73.2
	Human Resource management and Development	-	0.2	0.2	-	0.1	0.1	72.9
	Governance and National Values	-	0.2	0.2	-	0.1	0.1	63.1

VOTE	Programme	Revised Estimate			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
Salaries and Remuneration Commission	Salaries and Remuneration Management	-	0.6	0.6	-	0.4	0.4	65.9
Auditor General	Audit Services	0.2	5.1	5.3	0.04	3.1	3.1	58.7
Controller of Budget	Control and Management of Public Finances	-	0.5	0.5	-	0.3	0.3	55.9
Commission on Administrative Justice	Promotion of Administrative Justice	-	0.4	0.4	-	0.3	0.3	68.6
Total		96.1	162.9	259.0	41.1	85.4	126.4	48.8

Source: MDAs and National Treasury

Analysis of programme allocation shows that General Administration, Planning and Support Services programme under National Treasury received the highest budgetary allocation at Kshs.77.5 billion (30.2 per cent of the sector's revised allocation) while Economic and Commercial Diplomacy under Ministry of Foreign Affairs had the lowest allocation at Kshs.40 million less than 1 per cent of the sector's revised allocation.

In the period under review total expenditure for the sector amounted to Kshs.126.4 billion, representing 48.8 of the revised gross estimates. This comprises of Kshs.41.1 billion as development expenditure, recording implementation rate of 42.7 per cent and Kshs.85.4 billion as recurrent expenditure recording 52.4 per cent.

Analysis of the programme performance shows that General Administration, Planning and Support Services programme under the Ministry of Foreign Affairs recorded the highest implementation rate of programme expenditure to its revised gross estimates at 92 per cent while Public Financial Management programme under National Treasury had the lowest at 23.2 per cent.

5.11 Social Protection, Culture and Recreation Sector

The Social Protection, Culture and Recreation Sector's revised allocation in FY 2017/18 amounts to Kshs.55.9 billion to implement seventeen programmes. The allocation comprises of Kshs.26.5 billion (47.4 per cent) for development programmes and Kshs.29.4 billion (52.6 per cent) for recurrent programmes.

Table 5.10 presents an analysis of the Social Protection, Culture and Recreation sector's programme for the period July 2017 to March 2018.

Table 5.10: Social Protection, Culture and Recreation Sector's Programme Performance for the Period July 2017 to March 2018 (Kshs. Billions)

VOTE	Programme	Revised Estimate			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
State Department for Special Programmes	Special Initiatives	4.4	0.7	5.1	3.0	0.6	3.5	69.6
	Accelerated ASAL Development	-	3.4	3.4	-	3.0	3.0	88.5
State Department for Sports Development	Sports	0.005	0.2	0.2	0.004	0.2	0.2	67.6
	General Administration, Planning and Support Services	3.0	3.7	6.7	2.2	2.3	4.6	68.4

VOTE	Programme	Revised Estimate			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
State Department for Arts and Culture	Culture	0.1	1.4	1.5	0.1	1.0	1.1	73.1
	The Arts	0.02	0.7	0.7	0.02	0.5	0.5	74.5
	Library Services	0.6	0.7	1.2	0.4	0.5	0.9	73.4
	General Administration, Planning and Support Services	-	0.1	0.1	-	0.1	0.1	83.4
State Department for Labour	Promotion of the Best Labour Practice	-	0.4	0.4	0.01	0.3	0.30	76.3
	Manpower Development, Employment and Productivity Management	0.02	0.5	0.6	0.01	0.3	0.3	59.6
	General Administration, Planning and Support Services	0.6	0.9	1.5	0.1	0.5	0.6	41.5
State Department for Social Protection	Social Development and Children Services	0.9	3.0	3.9	0.6	1.7	2.4	60.2
	National Social Safety Net	13.7	12.1	25.8	8.6	3.9	12.5	48.5
	General Administration, Planning and Support Services	0.002	0.2	0.2	0.002	0.1	0.1	51.1
State Department for Gender	Community Development	2.3	-	2.3	1.6	-	1.6	71.0
	Gender Empowerment	0.9	0.7	1.6	0.7	0.5	1.1	72.3
	General Administration, Planning and Support Services	-	0.8	0.8	-	0.1	0.1	14.4
Total		26.5	29.4	55.9	17.3	15.6	32.9	59.0

Source: MDAs and National Treasury

National Social Safety Net programme under the State Department for Social Protection received the highest allocation of Kshs.25.8 billion (46.2 per cent of the Sector's revised allocation) while the General Administration, Planning and Support Services programme under State Department for Arts and Culture received the lowest allocation at Kshs.0.1 billion (less than 1 per cent of the Sector's revised allocation).

The total expenditure for the sector's programmes in the first nine months of FY 2017/18 amounted to Kshs.32.9 billion representing 59 per cent of the revised gross estimates. This comprised of Kshs.17.3 billion for development expenditure recording implementation rate of 65.4 per cent while Kshs.15.6 billion was spent as recurrent expenditure representing 53.1 per cent.

Analysis of the programme performance shows that the Accelerated ASAL Development programme under the State Department for Special Programmes recorded the highest implementation rate of programme expenditure to its revised budget estimates at 88.5 per cent while the General Administration, Planning and Support Services programme under State Department for Gender recorded the lowest at 14.4 per cent.

6 KEY ISSUES AND RECOMMENDATIONS

6.1 Introduction

This chapter presents the key challenges that hampered budget implementation in the first nine months of FY 2017/18. Recommendations aimed at addressing the issues in order to improve budget implementation by the MDAs are also presented.

6.2 Key Issues and Recommendations

In the course of overseeing budget implementation, the Office identified the following key challenges which affected budget implementation:

6.2.1 Delay by MDAs to Submit Quarterly Financial Reports to COB

Article 228 (6) of the Constitution of Kenya, 2010, requires the Controller of Budget to submit to each House of Parliament a report on the implementation of the budgets of the National and County Governments every four months. Further, section 38 (9) of the PFM Act, 2012, requires the Controller of Budget to ensure that the public has access to information on budget implementation.

In order to meet the above constitutional and legal requirement, all MDAs are required to submit quarterly financial reports within fifteen days following the end of each quarter. However, the Office experienced delays in submission of financial reports by some MDAs, which affected timely production of the report.

All Accounting Officers should ensure that expenditure reports for their respective MDAs are submitted in time in order to allow timely preparation and publication of Budget Implementation Review Reports.

6.2.2 Failure to Align Budget Re-allocation to Actual Performance

In the period under review, the Government rationalized budgetary allocation for FY 2017/18 by revising non-core activities in order to release resources to implement key activities. While the budget revision was necessary, it did not fully consider incurred expenditure on some budget items. This therefore, resulted in reduction of some budget amounts below the levels of expenditure already incurred. In some instances, budgetary allocations were reduced below the level of exchequer issues.

We recommend that the affected MDAs should liaise with National Treasury to re-allocate funds to regularize the over utilized budget items in the subsequent supplementary budget.

6.2.3 Low absorption of Development Expenditure Budget

In the first nine months of FY 2017/18, development expenditure amounted to Kshs.282.6 billion representing an absorption rate of 46.7 per cent against the expected target of 75 per cent. The low absorption of development budget has partly been attributed to delay in release of development funds by the National Treasury and delay in implementation of development activities in the first half of the financial year due to the long electioneering period.

The Office recommends that the National Treasury should release funds to MDAs based on their work plans and cash flow projections on timely basis to facilitate implementation of development activities.

6.2.4 Failure to Report on Programme and Project Achievements by MDAs

The Controller of Budget is required to report on programme and project achievements by MDAs as stipulated in Section 9 (2) of the Controller of Budget Act, 2016. The Office has developed and shared a format to capture this information. Despite this, some MDAs did not present information on programme and project achievements in the first nine months of FY 2017/18.

All Accounting Officers should ensure that, the reports submitted to the Controller of Budget contain sufficient information on achievements of programmes and projects as set in the Programme Based Budget framework, in order to promote transparency and accountability in use of public funds.

7 CONCLUSION

This report is intended to provide information on budget implementation in the first nine months of FY 2017/18 by the National Government. It has been prepared in fulfilment of Article 228 (6) of the Constitution of Kenya, 2010 and Section 9 of the Controller of Budget Act, 2016.

Budget performance in the first nine months of FY 2017/18 shows improvement compared to a similar period of FY 2016/17. Total exchequer to the MDAs and County Governments from the Consolidated Fund amounted to Kshs.1.37 trillion, an increase of 9.2 per cent compared to Kshs.1.25 trillion issued in a similar period FY 2016/17, representing 64 per cent and 61.1 per cent of the revised net estimates respectively.

The total expenditure amounted to Kshs.1.32 trillion representing 60.2 per cent of the revised gross estimates, an increase compared to 56.9 per cent (Kshs.1.32 trillion) recorded in a similar period of FY 2016/17. Recurrent expenditure was Kshs.702.5 billion, representing 66.8 per cent of the gross recurrent budget which is an increase compared to Kshs.602.4 billion, (65.6 per cent of the revised gross estimates). Expenditure on Consolidated Fund Services was Kshs.339.3 billion, representing 62.4 per cent of the revised estimates, and a slight increase compared to Kshs.316.3 billion (61.9 per cent of the revised estimates) recorded in a similar period of FY 2016/17. Development expenditure amounted to Kshs.282.6 billion, representing an absorption rate 46.7 per cent, against the expected target of 75 per cent.

Despite the improvement on budget implementation, the Office noted a number of challenges which affected budget execution. They included; delay in submission of financial reports to the Controller of Budget, failure to align budget allocation to actual performance, low absorption of development expenditure budget and failure by some MDAs to report on programme and project achievements. The report provides recommendations in order to address these challenges and enhance budget implementation. These include, timely submission of quarterly financial reports by MDAs, re-allocation of funds regularises of utilized budget items, release of funds to MDAs based on their work plans and cash flow projections and Accounting Officers to ensure reports submitted to the Controller of Budget contains sufficient information on achievements of programmes and projects as set in the Programme Based Budget framework.

ANNEX I: MDAs Development Expenditure for the First Nine Months of FY 2017/18 (Kshs.)

VOTE	MINISTRY/STATE DEPARTMENT	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	Expenditure	Percentage (%) of Exchequer issues to Revised Net Estimates	Percentage (%) of Expenditure to Revised Gross Estimates
D1011	The Presidency	893,500,000	893,500,000	605,111,760	193,052,496	67.7	21.6
D1021	State Department for Interior	18,082,496,889	17,646,500,000	10,559,992,739	10,778,382,933	59.8	59.6
D1023	State Department for Correctional Services	900,000,000	900,000,000	353,555,200	386,122,867	39.3	42.9
D1032	State Department for Devolution	3,539,300,000	2,539,300,000	294,916,600	2,469,844,788	11.6	69.8
D1033	State Department for Special Programmes	4,355,875,000	2,786,525,000	2,004,158,200	2,985,887,539	71.9	68.5
D1034	State Department for Planning & Statistics	29,977,673,156	29,360,573,156	13,752,234,949	21,802,199,443	46.8	72.7
D1041	Ministry of Defence	45,000,000	-	-	37,500,000	-	83.3
D1052	Ministry of Foreign Affairs	247,499,999	247,499,999	14,100,000	254,684,667	5.7	102.9
D1063	State Department for Basic Education	7,256,718,600	7,141,988,600	4,496,171,305	4,844,960,615	63.0	66.8
D1064	State Department for Vocational and Technical Training	5,735,000,000	4,435,000,000	952,936,000	1,255,087,128	21.5	21.9
D1065	State Department for University Education	5,435,849,998	2,460,499,998	877,256,547	3,206,702,311	35.7	59.0
D1071	The National Treasury	46,745,013,082	29,383,790,283	6,627,981,006	5,929,291,516	22.6	12.7
D1081	Ministry of Health	30,022,431,054	18,660,209,154	12,902,912,129	15,582,393,187	69.1	51.9
D1091	State Department for Infrastructure	129,987,591,571	76,859,000,000	36,312,645,713	54,652,885,421	47.2	42.0
D1092	State Department for Transport	88,969,432,000	7,775,000,000	9,626,046,594	34,772,869,896	123.8	39.1
D1094	State Department Housing and Urban Development	13,342,065,000	8,317,065,000	5,419,162,009	9,142,727,498	65.2	68.5
D1095	State Department of Public Works	544,022,500	544,022,500	415,631,100	239,129,093	76.4	44.0
D1103	State Department for Water Services	32,582,516,698	11,700,746,698	9,836,744,227	8,759,485,024	84.1	26.9
D1104	State Department for Irrigation	12,458,300,000	9,222,300,000	4,674,373,050	5,126,561,262	50.7	41.1
D1105	State Department for Environment	2,303,625,000	2,046,267,000	949,818,395	974,241,734	46.4	42.3
D1106	State Department for Natural Resources	3,164,070,990	2,099,750,000	930,350,000	1,437,000,000	44.3	45.4
D1112	Ministry of Lands and Physical Planning	3,563,375,000	3,563,375,000	1,627,502,050	2,284,928,779	45.7	64.1
D1122	State Department of Information Communications & Technology & Innovation	11,947,478,834	8,901,478,834	4,811,562,650	6,210,783,195	54.1	52.0
D1123	State Department of Broadcasting and Telecommunications	191,000,000	191,000,000	75,000,000	128,886,390	39.3	67.5
D1132	State Department for Sports Development	2,950,000,000	2,950,000,000	1,973,510,000	2,233,820,492	66.9	75.7
D1133	State Department for Arts and Culture	683,228,010	641,250,000	477,500,000	481,554,000	74.5	70.5
D1152	State Department for Energy	82,725,394,310	38,859,694,658	32,850,165,343	49,605,968,835	84.5	60
D1153	State Department of Petroleum	4,276,875,000	2,063,875,000	546,829,580	1,588,995,851	26.5	37.2

VOTE	MINISTRY/STATE DEPARTMENT	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	Expenditure	Percentage (%) of Exchequer issues to Revised Net Estimates	Percentage (%) of Expenditure to Revised Gross Estimates
D1161	State Department for Agriculture	15,035,194,148	13,334,795,685	6,744,672,292	6,472,129,741	50.6	43.0
D1162	State Department for Livestock	3,693,332,750	2,876,017,750	2,465,928,057	1,679,993,768	85.7	45.5
D1164	State Department for Fisheries and Blue Economy	420,920,000	420,920,000	158,857,000	79,732,121	37.7	18.9
D1172	State Department for Investment and Industry	2,614,687,000	2,560,687,000	1,224,581,788	1,439,838,038	47.8	55.1
D1173	State Department for Cooperatives	385,000,000	385,000,000	379,949,000	417,435,400	98.7	108.4
D1174	State Department for Trade	71,250,000	71,250,000	25,363,100	29,831,596	35.6	41.9
D1183	State Department for East African Integration	65,000,000	-	-	-	-	-
D1184	State Department for Labour	636,024,999	636,024,999	94,146,179	90,172,817	14.8	14.2
D1185	State Department for Social Protection	14,663,955,283	14,663,955,283	6,469,448,630	9,241,008,777	44.1	63.0
D1191	Ministry of Mining	330,821,429	308,500,000	202,097,579	161,387,123	65.5	48.8
D1201	Ministry of Tourism	980,250,000	980,250,000	516,657,960	496,726,779	52.7	50.7
D1211	State Department for Public Service and Youth Affairs	11,891,899,727	11,891,899,727	7,513,525,261	9,447,258,035	63.2	79.4
D1212	State Department for Gender	3,187,500,000	3,187,750,000	1,065,000,000	2,291,750,000	33.4	71.9
D1252	State Law Office and Department of Justice	388,178,571	79,250,000	-	6,106,594	-	1.6
D1261	The Judiciary	3,248,975,000	3,248,975,000	1,429,124,078	1,758,676,091	44.0	54.1
D1271	Ethics & Anti-Corruption Commission	1,268,000,000	1,268,000,000	-	-	-	0.0
D1291	Office of the Directorate of Public Prosecution	2,550,000	2,550,000	-	6,342,342	-	248.7
D2030	National Land Commission	-	-	15,544,800	16,539,742	-	-
D2031	Independent Electoral and Boundaries Commission	712,210,000	-	-	-	-	-
D2041	Parliamentary Service Commission	2,637,500,000	2,637,500,000	580,883,000	906,145,968	22.0	34.4
D2071	Public Service Commission	15,000,000	15,000,000	5,000,000	8,986,780	33.3	59.9
D2091	Teachers Service Commission	118,000,000	118,000,000	-	677,219,266	-	573.9
D2111	Auditor General	171,250,000	171,250,000	40,000,000	42,837,884	23.4	25.0
TOTAL		605,462,831,598	351,047,786,324	192,898,945,870	282,619,526,080	54.9	46.7

ANNEX II: MDAs Recurrent Expenditure for the First Nine Months of FY 2017/18 (Kshs)

VOTE	MINISTRY/STATE DEPARTMENT	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	Expenditure	Percentage (%) of Exchequer issues to Revised Net Estimates	Percentage (%) of Expenditure to Revised Gross Estimates
R1011	The Presidency	7,866,966,719	7,857,834,645	5,789,526,705	4,962,142,865	73.7	63.1
R1021	State Department for Interior	111,919,293,000	111,545,556,000	79,893,925,287	65,981,876,867	71.6	59.0
R1023	State Department for Correctional Services	21,535,369,313	21,535,369,313	16,845,336,432	12,127,049,259	78.2	56.3
R1032	State Department for Devolution	1,007,391,630	1,007,391,630	530,549,102	488,390,528	52.7	48.5
R1033	State Department for Special Programmes	4,338,445,872	4,338,445,872	4,023,402,616	4,476,364,865	92.7	103.2
R1034	State Department for Planning & Statistics	5,383,995,235	5,057,995,235	2,475,881,510	3,711,833,093	48.9	68.9
R1041	Ministry of Defence	105,261,384,819	105,261,384,819	67,233,980,353	74,149,203,781	63.9	70.4
R1052	Ministry of Foreign Affairs	14,570,071,499	14,163,860,598	8,463,055,546	12,037,774,634	59.8	82.6
R1063	State Department for Basic Education	83,269,399,585	81,836,799,585	63,648,333,862	60,827,963,553	77.8	73.0
R1064	State Department for Vocational and Technical Training	2,535,356,993	2,535,356,993	1,812,755,447	1,785,650,105	71.5	70.4
R1065	State Department for University Education	90,755,304,284	52,149,204,284	40,017,347,665	54,600,837,756	76.7	60.2
R1071	The National Treasury	81,434,454,275	81,434,454,275	21,391,955,703	29,377,532,467	26.3	36.1
R1081	Ministry of Health	30,877,376,247	26,899,499,770	20,102,876,958	18,359,441,855	74.7	59.5
R1091	State Department for Infrastructure	52,495,032,071	1,721,032,071	1,077,446,128	32,367,804,452	62.6	61.7
R1092	State Department for Transport	6,017,131,343	1,422,131,343	1,070,253,171	5,928,135,701	75.3	98.5
R1093	State Department for Maritime Affairs	218,589,618	218,589,618	155,323,793	154,814,018	71.1	70.8
R1094	State Department for Housing & Urban Development	1,608,768,601	1,608,768,601	1,228,856,310	1,193,290,004	76.4	74.2
R1095	State Department for Public Works	789,575,117	785,575,117	577,313,115	349,510,944	73.5	44.3
R1103	State Department for Water Services	4,404,068,971	2,263,310,732	1,581,943,578	1,635,515,799	69.9	37.1
R1104	State Department for Irrigation	901,423,540	501,423,540	438,865,480	205,262,269	87.5	22.8
R1105	State Department for Environment	2,743,441,011	2,634,541,011	2,490,611,781	2,083,947,114	94.5	76.0
R1106	State Department for Natural Resources	12,892,449,917	6,652,428,917	2,803,219,003	9,668,850,661	42.1	75.0
R1112	Ministry of Lands and Physical Planning	2,312,568,601	2,303,153,851	1,686,537,342	1,441,136,129	73.2	62.3
R1122	State Department of Information Communications & Technology & Innovation	985,318,078	985,318,078	471,169,848	695,388,963	47.8	70.6
R1123	State Department for Broadcasting & Telecommunications	1,957,173,235	1,777,173,235	1,560,428,857	1,897,664,188	87.8	97.0
R1132	State Department for Sports Development	3,748,333,817	3,747,933,817	1,726,803,183	2,349,747,651	46.1	62.7

VOTE	MINISTRY/STATE DEPARTMENT	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	Expenditure	Percentage (%) of Exchequer Issues to Revised Net Estimates	Percentage (%) of Expenditure to Revised Gross Estimates
R1133	State Department for Arts and Culture	2,865,775,296	2,855,175,296	2,191,130,685	2,138,228,026	76.7	74.6
R1152	State Department Energy	2,052,500,000	1,845,400,000	1,522,910,146	1,458,678,607	82.5	71.1
R1153	State Department of Petroleum	195,232,407	147,867,713	101,201,643	103,118,736	68.4	52.8
R1161	State Department for Agriculture	14,116,298,340	14,109,798,340	12,361,796,391	12,232,511,804	87.6	86.7
R1162	State Department for Livestock	7,114,150,771	7,093,038,271	4,991,671,591	5,144,307,821	70.4	72.3
R1163	State Department for Fisheries and the Blue Economy	1,844,465,848	1,844,465,848	1,325,288,353	1,189,247,886	71.9	64.5
R1172	State Department of Investment and Industry	2,189,243,808	2,166,743,808	1,862,524,459	1,873,007,412	86.0	85.6
R1173	State Department for Cooperatives	737,987,448	731,487,448	555,702,180	549,245,260	76.0	74.4
R1174	State Department for Trade	2,164,310,293	2,144,450,293	1,055,681,388	1,065,093,935	49.2	49.2
R1183	State Department for East African Integration	1,356,495,896	1,356,495,896	1,304,574,671	1,327,718,228	96.2	97.9
R1184	State Department for Labour	1,792,943,512	1,779,843,512	1,107,187,247	1,156,452,259	62.2	64.5
R1185	State Department for Social Protection	15,218,012,572	15,175,547,572	7,067,651,794	4,932,480,644	46.6	32.4
R1191	Ministry of Mining	1,287,594,267	1,273,594,267	849,753,450	733,200,714	66.7	56.9
R1201	Ministry of Tourism	2,777,458,614	1,798,458,614	770,472,924	987,212,919	42.8	35.5
R1211	State Department for Public Service and Youth Affairs	14,455,917,402	14,280,067,402	10,469,852,120	10,638,348,196	73.3	73.6
R1212	State Department for Gender	1,424,218,371	1,424,218,371	477,301,617	564,049,435	33.5	39.6
R1252	State Law Office and Department of Justice	4,383,634,769	3,989,134,769	2,633,048,110	2,544,764,278	66.0	58.1
R1261	The Judiciary	12,361,768,912	12,361,768,912	9,219,482,058	6,775,744,767	74.6	54.8
R1271	Ethics & Anti-Corruption Commission	3,068,540,000	3,068,540,000	2,177,205,324	2,120,622,629	71.0	69.1
R1281	National Intelligence Service	29,754,000,000	29,754,000,000	24,067,000,000	23,540,413,210	80.9	79.1
R1291	Office of the Director of Public Prosecutions	1,944,442,462	1,944,442,462	1,328,037,255	1,456,742,616	68.3	74.9
R1311	Office of the Registrar of Political Parties	798,527,310	798,527,310	513,623,236	485,901,903	64.3	60.8
R1321	Witness Protection Agency	442,380,483	442,380,483	301,000,000	299,760,351	68.0	67.8
R2011	Kenya National Commission on Human Rights	389,766,300	389,766,300	314,692,234	291,011,843	80.7	74.7
R2021	National Lands Commission	1,093,767,550	1,093,767,550	824,202,171	745,531,388	75.4	68.2
R2031	Independent Electoral and Boundaries Commission	32,860,477,459	32,855,477,459	26,680,736,142	27,435,288,054	81.2	83.5
R2041	Parliamentary Service Commission	10,243,068,157	10,243,068,157	5,565,092,273	6,451,658,545	54.3	63.0
R2042	National Assembly	19,591,048,577	19,591,048,577	10,639,951,470	12,427,499,336	54.3	63.4

VOTE	MINISTRY/STATE DEPARTMENT	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	Expenditure	Percentage (%) of Exchequer issues to Revised Net Estimates	Percentage (%) of Expenditure to Revised Gross Estimates
R2051	Judicial Service Commission	183,537,700	183,537,700	162,533,268	117,450,633	88.6	64.0
R2061	The Commission on Revenue Allocation	391,711,063	391,711,063	282,899,610	264,695,400	72.2	67.6
R2071	Public Service Commission	1,351,425,000	1,350,925,000	935,622,785	974,634,131	69.3	72.1
R2081	Salaries & Remuneration Commission	609,634,499	609,634,499	349,794,480	401,731,532	57.4	65.9
R2091	Teachers Service Commission	201,893,457,400	201,418,457,400	159,202,131,698	162,691,841,816	79.0	80.6
R2101	National Police Service Commission	467,393,780	467,393,780	301,303,126	285,201,736	64.5	61.0
R2111	Auditor General	5,110,767,700	4,960,767,700	2,952,746,059	3,057,540,345	59.5	59.8
R2121	Controller of Budget	494,931,000	494,931,000	290,516,187	276,470,755	58.7	55.9
R2131	The Commission on Administrative Justice	416,789,402	416,789,402	298,165,368	285,853,871	71.5	68.6
R2141	National Gender & Equality Commission	352,824,207	352,824,207	242,060,217	243,188,496	68.6	68.9
R2151	Independent Policing Oversight Authority	695,860,000	695,860,000	345,205,600	415,297,965	49.6	59.7
TOTAL		1,052,321,041,966	940,145,939,331	646,739,448,105	702,524,211,241	68.8	66.8

ANNEX III: Sectoral Development Expenditure for the First Nine Months of FY 2017/18 (Kshs)

SECTOR	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	Expenditure	Percentage (%) of Exchequer issues to Revised Net Estimates	Percentage (%) of Expenditure to Revised Gross Estimates
Agriculture, Rural and Urban Development	22,712,821,898	20,195,108,435	11,012,504,199	10,516,784,409	54.5	46.3
Energy, Infrastructure and ICT	331,983,859,215	143,511,135,992	90,057,042,989	156,342,246,179	62.8	47.1
General Economics and Commercial Affairs (GECA)	4,116,187,000	3,997,187,000	2,146,551,848	2,383,831,813	53.7	57.9
Health	30,022,431,054	18,660,209,154	12,902,912,129	15,582,393,187	69.1	51.9
Education	18,545,568,598	14,155,488,598	6,326,363,852	9,983,969,320	44.7	53.8
Governance, Justice, Law and Order (GJLOS)	24,602,410,460	23,145,275,000	12,342,672,017	12,935,630,827	53.3	52.6
Public Administration and International Relations	96,118,635,964	77,140,313,165	29,433,752,576	41,054,301,577	38.2	42.7
National Security	45,000,000	-	-	37,500,000		83.3
Social Protection, Culture and Recreation	26,476,583,292	24,865,505,282	12,083,763,009	17,324,193,625	48.6	65.4
Environment Protection, Water and Natural Resources	50,839,334,117	25,377,563,698	16,593,383,251	16,458,675,143	65.4	32.4
Total	605,462,831,598	351,047,786,324	192,898,945,870	282,619,526,080	54.9	46.7

ANNEX IV: Sectoral Recurrent Expenditure for the First Nine Months of FY 2017/18 (Kshs)

SECTOR	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	Expenditure	Percentage (%) of Exchequer issues to Revised Net Estimates	Percentage (%) of Expenditure to Revised Gross Estimates
Agriculture, Rural and Urban Development	26,481,251,110	26,444,223,860	21,189,495,848	20,752,735,028	80.1	78.4
Energy, Infrastructure and ICT	66,319,320,470	10,511,855,776	7,764,903,011	44,148,405,613	73.9	66.6
General Economics and Commercial Affairs (GECA)	9,225,496,059	8,197,636,059	5,548,955,622	5,802,277,753	67.7	62.9
Health	30,877,376,247	26,899,499,770	20,102,876,958	18,359,441,855	74.7	59.5
Education	378,453,518,262	337,939,818,262	264,680,568,672	279,906,293,230	78.3	74.0
Governance, Justice, Law and Order (GJLOS)	191,403,815,695	190,630,578,695	140,958,188,289	120,579,901,397	73.9	63.0
Public Administration and International Relations	162,928,172,158	161,860,479,183	70,435,608,918	85,356,105,698	43.5	52.4
National Security	135,015,384,819	135,015,384,819	91,300,980,353	97,689,616,991	67.6	72.4
Social Protection, Culture and Recreation	29,387,729,440	29,321,164,440	16,593,477,142	15,617,322,880	56.6	53.1
Environment Protection, Water and Natural Resources	22,228,977,706	13,325,298,467	8,164,393,292	14,326,776,557	61.3	64.5
Total	1,052,321,041,966	940,145,939,331	646,739,448,105	702,528,877,003	68.8	66.8

ANNEX V: Total Sectoral Expenditure for the First Nine Months of FY 2017/18 (Kshs)

Sector	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	Expenditure	Percentage of Exchequer issues to Revised Net Estimates	Percentage of Expenditure to Revised Gross Estimates
Agriculture, Rural and Urban Development	49,194,073,008	46,639,332,295	32,202,000,047	31,269,519,437	69.0	63.6
Energy, Infrastructure and ICT	398,303,179,685	154,022,991,768	97,821,946,000	200,490,651,792	63.5	50.3
General Economics and Commercial Affairs (GECA)	13,341,683,059	12,194,823,059	7,695,507,470	8,186,109,566	63.1	61.4
Health	60,899,807,301	45,559,708,924	33,005,789,087	33,941,835,043	72.4	55.7
Education	396,999,086,860	352,095,306,860	271,006,932,524	289,890,262,550	77.0	73.0
Governance, Justice, Law and Order (GJLOS)	216,006,226,155	213,775,853,695	153,300,860,306	133,515,532,224	71.7	61.8
Public Administration and International Relations	259,046,808,122	239,000,792,348	99,869,361,494	126,410,407,275	41.8	48.8
National Security	135,060,384,819	135,015,384,819	91,300,980,353	97,727,116,991	67.6	72.4
Social Protection, Culture and Recreation	55,864,312,732	54,186,669,722	28,677,240,151	32,941,516,505	52.9	59.0
Environment Protection, Water and Natural Resources	73,068,311,823	38,702,862,165	24,757,776,543	30,785,451,700	64.0	42.1
Total	1,657,783,873,564	1,291,193,725,655	839,638,393,975	985,158,403,082	65.0	59.4



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