



THE REPUBLIC OF KENYA
OFFICE OF THE CONTROLLER OF BUDGET



NATIONAL GOVERNMENT BUDGET IMPLEMENTATION REVIEW REPORT

**FIRST NINE MONTHS
FY 2020/21**

MAY, 2021



THE REPUBLIC OF KENYA
OFFICE OF THE CONTROLLER OF BUDGET



NATIONAL GOVERNMENT
BUDGET IMPLEMENTATION REVIEW REPORT

FIRST QUARTER

FY 2019/20

NOVEMBER, 2019

FOREWORD

It is with great pleasure that I present the National Government Budget Implementation Review Report (BIRR) for the first quarter of the Financial Year (FY) 2019/20. The report has been prepared in line with Article 228(6) of the Constitution of Kenya and Section 9(1) of the Controller of Budget Act, 2016, which require the Controller of Budget to submit to both Houses of Parliament a report on the implementation of the budgets of both the National and County Governments every four months.

The report covers the period from July to September, 2019 and presents the status of budget implementation by the National Government's Ministries, Departments and Agencies (MDAs). It is based on analysis of approved budget of MDAs and Consolidated Fund Services (CFS), receipts into and withdrawals from the Consolidated Fund and expenditure performance, which is expressed as a percentage of the gross budget. The key issues and challenges that affected budget implementation during the reporting period have been identified and appropriate recommendations aimed at addressing these issues have been included in order to enhance budget implementation in future.

Preparation of this report was made possible through collective efforts between staff from the Office of Controller Budget and those from MDAs. I therefore, take this opportunity to appreciate all staff who were involved in the preparation of this report for their dedication and commitment.

Finally, it is my hope that information contained in this report will be useful to Parliament and all stakeholders, including the Public in promoting accountability and transparency in the use of public resources for the benefit of all Kenyans.



Mr. Stephen Masha

Ag. CONTROLLER OF BUDGET

TABLE OF CONTENTS

FOREWORD	ii
LIST OF ABBREVIATIONS AND ACRONYMS.....	vii
EXECUTIVE SUMMARY.....	ix
KEY HIGHLIGHT.....	xi
FY 2019/20 BUDGET ALLOCATION BY SECTORS	xvi
1 INTRODUCTION.....	1
2 ANALYSIS OF RECEIPTS AND EXCHEQUER ISSUES	2
2.1 Introduction.....	2
2.2 Analysis of Revenue Estimates and Receipts into the Consolidated Fund.....	2
2.3 FY 2019/20 Overall Budget	4
2.4 Exchequer Issues to the MDAs and County Governments	4
2.5 Analysis of Exchequer Issues to Ministries, Departments and Agenciess by Sector.....	5
3 NATIONAL GOVERNMENT OVERALL EXPENDITURE ANALYSIS.....	14
3.1 Introduction.....	14
3.2 Overall Government Budget Performance	14
3.3 Consolidated Fund Services (CFS).....	16
3.4 MDAs Expenditure Analysis.....	17
4 DEVELOPMENT AND RECURRENT EXPENDITURE ANALYSIS BY SECTOR.....	27
4.1 Introduction.....	27
4.2 Agriculture, Rural and Urban Development (ARUD) Sector	27
4.3 Education Sector	30
4.4 Energy, Infrastructure and Information Communications Technology (EI & ICT) Sector	33
4.5 Environmental Protection, Water and Natural Resource Sector.....	36
4.6 General Economic and Commercial Affairs (GECA) Sector	39
4.7 Governance, Justice, Law and Order Sector (GJLOS).....	42
4.8 Health Sector.....	45
4.9 National Security Sector.....	47
4.10 Public Administration and International Relations (PAIR) Sector.....	49
4.11 Social Protection, Culture and Recreation Sector	52
5 BUDGET PERFORMANCE BY PROGRAMMES	56
5.1 Introduction.....	56

5.2 Agriculture, Rural and Urban Development (ARUD) Sector 56

5.3 Education Sector 57

5.4 Energy, Infrastructure and Information Communications Technology (EI & ICT) Sector 58

5.5 Environmental Protection, Water and Natural Resources Sector 59

5.6 General Economic and Commercial Affairs Sector (GECA) 61

5.7 Governance, Justice, Law and Order Sector (GJLOS) 62

5.8 Health Sector..... 63

5.9 National Security Sector 64

5.10 Public Administration and International Relations (PAIR) Sector 64

5.11 Social Protection, Culture and Recreation Sector 66

6 KEY ISSUES AND RECOMMENDATIONS 68

6.1 Introduction..... 68

6.2 Key Issues and Recommendations 68

7 CONCLUSION 70

ANNEX I: MDAs Development Expenditure for the First Quarter, FY 2019/20 (Kshs.) 71

ANNEX II: MDAs Recurrent Expenditure for the First Quarter, FY 2019/20 (Kshs.)..... 73

ANNEX III: Sectoral Development Expenditure for the First Quarter, FY 2019/20 (Kshs.) 76

ANNEX IV: Sectoral Recurrent Expenditure for the First Quarter, FY 2019/20 (Kshs.)..... 77

ANNEX V: Overall Expenditure by Sector for the First Quarter, FY 2019/20 (Kshs.) 78

LIST OF TABLES

Table 2.1	Statement of Receipts into the Consolidated Fund (Kshs. Billions).....	3
Table 2.2:	Summary of Exchequer Issues (Kshs. Billions)	5
Table.2.3:	Gross Estimates and Exchequer Issues by Sector (Kshs. Billions)	6
Table 2.4:	Recurrent Expenditure Exchequer issues by Sector (Kshs. Billions).....	7
Table 2.5:	Recurrent Expenditure Exchequer Issues to MDAs by Sectors	8
Table 2.6:	CFS Budgetary Allocation and Exchequer Issues (Kshs. Millions).....	10
Table 2.7:	Development Expenditure Exchequer Issues by Sector (Kshs. Billions).....	11
Table 2.8:	Development Expenditure Exchequer Issues to MDAs by Sectors.....	12
Table 3.1:	Overall Government Budget Performance (Kshs. Billion).....	14
Table 3.2:	Expenditure on Consolidated Fund Services Expenditure (Kshs. Millions)	16
Table 3.3:	Breakdown of Development Expenditure by MDAs (Kshs. Millions).....	18
Table 3.4:	Breakdown of Recurrent Expenditure by MDAs (Kshs. Millions).....	21
Table 4.1:	ARUD Sector-Analysis of Exchequer Issues and Expenditure (Kshs. Billions).....	29
Table 4.2:	Education Sector-Analysis of Exchequer Issues and Expenditure (Kshs. Billions).....	32
Table 4.3:	EI & ICT-Analysis of Exchequer Issues and Expenditure (Kshs. Billions)	34
Table 4.4:	Environmental Protection, Water and Natural Resources Sector-Analysis of Exchequer Issues and Expenditure (Kshs. Billions).....	38
Table 4.5:	GECA Sector-Analysis of Exchequer Issues and Expenditure (Kshs. Billions)	41
Table 4.6	GJLOS Sector-Analysis of Exchequer Issues and Expenditure (Kshs. Billions).....	44
Table 4.7:	Health Sector Analysis of Exchequer Issues and Expenditure (Kshs. Billions).....	46
Table 4.8:	National Security Sector-Analysis of Exchequer Issues and Expenditure (Kshs Billions).....	48
Table 4.9:	PAIR Sector-Analysis of Exchequer Issues and Expenditure (Kshs. Billions)	50
Table 4.10:	Social Protection, Culture Recreation Sector-Analysis of Exchequer Issues and Expenditure(Kshs. Billions).....	53
Table 5.1	ARUD Sector's Programme Performance (Kshs. Billions).....	56
Table 5.2:	Education Sector's Programme Performance (Kshs. Billions).....	57
Table 5.3:	EI & ICT Sector's Programme Performance (Kshs. Billions).....	58
Table 5.4:	Environment Protection, Water and Natural Resources Sector's Programme Performance (Kshs. Billions).....	60
Table 5.5:	GECA Sector's Programme Performance (Kshs. Billions)	61
Table 5.6:	GJLOS Sector Programme Performance (Kshs. Billions).....	62
Table 5.7:	Health Sector's Programme Performance (Kshs. Billions)	63
Table 5.8:	National Security Sector's Programme Performance (Kshs. Billions)	64
Table 5.9:	PAIR Sector's Programme Performance (Kshs. Billions).....	65
Table 5.10:	Social Protection, Culture and Recreation Sector's Programme Performance (Kshs. Billions).....	66

FIGURE LISTING

Figure 2.1: Composition of Receipts into the Consolidated Fund3

Figure 2.2: Receipts into the Consolidated Fund in the first three months from FY 2015/16 to FY 2019/204

Figure 2.3: Composition of Exchequer Issues5

Figure 3.1: Comparison of Annual Budget and Expenditure by Sector 15

Figure 3.2: Annual Budget and Expenditure by Sector (Kshs. Billions) 15

Figure 3.3: Summary Analysis of MDAs’ Development Expenditure (Kshs. Millions).....20

Figure 3.4: Summary Analysis of MDAs’ Recurrent Expenditure (Kshs. Millions)26

Figure 4.1: Budgetary Allocation Trend for ARUD Sector28

Figure 4.2: Exchequer Issues to ARUD Sector (Kshs. Billions).....30

Figure 4.3: Budgetary Allocation Trend for the Education Sector 31

Figure 4.4: Exchequer Issues to the Education Sector (Kshs. Billions)33

Figure 4.5: Budgetary Allocation Trend for the EI & ICT Sector (Kshs. Billion).....34

Figure 4.6: Exchequer Issues to the EI & ICT Sector (Kshs. Billions)36

Figure 4.7: Budgetary Allocation Trend for the Environmental Protection, Water and Natural
Resources Sector (Kshs. Billions).....37

Figure 4.8: Exchequer Issues to Environmental Protection, Water and Natural Resources Sector (Kshs. Billions).....38

Figure 4.9: Budgetary Allocation Trend for the GECA Sector (Kshs. Billion)40

Figure 4.10: Exchequer Issues to the GECA Sector (Kshs. Billions).....42

Figure 4.11: Budgetary Allocation Trend for the GJLO Sector (Kshs. Billion)43

Figure 4.12: Exchequer Issues to the GJLOS Sector (Kshs. Billions)45

Figure 4.13: Budgetary Allocation Trend for the Health Sector46

Figure 4.14: Exchequer Issues to the Health Sector (Kshs. Billions).....47

Figure 4.15: Budgetary Allocation Trend for the National Security Sector48

Figure 4.16: Budgetary Allocation Trend for the PAIR Sector (Kshs. Billion).....50

Figure 4.17: Exchequer Issues to the PAIR Sector (Kshs. billions).....51

Figure 4.18: Budgetary Allocation Trend for the Social Protection, Culture Recreation Sector (Kshs. Billion)53

Figure 4.19: Exchequer Issues to the Social Protection, Culture Recreation Sector (Kshs. Billions).....54

LIST OF ABBREVIATIONS AND ACRONYMS

A-I-A	Appropriations in Aid
AIDS	Acquired Immune Deficiency Syndrome
AMISOM	Africa Union Mission in Somali
ARUD	Agriculture, Rural & Urban Development
ASALs	Arid and Semi-Arid Lands
Bn	Billion(s)
BIRR	Budget Implementation Review Report
CFS	Consolidated Fund Services
COB	Controller of Budget
EACC	Ethics and Anti-Corruption Commission
EWNR	Environmental Protection, Water and Natural Resources
EI & ICT	Energy Infrastructure and Information Communication Technology
FY	Financial Year
GDP	Gross Domestic Product
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 Police Oversight Authority
IPPD	Integrated Personnel Payment Data
JSC	Judicial Service Commission
KEMRI	Kenya Medical Research Institute
KEMSA	Kenya Medical Supplies Agency
KMTC	Kenya Medical Training College
KNBS	Kenya National Bureau of Statistics
KNCHR	Kenya National Commission on Human Rights
KNH	Kenyatta National Hospital
Kshs.	Kenya Shillings
MDA(s)	Ministries Departments and Agencies

Mn	Million
MOEST	Ministry of Education Science and Technology
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
NT	National Treasury
OCOB	Office of the Controller of Budget
O&M	Operations and Maintenance
PAIR	Public Administration and International Relations
PFM Act	Public Finance Management Act
RMNCAH	Reproductive, Maternal, New-born Child and Adolescent Health
SAGAs	Semi-Autonomous Government Agencies
SPCR	Social Protection, Culture and Recreation
TSC	Teachers Service Commission
VAT	Value Added Tax
WPA	Witness Protection Agency

EXECUTIVE SUMMARY

This National Government Budget Implementation Review Report covers the first quarter (July to September, 2019) of FY 2019/20. It was prepared in line with Article 228(6) 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 both Houses of Parliament quarterly budget implementation reports for the National and County Governments.

The report presents the progress made by the National Government MDAs in implementing the FY 2019/20 budget during the first three months of the financial year. It also highlights the key issues that hampered effective budget implementation during the period. Receipts into the Consolidated Fund and expenditure performance are analysed and compared with targets in the FY 2019/20 Approved Budget and previous performance in a similar period of FY 2018/19.

During the period under review, actual receipts into the Exchequer Account amounted to **Kshs.637.4 billion**, representing **24.5 per cent** of the annual target (Kshs.2.6 trillion). This represents an increase of 18 per cent or Kshs.97.4 billion, over a similar period of FY 2018/19 when receipts stood at Kshs.540 billion. The total exchequer issues to MDAs and County Governments was **Kshs.571.1 billion**, representing **22 per cent** of the annual net estimates and an increase of 33.3 per cent or Kshs.142.6 billion over a similar period of FY 2018/19 when exchequer issues stood at Kshs.428.5 billion. Exchequer issues comprised of Kshs.48 billion for development expenditure, Kshs.230.6 billion towards MDAs recurrent expenditure, Kshs.237.4 billion towards Consolidated Fund Services (CFS) and 55.1 billion to County Governments as sharable revenue from the National Government.

The total expenditure by the National Government in the first three months amounted to **Kshs.564.2 billion**, representing **20.6 per cent** of the annual gross estimates. This expenditure consisted of **Kshs.235 billion** on recurrent programmes by MDAs, representing **19.2 per cent** of the gross recurrent estimates, **Kshs.229.5 billion** on CFS, representing **28.5 per cent** of the annual gross estimates and **Kshs.99.7 billion** spent on development activities, representing an absorption rate of **14.2 per cent**.

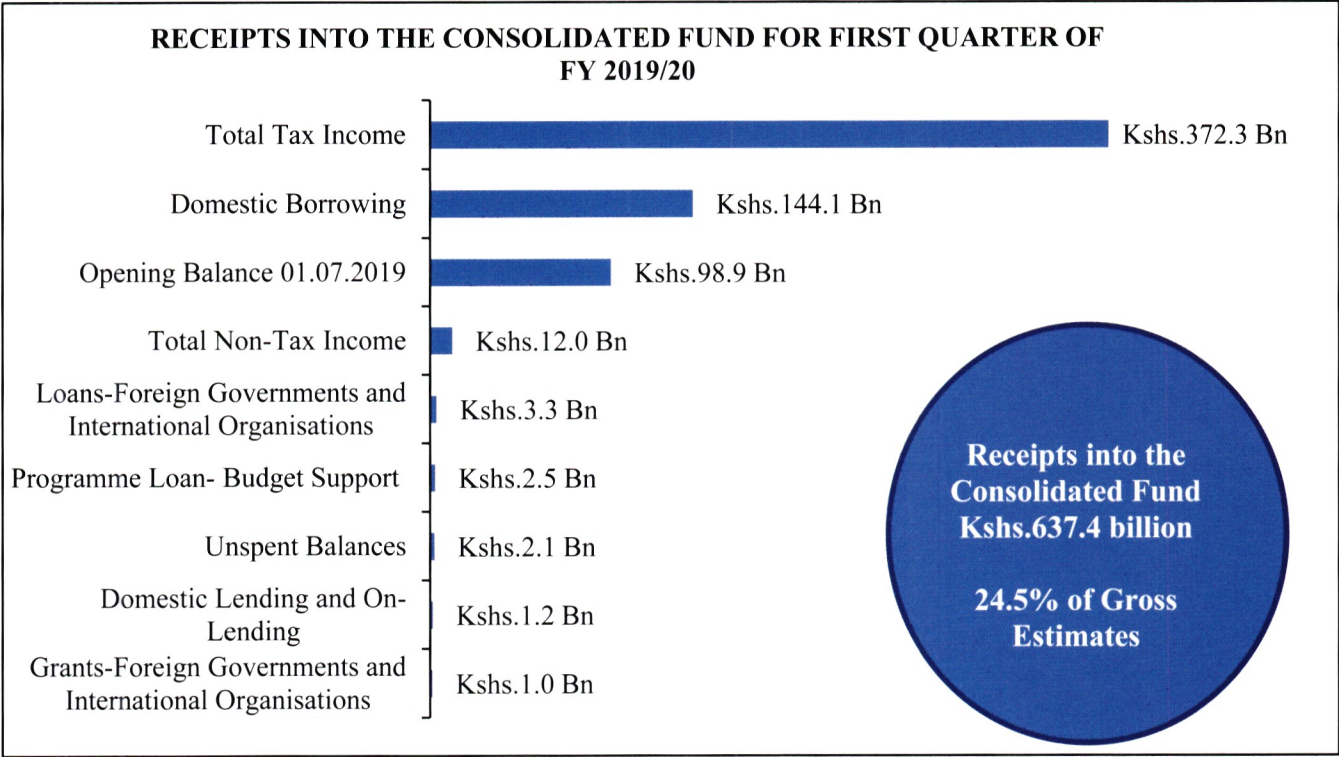
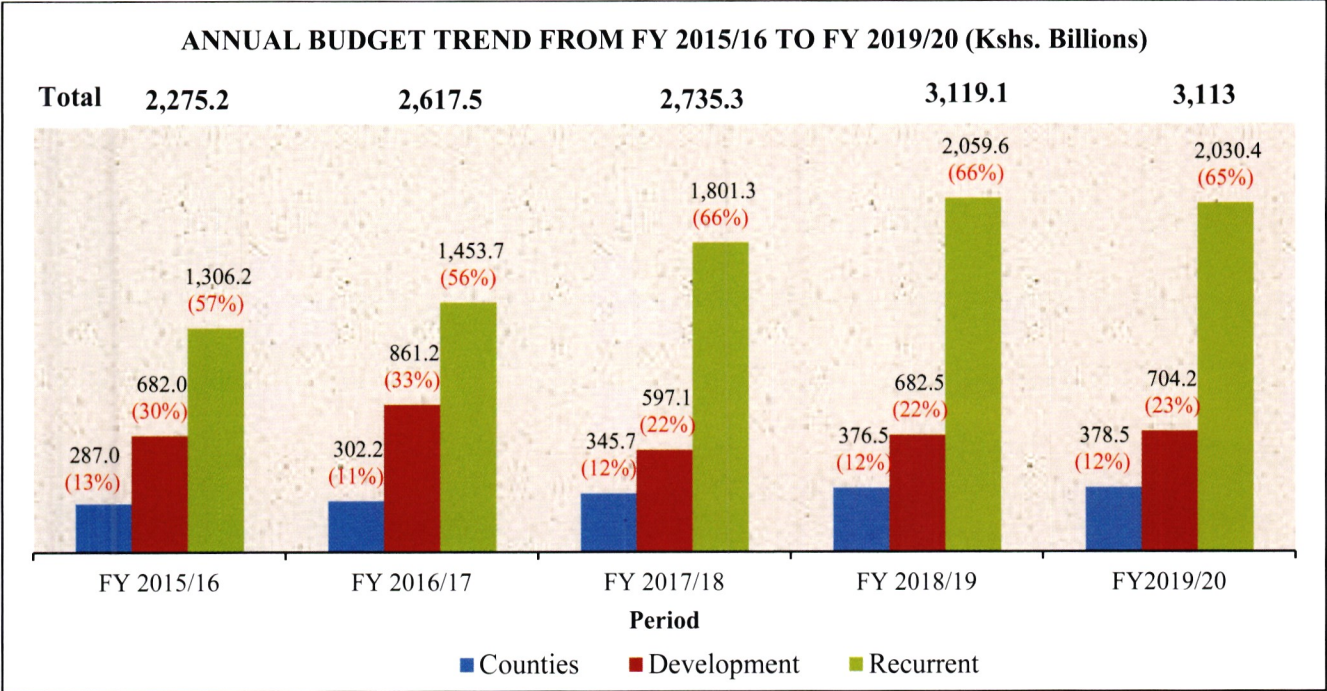
Analysis of the recurrent expenditure shows that Personnel Emoluments (PE) was the highest spending category at Kshs.98.8 billion and represented 42.1 per cent of the total recurrent expenditure by MDAs. The Teachers Service Commission (TSC) reported the highest expenditure on Personnel Emoluments (PE) at Kshs.59.9 billion, accounting for 60.6 per cent of the total PE expenditure as reported by the MDAs. The second highest expenditure item was current transfers to Semi-Autonomous Government Agencies (SAGAs) at Kshs.91.3 billion, or 38.9.1 per cent of the total recurrent expenditure. Domestic travel was the third highest expenditure category at Kshs.2.2 billion followed by foreign travel at Kshs.1.4 billion.

In the period under review, budget implementation faced a number of challenges. They included: delay by MDAs to submit quarterly financial reports to the Controller of Budget, delay in uploading of procurement plans and budgets into IFMIS, low levels of expenditure by MDAs, and discrepancies between IPPD and IFMIS data.

To overcome the key challenges identified in the reporting period, the Office recommends timely release of funds to MDAs to enable implementation of planned activities as outlined in the annual work plans, and uploading of procurement plans and development budget into IFMIS to ensure prompt procurement of goods and services by MDAs. Lastly, Accounting Officers should ensure that expenditure reports are submitted not later than the fifteenth day after the end of each quarter, as

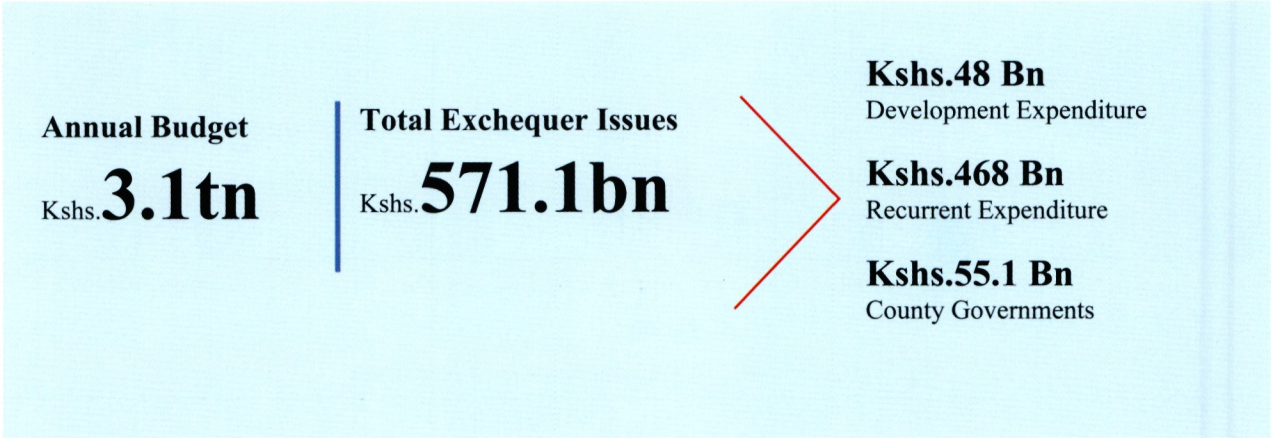
specified in Section 83 (3, 4) of the Public Finance Management (PFM) Act, 2012. This will ensure prompt preparation and publication of Budget Implementation Reports resulting to timely oversight on budget implementation.

KEY HIGHLIGHT

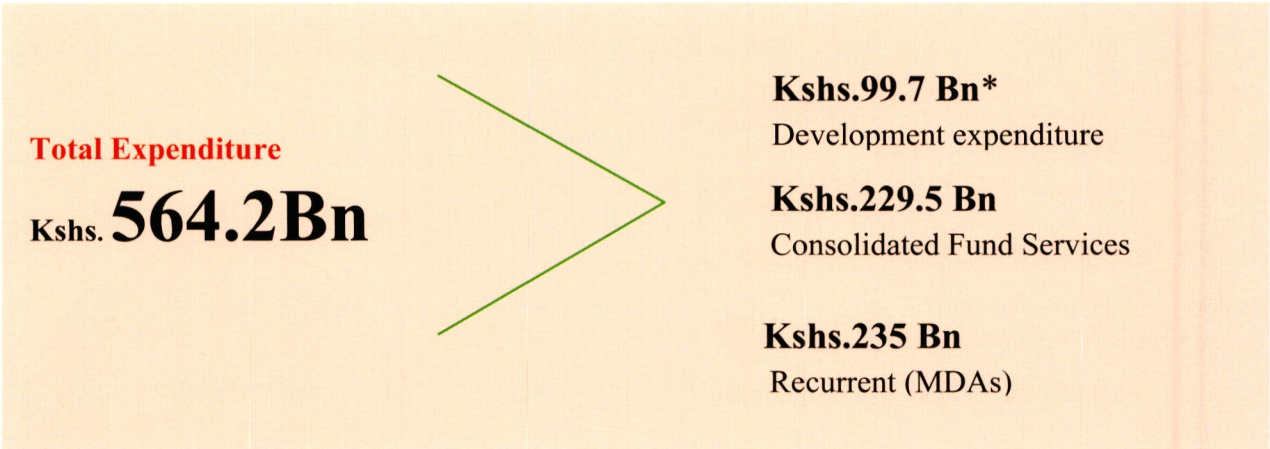


Overall National Government Budget Performance First Quarter of FY 2019/20

Exchequer Issues

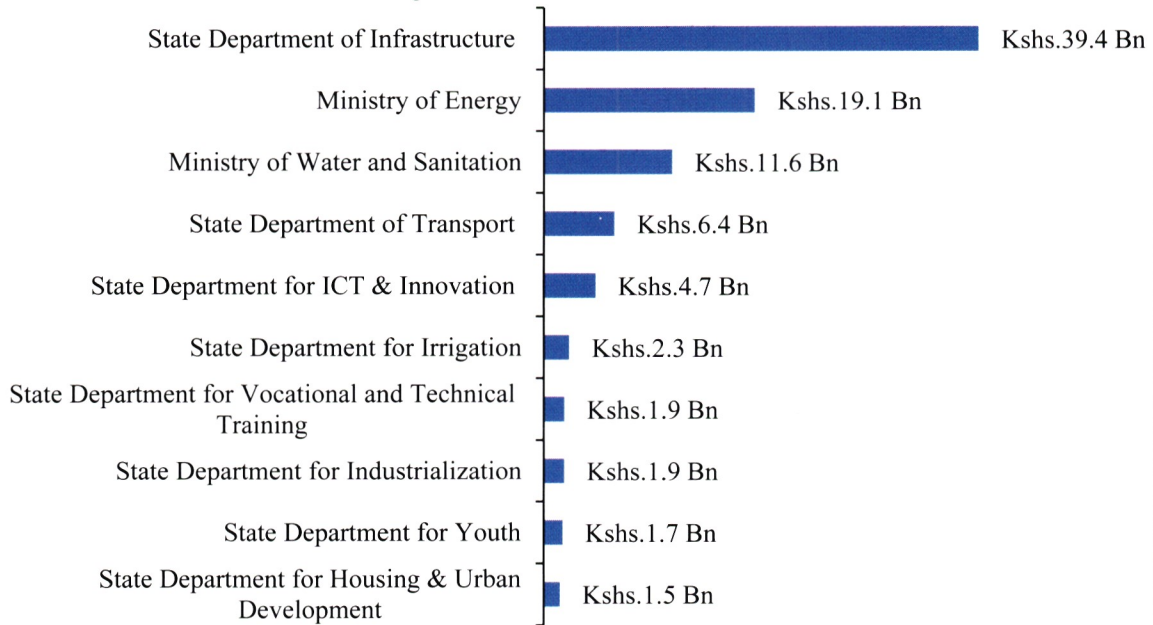


National Government Expenditure

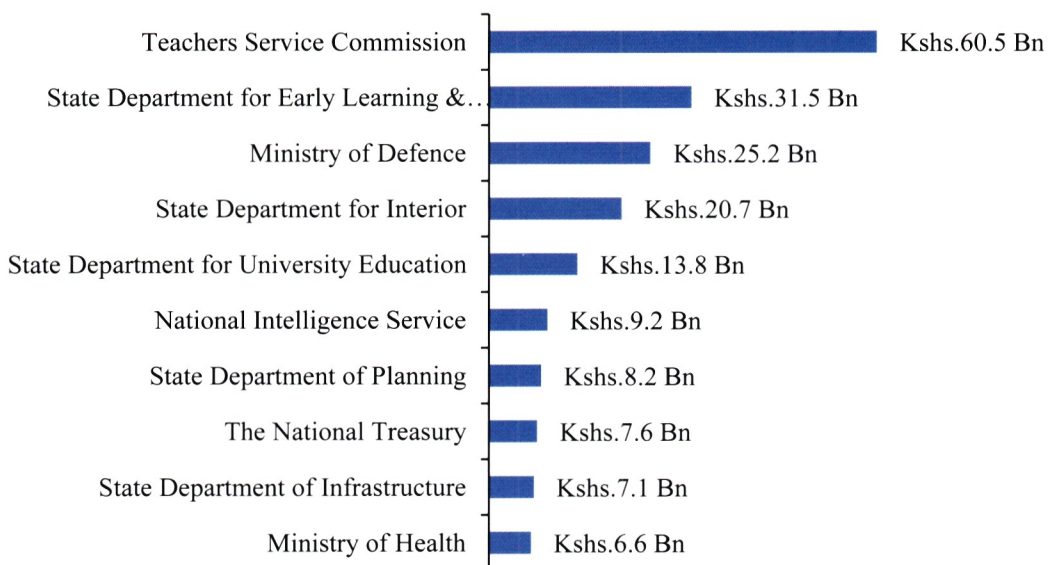


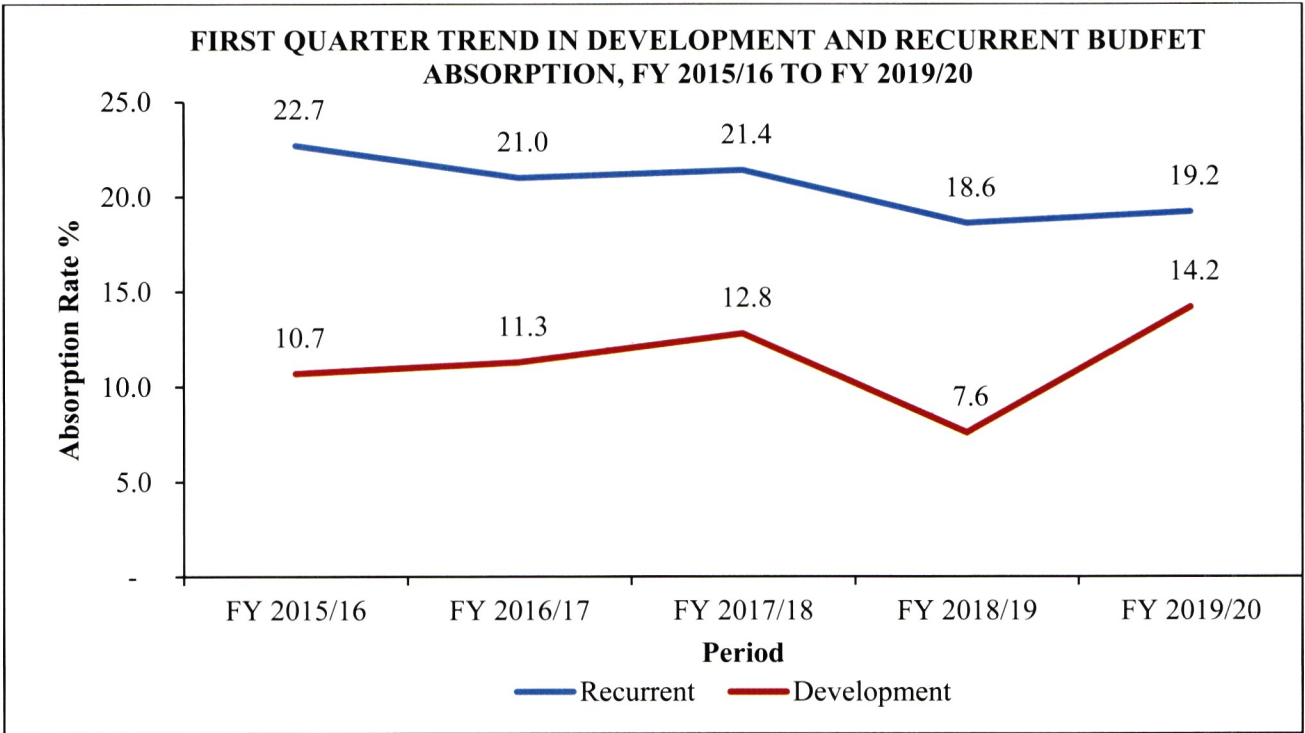
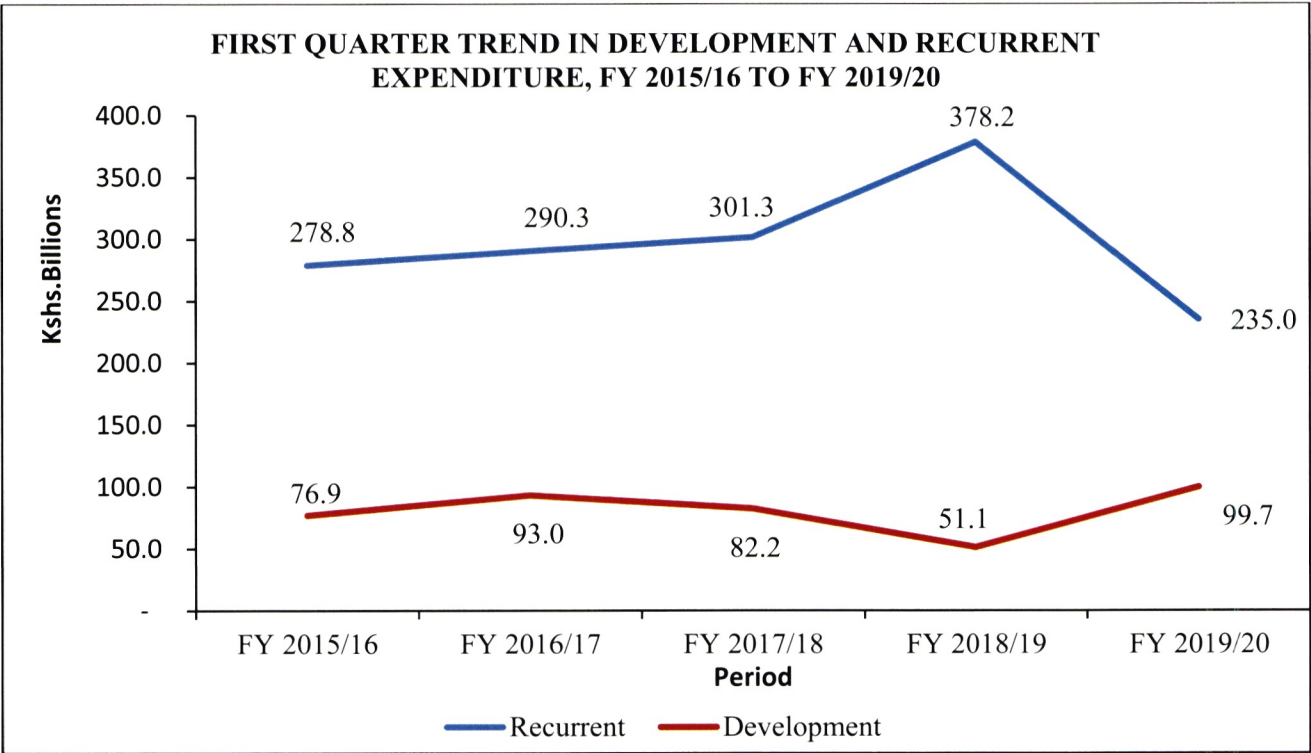
** Development expenditure is significantly higher than development exchequer issued due to Appropriations-in-Aid (A-I-A) and donor funding. A-I-A is revenue in the form of receipts from user charges collected internally by ministries and departments and is spent by the entity that raised the revenue.*

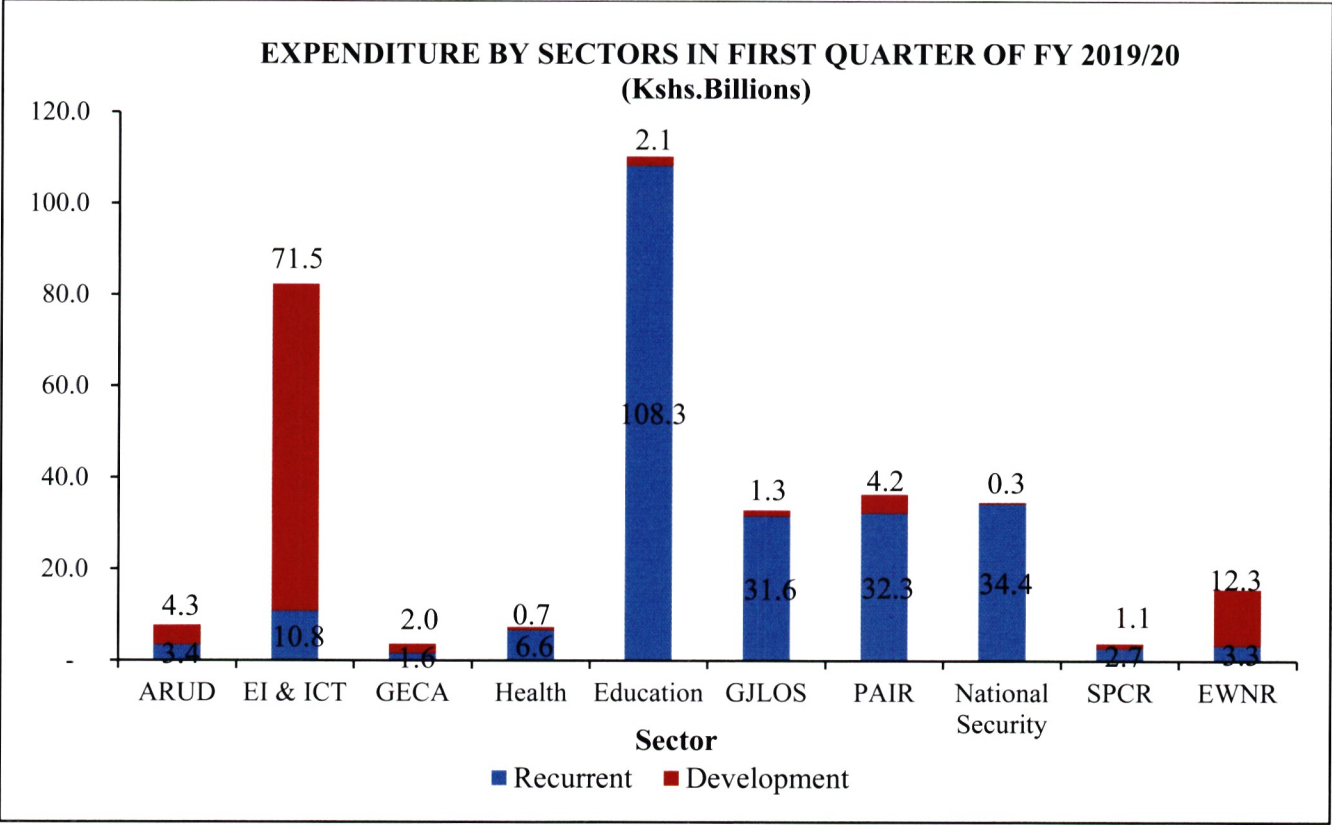
**TOP 10 SPENDING MDAs - DEVELOPMENT EXPENDITURE IN FIRST
QUARTER OF FY 2019/20**



**TOP 10 SPENDING MDAs -RECURRENT EXPENDITURE IN THE FIRST
QUARTER OF FY 2019/20**







FY 2019/20 BUDGET ALLOCATION BY SECTORS



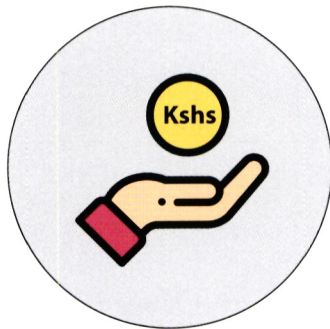
Agriculture Rural &
Urban Development
Kshs.59.6 Bn



Energy, Infrastructure & ICT
Kshs.435.1 Bn



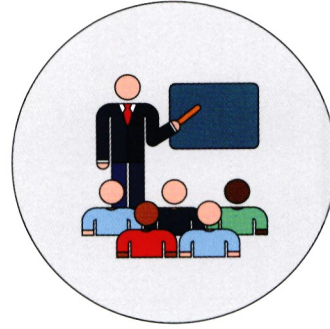
Public Administration and
International Relations
Kshs.288.8 Bn



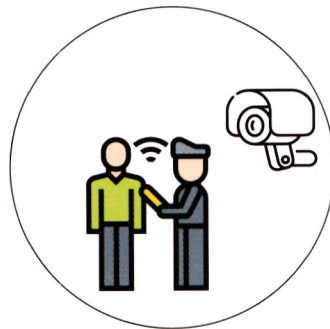
General Economics &
Commercial Affairs
Kshs.29.9 Bn



Health
Kshs.92.7 Bn



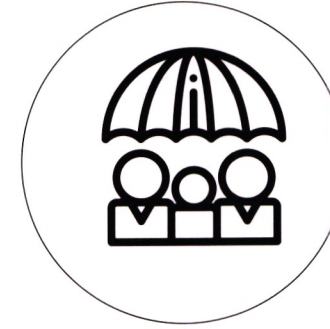
Education
Kshs.494.8 Bn



National Security
Kshs.159.3 Bn



Governance, Justice, Law &
Order - *Kshs.209.6 Bn*



Social Protection, Culture &
Recreation - *Kshs.68.7 Bn*



Environment Protection , Water & Natural Resources -
Kshs.90.2 Bn

1 INTRODUCTION

The law mandates the Controller of Budget to report to the Legislature, the Executive and the Kenyan Citizens on utilization of the public funds. Article 228(6) of the Constitution of Kenya, 2010 and Section 9 of the Controller of Budget Act, 2016 require the Controller of Budget to submit to both Houses of Parliament a report on budget implementation for both the National and County Governments every four months. This report has been prepared in the fulfilment of these requirements.

The indicators used in the report to assess budget implementation status include; exchequer issues to MDAs and absorption rates. Absorption rate is used to determine expenditure performance and is an expression of expenditure as a proportion of the gross estimates. Gross estimate is the budgetary allocation to the MDAs within the financial year. This includes funds from the exchequer through the National Treasury and Appropriations-in-Aid (AIA). Exchequer issues performance is expressed as a percentage of the net estimates, which exclude AIA.

The report is structured into seven chapters. Chapter one is the introduction. Chapter two presents summary of receipts into the Consolidated Fund, exchequer issues to MDAs, Consolidated Fund Services and County Governments. Exchequer Issues are further disaggregated into development and recurrent expenditure Issues. Chapter three provides a summary on overall budget performance. It also provides expenditure analysis by economic items for both development and recurrent expenditure. Development expenditure by economic classification comprises of items which are capital in nature, such as; refurbishment of buildings and infrastructure, civil work and construction, prefeasibility studies, among others. Recurrent expenditure is further disaggregated into Personnel Emoluments, Operation and Maintenance and Current transfers. Consolidated Fund Services is categorised as recurrent expenditure and among the key items include; public debt, pensions and gratuity and salaries, allowances to holders of Constitutional Offices and other miscellaneous services.

Chapter four provides detailed analysis of budget performance by MDAs and clustered into ten sectors which are formulated according to the Classification of Functions of the Government (COFOG). The sectors are; (i) Agriculture, Rural and Urban Development, (ii) Education, (iii) Energy, Infrastructure and Information Communications Technology, (iv) Environment Protection, Water and Natural Resources, (v) General Economic and Commercial Affairs (vi) Governance, Justice, Law and Order, (vii) Health, (viii) National Security, (ix) Public Administration and International Relations, and (x) Social Protection, Culture and Recreation. Information contained in this chapter includes; both gross and net budget allocations, exchequer issues, expenditure per MDA, and the aggregate expenditure for each of the ten sectors.

Chapter five provides a summary of budget performance by programme for each MDA and provides details on budget allocation, expenditure on both development and recurrent programmes, and progress on budget implementation. Key issues that affected budget implementation in the first three months of FY 2019/20 are highlighted in Chapter six. Finally, chapter seven is the conclusion of this report.

2 ANALYSIS OF RECEIPTS AND EXCHEQUER ISSUES

2.1 Introduction

This chapter provides summary a of receipts into the Consolidated Fund and analysis of exchequer issues to MDAs in the first three months of FY 2019/20. It also provides a breakdown on how the funds received into the Consolidated Fund were released to MDAs for both development and recurrent expenditure, payment towards Consolidated Fund Services and to the forty seven County Governments.

2.2 Analysis of Revenue Estimates and Receipts into the Consolidated Fund

This section presents a summary of the revenue estimates and actual receipts into the Consolidated Fund in the first three months of FY 2019/20.

2.2.1 FY 2019/20 Revenue Estimates

The revenue estimates for FY 2019/20 amounted to Kshs.2.6 trillion, a slight decrease compared to Kshs.2.62 trillion budgeted in the FY 2018/19. The National Treasury targeted various sources of income to finance the budget which include: Tax income (Kshs.1.8 trillion), Non-tax income (Kshs.69.5 billion), Net domestic borrowing (Kshs.429.4 billion), Commercial Loan (Kshs.200 billion), Loans from Foreign Governments and International Organizations (Kshs.65.2 billion), and Grants from Foreign Governments and International Organizations (Kshs.14.5 billion).

Other sources of exchequer revenue include: Grants from the African Union Mission in Somalia (AMISOM), of Kshs.5 billion, Domestic Lending and on-lending of Kshs.4.3 billion, and Kshs.2 billion on Programme Loan – Budget Support.

2.2.2 Receipts into the Consolidated Fund

In the first three months of FY 2019/20 total receipts into the Consolidated Fund was Kshs.637.4 billion. This comprised of balance brought forward from the previous financial year (FY 2018/19), tax and non-tax income, domestic borrowing, loans and grants from foreign governments and international organisations, commercial loan and unspent balances recovered from MDAs from the 2018/19 financial year.

Table 2.1 presents statement of receipts into the consolidated fund for the period July to September 2019.

Table 2.1 Statement of Receipts into the Consolidated Fund (Kshs. Billions)

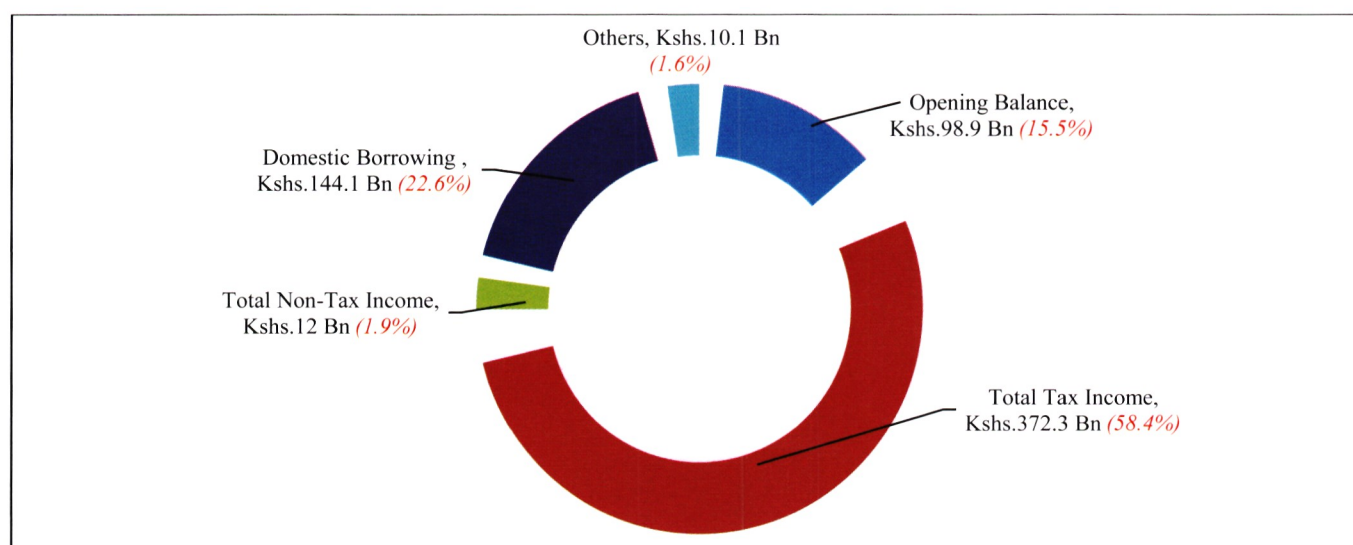
Receipts Category	Gross Estimates FY 2019/20	Actual Receipts at September 2019	Performance Against Annual Target (as at Sept. 2019) (%)	Contribution by Category (%)	Actual Receipts as at September 2018	Increase/ (Decrease) in receipts over September 2018	Percentage change (%)
Opening Balance 01.07.2019*	-	98.9	-	15.5	102.8	(3.9)	(3.8)
Total Tax Income	1,807.6	372.3	20.6	58.4	329.1	43.2	13.1
Total Non-Tax Income	69.5	12.0	17.3	1.9	3.2	8.8	>100
Domestic Borrowing**	429.4	144.1	33.6	22.6	92.0	52.1	56.6
Loans-Foreign Governments and International Organisations	65.3	3.3	5.1	0.5	3.1	0.2	6.5
Programme Loan- Budget Support	2.0	2.5	>100	0.4	1.8	0.7	38.9
Domestic Lending and On-Lending	4.3	1.2	27.9	0.2	-	1.2	-
Grants-Foreign Governments and International Organisations	14.5	1.0	6.9	0.2	1.2	(0.2)	(16.7)
Grants from AMISOM	5.0	-	-	-	-	-	-
Commercial Loans	200.0	-	-	-	-	-	-
Unspent Balances	-	2.1	-	0.3	6.8	(4.7)	(69.1)
Total Receipts	2,597.6	637.4	24.5	100	540.0	97.4	18.0

Source: National Treasury

*This include Kshs.55.7 billion in the 2019 Sovereign Bond proceeds

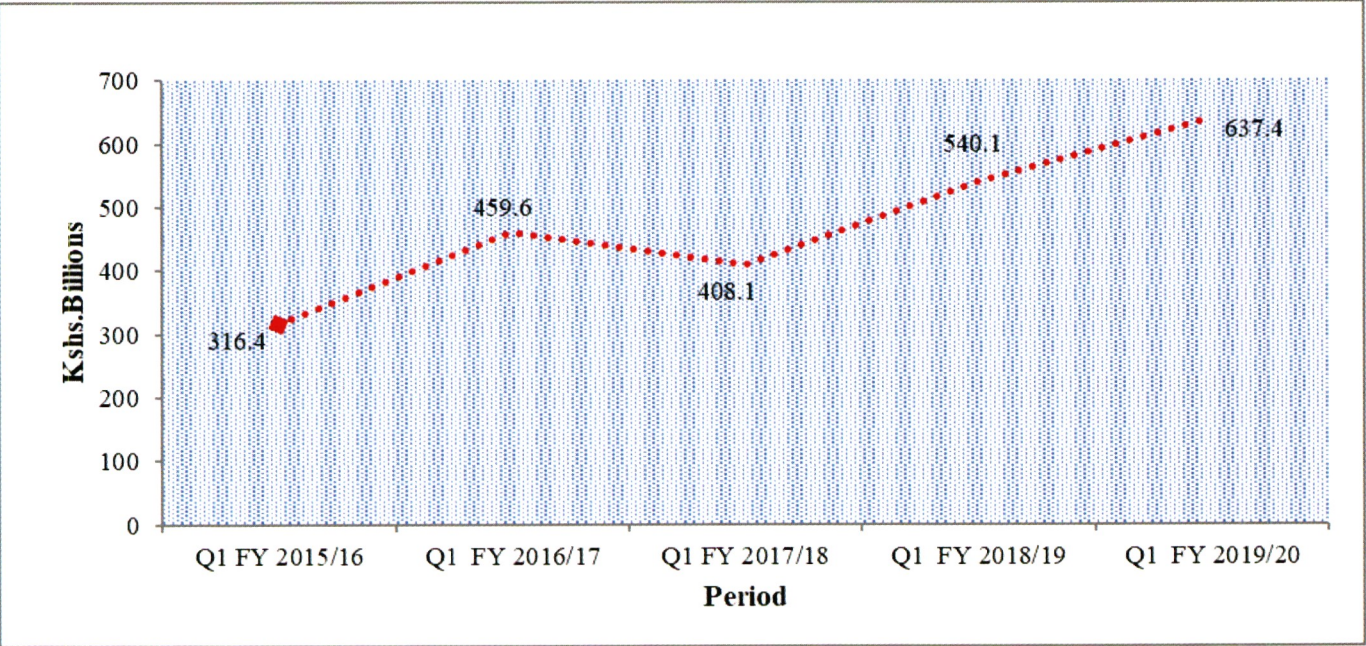
**Comprise of Net Domestic borrowing Kshs.308.8 billion and Internal Debt redemptions (Roll-overs) Kshs.122.6 billion.

Tax Income revenue category contributed the highest proportion of total receipts at 58.4 per cent as shown in Figure 2.1.

Figure 2.1: Composition of Receipts into the Consolidated Fund

Source: National Treasury

Figure 2.2: Receipts into the Consolidated Fund in the first three months from FY 2015/16 to FY 2019/20



Source: National Treasury

2.3 FY 2019/20 Overall Budget

The gross estimates for FY 2019/20 amounted to Kshs.3.1 trillion and comprised of Kshs.2 trillion for recurrent expenditure, Kshs.704.2 billion for development expenditure and Kshs.378.5 billion to County Governments. Allocation to County Governments comprised of Kshs.316.5 billion as equitable share of the nationally raised revenue and Kshs.62 billion for conditional grants funded by the National Government and Development Partners.

2.4 Exchequer Issues to the MDAs and County Governments

In the first three months of FY 2019/20, total exchequer issues to MDAs and County Governments amounted to Kshs.571.1 billion representing 22 per cent of the net estimates, an increase from 16.3 per cent reported in a similar period of FY 2018/19.

Table 2.2 presents a summary of the exchequer issues in the first three months of FY 2019/20.

Table 2.2: Summary of Exchequer Issues (Kshs. Billions)

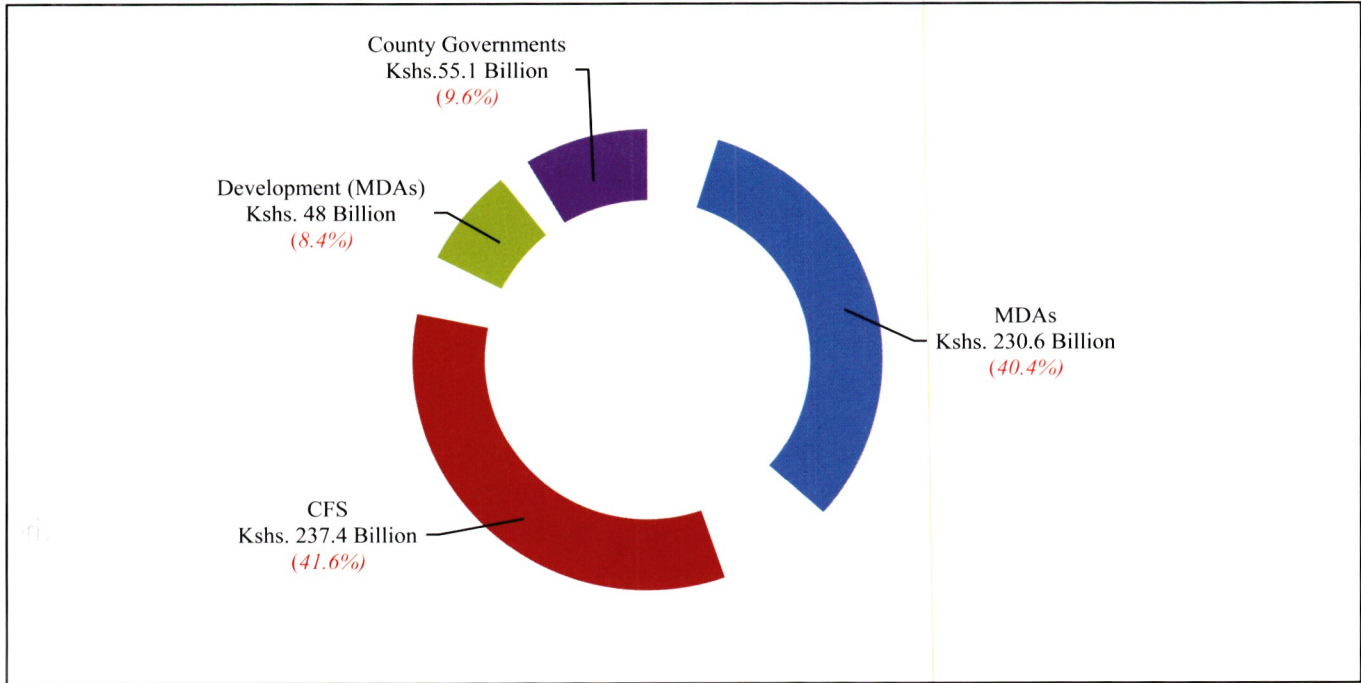
Vote		First Quarter, FY 2019/20					First Quarter, FY 2018/19				
		Gross Estimates	Net Estimates	Exchequer Issues	% of Exch. Issues to net Estimates	% of Exchequer issues to total Issues	Gross Estimates	Net Estimates	Exchequer Issues	% of Exch. Issues to Net Estimates	% of Exchequer issues to total Issues
Recurrent		2,030.4	1,858.8	468.0	25.2	81.9	2,036.7	1,904.4	382.7	20.1	89.3
	MDAs	1,224.6	1,053.0	230.6	21.9	40.4	1,073.0	940.7	215.8	22.9	50.4
	CFS	805.8	805.8	237.4	29.5	41.6	963.7	963.7	166.9	17.3	38.9
Development (MDAs)		704.2	422.3	48.0	11.4	8.4	676.6	410.9	22.3	5.4	5.2
Sub-total		2,734.6	2,281.1	516.0	22.6	90.4	2,713.3	2,315.3	405.0	25.5	94.5
County Governments		378.5*	316.5	55.1	17.4	9.6	345.7	314.0	23.5	7.5	5.5
Total		3,113.0	2,597.6	571.1	22.0	-	3,059.0	2,629.3	428.5	16.3	-

Source: National Treasury & OCOB

From the analysis presented in Table 2.2, recurrent expenditure received the highest proportion of exchequer issues to net estimates at 25.2 per cent while development expenditure received the lowest at 11.4 per cent.

Figure 2.3 shows composition of exchequer issues in the first three months for FY 2019/20.

Figure 2.3: Composition of Exchequer Issues



Source: National Treasury & OCOB

2.5 Analysis of Exchequer Issues to Ministries, Departments and Agenciess by Sector

MDAs are grouped into ten sectors according to the Classification of Functions of Government (COFOG), which is designed to support fiscal analysis by breaking down government fiscal statistics by purpose for ease of comparability across governments.

The ten sectors are; (i) Agriculture, Rural and Urban Development, (ii) Education, (iii) Energy, Infrastructure and Information Communications Technology, (iv) Environment Protection, Water and Natural Resources, (v) General Economic and Commercial Affairs (vi) Governance, Justice, Law and Order, (vii) Health, (viii) National Security, (ix) Public Administration and International Relations, and (x) Social Protection, Culture and Recreation.

Table 2.3 shows exchequer issues by sector in the first three months of FY 2019/20.

Table.2.3: Gross Estimates and Exchequer Issues by Sector (Kshs. Billions)

Sector	First Quarter, FY 2019/20				First Quarter, FY 2018/19			
	Gross Estimates	Net Estimates	Exchequer Issues	% of Exchequer Issues to Net Estimates	Gross Estimates	Net Estimates	Exchequer Issues	% of Exchequer Issues to Net Estimates
Agriculture, Rural & Urban Development	59.6	51.9	4.4	8.5	53.0	47.0	4.6	9.8
Education	494.8	433.8	109.6	25.3	442.3	395.1	95.7	24.2
Energy, Infrastructure and Information Communications Technology (EI & ICT)	435.1	162.4	38.6	23.8	418.8	175.2	13.7	7.8
Environmental Protection, Water and Natural Resources	90.2	53.1	8.7	16.3	70.3	39.3	2.9	7.3
General Economic & Commercial Affairs (GECA)	29.9	22.5	3.4	15.3	38.8	24.0	2.7	11.2
Governance, Justice, Law and Order (GJLOS)	209.6	205.9	40.0	19.4	190.2	187.8	35.8	19.1
Health	92.7	72.3	8.4	11.7	90.0	65.9	10.7	16.3
National Security	159.3	146.2	28.0	19.1	142.3	131.3	35.2	26.8
Public Administration and International Relations	288.8	274.0	34.1	12.4	251.0	236.3	28.2	11.9
Social Protection, Culture and Recreation	68.7	53.2	3.4	6.4	52.9	49.8	8.4	17.0
Total	1,928.8	1,475.3	278.6	18.9	1,749.6	1,351.7	238.0	17.6

Source: National Treasury & OCOB

The total exchequer issues to sectors amounted to Kshs.278.6 billion, representing 18.9 per cent of the annual net estimates, an increase from 17.6 per cent reported in the first three months of FY 2018/19. The Education sector received the highest proportion of exchequer issues to the annual net estimates at 25.3 per cent while the Social Protection, Culture and Recreation sector received the lowest at 6.4 per cent.

2.5.1 Recurrent Expenditure Exchequer Issues by Sector

In FY 2019/20, the gross recurrent estimate to MDAs was Kshs.1.2 trillion, a marginal increase from Kshs.1.1 trillion allocated in FY 2018/19. Recurrent expenditure exchequer issues to MDAs in the first three months of FY 2019/20 was Kshs.230.6 billion representing 21.9 per cent of the annual net estimates, a marginal decrease from 22.9 per cent recorded in a similar period of FY 2018/19.

Table 2.4 shows sectoral recurrent expenditure estimates and exchequer issues in the first three months of FY 2019/20.

Table 2.4: Recurrent Expenditure Exchequer issues by Sector (Kshs. Billions)

Sector	First Quarter, FY 2019/20				First Quarter, FY 2018/19			
	Gross Estimates	Net Estimates	Exchequer Issues	% of Exchequer Issues to Net Estimates	Gross Estimates	Net Estimates	Exchequer Issues	% of Exchequer Issues to Net Estimates
Agriculture, Rural & Urban Development (ARUD)	19.0	17.6	3.3	18.5	15.8	15.4	3.6	23.3
Education	469.3	413.6	109.6	26.5	410.1	369.5	95.0	25.7
Energy, Infrastructure and Information Communications Technology (EI & ICT)	89.7	13.8	2.3	16.6	80.8	12.3	2.4	19.5
Environmental Protection, Water and Natural Resources	24.1	17.0	2.6	15.5	15.2	11.3	2.3	20.7
General Economic and Commercial Affairs (GECA)	15.0	8.8	1.5	17.0	17.0	11.6	2.4	21.0
Governance, Justice, Law and Order (GJLOS)	192.4	190.2	39.7	20.9	167.8	167.4	35.7	21.3
Health	58.1	43.1	8.0	18.5	49.1	37.6	6.3	16.8
National Security	142.2	142.2	28.0	19.7	127.3	127.3	35.2	27.7
Public Administration and International Relations (PAIR)	185.1	178.4	32.8	18.4	161.3	160.3	26.3	16.4
Social Protection, Culture and Recreation	29.8	28.3	2.8	9.8	28.5	28.0	6.5	23.2
Total	1,224.6	1,053.0	230.6	21.9	1,073.0	940.7	215.8	22.9

Source: National Treasury & OCOB

A review of recurrent exchequer issues in the first three months of FY 2019/20 shows that, the Education sector received the highest percentage of exchequer issues to annual net estimates at 26.5 per cent while the Social Protection, Culture and Recreation sector received the lowest proportion at 9.8 per cent.

Table 2.5 shows recurrent exchequer issues to the MDAs in each of the ten sectors.

Table 2.5: Recurrent Expenditure Exchequer Issues to MDAs by Sectors

Recurrent Vote				
Sector	Gross Estimates (Kshs. Billions)	Net Estimates (Kshs. Billions)	Exchequer Issues (Kshs. Billions)	% Exch. Issues to Net Estimates
Agriculture, Rural and Urban Development				
Ministry of Lands and Physical Planning	3.0	3.0	0.5	16.9
State Department for Livestock	2.1	2.1	0.4	20.4
State Department for Crop Development	4.2	4.2	0.5	11.3
State Department for Fisheries, Aquaculture and the Blue Economy	1.8	1.8	0.4	21.3
State Department for Irrigation	1.0	0.7	0.1	21.0
State Department for Agricultural Research	5.6	4.5	1.1	23.8
National Lands Commission	1.3	1.3	0.2	19.0
Total	19.0	17.6	3.3	18.5
Energy, Infrastructure and ICT				
State Department of Infrastructure	61.5	1.8	0.2	10.6
State Department of Transport	9.8	1.1	0.2	20.3
State Department for Shipping and Maritime	1.6	0.4	0.02	5.7
State Department for Housing & Urban Development	1.0	1.0	0.1	11.9
State Department for Public Works	2.3	2.3	0.3	14.4
State Department of Information Communications & Technology	3.0	3.0	0.5	18.0
State Department for Broadcasting & Telecommunications	4.4	1.9	0.3	17.2
Ministry of Energy	5.8	1.9	0.5	24.3
State Department of Petroleum	0.3	0.2	0.04	19.3
Total	89.7	13.8	2.3	16.6
General Economics and Commercial Affairs (GECA)				
State Department for Cooperatives	0.7	0.4	0.1	19.9
State Department for Trade	1.7	1.7	0.1	8.7
State Department for Industrialization	3.4	2.7	0.6	22.5
State Department for East African Community	0.7	0.7	0.1	13.0
State Department for Regional and Northern Corridor Development	2.1	1.7	0.3	16.9
State Department for Tourism	6.3	1.7	0.3	17.3
Total	15.0	8.8	1.5	17.0
Health				
Ministry of Health	58.1	43.1	8.0	18.5
Total	58.1	43.1	8.0	18.5
Education				
State Department for Vocational and Technical Training	17.1	14.2	2.3	16.2
State Department for University Education	108.8	58.1	14.0	24.1
State Department for Early Learning & Basic Education	90.2	88.8	29.5	33.2
State Department for Post Training and Skills Development	0.2	0.2	0.02	12.2
Teachers Service Commission	252.9	252.4	63.9	25.3
Total	469.3	413.6	109.6	26.5
Governance, Justice, Law and Order (GJLOS)				
State Department for Interior	129.1	127.4	26.7	21.0
State Department for Correctional Services	26.1	26.1	5.9	22.4
State Department for Immigration and Citizen Services	2.1	2.1	0.4	17.5
State Law Office and Department of Justice	5.1	4.7	0.7	15.1

The Judiciary	14.5	14.5	3.1	21.5
Ethics & Anti-Corruption Commission	2.9	2.9	0.9	30.5
Office of the Director of Public Prosecutions	2.9	2.9	0.4	12.0
Office of the Registrar of Political Parties	1.3	1.3	0.3	21.0
Witness Protection Agency	0.5	0.5	0.1	26.5
Kenya National Human Rights & Equality Commission	0.4	0.4	0.1	24.9
Independent Electoral and Boundaries Commission	4.8	4.8	0.7	14.5
Judicial Service Commission	0.6	0.6	0.1	21.1
National Police Service Commission	0.7	0.7	0.1	12.7
National Gender & Equality Commission	0.5	0.5	0.1	12.2
Independent Police Oversight Authority	0.9	0.9	0.2	21.8
Total	192.4	190.2	39.7	20.9
Public Administration and International Relations				
The Presidency	9.0	9.0	1.9	21.1
State Department for Devolution	1.0	1.0	0.5	49.1
State Department for Planning	11.9	11.8	8.2	69.7
Ministry of Foreign Affairs	17.3	16.7	3.8	22.6
The National Treasury	78.6	75.7	7.4	9.8
State Department for Public Service	8.4	6.7	0.3	4.3
State Department for Youth	11.4	10.2	2.4	23.2
Parliamentary Service Commission	13.6	13.6	2.1	15.7
National Assembly	23.9	23.9	4.3	17.9
The Commission on Revenue Allocation	0.5	0.5	0.1	11.6
Public Service Commission	2.2	2.2	0.2	11.4
Salaries & Remuneration Commission	0.5	0.5	0.1	16.4
Auditor General	5.5	5.3	1.4	25.5
Controller of Budget	0.7	0.7	0.1	16.5
The Commission on Administrative Justice	0.6	0.6	0.1	19.3
Total	185.1	178.4	32.8	18.4
National Security				
Ministry of Defence	104.5	104.5	18.6	17.8
National Intelligence Service	37.7	37.7	9.4	25.0
Total	142.2	142.2	28.0	19.7
Social Protection, Culture and Recreation				
State Department for Development for the ASALs	1.1	1.1	0.2	21.0
State Department for Sports	1.3	1.2	0.3	23.9
State Department for Heritage	3.0	2.6	0.6	22.1
State Department for Labour	2.9	2.2	0.4	18.4
State Department for Social Protection	19.8	19.8	1.1	5.4
State Department for Gender	1.7	1.5	0.2	14.3
Total	29.8	28.3	2.8	9.8
Environment Protection, Water and Natural Resources				
Ministry of Water and Sanitation	5.5	3.6	0.9	24.6
State Department for Environment and Forestry	10.2	9.2	1.5	16.8
State Department for Mining	0.6	0.6	0.2	26.5
State Department for Wildlife	7.8	3.6	0.04	1.1
Total	24.1	17.0	2.6	15.5
Grand Total	1,224.6	1,053.0	230.6	21.9

Source: National Treasury & OCOB

2.5.2 Exchequer Issues to Consolidated Fund Services (CFS)

The total allocation to CFS in FY 2019/20 was Kshs.805.8 billion, representing 25.9 per cent of the gross national budget.

Table 2.5 shows the annual allocation and exchequer issues for CFS in the first three months of FY 2019/20.

Table 2.6: CFS Budgetary Allocation and Exchequer Issues (Kshs. Millions)

Consolidated Fund Services (CFS)	First Quarter, FY 2019/20			First Quarter, FY 2018/19		
	Gross Estimates	Exchequer Issues	% of Exch. Issues to Net Estimates	Gross Estimates	Exchequer Issues	% of Exch. Issues to Net Estimates
Public Debt	696,554.2	214,796.3	30.8	870,616.0	153,620.1	17.6
Pensions and Gratuities	104,488.9	21,665.8	20.7	90,573.1	12,498.9	13.8
Salaries, Allowances & Miscellaneous	4,736.2	986.5	20.8	2,482.6	781.7	31.5
Subscriptions to International Organizations	0.5	-	-	0.5	-	-
Total	805,779.8	237,448.6	29.5	963,672.1	166,900.7	17.3

Source: National Treasury and OCOB

In the first three months of FY 2019/20, the total exchequer issues to CFS amounted to Kshs.237.4 billion, representing 29.5 per cent of the annual net estimates, an increase from 17.3 per cent reported in a similar period of FY 2018/19. Public debt received the highest proportion of exchequer issues to annual net estimates at 30.8 per cent while pension and gratuities received the lowest at 20.7 per cent.

2.5.3 Development Expenditure Exchequer Issues by Sector

In FY 2019/20, gross allocation to development expenditure was Kshs.704.2 billion. Total exchequer issues in the reporting period amounted to Kshs.48 billion representing 11.4 per cent of the development annual net estimates, an increase from 5.4 per cent recorded in a similar period of FY 2018/19.

Table 2.6 shows the development expenditure estimates and exchequer issues by sector in the first three months of FY 2019/20.

Table 2.7: Development Expenditure Exchequer Issues by Sector (Kshs. Billions)

Sector	First Quarter, FY 2019/20				First Quarter, FY 2018/19			
	Gross Estimates	Net Estimates	Exch. Issues	% of Exch. Issues to Net Estimates	Gross Estimates	Net Estimates	Exch. Issues	% of Exch. Issues to Net Estimates
Agriculture, Rural & Urban Development	40.7	34.3	1.2	3.4	37.2	31.6	1.0	3.3
Education	25.5	20.2	-	-	32.2	25.6	0.7	2.7
Energy, Infrastructure and Information Communications Technology (EI & ICT)	345.4	148.6	36.3	24.4	338.0	162.8	11.3	7.0
Environmental Protection, Water and Natural Resources	66.1	36.1	6.0	16.7	55.1	28.0	0.5	1.8
General Economic and Commercial Affairs (GECA)	14.9	13.6	1.9	14.2	21.8	12.4	0.3	2.2
The Governance, Justice, Law and Order (GJLOS)	17.2	15.7	0.3	1.7	22.3	20.5	0.2	0.8
Health	34.6	29.2	0.4	1.5	40.9	28.2	4.4	15.6
National Security	17.1	4.0	-	-	15.0	4.0	-	-
Public Administration and International Relations (PAIR)	103.7	95.7	1.2	1.3	89.7	76.0	1.9	2.5
Social Protection, Culture and Recreation	38.9	24.9	0.6	2.6	24.4	21.8	1.9	8.9
Total	704.2	422.3	48.0	11.4	676.6	410.9	22.3	5.4

Source: National Treasury & OCOB

An analysis of development expenditure exchequer issues to MDAs in the first three months of FY 2019/20 shows that the Energy, Infrastructure and Information Communications Technology (EI & ICT) sector received the highest development exchequer issues to net estimates at 24.4 per cent while the Public Administration and International Relations (PAIR) sector received the lowest at 1.3 per cent.

Table 2.7 shows development exchequer issues to the MDAs in each of the ten sectors.

Table 2.8: Development Expenditure Exchequer Issues to MDAs by Sectors

Development Vote				
Sector	Gross Estimates (Kshs. Billions)	Net Estimates (Kshs. Billions)	Exchequer Issues (Kshs. Billions)	% Exch. Issues to Net Estimates
Agriculture, Rural and Urban Development				
Ministry of Lands and Physical Planning	3.6	3.6	-	-
State Department for Livestock.	4.8	3.6	0.5	13.2
State Department for Crop Development	18.0	14.9	0.7	4.5
State Department for Fisheries, Aquaculture and the Blue Economy	4.9	4.7	-	-
State Department for Irrigation	8.5	6.6	-	-
State Department for Agricultural Research	0.8	0.8	-	-
Total	40.7	34.3	1.2	3.4
Energy, Infrastructure and ICT				
State Department of Infrastructure	125.0	69.2	23.1	33.4
State Department of Transport	84.0	13.6	6.4	46.9
State Department for Shipping and Maritime.	0.7	0.002	-	-
State Department for Housing & Urban Development	30.5	27.0	0.2	0.7
State Department for Public Works	2.1	1.9	-	-
State Department of Information Communications & Technology	25.2	7.9	1.4	17.8
State Department for Broadcasting & Telecommunications	0.7	0.7	-	-
Ministry of Energy	71.7	25.9	5.1	19.6
State Department of Petroleum	5.4	2.4	0.2	8.6
Total	345.4	148.6	36.3	24.4
General Economics and Commercial Affairs (GECA)				
State Department for Cooperatives	3.7	3.7	-	-
State Department for Trade	0.5	0.5	-	-
State Department for Industrialization	5.9	4.8	1.9	40.7
State Department for Regional and Northern Corridor Development	3.2	3.1	-	-
State Department for Tourism	1.5	1.5	-	-
Total	14.9	13.6	1.9	14.2
Health				
Ministry of Health	34.6	29.2	0.4	1.5
Total	34.6	29.2	0.4	1.5
Education				
State Department for Vocational and Technical Training	9.2	4.6	-	-
State Department for University Education	9.2	8.5	-	-
State Department for Early Learning & Basic Education	7.1	7.0	-	-
Teachers Service Commission	0.05	0.05	-	-
Total	25.5	20.2	-	-
Governance, Justice, Law and Order (GJLOS)				
State Department for Interior	10.1	10.0	-	-
State Department for Correctional Services	1.0	1.0	-	-
State Department for Immigration and Citizen Services	1.4	1.4	-	-
State Law Office and Department of Justice	0.2	0.2	-	-
The Judiciary	4.4	2.9	0.3	9.4
Ethics & Anti-Corruption Commission	0.03	0.03	-	-
Office of the Director of Public Prosecutions	0.1	0.1	-	-

National Gender & Equality Commission	0.004	0.004	-	-
Total	17.2	15.7	0.3	1.7
Public Administration and International Relations				
The Presidency	2.3	2.2	-	-
State Department for Devolution	7.4	7.4	-	-
State Department for Planning	44.0	43.9	0.05	0.1
Ministry of Foreign Affairs	2.0	2.0	-	-
The National Treasury	37.3	29.4	1.2	4.0
State Department for Public Service	1.5	1.5	-	-
State Department for Youth	6.0	6.0	-	-
Parliamentary Service Commission	3.1	3.1	-	-
Public Service Commission	0.1	0.1	-	-
Auditor General	0.2	0.2	-	-
Total	103.7	95.7	1.2	1.3
National Security				
Ministry of Defence	17.1	4.0	-	-
Total	17.1	4.0	-	-
Social Protection, Culture and Recreation				
State Department for Development for the ASALs	3.9	3.8	0.3	7.7
State Department for Sports	13.9	0.7	-	-
State Department for Heritage	0.6	0.6	-	-
State Department for Labour	3.3	3.1	0.4	11.6
State Department for Social Protection	14.5	14.0	-	-
State Department for Gender	2.8	2.8	-	-
Total	38.9	24.9	0.6	2.6
Environment Protection, Water and Natural Resources				
Ministry of Water and Sanitation	57.0	29.5	6.0	20.4
Ministry of Environment and Forestry	7.2	4.9	-	-
State Department for Mining	0.6	0.6	-	-
State Department for Wildlife	1.4	1.1	-	-
Total	66.1	36.1	6.0	16.7
Grand Total	704.2	422.3	48.0	11.4

Source: National Treasury & OCOB

3 NATIONAL GOVERNMENT OVERALL EXPENDITURE ANALYSIS

3.1 Introduction

This chapter presents analysis of performance by sector for both development and recurrent expenditure in the first three months of FY 2019/20. Sector performance is presented in an alphabetical order as follows; (i) Agriculture, Rural and Urban Development (ARUD) (ii) Education (iii) Energy, Infrastructure and Information Communications Technology (EI & ICT) (iv) Environment Protection, Water and Natural Resources (EWNR) (v) General Economic and Commercial Affairs (GECA) (vi) Governance, Justice, Law and Order (GJLO) (vii) Health (viii) National Security (ix) Public Administration and International Relations (PAIR) (x) Social Protection, Culture and Recreation Sector.

3.2 Overall Government Budget Performance

In FY 2019/20, the aggregate budget for the government was Kshs.3.1 trillion, as presented in table 3.1. This consisted of budget estimates for the MDAs and allocation to County governments.

Table 3.1: Overall Government Budget Performance (Kshs. Billion)

VOTE	First Quarter, FY 2019/20						First Quarter, FY 2018/19					
	Gross Estimates	Net Estimates	Cumulative Ex-chequer Issues	Cumulative Expenditure	% of Ex-chequer to Net Estimates	Absorption Rate (%)	Gross Estimates	Net Estimates	Cumulative Ex-chequer Issues	Cumulative Expenditure	% Ex-chequer to Net Estimates	Absorption rate (%)
Recurrent	2,030.4	1,858.8	468.0	464.6	25.2	22.9	2,036.7	1,904.4	382.7	378.2	20.1	18.6
MDAs	1,224.6	1,053.0	230.6	235.0	21.9	19.2	1,073.0	940.7	215.8	217.7	22.9	20.3
CFS	805.8	805.8	237.4	229.5	29.5	28.5	963.7	963.7	166.9	160.5	17.3	16.7
Development	704.2	422.3	48.0	99.7	11.4	13.4	676.6	410.9	22.3	51.1	5.4	7.6
Sub-Total	2,734.6	2,281.1	516.0	564.2	22.6	20.4	2,713.3	2,315.3	405.0	429.3	17.5	15.8
County Governments	378.5*	316.5	55.1	93.9**	17.4	21.0	345.7	314.0	23.5*	50.2**	7.5	11.2
Total	3,113.0	2,597.6	571.1	658.1	22.0	20.6	3,059.0	2,629.3	428.5	479.5	16.3	15.1

Source: NT, OCOB, MDAs & County Treasuries

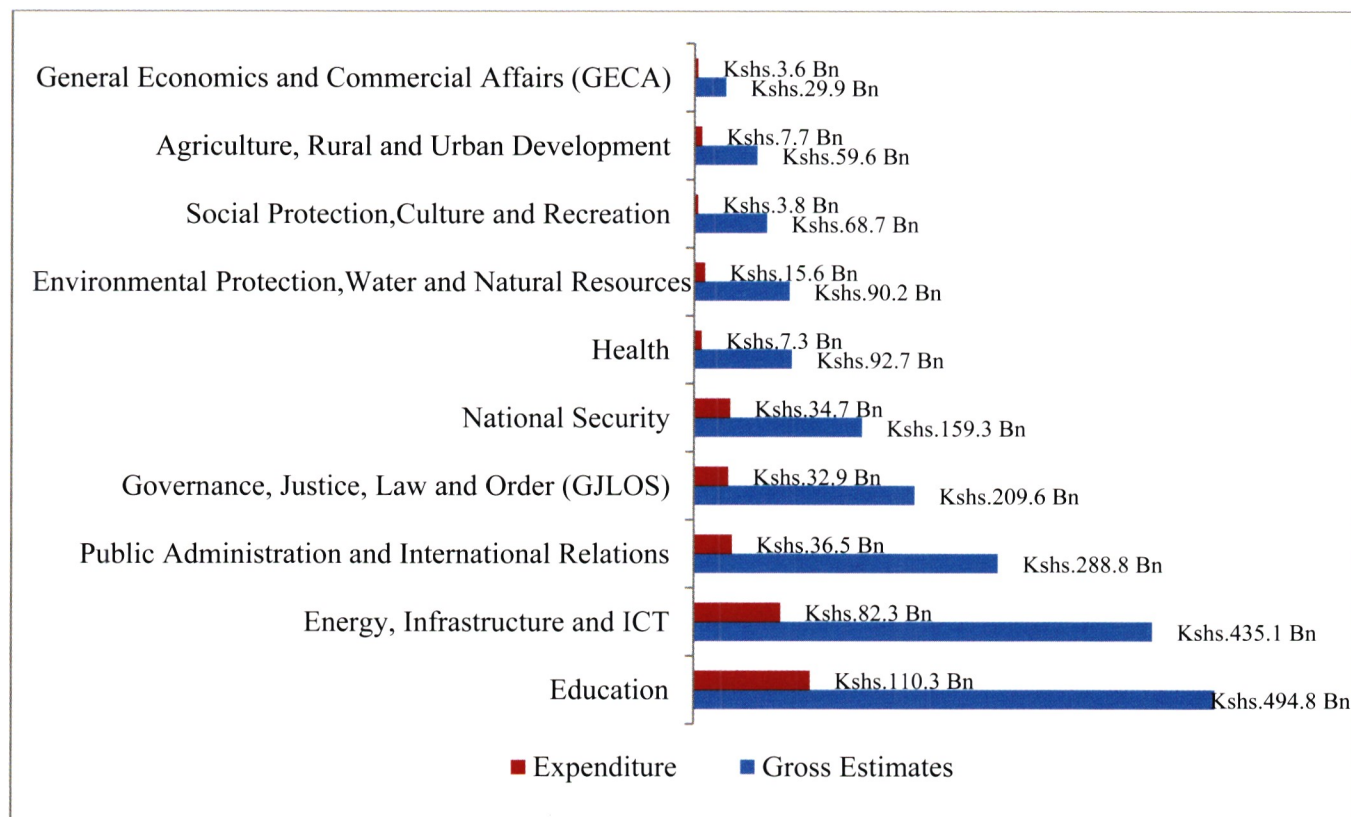
*The County Allocation of Revenue Act 2019 provides for a total of Kshs.378.5 billion and comprised of Kshs.316.5 billion for equitable share, Kshs.22.9 billion and Kshs.39.1 billion for conditional grants funded by National Government and Development Partners, respectively. Overall county government budget for the financial year totals to Kshs.446.3 billion

**The difference between the exchequer issues of Kshs.55.1 billion and expenditure of Kshs.93.9 billion was financed by revenue from own source and balances brought forward from FY 2018/19.

The total by the National Government through exchequer issues in the first three months of FY 2019/20 amounted to Ksh.571.1 billion representing 22 per cent of the annual net estimates, an increase compared to 16.3 per cent recorded a similar period of FY 2018/19. Exchequer issues comprised of Kshs.48 billion for development expenditure, Kshs.468 billion for recurrent expenditure and Kshs.55.1 billion to Counties. Overall expenditure for both National and County Governments was Kshs.658.1 billion representing an overall absorption rate of 20.6 per cent recording an increase from 15.1 per cent recorded in a similar period FY 2018/19.

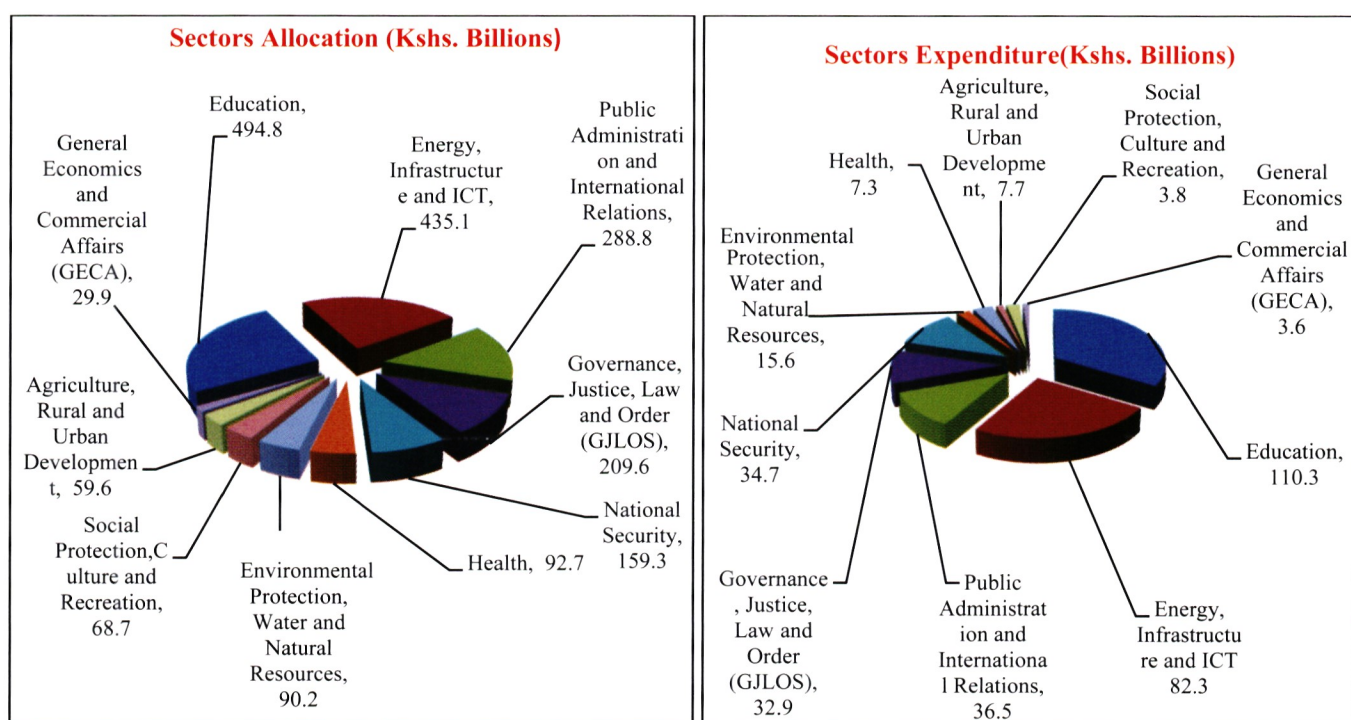
Figure 3.1 and 3.2 shows comparison of annual budget allocation and total expenditure by sector in the first three months of FY 2019/20.

Figure 3.1: Comparison of Annual Budget and Expenditure by Sector



Source: MDAs & National Treasury

Figure 3.2: Annual Budget and Expenditure by Sector (Kshs. Billions)



Source: MDAs & National Treasury

3.3 Consolidated Fund Services (CFS)

The Consolidated Fund Services (CFS) comprises of funds allocated towards: (i) Repayment of public debt (domestic and foreign debt, and government guaranteed loans to parastatals), (ii) Pensions and gratuities, (iii) Salaries and allowances to Constitutional Office holders and miscellaneous services, and (iv) Subscriptions to International Organizations.

The allocation for CFS in the FY 2019/20 amounted to Kshs.805.8 billion, a decline from Kshs.935.4 billion (13.9 per cent) allocated in FY 2018/19.

Table 3.2 presents a summary on CFS exchequer issues and expenditure performance in the first three months of FY 2019/20.

Table 3.2: Expenditure on Consolidated Fund Services Expenditure (Kshs. Millions)

Consolidated Fund Services (CFS)	Budget Estimates	Exchequer Releases	Cumulative Expenditure	Expenditure as a % of Estimates
Public Debt	696,554.2	214,796.3	213,111.3	30.6
Pensions and Gratuities	104,488.9	21,665.8	15,358.4	14.7
Salaries, Allowances and Others	4,736.2	986.5	985.5	20.8
Subscriptions to International Organizations	0.5	-	-	-
Total	805,779.8	237,448.6	229,455.2	28.5

Source: National Treasury & OCOB

3.3.1 Public Debt

The allocation towards payment of public debt (internal and external) in FY 2019/20 amounted to Kshs.696.6 billion, recording 17.9 per cent decline from Kshs.848.3 billion allocated in FY 2018/19. Exchequer issues towards repayment of public debt amounted to Kshs.214.8 billion, representing 30.8 per cent of the budget estimates. Total expenditure was Kshs.213.1 billion representing 30.6 per cent of the annual budget estimates. This comprised of Kshs.81.1 billion for principal repayment and Kshs.132 billion towards interest payment.

3.3.2 Salaries, Allowances and Miscellaneous Services

In FY 2019/20, salaries, allowances and other services was allocated Kshs.4.7 billion, a decline by 30.9 per cent compared to Kshs.6.6 billion allocated in the FY 2018/19. This comprised of payment of salaries and allowances for Constitutional Office holders of Kshs.4 billion, Kshs.617 million towards guaranteed debt to State Parastatals and Kshs.128 million towards miscellaneous services.

Total exchequer issues amounted to Kshs.986.5 million representing 20.8 per cent of the annual budget estimates. Total expenditure towards this vote was Kshs.985.5 million representing 20.8 per cent of the annual budget estimates. This comprised of salaries and allowances to Constitutional Office holders at Kshs.655.5 million and Kshs.330 million towards guaranteed loans to state parastatals.

3.3.3 Pensions and Gratuities

The annual estimates for pensions and gratuities in FY 2019/20 amounted to Kshs.104.5 billion, a 29.8 per cent increase from Kshs.80.5 billion allocated in FY 2018/19. Total exchequer issues totalled to Kshs.21.7 billion, representing 20.7 per cent of the annual budget estimates while expenditure was Kshs.15.4 billion, representing 14.7 per cent of the annual budget estimates.

3.4 MDAs Expenditure Analysis

This section presents the analysis of MDAs’ expenditure for both development and recurrent activities in the first three months of FY 2019/20. Development expenditure is analyzed by the main economic items, which include; Capital transfers to SAGAs, civil works and construction of residential buildings, refurbishment of buildings and infrastructure, purchase of specialized plant, equipment and machinery, pre-feasibility studies and other development expenditure.

Recurrent expenditure analysis is based on economic classifications namely; Compensation to employees and Operation and Maintenance (O&M). O & M includes; Travel, printing and advertising, rentals and rates for non-residential buildings, training, hospitality, maintenance expenses for motor vehicles and other assets, current transfers to SAGAs and among other expenses.

3.4.1 MDAs Development Expenditure Analysis

Gross allocation towards MDAs development expenditure for the year was Kshs.704.2 billion, a 3.1 per cent increase from Kshs.683 billion in FY 2018/19. The projected Appropriation-in-Aid (AIA) was Kshs.281.9 billion while funding from exchequer was budgeted at Kshs.422.3 billion.

Table 3.3 shows breakdown of development expenditure by MDAs in the first three months of FY 2019/20.

Table 3.3: Breakdown of Development Expenditure by MDAs (Kshs. Millions)

MINISTRY/STATE DEPARTMENT	Capital Transfers	Construction of Non-residential Building	Refurbishment of Buildings/ Infrastructure	Construction of Residential (Including Hostels,)	Construction and Civil Works	Purchase of Specialised Plant, Equipment and Machinery	Pre-Feasibility and Appraisal Studies	Other Expenditures	Gross Expenditure	(A-I-A)	Net Expenditure
The Presidency	-	-	18.0	-	-	-	-	94.2	112.3	-	112.3
State Department for Interior	-	21.1	12.0	26.4	5.7	706.1	-	426.0	1,197.3	-	1,197.3
State Department for Devolution	-	-	-	-	-	-	-	17.2	17.2	-	17.2
State Department for Development for the ASALs	352.3	-	-	-	-	-	(0.1)	-	352.3	-	352.3
Ministry of Defence	-	-	-	-	-	-	-	301.4	301.4	-	301.4
Ministry of Foreign Affairs	38.5	-	439.6	-	-	-	-	410.0	888.2	-	888.2
State Department for Vocational and Technical Training	-	293.7	-	-	-	1,558.3	-	20.9	1,873.0	-	1,873.0
State Department for University Education	1.0	97.4	-	-	-	-	-	61.1	159.5	-	159.5
State Department for Early Learning & Basic Education	26.3	-	-	-	-	-	-	-	26.3	-	26.3
The National Treasury	1,125.4	-	-	-	-	53.8	37.0	170.6	1,386.8	0.6	1,386.2
State Department of Planning	53.9	-	-	-	-	-	-	(0.1)	53.8	-	53.8
Ministry of Health	714.2	-	-	-	-	-	-	-	714.2	-	714.2
State Department of Infrastructure	22,956.2	-	-	-	-	-	11.3	16,440.9	39,408.4	16,333.4	23,075.0
State Department of Transport	6,400.6	-	-	-	-	-	-	-	6,400.6	-	6,400.6
State Department for Shipping and Maritime	39.2	-	-	-	-	-	-	-	39.2	-	39.2
State Department for Housing and Urban Development	750.0	90.9	4.8	-	621.1	-	0.3	(0.8)	1,466.3	146.1	1,320.2
Ministry of Water and Sanitation	9,939.8	-	1,699.9	-	-	-	-	-	11,639.7	7,361.7	4,278.0
State Department for Environment and Forestry	357.7	-	-	-	-	-	-	39.9	397.6	-	397.6
Ministry of Lands and Physical Planning	-	-	-	-	-	-	14.1	-	14.1	-	14.1
State Department for Information Communications and Technology	4,675.2	-	-	-	-	-	-	13.3	4,688.6	2,502.6	2,185.9
State Department for Broadcasting & Telecommunications	239.5	-	-	-	-	-	-	17.1	256.6	-	256.6
State Department for Sports	463.0	-	-	-	-	-	-	-	463.0	-	463.0
Ministry of Energy	5,062.3	-	-	-	13,997.9	-	42.6	5.7	19,108.4	64.0	19,044.4
State Department for Livestock	-	23.0	16.0	7.0	192.0	284.6	2.5	799.2	1,324.4	597.0	727.4

MINISTRY/STATE DEPARTMENT	Capital Transfers	Construction of Non-residential Building	Refurbishment of Buildings/ Infrastructure	Construction of Residential (Including Hostels.)	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 Crop Development	-	-	-	-	39.3	-	12.9	70.3	122.5	-	122.5
State Department for Fisheries, Aquaculture and the Blue Economy	3.1	-	-	-	-	-	-	0.1	3.2	-	3.2
State Department for Irrigation	2,686.6	-	-	-	-	-	-	-	2,686.6	386.8	2,299.8
State Department for Agricultural Research	141.5	-	-	-	-	-	-	-	141.5	-	141.5
State Department for Cooperatives	-	-	-	-	-	-	-	168.8	168.8	-	168.8
State Department for Trade	-	-	-	-	-	-	0.8	1.8	2.6	-	2.6
State Department for Industrialization	1,850.2	-	-	-	-	-	-	7.1	1,857.3	7.5	1,849.8
State Department for Labour	-	-	-	-	-	-	0.3	293.2	293.5	100.0	193.5
State Department for Mining	-	5.3	-	-	-	2.3	-	8.2	15.8	-	15.8
State Department for Petroleum	-	-	-	-	-	-	72.0	27.2	99.2	-	99.2
State Department for Tourism	-	-	-	-	-	-	-	-	-	-	-
State Department for Wildlife	-	-	-	-	-	-	-	241.8	241.8	-	241.8
State Department for Youth	1,704.9	-	-	-	-	-	-	-	1,704.9	-	1,704.9
The Judiciary	-	-	-	-	-	-	-	106.8	106.8	-	106.8
Total	59,581.5	531.4	2,190.4	33.4	14,856.0	2,605.2	193.7	19,741.7	99,733.4	27,499.7	72,233.7

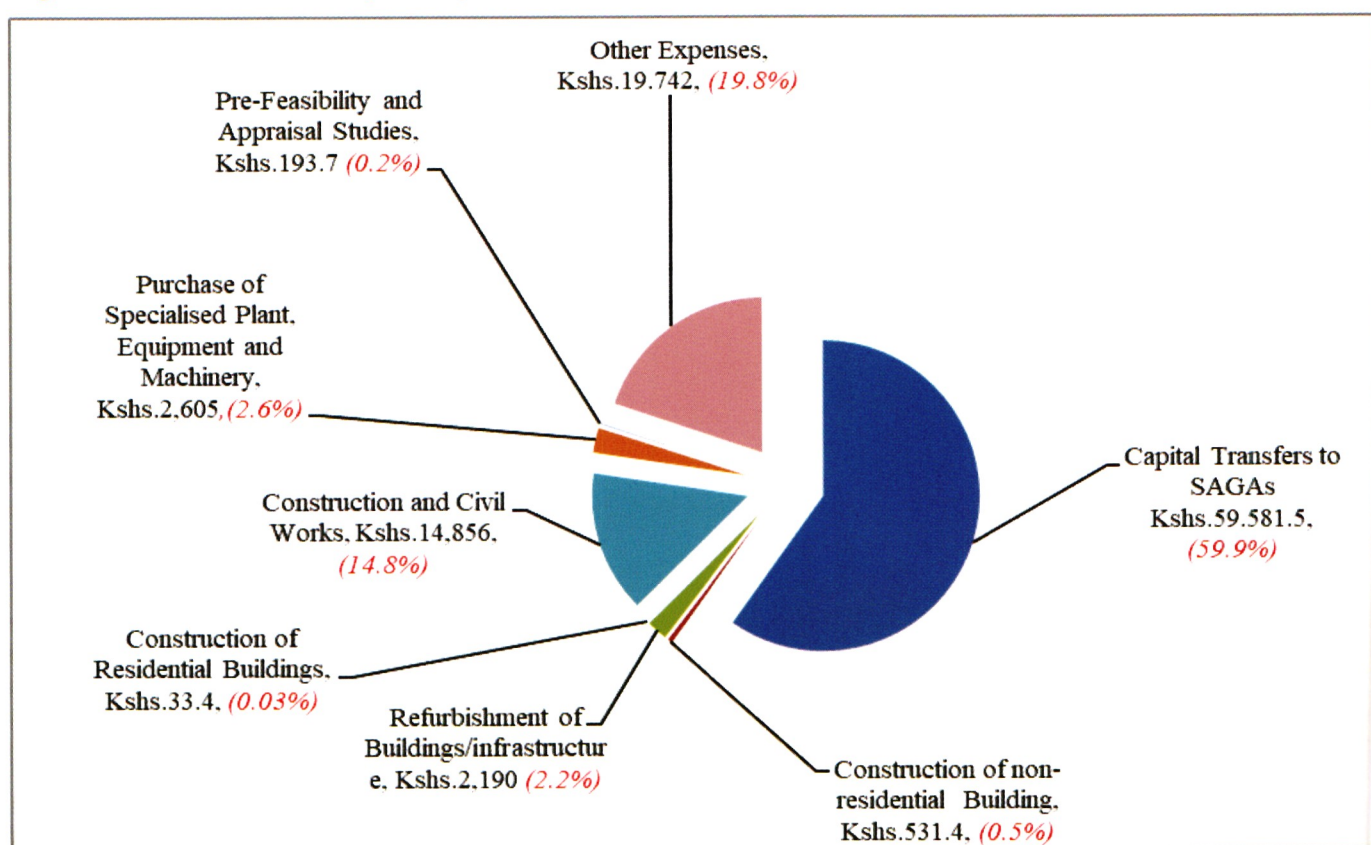
Source: MDAs and National Treasury IFMIS Directorate

In the period under review, total development expenditure was Kshs.99.7 billion representing absorption rate of 14.2 per cent. Analysis of this expenditure indicates that, capital transfers to SAGAs recorded the highest expenditure of Kshs.59.6 billion, representing 59.9 per cent of the gross development expenditure. The second highest spending category was construction and civil works at Kshs.14.9 billion representing 14.9 per cent of the gross development expenditure. Other categories with significant expenditure included; purchase of specialised plant, equipment and machinery at Kshs.2.6 billion and refurbishment of buildings/infrastructure at, Kshs.2.2 billion.

Further analysis shows that, the State Department for Infrastructure had the highest capital transfers to SAGAs at Kshs.23 billion representing 38.5 per cent of the total capital transfers followed by the Ministry of Water and Sanitation at Kshs.9.9 billion which represented 16.7 per cent. The Ministry of Energy recorded Kshs.13.8 billion on construction and civil works, representing 94.2 per cent of the expenditure on construction and civil works. Ministry of Water and Sanitation reported the highest spending on refurbishment of buildings/infrastructure at Kshs.1.7 billion equivalent to 77.6 per cent of the total expenditure under this category.

Figure 3.3 shows the composition of MDAs development expenditure in the first three months of FY 2019/20.

Figure 3.3: Summary Analysis of MDAs' Development Expenditure (Kshs. Millions)



Source; MDAs and National Treasury

3.4.2 MDAs Recurrent Expenditure Analysis

In the FY 2019/20, the allocation for MDAs recurrent expenditure amounted to Kshs.1.2 trillion representing a slight increase compared to Kshs.1.1 trillion allocated in the FY 2018/19.

The breakdown of the MDAs' total recurrent expenditure in the first three months of FY 2019/20 is presented in table 3.4.

Table 3.4: Breakdown of Recurrent Expenditure by MDAs (Kshs. Millions)

MINISTRY/STATE DEPARTMENT	PER-SONNEL EMOL-UMENT (PE)	OPERATIONS & MAINTENANCE (O&M)										Current Trans-fers	Gross Ex-penditure	(A-1-A)	Net Expendi-ture
		Domestic Travel	Foreign Travel	Printing and Advertising	Rentals and Rates-Non Resi-dential	Training	Hospi-tality	Main-tenance Ex-penses-Motor Vehicles	Main-tenance Ex-penses-Other Assets	Le-gal Fees	Other Expenses				
The Presidency	501.1	117.0	30.4	5.7	15.6	2.5	174.6	14.3	5.3	-	643.0	1.4	1,510.9	-	1,510.9
State Department for Interior	18,542.1	147.4	3.2	0.6	2.3	50.0	14.8	21.1	2.9	-	1,532.8	411.1	20,728.4	503.5	20,224.9
State Department for Correctional Services	4,504.1	1.7	-	0.1	-	0.0	0.2	0.0	0.0	-	9.3	-	4,515.5	-	4,515.5
State Department for Immigration and Citizen Services	274.7	13.8	2.5	0.2	2.2	0.1	4.1	2.5	2.2	-	28.3	-	330.7	-	330.7
State Department for Devolution	68.1	8.6	-	-	-	1.2	2.9	0.1	0.2	-	648.2	93.9	823.2	-	823.2
State Department for Development for the ASALs	20.8	8.3	1.4	0.0	-	1.9	7.8	0.1	0.2	-	10.6	161.7	212.9	-	212.9
Ministry of Defence	216.4	12.8	3.9	1.0	-	1.8	5.7	1.9	1.1	-	39.0	24,911.9	25,195.5	-	25,195.5
Ministry of Foreign Affairs	273.1	78.6	608.6	5.4	253.2	3.2	230.8	25.6	53.8	-	2,492.6	27.9	4,052.7	52.0	4,000.8
State Department for Vocational and Technical Training	761.6	2.0	0.3	0.0	0.3	1.0	1.3	0.2	0.0	-	1,209.9	442.3	2,419.0	-	2,419.0
State Department for University Education	48.1	6.6	2.3	0.5	0.3	2.3	4.9	1.9	0.1	-	4.8	13,755.8	13,827.7	-	13,827.7
State Department for Early Learning & Basic Education	890.7	14.7	1.7	2.0	2.4	1.4	3.0	0.3	-	-	26,808.3	3,819.5	31,544.2	-	31,544.2
State Department for Post Training and Skills Development	13.1	3.0	1.1	0.0	0.7	0.5	0.1	0.0	-	-	1.8	-	20.3	-	20.3
The National Treasury	558.0	4.8	8.5	-	7.9	13.7	24.3	0.1	0.1	-	1,622.0	5,338.3	7,577.7	-	7,577.7
State Department of Planning	77.7	3.5	2.9	-	5.8	0.5	9.3	0.2	0.1	-	12.4	8,087.5	8,199.9	-	8,199.9
Ministry of Health	1,353.8	4.5	0.0	0.1	0.0	26.0	0.7	0.0	0.3	-	77.4	5,160.4	6,623.3	-	6,623.3
State Department of Infrastructure	290.8	3.7	0.3	0.3	-	0.2	0.6	0.9	0.7	0.3	21.5	6,737.9	7,057.1	6,744.2	312.8
State Department of Transport	51.8	4.8	0.5	0.1	0.6	0.5	0.7	-	-	-	2.0	1,635.9	1,696.9	-	1,696.9
State Department for Shipping and Maritime.	16.8	5.5	1.3	0.4	6.3	1.6	0.8	0.2	-	-	2.9	-	35.8	-	35.8

MINISTRY/STATE DEPARTMENT	PER-SONNEL EMOL-UMENT (PE)	OPERATIONS & MAINTENANCE (O&M)										Current Trans-fers	Gross Ex-penditure	(A-I-A)	Net Expendi-ture
		Domestic Travel	Foreign Travel	Printing and Adver-tising	Rentals and Rates-Non Resi-dential	Training	Hospi-tality	Main-tenance Ex-penses-Motor Vehicles	Main-tenance Ex-penses-Other Assets	Le-gal Fees	Other Expenses				
State Department for Housing, Urban Development	108.7	0.4	0.3	0.1	-	0.3	0.1	0.4	-	-	0.4	5.3	116.0	-	116.0
State Department for Public Works	161.3	3.5	0.4	0.0	0.6	1.1	0.7	0.0	0.0	-	1.5	313.0	482.2	-	482.2
Ministry of Water and Sanitation	122.5	11.0	1.6	0.1	-	0.2	1.1	0.7	0.2	-	12.7	721.2	871.3	3.5	867.9
State Department for Environment and Forestry	264.2	4.1	3.6	0.5	9.1	0.3	13.6	-	-	-	180.8	1,157.8	1,634.0	182.9	1,451.1
Ministry of Lands and Physical Planning	470.4	1.8	0.0	0.2	-	0.2	0.6	0.1	0.4	-	17.5	-	491.1	3.6	487.5
State Department for Information Communications and Technology	58.3	8.1	1.8	-	44.7	6.3	3.4	1.7	0.1	-	42.4	434.9	601.6	-	601.6
State Department for Broadcasting & Telecommunications	55.8	3.0	1.2	6.5	7.9	0.1	2.8	-	(0.2)	-	(38.1)	240.2	279.3	39.6	239.7
State Department for Sports	-	5.9	2.4	0.4	2.0	4.5	2.0	1.6	0.9	-	40.1	178.2	238.1	-	238.1
State Department for Heritage	52.4	12.1	3.3	1.2	10.2	3.6	3.8	-	-	-	3.4	478.9	568.8	0.3	568.6
Ministry for Energy	88.2	2.7	0.1	0.1	-	0.5	1.1	0.2	-	-	5.1	382.5	480.5	32.4	448.1
State Department for Livestock	353.3	5.4	1.2	0.2	6.2	2.1	14.0	1.2	0.8	-	44.6	23.4	452.5	1.1	451.4
State Department for Crop Development	132.0	3.9	0.9	0.5	9.6	1.7	0.1	0.9	0.2	-	43.5	556.3	749.6	-	749.6
State Department for Fisheries, Aquaculture and the Blue Economy	59.5	9.0	0.7	-	-	-	3.8	0.0	-	-	(16.7)	281.9	338.3	-	338.3
State Department for Irrigation	0.7	1.9	0.1	-	-	0.4	1.4	-	-	-	0.1	65.0	69.6	-	69.6
State Department for Agricultural Research	6.5	7.8	1.9	0.2	-	2.3	2.6	0.1	0.0	-	3.2	1,052.0	1,076.7	-	1,076.7
State Department for Cooperatives	31.2	6.5	1.0	2.6	-	1.8	3.5	0.1	0.0	-	19.7	95.1	161.4	-	161.4
State Department for Trade	31.8	13.4	12.1	1.0	5.4	1.9	9.2	0.1	0.1	-	2.4	107.0	184.5	0.3	184.2

MINISTRY/STATE DEPARTMENT	PER-SONNEL EMOL-UMENT (PE)	OPERATIONS & MAINTENANCE (O&M)										Current Trans-fers	Gross Ex-penditure	(A-1-A)	Net Expendi-ture
		Domestic Travel	Foreign Travel	Printing and Adver-tising	Rentals and Rates-Non Resi-dential	Training	Hospi-tality	Main-tenance Ex-penses-Motor Vehicles	Main-tenance Ex-penses-Other Assets	Le-gal Fees	Other Expenses				
State Department for Industrialization	98.1	4.5	1.5	1.1	0.0	0.1	1.2	0.0	-	-	0.5	464.9	572.0	-	572.0
State Department for Labour	159.6	18.9	3.9	2.0	60.0	0.3	10.5	4.0	1.1	-	24.9	134.0	419.2	187.9	231.3
State Department for Social Protection, Pensions and Senior Citizens Affairs	231.2	16.4	3.8	0.1	-	1.3	10.8	(0.0)	0.3	-	28.8	643.0	935.6	17.4	918.2
State Department for Mining	88.1	3.2	1.9	0.2	1.1	2.1	1.6	1.2	0.7	1.6	21.2	7.5	130.4	1.0	129.4
State Department for Petroleum	36.4	3.8	1.2	0.0	0.8	0.6	3.1	0.0	0.4	-	3.1	-	49.4	-	49.4
State Department for Tourism	33.8	4.4	3.5	0.4	0.1	0.7	6.1	0.1	0.1	-	2.6	184.6	236.4	128.4	107.9
State Department for Wildlife	21.5	5.2	3.0	0.2	-	0.1	2.2	0.1	0.1	9.0	0.9	666.0	708.2	-	708.2
State Department for Public Service	146.5	2.3	3.7	2.2	19.8	2.6	7.3	2.1	0.1	-	24.7	98.3	309.6	-	309.6
State Department for Youth	138.3	20.9	4.2	2.1	0.6	4.2	10.9	0.2	1.1	-	126.7	2,213.9	2,523.1	122.6	2,400.5
State Department for Gender	58.0	13.0	0.6	5.4	7.9	1.6	19.9	0.1	0.0	-	125.5	91.6	323.4	-	323.4
State Department for East African Community	52.3	11.5	11.9	0.5	9.5	0.5	6.2	0.8	0.0	-	5.7	-	99.0	-	99.0
State Department for Regional and Northern Corridor Development	10.0	3.7	0.1	-	-	0.1	2.2	0.2	0.0	-	0.2	310.5	327.1	-	327.1
State Law Office and Department of Justice	185.4	15.4	14.2	1.5	-	0.8	7.8	1.2	2.1	-	31.1	443.2	702.6	111.4	591.2
The Judiciary	1,390.0	34.1	5.0	1.4	-	0.9	4.1	7.3	0.1	-	887.6	-	2,330.5	-	2,330.5
Ethics and Anti-Corruption Commission	466.9	-	-	-	-	-	-	-	-	-	193.1	-	660.0	-	660.0
National Intelligence Service	-	-	-	-	-	-	-	-	-	-	-	9,158.3	9,158.3	-	9,158.3
Office of the Director of Public Prosecutions	424.6	23.7	9.0	0.9	41.2	10.9	7.4	3.3	2.5	-	35.8	-	559.2	-	559.2
Office of the Registrar of Political Parties	34.2	5.0	0.4	0.9	5.3	1.0	3.6	0.3	0.0	0.1	32.9	217.8	301.5	0.6	300.9
Witness Protection Agency	69.8	0.6	-	0.4	3.4	0.4	4.4	1.1	0.5	-	71.8	-	152.5	-	152.5
Kenya National Commission on Human Rights	59.6	0.5	0.1	-	0.8	0.2	0.3	0.3	0.7	-	8.1	-	70.5	-	70.5
National Land Commission	192.9	4.3	0.2	2.7	-	1.3	5.4	1.8	-	-	34.3	-	243.0	-	243.0

MINISTRY/STATE DEPARTMENT	PER-SONNEL-EMOL-UMENT (PE)	OPERATIONS & MAINTENANCE (O&M)										Current Trans-fers	Gross Ex-penditure	(A-I-A)	Net Expendi-ture
		Domestic Travel	Foreign Travel	Printing and Adver-tising	Rentals and Rates-Non Resi-dential	Training	Hospi-tality	Main-tenance Ex-penses-Motor Vehicles	Main-tenance Ex-penses-Other Assets	Le-gal Fees	Other Expenses				
Independent Electoral and Boundaries Commission	419.0	33.9	0.7	7.2	56.3	5.9	12.4	8.7	0.3	-	253.4	-	797.8	-	797.8
Parliamentary Service Commission	1,128.0	220.8	224.1	0.0	124.8	50.7	32.8	0.1	0.1	-	203.3	2.0	1,986.7	-	1,986.7
National Assembly	1,575.3	864.1	349.3	-	-	23.0	19.0	-	-	-	533.4	-	3,364.1	-	3,364.1
Judicial Service Commission	33.8	6.1	3.7	0.1	2.2	4.3	28.1	0.2	0.0	-	4.3	-	82.9	-	82.9
The Commission on Revenue Allocation	45.5	1.4	0.4	0.2	12.0	0.9	1.5	1.9	0.2	-	10.6	-	74.4	-	74.4
Public Service Commission	156.6	14.8	1.7	0.1	-	10.1	17.6	0.5	0.1	-	43.7	-	245.2	-	245.2
Salaries and Remuneration Commission	52.6	3.0	0.0	0.2	0.3	2.6	7.0	0.5	0.6	-	11.9	-	78.6	-	78.6
Teachers Service Commission	59,886.7	30.6	5.0	1.8	4.8	408.4	6.4	14.0	3.3	8.0	109.4	-	60,478.4	-	60,478.4
National Police Service Commission	67.0	5.5	0.2	0.3	4.8	0.7	4.4	0.1	-	-	17.5	-	100.4	-	100.4
Auditor General	828.7	220.3	13.4	1.5	42.2	7.4	4.5	8.0	(0.2)	-	205.0	-	1,330.7	54.0	1,276.7
Controller of Budget	66.0	3.3	-	4.8	-	0.9	1.7	0.1	0.0	-	36.6	-	113.4	-	113.4
The Commission on Administrative Justice	70.3	0.7	1.4	0.2	10.2	0.6	1.4	0.8	0.0	-	19.4	-	105.0	-	105.0
National Gender and Equality Commission	50.0	6.7	3.4	0.8	10.0	1.7	0.9	1.0	0.3	-	13.3	-	88.0	-	88.0
Independent Policing Oversight Authority	110.8	6.9	1.4	2.0	17.3	1.5	2.9	1.7	0.1	-	57.4	-	202.1	-	202.1
Total	98,847.7	2,150.9	1,374.5	71.5	828.7	683.7	806.1	138.3	84.0	19.1	38,708.1	91,313.8	235,026.5	8,186.5	226,840.0

Source: MDAs and National Treasury IFMIS Directorate

Note:

- (1) Expenditure reports from IFMIS and those from MDAs indicated that some MDAs generated and spent Appropriations-in-Aid (AIA)
- (2) Expenditure on PE does not that incurred by the National Intelligence Service and the Military under the Ministry of Defence which is accounted under current transfer to SAGAs,

MDAs recurrent expenditure is disaggregated into compensation to employees, operation and maintenance and current transfers to Semi-Autonomous Government Agencies as discussed below.

3.4.2.1 *Compensation to Employees*

Personnel Emoluments included; basic salaries for permanent employees, basic wages for temporary employees, personal allowances paid as part of salary and employer contributions to compulsory national social security schemes. The total expenditure under PE was Kshs.98.8 billion. The Teacher Service Commission recorded the highest expenditure at Kshs.59.9 billion representing 60.6 per cent of the total expenditure on Personnel Emolument.

3.4.2.1 *Operations and Maintenance (O&M)*

This category included among others; domestic and foreign travel, printing and advertising, rentals and rates for non-residential buildings, training, hospitality, legal fees, maintenance expenses for motor vehicles and other assets, among other expenses. Some of the items under aggregated expenses include refined fuel and lubricants for transport, contracted professional services, motor vehicle insurance, and medical insurance for the staff, among others.

In the period under review, travelling expenditure recorded the highest expenditure at Kshs.3.5 billion, which comprised of domestic travel of Kshs.2.1 billion and Kshs.1.4 billion on foreign travels. This was followed by Kshs.828.7 million on rentals rates-non-residential buildings and Kshs.806.1 million on hospitality.

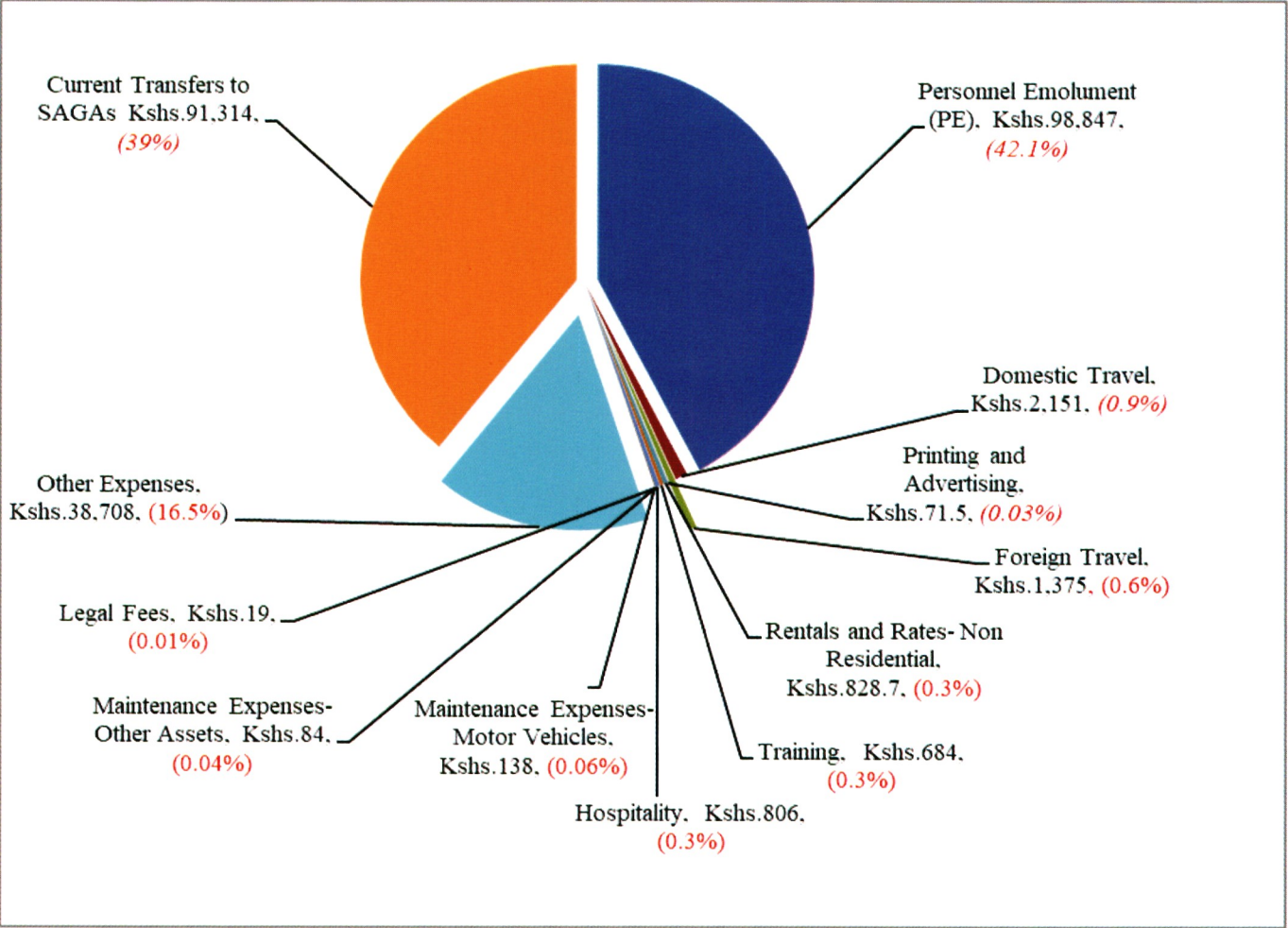
Total expenditure on other expenses was Kshs.38.7 billion. The State Department for Early Learning and Basic Education recorded the highest expenditure under this category of Kshs.26.8 billion, which comprised Kshs.24.9 billion towards subsidies (capitation) for secondary schools.

3.4.2.1 *Current Transfers to Semi-Autonomous Government Agencies*

Transfers to SAGAs by the MDAs are meant to complement activities and mandates executed by SAGAs on behalf of parent ministries. In the period under review, current transfer to SAGAs amounted to Kshs.91.3 billion. The highest transfer was reported by the Ministry of Defence at Kshs.24.9 billion as a transfer to Kenya Defence Forces representing 27.3 per cent of the total amount spent under this category.

Figure 3.4 shows the composition of MDAs recurrent expenditure for the first three months of FY 2019/20.

Figure 3.4: Summary Analysis of MDAs’ Recurrent Expenditure (Kshs. Millions)



Source: MDAs and National Treasury

4 DEVELOPMENT AND RECURRENT EXPENDITURE ANALYSIS BY SECTOR

4.1 Introduction

Ministries, Departments and Agencies of Government are grouped into ten Sectors according to the Classification of Functions of Government (COFOG), which is designed to support fiscal analysis by breaking down government fiscal statistics by purpose for ease of comparability across governments.

This chapter presents an analysis of performance by sector for both development and recurrent expenditure in the first three months, FY 2019/20. Sector performance is presented in an alphabetical order as follows; (i) Agriculture, Rural and Urban Development (ARUD), (ii) Education, (iii) Energy, Infrastructure and Information Communications Technology (EI & ICT), (iv) Environment Protection, Water and Natural Resources (EWNR), (v) General Economic and Commercial Affairs (GECA), (vi) Governance, Justice, Law and Order (GJLO), (vii) Health, (viii) National Security, (ix) Public Administration and International Relations (PAIR), (x) Social Protection, Culture and Recreation sector.

4.2 Agriculture, Rural and Urban Development (ARUD) Sector

The sector consists of seven MDAs namely: Ministry of Lands and Physical Planning (MoLPP); State Department for Crop Development; State Department for Irrigation¹, State Department for Agricultural Research; State Department for Livestock; State Department for Fisheries, Aquaculture and the Blue Economy and the National Land Commission (NLC). The sector has thirty three (33) Semi-Autonomous Government Agencies and eleven (11) Training Institutions.

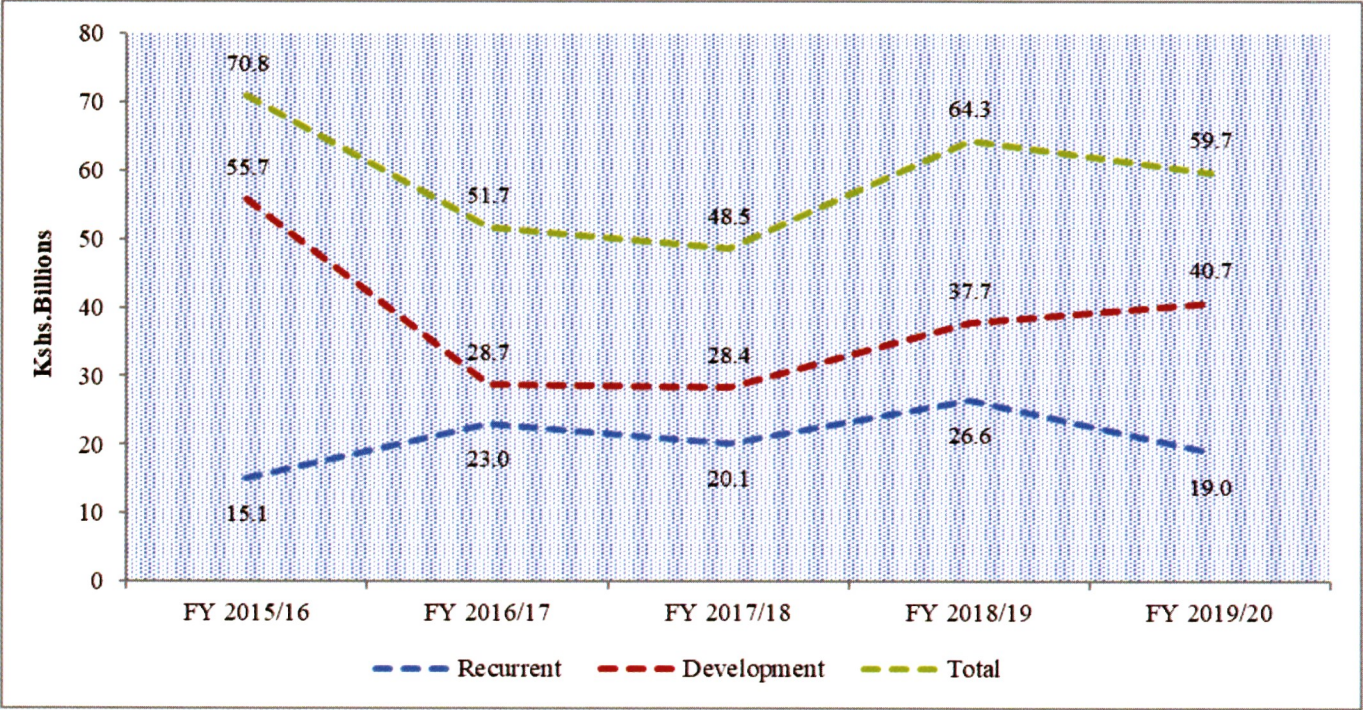
The overall goal of the sector is to attain national food and nutrition security, and sustainable management of land and the Blue Economy. It is identified as a key sector that will drive delivery of the 10 per cent economic growth rate envisaged under the vision 2030 and accelerate attainment of the Sustainable Development Goals (SDGs). The sector plays a key role in economic and social development of the country through enhancing food and nutrition security; employment and wealth creation; foreign exchange earnings; security of land tenure and land management. It is a key contributor to the GDP through linkages with manufacturing, distribution and other service related sectors.

The annual budgetary allocation to the sector in FY 2019/20 amounted to Kshs.59.6 billion representing 2.2 per cent of the gross national budget, a decrease from Kshs.64.3 billion allocated in FY 2018/19. The allocation comprised of Kshs.40.7 billion (68.2 per cent) for development activities and Kshs.19 billion (31.8 per cent) for recurrent expenditure. State Department for Crop Development received the highest budgetary allocation of Kshs.22.2 billion (37.3 per cent of the sector's allocation) while National Land Commission had the lowest budgetary allocation of Kshs.1.3 billion (2.2 per cent of the Sector's allocation).

Figure 4.1 shows the annual budgetary allocation trend for the ARUD sector for the period FY 2015/16 to FY 2019/20.

1 The State Department for Irrigation was moved to Environmental Protection, Water and Natural Resources sector W.E.F 2020/2021 through executive order no.6 of 2019 dated 22nd August, 2019

Figure 4.1: Budgetary Allocation Trend for ARUD Sector



Source: National Treasury

In the first three months of FY 2019/20, the total exchequer issues to the sector was Kshs.4.4 billion representing 8.5 per cent of the sector’s annual net estimate. This comprised of Kshs.1.2 billion for development expenditure, representing 3.4 per cent of the annual development net estimates and Kshs.3.3 billion for recurrent expenditure, representing 18.5 per cent of the annual recurrent net estimates.

Table 4.1 shows ARUD Sector analysis of exchequer issues and expenditure in the first three months of FY 2019/20.

Table 4.1: ARUD Sector-Analysis of Exchequer Issues and Expenditure (Kshs. Billions)

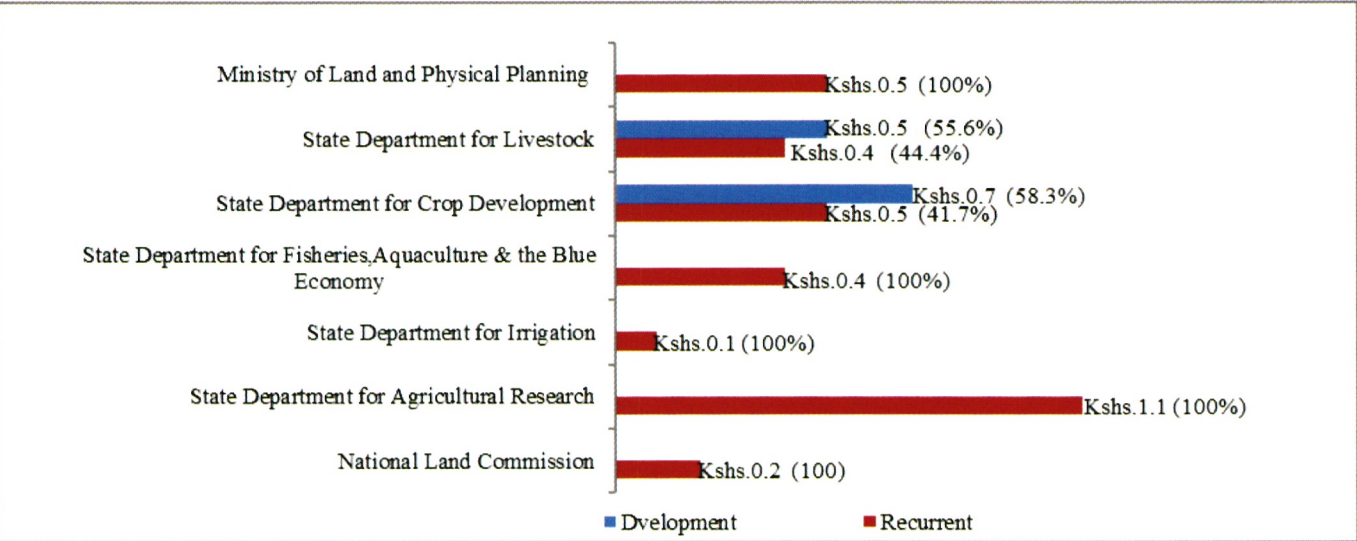
VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.
Ministry of Lands and Physical Planning	3.6	3.6	-	0.01	-	0.4	3.0	3.0	0.5	0.5	16.9	16.3
State Department for Crop Development	18.0	14.9	0.7	0.1	4.5	0.7	4.2	4.2	0.5	0.7	11.3	17.9
State Department for Livestock	4.8	3.6	0.5	1.3	13.2	27.3	2.1	2.1	0.4	0.5	20.4	21.2
State Department for Irrigation	8.5	6.6	-	2.7	-	31.6	1.0	0.7	0.1	0.1	21.0	7.1
State Department for Agricultural Research	0.8	0.8	-	0.1	-	17.8	5.6	4.5	1.1	1.1	23.8	19.4
State Department for Fisheries, Aquaculture and the Blue Economy	4.9	4.7	-	0.003	-	0.1	1.8	1.8	0.4	0.3	21.3	19.1
National Land Commission	-	-	-	-	-	-	1.3	1.3	0.2	0.2	19.0	18.6
Total	40.7	34.3	1.2	4.3	3.4	10.6	19.0	17.6	3.3	3.4	18.5	18.0
Total for the Sector							Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. To Net Est.	% of Exp. to Gross Est.
Development							40.7	34.3	1.2	4.3	3.4	10.6
Recurrent							19.0	17.6	3.3	3.4	18.5	18.0
Total							59.6	51.9	4.4	7.7	8.5	12.9

Source: MDAs and National Treasury

In the period under review, the State Department for Livestock received development exchequer at 13.2 per cent of annual net estimates while the State Department for Crop Development received 4.5 per cent. The State Department for Agricultural Research received the highest proportion of recurrent exchequer issues to net estimates at 23.8 per cent while the State Department for Crop Development received the lowest at 11.3 per cent.

Figure 4.2 shows the exchequer issues to ARUD Sector in the first three months of FY 2019/20.

Figure 4.2: Exchequer Issues to ARUD Sector (Kshs. Billions)



Source: National Treasury

The total expenditure for the sector during the first three months of FY 2019/20 amounted to Kshs.7.7 billion representing 12.9 per cent of the gross estimate, an increase compared to 9.7 per cent recorded in a similar period of FY 2018/19. The expenditure comprised of Kshs.4.3 billion as development expenditure, representing an absorption rate of 10.6 per cent (an increase from 5 per cent) and Kshs.3.4 billion as recurrent expenditure, representing 18 per cent of gross recurrent estimates (a decrease from 20.7 per cent), recorded in a similar period of FY 2018/19.

The State Department for Irrigation recorded the highest absorption for development budget at 31.6 per cent while the State Department for Fisheries, Aquaculture and the Blue Economy recorded the lowest absorption for development, less than 1 per cent. The State Department for Livestock recorded the highest percentage of recurrent budget to gross estimates at 21.2 per cent while the State Department for Irrigation recorded the lowest at 7.1 per cent.

4.3 Education Sector

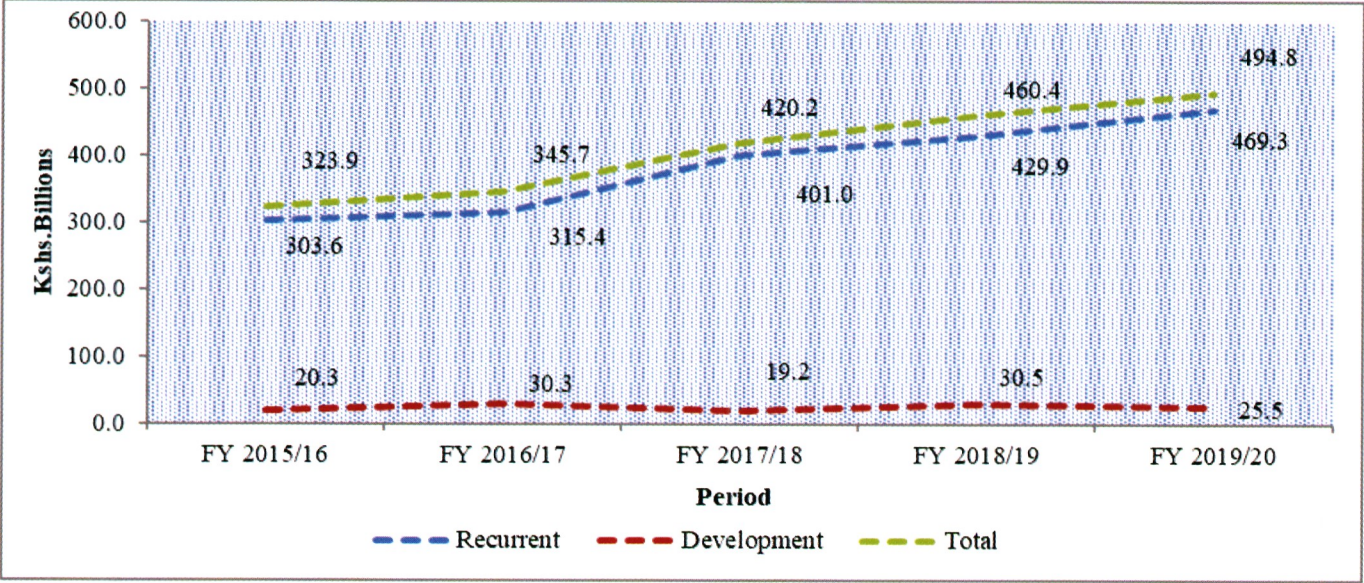
The Education sector comprise of five MDAs namely: State Department for Early Learning and Basic Education; State Department for University Education; State Department for Vocational and Technical Training; State Department for Post-Training and Skills Development and the Teachers Service Commission (TSC), together with their affiliated agencies and institutions.

The sector’s overall strategic goal is to provide access, equity, quality and relevant education and training at all levels; improve quality and relevance of education; reduce inequality as well as leverage on knowledge and skills in science, technology, and innovation. The sector envisions “a globally competitive education, training, research and innovation for sustainable development”.

The budget allocation to the sector in FY 2019/20 was Kshs.494.8 billion representing 18.1 per cent of gross national budget, an increase from Kshs.442.3 billion allocated in FY 2018/19. The allocation comprised of Kshs.25.5 billion (5.2 per cent) for development expenditure and Kshs.469.3 billion (94.8 per cent) for recurrent expenditure. The Teachers Service Commission received the highest budgetary allocation of Kshs.252.9 billion (51.1per cent of the sector’s allocation), while the State Department for Post Training and skills development had the lowest budgetary allocation of Kshs.0.2 billion (less than 1 per cent of the sector’s allocation).

Figure 4.3 shows budgetary allocation trend of the Education Sector for the period FY 2015/16 to FY 2019/20

Figure 4.3: Budgetary Allocation Trend for the Education Sector



Source: National Treasury

Total exchequer issues to the sector amounted Kshs.109.6 billion representing 25.3 per cent of the sectors annual net estimate which was issued towards recurrent activities.

Table 4.2 shows Education sector analysis of exchequer issues and expenditure in the first three months of FY 2019/20.

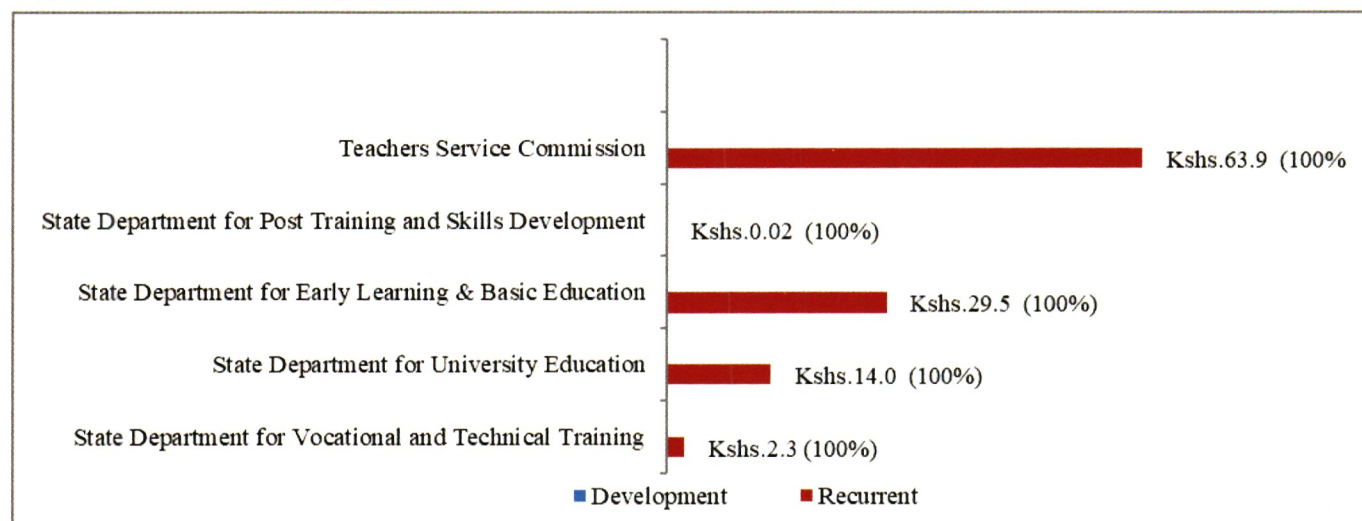
Table 4.2: Education Sector-Analysis of Exchequer Issues and Expenditure (Kshs. Billions)

VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.
State Department for Vocational and Technical Training	9.2	4.6	-	1.9	-	20.4	17.1	14.2	2.3	2.4	16.2	14.1
State Department for University Education	9.2	8.5	-	0.2	-	1.7	108.8	58.1	14.0	13.8	24.1	12.7
State Department for Early Learning & Basic Education	7.1	7.0	-	0.03	-	0.4	90.2	88.8	29.5	31.5	33.2	35.0
State Department for Post Training and Skills Development	-	-	-	-	-	-	0.2	0.2	0.02	0.02	12.2	10.1
Teachers Service Commission	0.05	0.05	-	-	-	-	252.9	252.4	63.9	60.5	25.3	23.9
Total	25.5	20.2	-	2.1	-	8.1	469.3	413.6	109.6	108.3	26.5	23.1
Total for the Sector							Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.
Development							25.5	20.2	-	2.1	-	8.1
Recurrent							469.3	413.6	109.6	108.3	26.5	23.1
Total							494.8	433.8	109.6	110.4	25.3	22.3

Source: MDAs and National Treasury

In the period under review, the State Department for Early Learning and Basic Education received the highest proportion of recurrent exchequer issues to the annual net estimates at 33.2 per cent while the State Department for Post Training and Skills Development received the lowest at 10.1 per cent.

Figure 4.4 shows the exchequer issues to the Education Sector in the first three months of FY 2019/20.

Figure 4.4: Exchequer Issues to the Education Sector (Kshs. Billions)

Source: National Treasury

The total expenditure for the sector during the first three months of FY 2019/20 amounted to Kshs.110.4 billion, representing 22.3 per cent of the gross estimate, an increase compared to 21.7 per cent recorded in a similar period of FY 2018/19. The expenditure comprised of Kshs.2.1 billion for development expenditure, representing an absorption rate of 8.1 per cent and Kshs.108.3 billion as recurrent expenditure, representing 23.1 per cent of gross recurrent estimates.

The State Department for Vocational and Technical Training recorded the highest absorption on development budget at 20.4 percent while the State Department for Early Learning and Basic Education recorded the lowest, less than 1 per cent amongst MDAs that incurred expenditure on development budget. State Department for Early Learning and Basic Education recorded the highest percentage of recurrent expenditure to gross recurrent estimates at 35 per cent while the State Department for Post Training and Skills Development recorded the lowest, at 10.1 per cent.

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

This sector consists of nine (9) MDAs namely; State Department for: Infrastructure, Transport, Shipping and Maritime, Housing and Urban Development, Public Works, Information Communications Technology, Broadcasting and Telecommunication, Petroleum and the Ministry of Energy.

The sector is a key enabler for sustained economic growth and government priorities and initiatives such as the Big 4 Agenda. In the medium term, the sector aims at sustaining and expanding infrastructural facilities to support a rapidly growing economy in line with the priorities contained in the Medium-Term Plan (MTP III) and Vision 2030.

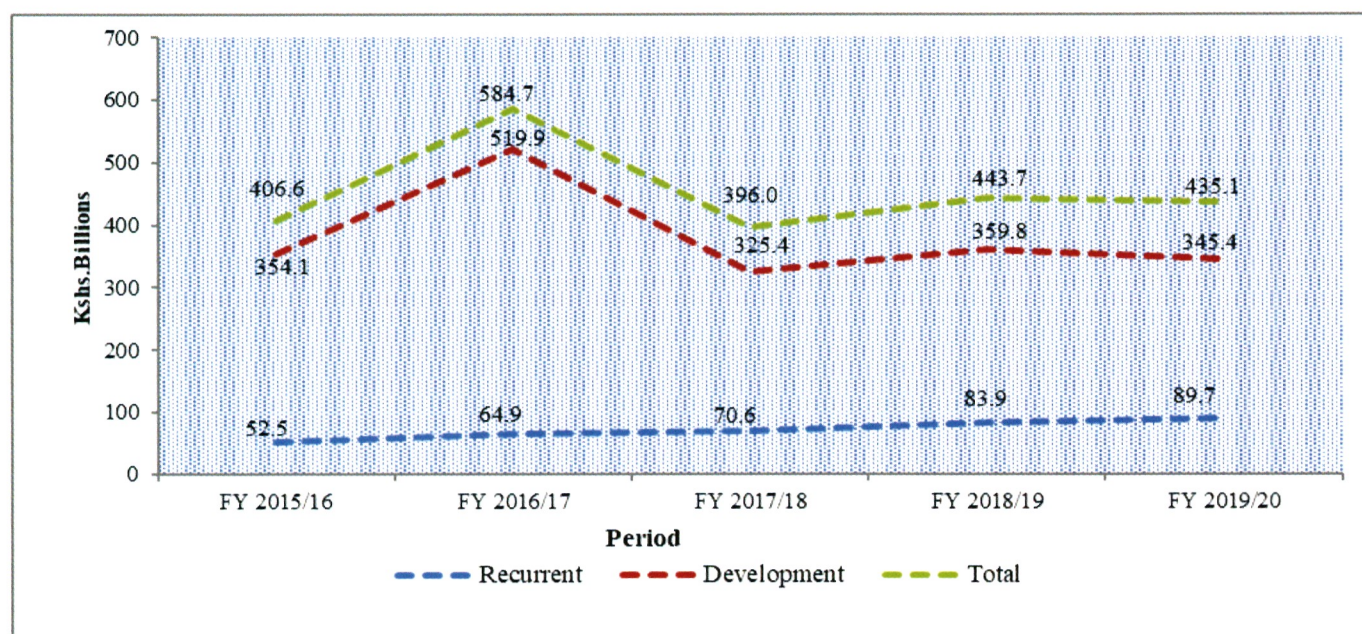
The key strategic goals of the sector are to develop and maintain sustainable services to facilitate efficient movement of goods and people develop and sustain access to opportunities in the shipping and maritime industry, improve universal access to information technology enabled services, improve access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

The budget allocation to the sector in the FY 2019/20 was Kshs.435.1 billion representing 14 per cent of gross national budget, a 16.2 per cent decline from Kshs.443.7 billion allocated in FY 2018/19. The allocation comprised of Kshs.345.4 billion (79.4 per cent) for development expenditure and Kshs.89.7 billion (20.6 per cent) for recurrent expenditure. State Department of Infrastructure received the

highest budgetary allocation of Kshs.186.5 billion (42.8 per cent of the sector's allocation) while State Department for Shipping and Maritime had the lowest budgetary allocation of Kshs.2.4 billion of the sectors' allocation.

Figure 4.5 shows the budgetary allocation trend for the EI & ICT sector for the period FY 2015/16 to FY 2019/20.

Figure 4.5: Budgetary Allocation Trend for the EI & ICT Sector (Kshs. Billion)



Source: National Treasury

In the first three months of FY 2019/20, the sector received exchequer issues amounting to Kshs.38.6 billion representing 23.8 per cent of the sector's annual net estimate. This comprised of Kshs.36.3 billion for development expenditure, representing 24.4 per cent of the development net estimates and Kshs.2.3 billion for recurrent expenditure, representing 16.6 per cent of the recurrent net estimates.

Table 4.3 shows EI&ICT sector analysis of exchequer issues and expenditure in the first three months of FY 2019/20.

Table 4.3: EI & ICT-Analysis of Exchequer Issues and Expenditure (Kshs. Billions)

VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. To Net Est.	% of Exp. to Gross Est.
State Department of Infrastructure	125.0	69.2	23.1	39.4	33.4	31.5	61.5	1.8	0.2	7.1	10.6	11.5
State Department of Transport	84.0	13.6	6.4	6.4	46.9	7.6	9.8	1.1	0.2	1.7	20.3	17.3
State Department for Shipping and Maritime.	0.7	0.02	-	0.04	-	5.3	1.6	0.4	0.02	0.04	5.7	2.2

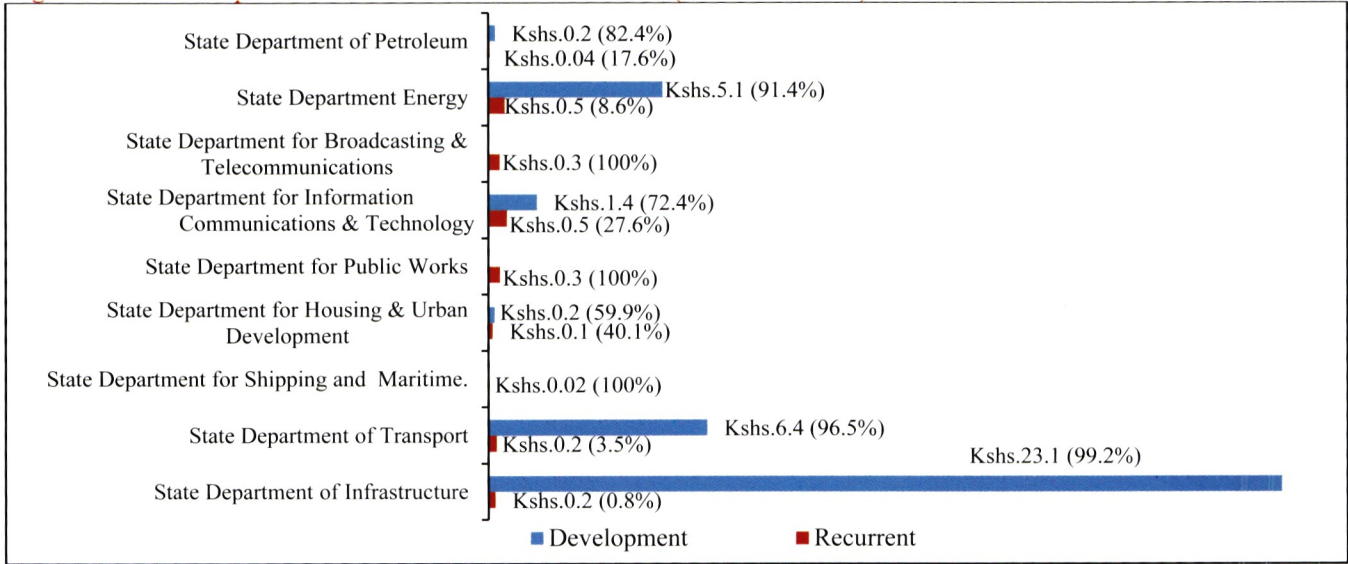
VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. To Net Est.	% of Exp. to Gross Est.
State Department for Housing & Urban Development	30.5	27.0	0.2	1.5	0.7	4.8	1.0	1.0	0.1	0.1	11.9	11.5
State Department for Public Works	2.1	1.9	-	-	-	-	2.3	2.3	0.3	0.5	14.4	20.7
State Department of Information Communication Technology	25.2	7.9	1.4	4.7	17.8	18.6	3.0	3.0	0.5	0.6	18.0	19.8
State Department for Broadcasting and Telecommunications	0.7	0.7	-	0.3	-	34.3	4.4	1.9	0.3	0.3	17.2	6.3
Ministry of Energy	71.7	25.9	5.1	19.1	19.6	26.7	5.8	1.9	0.5	0.5	24.3	8.4
State Department for Petroleum	5.4	2.4	0.2	0.1	8.6	1.8	0.3	0.2	0.04	0.05	19.3	18.4
Total	345.4	148.6	36.3	71.5	24.4	20.7	89.7	13.8	2.3	10.8	16.6	12.0
Total for the Sector							Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.
Development							345.4	148.6	36.3	71.5	24.4	20.7
Recurrent							89.7	13.8	2.3	10.8	16.6	12.0
Total							435.1	162.4	38.6	82.3	23.8	18.9

Source: MDAs and National Treasury

In the period under review, the State Department of Transport received the highest proportion of development exchequer issues to development net estimates at 46.9 per cent while the State Department for Housing and Urban Development received the lowest at 0.7 per cent. The Ministry of Energy received the highest proportion of recurrent exchequer issues to net estimates at 24.3 per cent, while the State Department for Shipping and Maritime received the lowest at 5.7 per cent.

Figure 4.6 shows the exchequer issues to the EI & ICT Sector in the first three months of FY 2019/20.

Figure 4.6: Exchequer Issues to the EI & ICT Sector (Kshs. Billions)



Source: National Treasury

The total expenditure for the sector during the first three months of FY 2019/20 amounted to Kshs.82.3 billion representing 18.9 per cent of the gross estimates, an increase compared to 8.6 per cent recorded in the same period in FY 2018/19. The expenditure comprised of Kshs.71.5 billion as development expenditure, representing an absorption rate of 20.7 per cent (an increase from 6.5 per cent) and Kshs.10.8 billion as recurrent expenditure, representing 12per cent of gross recurrent estimates, a decline from 17.6 per cent recorded in a similar period of 2018/19.

The State Department for Broadcasting and Telecommunication recorded the highest absorption rate on development budget at 34.3 per cent while the State Department for Petroleum recorded the lowest at 1.8 per cent. State Department for Public Works recorded the highest percentage of recurrent expenditure to gross recurrent estimates at 20.7 per cent while the State Department for Shipping and Maritime recorded the lowest at 2.2 per cent.

4.5 Environmental Protection, Water and Natural Resource Sector

The Environmental Protection, Water and Natural Resources Sector consist of four MDAs namely: State Department for Environment and Forestry, Ministry of Water and Sanitation, State Department for Mining and State Department for Wildlife.

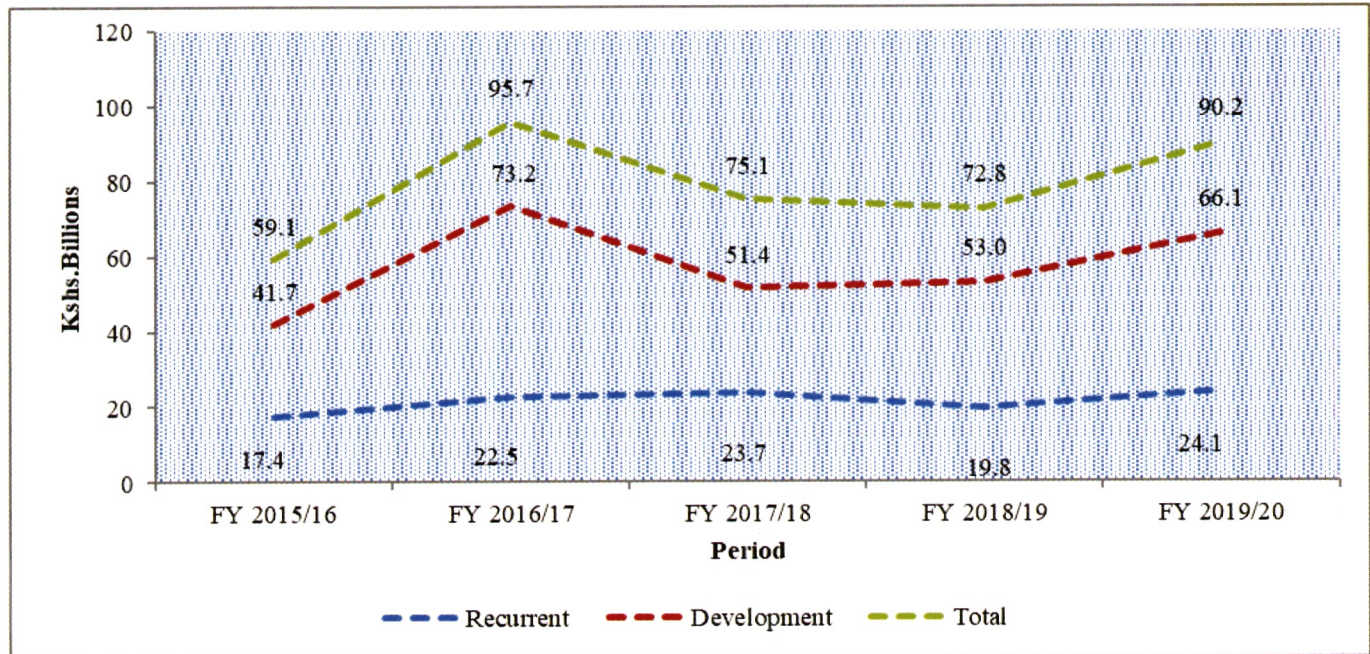
The overall goal of this sector’s is to ensure sustainable development in a clean and secure environment. Its specific objectives are to: provide policy, legal and integrated framework for sustainable management of environment and natural resources towards socio-economic development and enhance capacity 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, protect and reclaim the environment in order to establish a durable and sustainable system of development and resilience to climate change.

The budget allocation to the sector in FY 2019/20 was Kshs.90.2 billion, representing 3.3 per cent of gross national budget, an increase from Kshs.72.8 billion allocated in the FY 2018/19 The allocation comprised of Kshs.66.1 billion (73.3 per cent) for development expenditure and Kshs.24.1 billion

(26.7 per cent) for recurrent expenditure. The Ministry of Water and Sanitation received the highest allocation of Kshs.62.5 billion (69.3 per cent of the sector's allocation), while the State Department for Mining had the lowest at Kshs.1.2 billion (1.3 per cent of the sector's allocation).

Figure 4.7 shows the budgetary allocation trend for the Environmental Protection, Water and Natural Resources sector for the period FY 2015/16 to FY 2019/20.

Figure 4.7: Budgetary Allocation Trend for the Environmental Protection, Water and Natural Resources Sector (Kshs. Billions)



Source: National Treasury

In the first three months of FY 2019/20, the total exchequer issues for the sector was Kshs.8.6 billion representing 16.3 per cent of the sector's annual net estimates. This comprised of Kshs.6 billion for development expenditure, representing 16.7 per cent of the development net estimates and Kshs.2.6 billion for recurrent expenditure, representing 15.5 per cent of the recurrent annual net estimates.

Table 4.4 shows Environmental Protection, Water and Natural Resources sector analysis of exchequer issues and expenditure in the first three months of FY 2019/20.

Table 4.4: Environmental Protection, Water and Natural Resources Sector-Analysis of Exchequer Issues and Expenditure (Kshs. Billions)

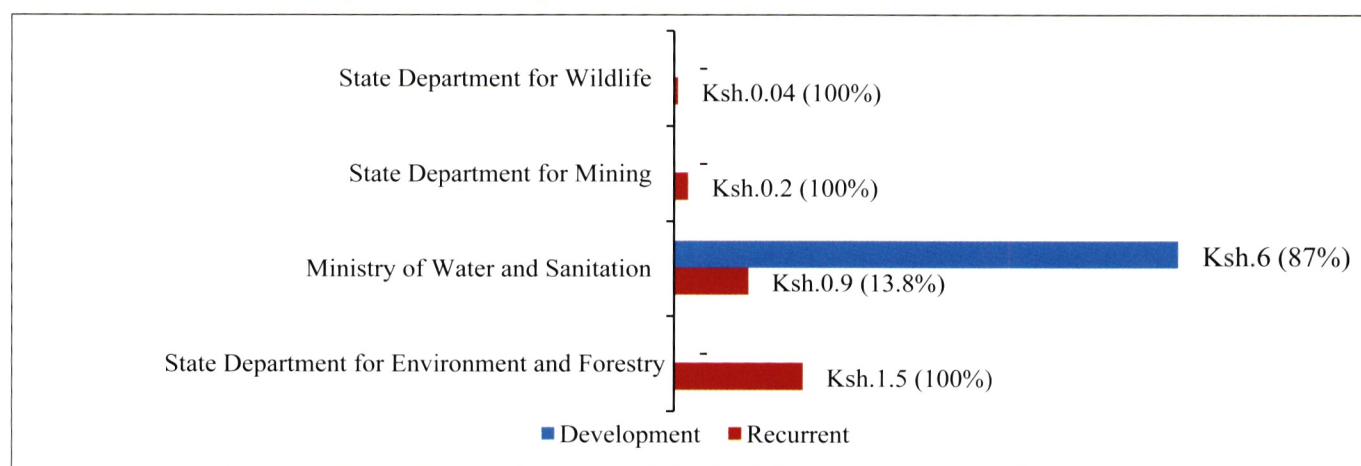
VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.	Gross Est. Gross Est.	Net Est. Net Est.	Exch. Issues	Exp.	% of Exch. To Net Est.	% of Exp. to Gross Est.
Ministry of Water and Sanitation	57.0	29.5	6.0	11.6	20.4	20.4	5.5	3.6	0.9	0.9	24.6	15.7
State Department for Environment and Forestry	7.2	4.9	-	0.4	-	5.5	10.2	9.2	1.5	1.6	16.8	16.1
State Department for Mining	0.6	0.6	-	0.02	-	2.8	0.6	0.6	0.2	0.1	26.5	20.6
State Department for Wildlife	1.4	1.1	-	0.2	-	17.7	7.8	3.6	0.04	0.7	1.1	9.1
Total	66.1	36.1	6.0	12.3	16.7	10.9	24.1	17.0	2.6	3.3	15.5	13.9
Total for the Sector							Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.
Development							66.1	36.1	6.0	12.3	16.7	18.6
Recurrent							24.1	17.0	2.6	3.3	15.5	13.9
Total							90.2	53.1	8.6	15.6	16.3	17.3

Source: MDAs and National Treasury

In the first three months of FY 2019/20, the Ministry of Water and Sanitation received development exchequer issues of Kshs.6 billion, representing 20.4 per cent of the annual development net estimates. The State Department for Mining received the highest proportion of recurrent exchequer issues to the annual recurrent net estimates at 26.5 per cent while the State Department for Wildlife received the lowest proportion at 1.1 per cent

Figure 4.8 shows the exchequer issues to the Environmental Protection, Water and Natural Resources sector in the first three months of FY 2019/20.

Figure 4.8: Exchequer Issues to Environmental Protection, Water and Natural Resources Sector (Kshs. Billions)



Source: National Treasury

The total expenditure for the sector during the first three months of FY 2019/20 amounted to Kshs.15.6 billion representing an absorption rate of 17.3 per cent. The expenditure comprised of Kshs.12.3 billion as development representing an absorption rate of 18.6 per cent, an increase compared to 7.9 per cent recorded in a similar period FY 2018/19 and Kshs.3.3 billion as a recurrent expenditure representing 13.9 per cent of the gross recurrent estimates, a decline compared to 17 per cent recorded in a similar period FY 2018/19.

Ministry of Water and Sanitation recorded the highest absorption of development expenditure at 20.4 per cent while the State Department for Mining recorded the lowest at 2.8 per cent. The State Department for Mining recorded the highest percentage absorption of recurrent expenditure at 20.6 per cent while State Department for Wildlife recorded the lowest at 9.1 per cent.

4.6 General Economic and Commercial Affairs (GECA) Sector

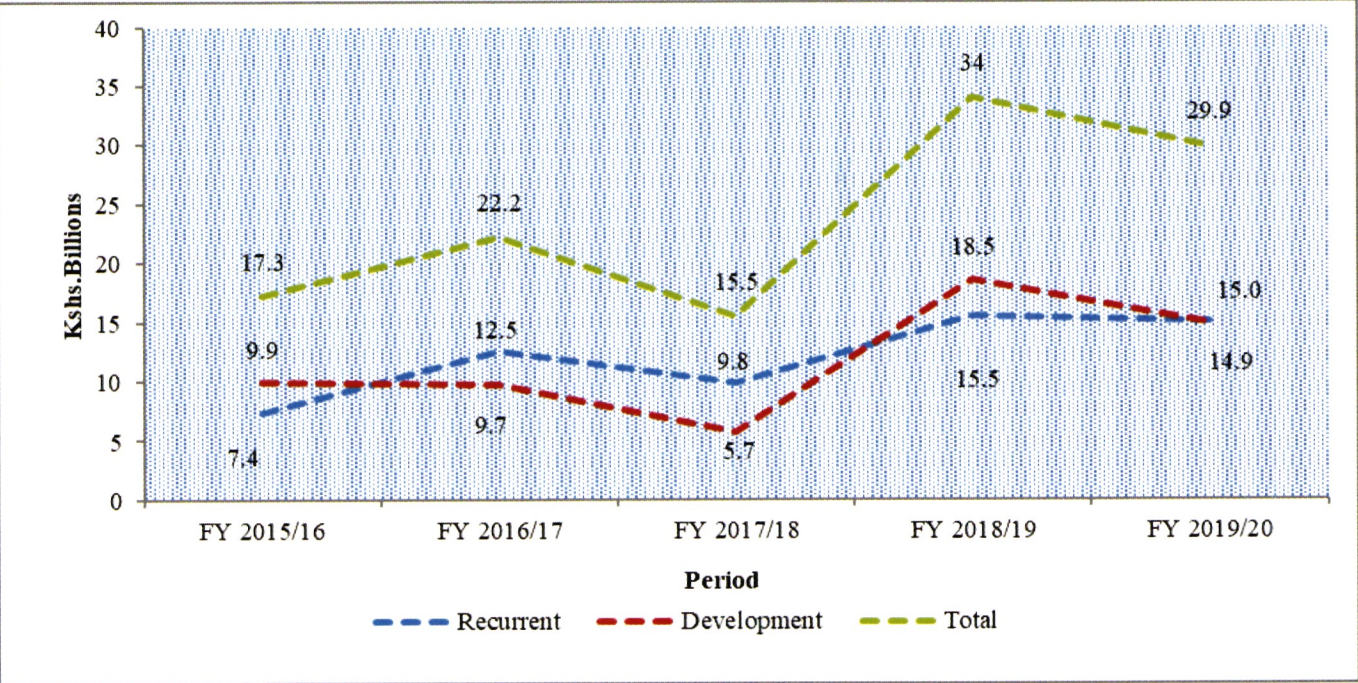
The General Economic and Commercial Affairs (GECA) sector consists of six MDAs, namely: State Department for Industrialization, Co-operatives, Trade, East African Community, Regional and Northern Corridor Development and Tourism.

The sector is a significant player in job and wealth creation, industrial development, investments and promotion of trade, tourism development, savings mobilization and cooperative development, regional integration and regional development.

The budget allocation to the sector in FY 2019/20 was Kshs.29.9 billion, representing 1.1 per cent of the gross national budget, a decline from Kshs.34 billion allocated in FY 2018/19. The allocation comprised of Kshs.14.9 billion (49.8 per cent) for development expenditure and Kshs.15 billion (50.2 per cent) for recurrent expenditure. State Department for Industrialization received the highest budgetary allocation of Kshs.9.4 billion (31.3 per cent of the sector's allocation), while State Department for East African Community had the lowest allocation at Kshs. 0.7 billion (2.2 per cent of the sector's allocation).

Figure 4.9 shows the budgetary allocation trend for the GECA sector from FY 2015/16 to FY 2019/20.

Figure 4.9: Budgetary Allocation Trend for the GECA Sector (Kshs. Billion)



Source: National Treasury

In FY 2019/20, the sector received exchequer issues amounting to Kshs.3.4 billion representing 15.3 per cent of the sector’s annual net estimate. This comprised of Kshs.1.9 billion for development expenditure, representing 14.2 per cent of the annual development net estimates and Kshs.1.5 billion for recurrent expenditure, representing 17 per cent of the annual recurrent net estimates.

Table 4.5 presents analysis of exchequer issues to GECA Sector and expenditure in the first three months of FY 2019/20.

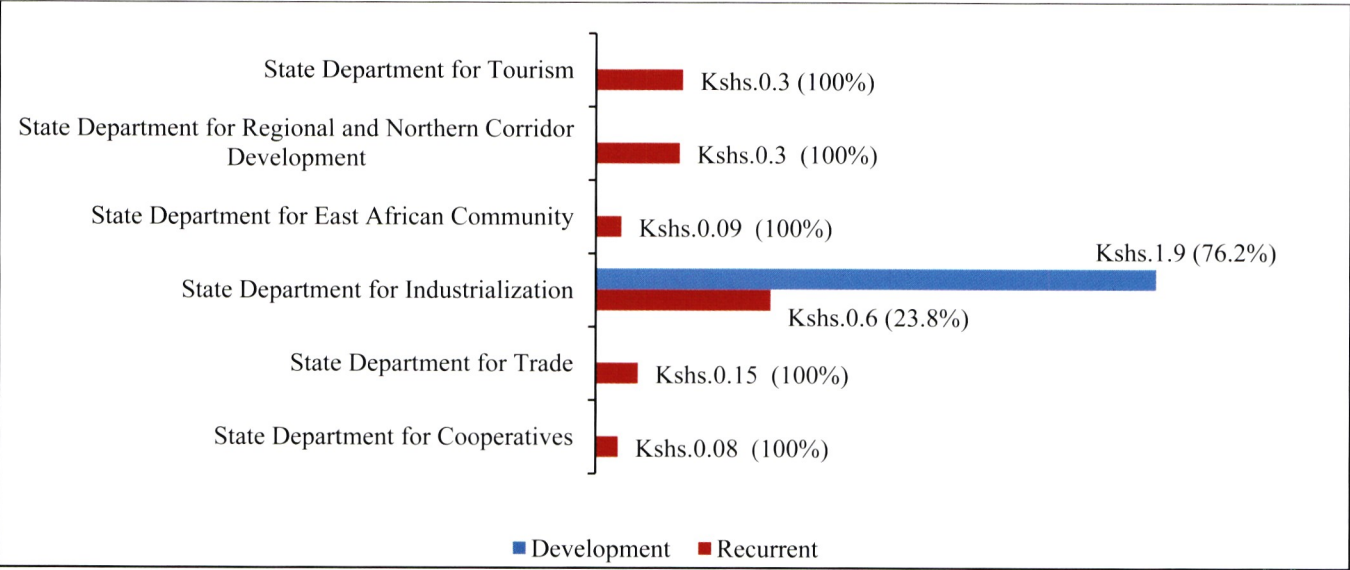
Table 4.5: GECA Sector-Analysis of Exchequer Issues and Expenditure (Kshs. Billions)

VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. To Net Est.	% of Exp. to Gross Est.
State Department for Co-operatives	3.7	3.7	-	0.2	-	4.5	0.7	0.4	0.1	0.2	19.9	22.0
State Department for Trade	0.5	0.5	-	0.003	-	0.006	1.7	1.7	0.1	0.2	8.7	10.9
State Department for Industrialization	5.9	4.8	1.9	1.9	40.7	31.4	3.4	2.7	0.6	0.6	22.5	16.6
State Department for East African Community	-	-	-	-	-	-	0.7	0.7	0.1	0.1	13.0	14.7
State Department for Regional and Northern Corridor Development	3.2	3.1	-	-	-	-	2.1	1.7	0.3	0.3	16.9	15.3
State Department for Tourism	1.5	1.5	-	-	-	-	6.3	1.7	0.3	0.2	17.3	3.7
Total	14.9	13.6	1.9	2.0	14.2	13.6	15.0	8.8	1.5	1.6	17.0	10.5
Total for the Sector							Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.
Development							14.9	13.6	1.9	2.0	14.2	13.6
Recurrent							15.0	8.8	1.5	1.6	17.0	10.5
Total							29.9	22.4	3.4	3.6	15.3	12.1

Source: MDAs and National Treasury

In the reporting period, the State Department for Industrialization received development exchequer issues at 40.7 per cent of the annual development net estimates. The State Department for Industrialization received the highest proportion of recurrent exchequer issues to annual net estimates at 22.5 per cent, while the State Department for Trade received the lowest at 8.7 per cent. Figure 4.10 shows the exchequer issues to GECA Sector in the first three months of FY 2019/20.

Figure 4.10: Exchequer Issues to the GECA Sector (Kshs. Billions)



Source: National Treasury

The total expenditure for the sector amounted to Kshs.3.6 billion, representing 12.1 per cent of the gross estimate an increase compared to 6.6 per cent recorded in a similar period of FY 2018/19. This comprised of Kshs.2 billion for development expenditure, recording an absorption rate of 13.6 per cent and Kshs.1.6 billion as recurrent expenditure, representing 10.5 per cent of revised gross recurrent estimates.

The State Department for Industrialization recorded the highest absorption on development budget at 31.4 per cent, while the State Department for Trade recorded the lowest at less than 1 per cent. The State Department for cooperatives recorded the highest percentage of recurrent expenditure to gross recurrent estimates at 22 per cent, while the State Department for Tourism recorded the lowest, at 3.7 per cent.

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

The GJLO sector consists of fifteen MDAs which include: State Department for Interior, State Department for Correctional Services, State Department for Immigration and Citizen 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).

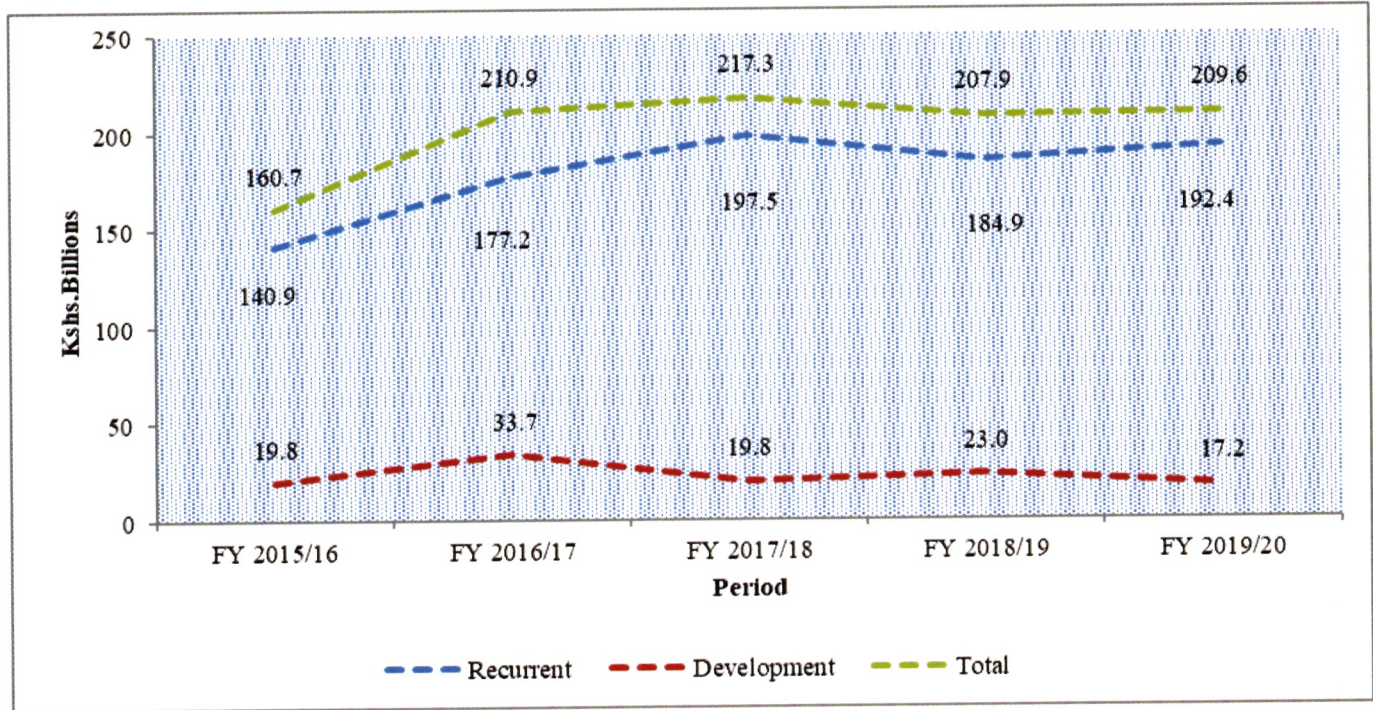
The sector implements the following functions; provision of security, correctional services, legal advisory services to government agencies and administration of justice. It also plays a major role in promoting integrity and the fight against corruption, provision of prosecution services, regulating political parties, protecting witnesses and human rights. Further, the sector also plays an instrumental role in the delimitation of electoral boundaries and management of electoral process, promotion of gender equality, 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. It also plays a key role in ensuring achievement of national values, and promoting national cohesion.

The budget allocation to the sector in FY 2019/20 was Kshs.209.6 billion representing 7.7 per cent of gross national budget, a marginal increase from Kshs.207.9 billion allocated in FY 2018/19. The allocation comprised of Kshs.17.2 billion (8.2 per cent) for development expenditure and Kshs.192.4 billion (91.8 per cent) for recurrent expenditure. State Department for Interior received the highest budgetary allocation of Kshs.139.2 billion (66.4 per cent of the sector’s allocation), while Kenya National Commission on Human Rights had the lowest at Kshs.384.3 million (0.2 per cent of the sector’s allocation).

Figure 4.11 shows the budget allocation trend for the GJLOS for the period FY 2015/16 to FY 2019/20.

Figure 4.11: Budgetary Allocation Trend for the GJLO Sector (Kshs. Billion)



Source: National Treasury

In the first three months of FY 2019/20, the total exchequer issues for the sector was Kshs.40 billion representing 19.4 per cent of the sector’s annual net estimate. This comprised of Kshs.0.3 billion for development expenditure, representing 1.7 per cent of the development net estimates and Kshs.39.7 billion for recurrent expenditure, representing 20.9 per cent of the recurrent net estimates.

Table 4.6 shows the GJLO sector’s analysis of exchequer issues and expenditure in the first three months of FY 2019/20.

Table 4.6 GJLOS Sector-Analysis of Exchequer Issues and Expenditure (Kshs. Billions)

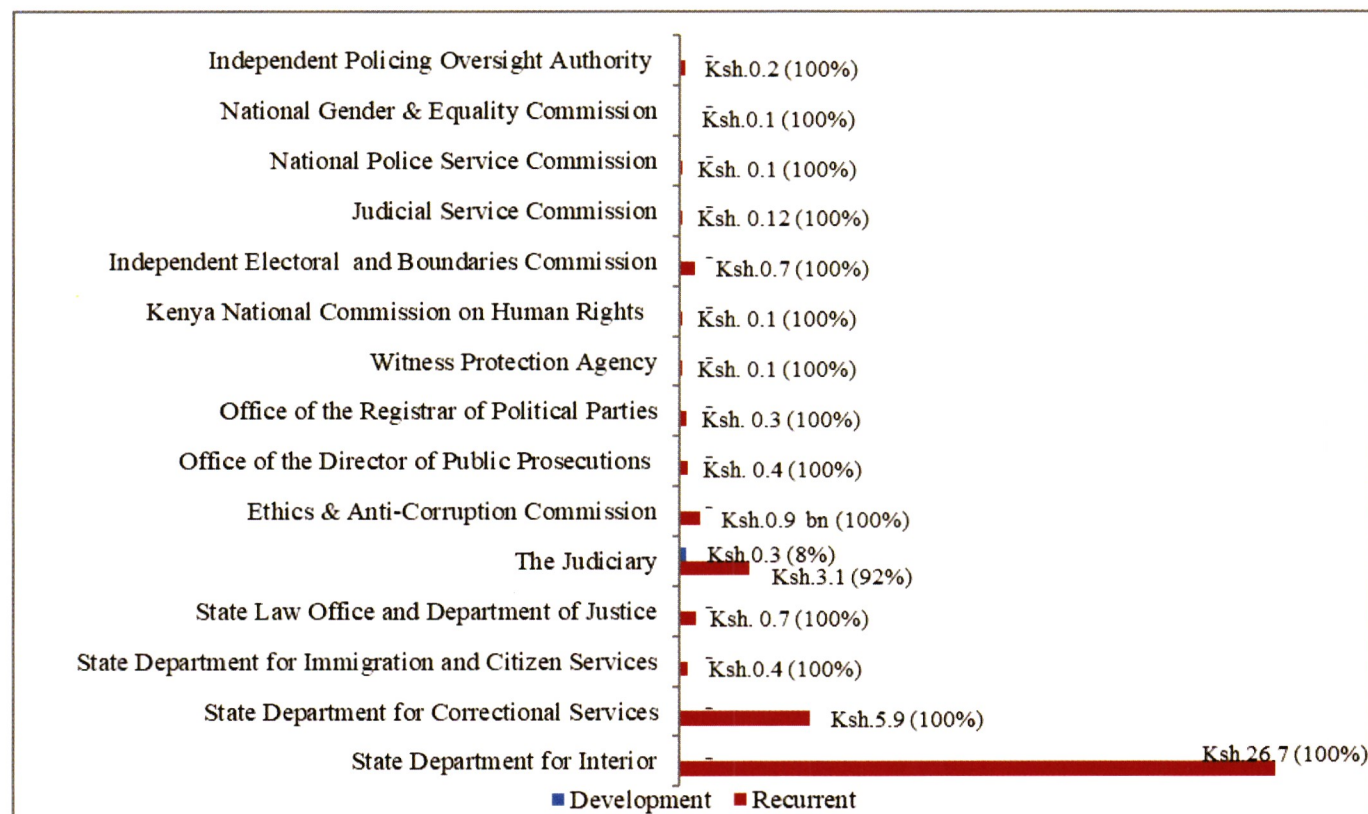
VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. To Net Est.	% of Exp. to Gross Est.
State Department for Interior	10.1	10.0	-	1.2	-	11.9	129.1	127.4	26.7	20.7	21.0	16.1
State Department for Correctional Services	1.0	1.0	-	-	-	-	26.1	26.1	5.9	4.5	22.4	17.3
State Department for Immigration and Citizen Services	1.4	1.4	-	-	-	-	2.1	2.1	0.4	0.3	17.5	15.6
State Law Office and Department of Justice	0.2	0.2	-	-	-	-	5.1	4.7	0.7	0.7	15.1	13.8
The Judiciary	4.4	2.9	0.3	0.1	9.4	2.4	14.5	14.5	3.1	2.3	21.5	16.1
Ethics & Anti-Corruption Commission	0.03	0.03	-	-	-	-	2.9	2.9	0.9	0.7	30.5	22.4
Office of the Director of Public Prosecutions	0.1	0.1	-	-	-	-	2.9	2.9	0.4	0.6	12.0	19.0
Office of the Registrar of Political Parties	-	-	-	-	-	-	1.3	1.3	0.3	0.3	21.0	23.2
Witness Protection Agency	-	-	-	-	-	-	0.5	0.5	0.1	0.2	26.5	31.7
Kenya National Commission on Human Rights	-	-	-	-	-	-	0.4	0.4	0.1	0.1	24.9	18.4
Independent Electoral and Boundaries Commission	0.04	0.04	-	-	-	-	4.8	4.8	0.7	0.8	14.5	16.8
Judicial Service Commission	-	-	-	-	-	-	0.6	0.6	0.1	0.1	21.1	14.7
National Police Service Commission	-	-	-	-	-	-	0.7	0.7	0.1	0.1	12.7	13.6
National Gender & Equality Commission	0.004	0.004	-	-	-	-	0.5	0.5	0.1	0.1	12.2	18.0
Independent Policing Oversight Authority	-	-	-	-	-	-	0.9	0.9	0.2	0.2	21.8	22.6
Total	17.2	15.7	0.3	1.3	1.7	7.6	192.4	190.2	39.7	31.6	20.9	16.4
Total for the Sector							Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.
Development							17.2	15.7	0.3	1.3	1.7	7.6
Recurrent							192.4	190.2	39.7	31.6	20.9	16.4
Total							209.6	205.9	40.0	32.9	19.4	15.7

Source: MDAs and National Treasury

In the first three months of FY 2019/20, the Judiciary received development exchequer issues at 9.4 per cent of annual development net estimates. The Ethics & Anti-Corruption Commission received the highest proportion of recurrent exchequer issues to the annual recurrent net estimates at 30.5 per cent while the Office of the Director of Public Prosecution received the lowest at 12 per cent.

Figure 4.12 shows the exchequer issues to the GJLO sector in the first three months of FY 2019/20.

Figure 4.12: Exchequer Issues to the GJLOS Sector (Kshs. Billions)



Source: National Treasury

The total expenditure for the sector in the first three months of FY 2019/20 amounted to Ksh.32.9 billion representing 15.7 per cent of the gross estimate, a marginal increase compared to 15.6 per cent recorded in a similar period FY 2018/19. The expenditure comprised of Kshs.1.3 billion for development expenditure, representing an absorption rate of 7.6 per cent (a decrease from 8.2 per cent) and Kshs.31.6 billion as recurrent expenditure, representing 16.4 per cent of gross recurrent estimates (a marginal decline from 16.6 per cent).

Among the two MDAs which incurred development expenditure, the State Department for Interior recorded an absorption rate of 11.9 per cent while the Judiciary recorded 2.4 per cent. The Witness Protection Agency recorded the highest percentage of recurrent expenditure to gross recurrent estimates at 31.7 per cent, while the National Police Service Commission recorded the lowest at 13.6 per cent.

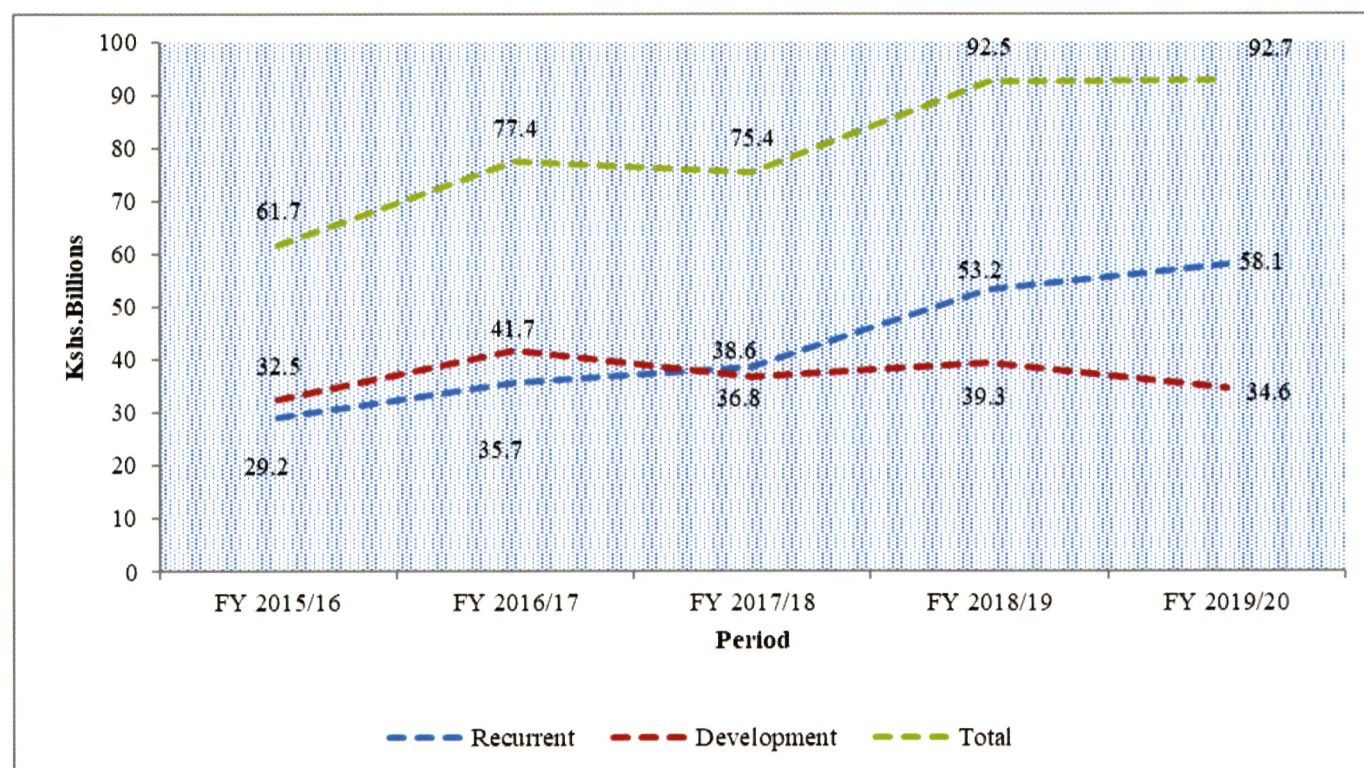
4.8 Health Sector

The Health Sector is responsible for the provision and coordination of the health policy formulation, ensuring quality service delivery and regulation and control of health care. The sector comprises of Ministry of Health and seven Semi-Autonomous Government Agencies 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 budgetary allocation to the sector in FY 2019/20 was Kshs.92.7 representing 3.4 per cent of gross national budget, a marginal increase from Kshs.92.5 billion allocated in FY 2018/19. The allocation comprised of Kshs.34.6 billion (37.4 per cent) for development expenditure and Kshs.58.1 billion (62.6 per cent) for recurrent expenditure. Figure 4.13 shows the budgetary allocation trend for the Health sector for the period FY 2015/16 to FY 2019/20.

Figure 4.13: Budgetary Allocation Trend for the Health Sector



Source: National Treasury

In the first three months of FY 2019/20, total exchequer issues to the sector amounted to Kshs.8.4 billion representing 11.7 per cent of the sector's annual net estimate. This comprised of Kshs.0.4 billion for development expenditure, representing 1.5 per cent of the development net estimates and Kshs.8 billion for recurrent expenditure, representing 18.5 per cent of the recurrent annual net estimates.

Table 4.7 shows Health sector analysis of exchequer issues and expenditure in the first three months of FY 2019/20.

Table 4.7: Health Sector Analysis of Exchequer Issues and Expenditure (Kshs. Billions).

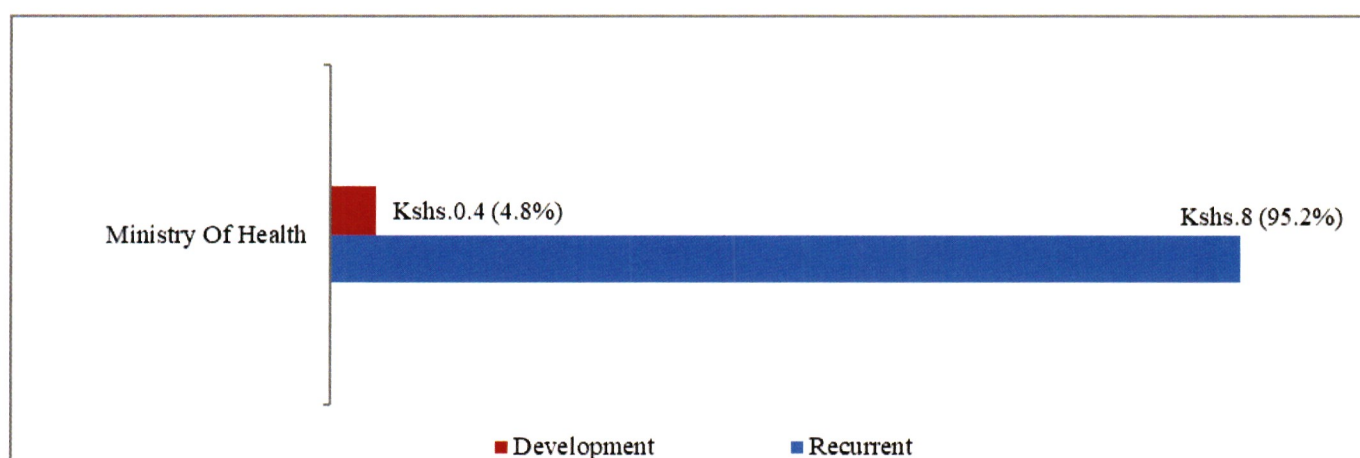
VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.
Ministry of Health	34.6	29.2	0.4	0.7	1.5	2.1	58.1	43.1	8.0	6.6	18.5	11.4
Total	34.6	29.2	0.4	0.7	1.5	2.1	58.1	43.1	8.0	6.6	18.5	11.4

VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.
Total for the Sector							Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.
Development							34.6	29.2	0.4	0.7	1.5	2.1
Recurrent							58.1	43.1	8.0	6.6	18.5	11.4
Total							92.7	72.3	8.4	7.3	11.7	7.9

Source: MDAs and National Treasury

Figure 4.14 shows the exchequer issues to Health sector in the first three months of FY 2019/20.

Figure 4.14: Exchequer Issues to the Health Sector (Kshs. Billions)



Source: National Treasury

The total expenditure for the sector in the period under review amounted to Kshs.7.3 billion, representing 7.9 per cent of the gross estimate, a decrease compared to 11.3 per cent recorded in a similar period of FY 2018/19. The expenditure comprised of Kshs.0.7 billion as development expenditure, representing an absorption rate of 2.1 per cent and Kshs.6.6 billion as recurrent expenditure, representing 11.4 per cent of gross recurrent estimates.

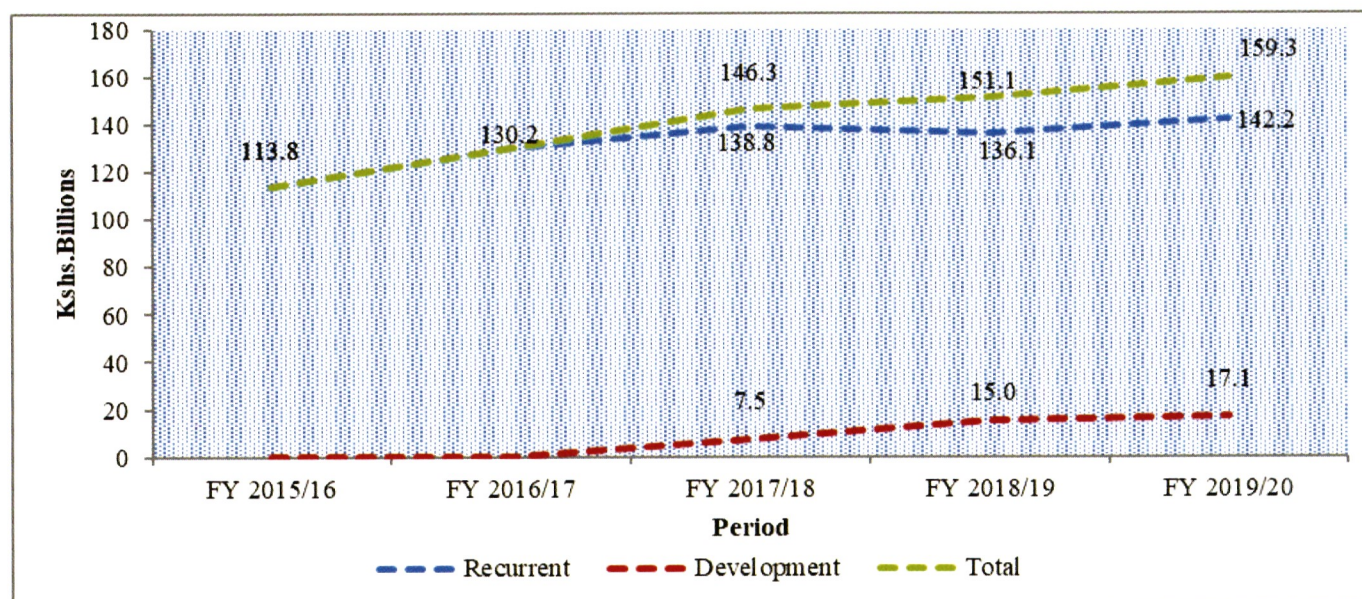
4.9 National Security Sector

The Sector comprises 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 budget allocation to the sector in FY 2019/20 amounts to Kshs.159.3 billion translating to 5.8 per cent of gross national budget, an increase from Kshs.142.3 billion allocated in FY 2018/19. The allocation comprised of Kshs.17.1 billion for development expenditure and Kshs.142.2 billion for recurrent expenditure representing 10.7 per cent and 89.3 per cent of the sector allocation respectively. The Ministry of Defence received the highest budgetary allocation of Kshs121.6 billion (76.4 per cent of the sector's allocation), while the National Intelligence Service received Kshs. 37.7 billion (23.6 per cent of the sector's allocation).

Figure 4.15 shows budgetary allocation trend for the National Security sector for the period FY 2015/16 to FY 2019/20.

Figure 4.15: Budgetary Allocation Trend for the National Security Sector



Source: National Treasury

In the first three months of FY 2019/20, the sector received exchequer issues amounting to Kshs.28 billion representing 19.1 per cent of the sector's annual net estimate, towards recurrent expenditure. The Ministry of Defence received Kshs.18.6 billion while the NIS received Kshs.9.4 billion, representing 17.8 per cent and 25 per cent of the recurrent annual net estimates respectively.

Table 4.8 shows the National Security sector analysis of exchequer issues and expenditure in the first three months of FY 2019/20.

Table 4.8: National Security Sector-Analysis of Exchequer Issues and Expenditure (Kshs Billions)

VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.
Ministry of Defence	17.1	4.0	-	0.3	-	1.8	104.5	104.5	18.6	25.2	17.8	24.1
National Intelligence Service	-	-	-	-	-	-	37.7	37.7	9.4	9.2	25.0	24.3
Total	17.1	4.0	-	0.3	-	1.8	142.2	142.2	28.0	34.4	19.7	24.2
Total for the Sector												
Development							17.1	4.0	-	0.3	-	1.8
Recurrent							142.2	142.2	28.0	34.4	19.7	24.2
Total							159.3	146.2	28.0	34.7	1.9	21.8

Source: MDAs and National Treasury

The total expenditure for the sector in the first three months of FY 2019/20 amounted to Kshs.34.7 billion, representing 21.8 per cent of the gross estimate, a decrease compared to 26.1 per cent recorded in a similar period in FY 2018/19. This comprised of Kshs.0.3 billion for development expenditure recording an absorption rate of 1.8 per cent and Kshs.34.4 billion for recurrent expenditure representing 24.2 per cent of the recurrent gross estimates. The Ministry of Defence spent Kshs.25.2 billion while the NIS spent Kshs.9.2 billion on recurrent activities, representing 24.1 per cent and 24.3 per cent of the gross recurrent estimates respectively.

4.10 Public Administration and International Relations (PAIR) Sector

The Public Administration and International Relations (PAIR) Sector consists of 15 MDAs namely; The Presidency, State Department for Planning, 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, Auditor General, Controller of Budget, and Commission on Administrative Justice.

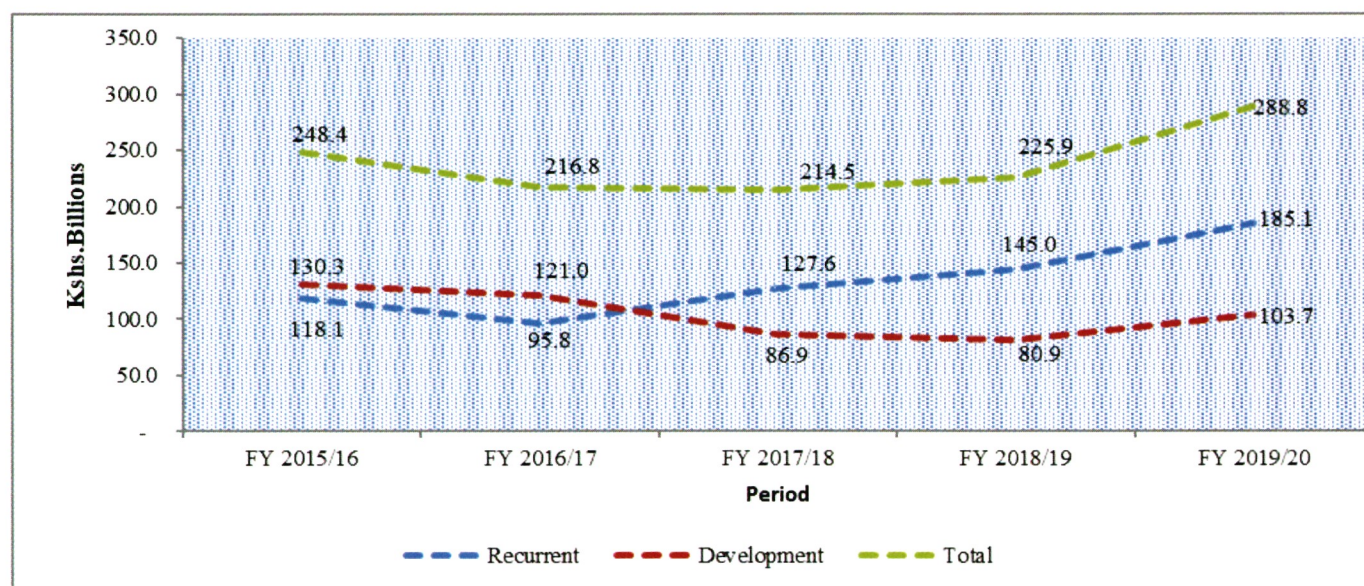
The sector's provides overall policy direction and leadership to the country, oversees national legislation as well as the human resource function in the public service. It further coordinates national policy formulation, implementation, resource mobilization, allocation and management, devolution oversight, coordinating implementation of youth policy and mainstreaming in national development, implementation of Kenya foreign policy, and oversight on use of public resources and service delivery.

The budget allocation to the sector in FY 2019/20 was Kshs.288.8 billion representing 9.3 per cent of gross national budget, an increase compared to Kshs.226.4 billion allocated in FY 2018/19. The allocation comprised of Kshs.103.7 billion (35.9 per cent) for development expenditure and Kshs.185.1 billion (64.1 per cent) for recurrent expenditure. The National Treasury² received the highest budgetary allocation of Kshs.115.9 billion (40.1 per cent of the sector's allocation), while Salaries and Remuneration Commission had the lowest at Kshs.0.5 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 2015/16 to FY 2019/20

The net allocation to National Treasury amounts to Ksh.75.7 billion. The budget includes allocation to Kshs.32.2 billion for the programmes not implemented by the National Treasury directly. The Programmes are:

- *Employer Contribution to Contributory Pension Scheme Ksh.10 billion. The Scheme is yet to be operational.*
- *Salary adjustment for all Civil Servants kshs.22 billion. The allocation will be distributed to all MDAs during Supplementary Estimates No.II.*
- *State Officers and Civil Servant Housing Scheme Fund Ksh.800 million. The money will be transferred to the scheme administrator.*
- *State Officers and Public Officers Car Loan Fund Ksh.375 million. The money will be paid to the fund at a later date*

Figure 4.16: Budgetary Allocation Trend for the PAIR Sector (Kshs. Billion)

Source: National Treasury

In the first three months of FY 2019/20, the total exchequer issues to the sector amounted to Kshs.34.0 billion representing 12.4 per cent of the sector's annual net estimate. This comprised of Kshs.1.2 billion for development expenditure, representing 1.3 per cent of the development net estimates and Kshs.32.8 billion for recurrent expenditure, representing 18.4 per cent of the recurrent net estimates.

Table 4.9 shows PAIR Sector analysis of exchequer issues and expenditure in the period July to September 2019.

Table 4.9: PAIR Sector-Analysis of Exchequer Issues and Expenditure (Kshs. Billions)

VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. To Net Est.	% of Exp. to Gross Est.	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. To Net Est.	% of Exp. to Gross Est.
The Presidency	2.3	2.2	-	0.1	-	4.8	9.0	9.0	1.9	1.5	21.1	16.8
State Department for Devolution	7.4	7.4	-	0.02	-	0.2	1.0	1.0	0.5	0.8	49.1	83.0
State Department for Planning	44.0	43.9	0.05	0.1	0.1	0.1	11.9	11.8	8.2	8.2	69.7	68.9
Ministry of Foreign Affairs	2.0	2.0	-	0.9	-	45.4	17.3	16.7	3.8	4.1	22.6	23.4
The National Treasury	37.3	29.4	1.2	1.4	4.0	3.7	78.6	75.7	7.4	7.6	9.8	9.6
State Department for Public Service	1.5	1.5	-	-	-	-	8.4	6.7	0.3	0.3	4.3	3.2
State Department for Youth	6.0	6.0	-	1.7	-	28.6	11.4	10.2	2.4	2.5	23.2	22.1
Parliamentary Service Commission	3.1	3.1	-	-	-	-	13.6	13.6	2.1	2.0	15.7	14.6
National Assembly	-	-	-	-	-	-	23.9	23.9	4.3	3.4	17.9	14.1
The Commission on Revenue Allocation	-	-	-	-	-	-	0.5	0.5	0.1	0.1	11.6	15.9
Public Service Commission	0.1	0.1	-	-	-	-	2.2	2.2	0.2	0.2	11.4	11.3

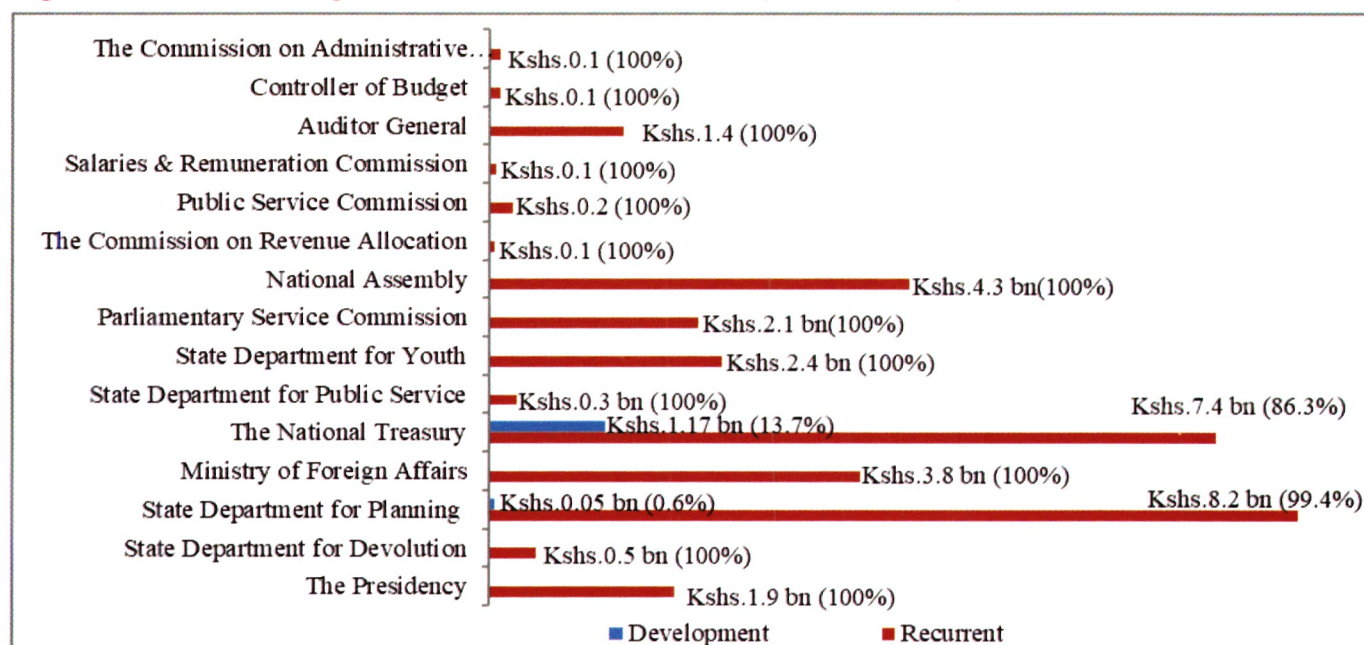
VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. To Net Est.	% of Exp. to Gross Est.	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. To Net Est.	% of Exp. to Gross Est.
Salaries & Remuneration Commission	-	-	-	-	-	-	0.5	0.5	0.1	0.1	16.4	17.5
Auditor General	0.2	0.2	-	-	-	-	5.5	5.3	1.4	1.3	25.5	24.2
Controller of Budget	-	-	-	-	-	-	0.7	0.7	0.1	0.1	16.5	16.1
The Commission on Administrative Justice	-	-	-	-	-	-	0.6	0.6	0.1	0.1	19.3	18.6
Total	103.7	95.7	1.2	4.2	1.3	4.0	185.1	178.4	32.8	32.3	18.4	17.4
Total for the Sector							Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.
Development							103.7	95.7	1.2	4.2	1.3	4.0
Recurrent							185.1	178.4	32.8	32.3	18.4	17.4
Total							288.8	274.1	34.0	36.5	12.4	12.6

Source: MDAs and National Treasury

In the period under review the National Treasury and the State Department for Planning received development exchequer issues of Kshs.1.2 billion and Kshs.53.9 million, representing 4 per cent and 0.1 per cent of the annual net estimates respectively. The State Department for Planning received the highest proportion of recurrent exchequer issues to net estimates at 69.7 per cent while the State Department for Public Service the lowest at 4.3 per cent.

Figure 4.17 shows the exchequer issues to the PAIR Sector in the first three months of FY 2019/20.

Figure 4.17: Exchequer Issues to the PAIR Sector (Kshs. billions)



Source: National Treasury

The total expenditure for the sector in the first three months of FY 2019/20 was Kshs.36.5 billion representing 12.6 per cent of the gross estimates a decline compared to 14.1 per cent recorded in a similar period of FY 2018/19. The expenditure comprised of Kshs.4.2 billion as development expenditure, representing an absorption rate of 4 per cent (a decline from 13.4 per cent) and Kshs.32.3 billion as recurrent expenditure, representing 17.4 per cent of gross recurrent estimates (an increase from 14.5 per cent), recorded in a similar period of 2018/19.

Ministry of Foreign Affairs recorded the highest absorption on development budget at 45.4 per cent while the State Department for Planning recorded the lowest at less than 0.1 per cent. State Department for Devolution recorded the highest percentage of recurrent expenditure to gross recurrent estimates at 83 per cent while the State Department for Public Service recorded the lowest at 3.2 per cent.

4.11 Social Protection, Culture and Recreation Sector

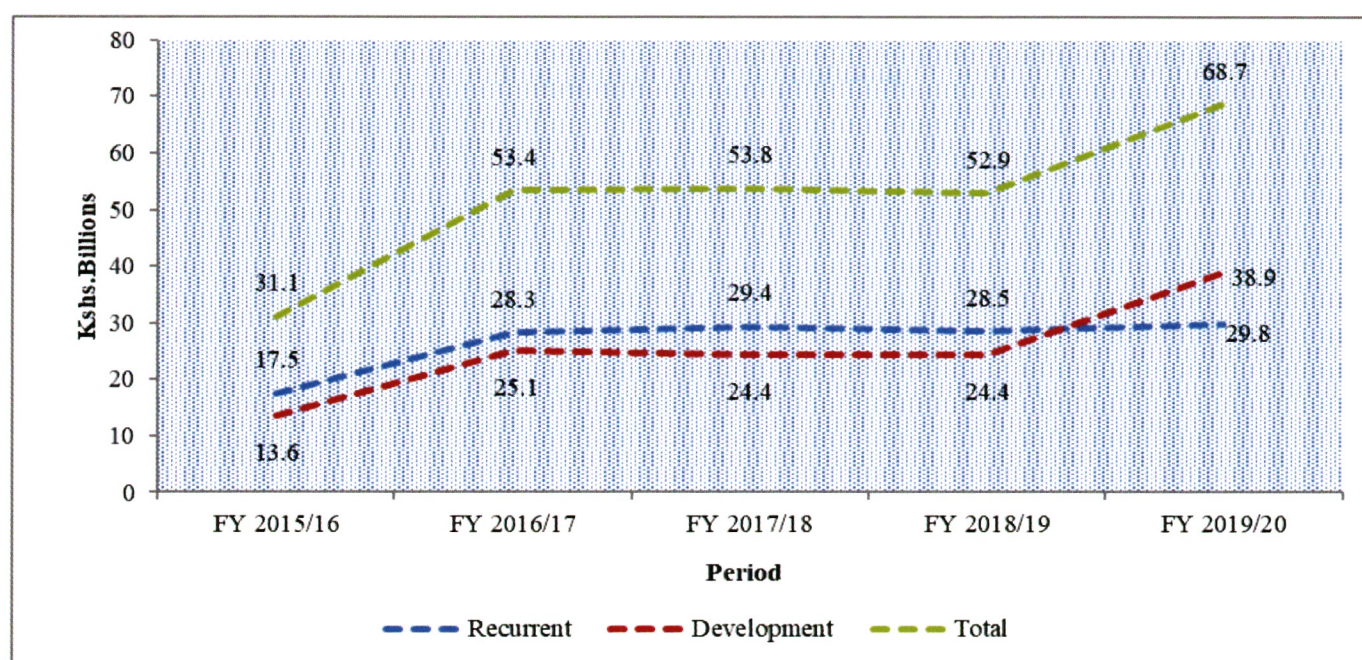
The Social Protection, Culture and Recreation Sector comprises of six State Departments namely: Sports, Culture and Heritage, Labour, Social Protection, Pensions and Senior Citizens Affairs, Development of Arid and Semi-Arid Lands (ASALs) and Gender Affairs.

The sector plays a major role in the country's transformation and Socio-economic development through implementation of special programmes for the development of ASALs, promotion of sustainable employment, harmonious industrial relations, productive workforce and gender equality, empowerment of communities and vulnerable groups, safeguarding children rights, promotion of diverse cultures, arts and sports to enhance cohesiveness and Kenya's regional and international competitiveness.

The budget allocation to the sector in FY 2019/20 was Kshs.68.7 billion, representing 2.5 per cent of gross national budget, an increase from Kshs.54.2 billion allocated in FY 2018/19. The allocation comprised of Kshs.38.9 billion (56.7 per cent) for development expenditure and Kshs.29.8 billion (43.3 per cent) for recurrent expenditure. State Department for Social Protection, Pensions and Senior Citizen Affairs received the highest budgetary allocation of Kshs.34.3 billion (50 per cent of the sector's allocation), while the State Department for Culture and Heritage had the lowest budgetary allocation of Kshs.3.6 billion (5.2 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 2015/16 to FY 2019/20.

Figure 4.18: Budgetary Allocation Trend for the Social Protection, Culture Recreation Sector (Kshs. Billion)



Source: National Treasury

In the first three months of FY 2019/20, the total exchequer issues for the sector was Kshs.3.4 billion representing 6.4 per cent of the sector's annual net estimate. This comprised of Kshs.0.6 billion for development expenditure, representing 2.6 per cent of the annual development net estimates and Kshs.2.8 billion for recurrent expenditure, representing 9.8 per cent of the annual 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 three months of FY 2019/20.

Table 4.10: Social Protection, Culture Recreation Sector-Analysis of Exchequer Issues and Expenditure(Kshs. Billions)

VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. To Net Est.	% of Exp. to Gross Est.
State Department for Development for ASALs	3.9	3.8	0.3	0.4	7.7	9.1	1.1	1.1	0.2	0.2	21.0	20.1
State Department for Sports Development	13.9	0.7	-	0.5	-	3.3	1.3	1.2	0.3	0.2	23.9	18.9
State Department for Culture and Heritage	0.6	0.6	-	-	-	-	3.0	2.6	0.6	0.6	22.1	18.8
State Department for Labour	3.3	3.1	0.4	0.3	11.6	8.9	2.9	2.2	0.4	0.4	18.4	14.2
State Department for Social Protection, Pension and Senior Citizens Affairs	14.5	14.0	-	-	-	-	19.8	19.8	1.1	0.9	5.4	4.7
State Department for Gender	2.8	2.8	-	-	-	-	1.7	1.5	0.2	0.3	14.3	19.5

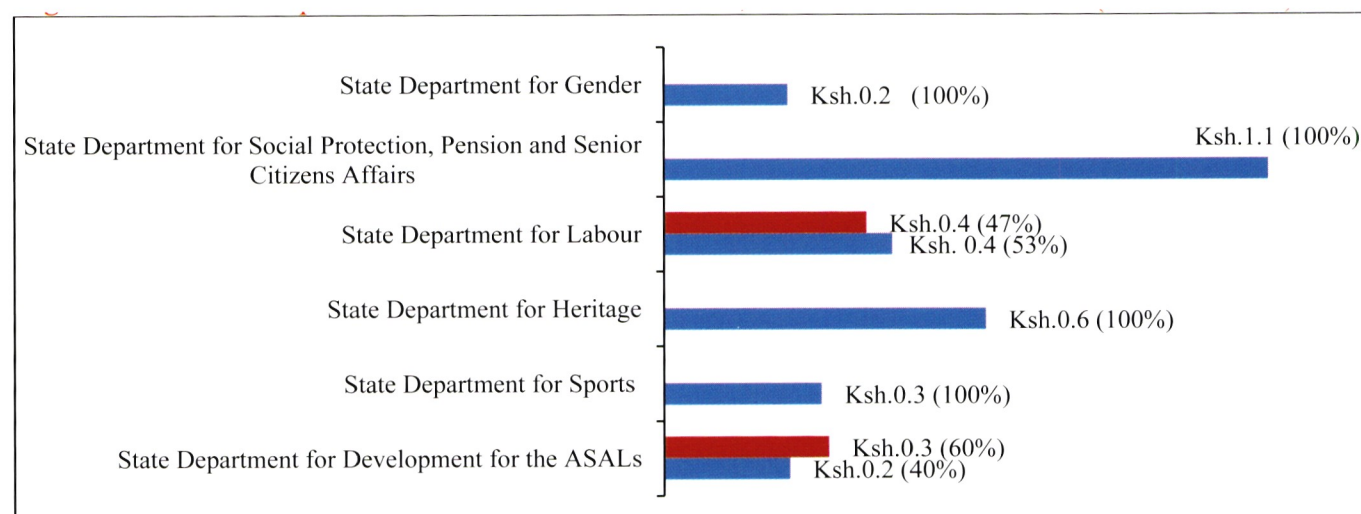
VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. To Net Est.	% of Exp. to Gross Est.
Total	38.9	24.9	0.6	1.1	2.6	2.8	29.8	28.3	2.8	2.7	9.8	9.1
Total for the Sector							Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.
Development							38.9	24.9	0.6	1.1	2.6	2.8
Recurrent							29.8	28.3	2.8	2.7	9.8	9.1
Total							68.7	53.2	3.4	3.8	6.4	5.5

Source: MDAs and National Treasury

The State Department for Labour received the highest proportion of development exchequer issues to development net estimates at 11.6 per cent while the State Department for Development for ASALs received the lowest at 7.7 per cent. The State Department for Sports Development received the highest proportion of recurrent exchequer issues to the annual recurrent net estimates at 23.9 per cent while the State Department for Social Protection, Pension and Senior Citizens Affairs received the lowest proportion 5.4 per cent.

Figure 4.19 shows the exchequer issues to the Social Protection, Culture Recreation Sector in the first three months of FY 2019/20.

Figure 4.19: Exchequer Issues to the Social Protection, Culture Recreation Sector (Kshs. Billions)



Source: National Treasury

The total expenditure for the sector in the first three months of FY 2019/20 amounted to 3.8 billion representing 5.5 per cent of the gross estimate, a decrease compared to 18.2 per cent recorded in similar period of FY 2018/19. The expenditure comprised of Kshs.1.1 billion for development expenditure, representing an absorption rate of 2.8 per cent (a decrease from 15.4 per cent) and Kshs.2.7 billion as recurrent expenditure, representing 9.1 per cent of gross recurrent estimates (a decline from 20.7 per cent).

The State Department for Development for the ASALs recorded the highest percentage of expenditure to gross estimates for both development and recurrent budget at 9.1 per cent and at 20.1 per cent respectively. The State Department for Sports recorded the lowest absorption for development expenditure at 3.3 per cent while the State Department for Social Protection, Pension and Senior Citizens Affairs recorded the lowest at 4.7 per cent.

5 BUDGET PERFORMANCE BY PROGRAMMES

5.1 Introduction

This chapter presents an analysis of MDAs budget performance based on programmes implemented in the first three months of FY 2019/20. 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 sector's allocation in FY 2019/20 amounts to Kshs.59.6 billion for implementing eleven (11) programmes. This comprises of Kshs.40.7 billion (68.2 per cent) for development programmes and Kshs.19 billion (31.8 per cent) for recurrent programmes. Analysis of ARUD sector programmes for the first three months of FY 2019/20 is presented in table 5.1.

Table 5.1 ARUD Sector's Programme Performance (Kshs. Billions)

VOTE	Programme	Gross Estimates			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Total	Dev.	Rec.	Total	
Ministry of Lands and Physical Planning	Land Policy and Planning	3.6	3.0	6.6	0.01	0.5	0.5	7.6
State Department for Crop Development	General Administration Planning and Support Services	0.5	3.3	3.8	0.02	0.6	0.6	16.6
	Crop Development and Management	16.1	0.7	16.8	0.03	0.1	0.2	0.9
	Agribusiness and Information Management	1.5	0.1	1.6	0.1	0.0	0.1	5.2
State Department for Livestock	Livestock Resources Management and Development	4.8	2.1	7.0	1.3	0.5	1.8	25.4
State Department for Fisheries and the Blue Economy	Fisheries Development and Management	2.5	1.5	3.9	0.002	0.3	0.3	7.9
	General Administration Planning and Support Services	-	0.2	0.2	-	0.02	0.02	13.0
	Development and Coordination of Blue Economy	2.4	0.1	2.6	0.001	0.01	0.01	0.4
State Department for Irrigation	Irrigation and Land Reclamation	8.5	1.0	9.5	2.7	0.1	2.8	32.9
State Department for Agricultural Research	Agricultural Research and Development	0.8	5.6	6.4	0.1	1.1	1.2	19.2
National Land Commission	Land Administration and Management	-	1.3	1.3	-	0.2	0.2	18.6
Total		40.7	19.0	59.6	4.3	3.4	7.7	12.9

Source: MDAs and National Treasury

Crop Development and Management programme under the State Department for Crop Development received the highest allocation at Kshs.16.8 billion (28.2 per cent of the annual estimates for the sector) while General Administration Planning and Support Services programme under the State Department for Fisheries and the Blue Economy received the lowest allocation at Kshs.0.2 billion, translating to less than 1 per cent.

The total expenditure for the sector programmes in the first three months of FY 2019/20 amounted to Kshs.7.7 billion representing an absorption rate of 12.9 per cent. This comprised of Kshs.4.3 billion for development activities, an absorption rate of 10.6 per cent of the annual estimates and Kshs.3.4 billion incurred on recurrent activities representing 18 per cent of the recurrent estimates.

Analysis by programme performance shows Irrigation and Land Reclamation programme under the State Department for Irrigation recorded the highest proportion of programme expenditure to its annual estimates at 32.9 per cent while Development and Coordination of Blue Economy programme under the State Department for Fisheries and the Blue Economy recorded the lowest translating to less than 1 per cent.

Further analysis of sub-programme performance shows that, Livestock Research and Development sub-programme under Agricultural Research & Development programme had the highest expenditure at Kshs.1.2 billion, while the Agricultural Information Management sub-programme under the Agribusiness and Information Management programme had the lowest at Kshs.150 thousand.

5.3 Education Sector

The sector's allocation in FY 2019/20 amounts to Kshs.494.8 billion for implementing fourteen (14) programmes. This comprises of Kshs.25.5 billion (5.2 per cent) for development programmes and Kshs.469.3 billion (94.8 per cent) for recurrent programmes. The analysis of sector programmes for first three months of FY 2019/20 is

Table 5.2: Education Sector's Programme Performance (Kshs. Billions)

VOTE	Programme	Gross Estimates			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Total	Dev.	Rec.	Total	
State Department for Early Learning & Basic Education	Primary Education	1.6	17.8	19.3	-	3.6	3.6	18.5
	Secondary Education	5.0	63.4	68.5	0.02	26.4	26.5	38.6
	Quality Assurance and Standards	0.3	4.4	4.8	-	0.7	0.7	14.9
	General Administration, Planning and Support Services	0.1	4.6	4.7	0.01	0.9	0.9	18.3
State Department for Vocational Training and Technical Training	Technical Vocational Education and Training	7.1	16.9	24.1	1.9	2.4	4.3	17.8
	Youth Training and Development	2.0	0.05	2.1	-	0.005	0.005	0.2
	General Administration, Planning and Support Services	-	0.2	0.2	-	0.0	0.01	8.6
State Department for University Education	University Education	9.2	106.3	115.5	0.2	13.2	13.4	11.6
	Research, Science, Technology and Innovation	0.1	2.2	2.3	-	0.5	0.5	22.3
	General Administration, Planning and Support Services	-	0.3	0.3	-	0.04	0.04	13.3
State Department for Post Training and Skills Development	General Administration, Planning and Support Services	-	0.2	0.2	-	0.02	0.02	10.1
Teachers Service Commission	Teacher Resource Management	-	245.7	245.7	-	59.2	59.2	24.1
	Governance and Standards	-	0.4	0.4	-	0.4	0.4	96.4
	General Administration, Planning and Support Services	0.1	6.8	6.8	-	0.8	0.8	12.4
Total		25.5	469.3	494.8	2.1	108.3	110.3	22.3

Source: MDAs and National Treasury

The Teacher Resource Management programme under the Teachers Service Commission received the highest allocation at Kshs.245.7 billion (49.7 per cent of the annual estimates for the sector) while,

the General Administration, Planning and Support Services programme under the State Department for Vocational Training and Technical Training received the lowest allocation at Kshs.164 million, translating to less than 1 per cent of the annual estimates.

The total expenditure for the sector programmes in the first three months of FY 2019/20 amounted to Kshs.110.3 billion representing an absorption rate of 22.3 per cent. This comprised of Kshs.2.1 billion for development activities, an absorption rate of 8.2 per cent of the annual estimates and Kshs.108.3 billion incurred on recurrent activities representing 23.1 per cent of the recurrent estimates.

Analysis by programme performance shows the Governance and Standards under the Teachers Service Commission recorded the highest proportion of programme expenditure to its annual estimates at 96.4 per cent while Youth Training and Development under the State Department for Vocational Training and Technical Training recorded the lowest at less than 1 per cent.

Further analysis of sub-programme performance shows that, University Education sub-programme under University Education programme had the highest expenditure at Kshs.10.3 billion, while Revitalization of Youth Polytechnics sub-programme under the Youth Training and Development Programme recorded the lowest at Kshs.4.8 million.

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

The EI & ICT sector's allocation in FY 2019/20 amounts to Kshs.435.1 billion for implementing twenty six (26) programmes. This comprises of Kshs.345.4 billion (79.4 per cent) for development programmes and Kshs.89.7 billion (20.6 per cent) for recurrent programmes. The analysis of sector programmes for first three months of FY 2019/20 is presented in Table 5.3.

Table 5.3: EI & ICT Sector's Programme Performance (Kshs. Billions)

VOTE	Programme	Gross Estimates			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Total	Dev.	Rec.	Total	
State Department of Transport	General Administration, Planning and Support Services	0.5	0.4	0.8	0.04	0.0	0.1	10.1
	Rail Transport	63.1	-	63.1	-	-	-	-
	Marine Transport	18.6	1.3	19.9	5.5	0.3	5.8	29.2
	Air Transport	1.8	8.1	9.9	0.9	1.3	2.2	22.1
	Road Safety	-	0.02	0.02	-	0.002	0.002	9.8
State Department of Infrastructure	Road Transport	125.0	61.5	186.4	39.4	7.1	46.5	24.9
State Department for Shipping and Maritime	Marine Transport	0.7	1.6	2.4	0.04	0.04	0.08	2.2
State Department for Housing & Urban Development	Housing Development and Human Settlement	13.1	0.5	13.6	1.4	0.1	1.5	10.9
	Urban and Metropolitan Development	17.4	0.2	17.6	0.04	0.005	0.05	0.3
	General Administration, Planning and Support Services	0.0	0.3	0.3	-	0.1	0.05	18.8
State Department for Public Works	Government Buildings	1.3	0.5	1.8	-	0.1	0.1	6.3
	Coastline Infrastructure and Pedestrian Access	0.5	0.2	0.6	-	0.02	0.0	2.7
	General Administration, Planning and Support Services	0.04	0.4	0.4	-	0.03	0.0	7.9
	Regulation and Development of the Construction Industry	0.3	1.3	1.6	-	0.3	0.3	20.0

VOTE	Programme	Gross Estimates			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Total	Dev.	Rec.	Total	
State Department for Information Communications & Technology	General Administration Planning and Support Services	-	0.2	0.2	-	0.05	0.1	21.1
	ICT Infrastructure Development	22	0.6	22.8	4	0.1	4.4	19.5
	E-Government Services	2.9	1.2	4.1	0.3	0.2	0.6	13.6
	Film Development Services Programme	0.1	1.0	1.1	0.04	0.2	0.2	21.5
State Department for Broadcasting & Telecommunication	General Administration Planning and Support Services	-	0.3	0.3	-	0.05	0.0	18.2
	Information and Communication Services	0.6	4.0	4.5	0.2	0.4	0.5	11.6
	Mass Media Skills Development	0.2	0.2	0.4	-	0.05	0.1	35.2
Ministry of Energy	General Administration Planning and Support Services	0.1	0.4	0.5	-	0.05	0.05	10.0
	Power Generation	9.6	1.8	11.4	0.5	0.2	0.7	6.1
	Power Transmission and Distribution	61.2	3.4	64.6	18.6	0.2	18.8	29.1
	Alternative Energy Technologies	0.7	0.2	0.9	0.001	0.05	0.05	5.6
State Department for Petroleum	Exploration and Distribution of Oil and Gas	5.4	0.3	5.7	0.1	0.05	0.1	2.6
Total		345.4	89.7	435.1	71.5	10.8	82.3	18.9

Source: MDAs and National Treasury

The Road Transport programme under the State Department of Infrastructure received the highest allocation at Kshs.186.4 billion (42.8 per cent of the annual estimates for the sector) while Road Safety programme under the State Department of Transport received the lowest allocation at Kshs.20 million, translating to less than 1 per cent.

The total expenditure for the sector programmes in the first three months of FY 2019/20 amounted to Kshs.82.3 billion representing absorption rate of 18.9 per cent. This comprised of Kshs.71.5 billion for development activities, an absorption rate of 20.7 per cent of the annual estimates and Kshs.10.8 billion incurred on recurrent activities representing 12 per cent of the recurrent estimates.

Analysis by programme performance shows that Mass Media Skills Development under the State Department for Broadcasting & Telecommunication recorded the highest proportion of programme expenditure to its annual estimates at 35.2 per cent while Exploration and Distribution of Oil and Gas programme under the State Department for Petroleum recorded the lowest at 2.6 per cent.

Further analysis of sub-programme performance shows that, Housing and Urban Development's Housing Development sub-programme under the Housing Development and Human Settlement programme had the highest expenditure of Kshs.1.2 billion, while Metropolitan Planning sub-programme under the Urban and Metropolitan Development programme had the lowest expenditure of Kshs.6.1 million.

5.5 Environmental Protection, Water and Natural Resources Sector

The sector's allocation in the FY 2019/20 amounted to Kshs.90.2 billion for implementing twelve (12) programmes. This comprises of Kshs.66.1 billion (73.3 per cent) for development programmes and Kshs.24.1 billion (26.7 per cent) for recurrent programmes. Analysis of Sector programmes for first three months of FY 2019/20 is presented in Table 5.4.

Table 5.4: Environment Protection, Water and Natural Resources Sector's Programme Performance (Kshs. Billions)

VOTE	Programme	Gross Estimates			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Total	Dev.	Rec.	Total	
Ministry of Water and Sanitation	General Administration, Planning and Support Services	0.1	0.8	0.9	0.04	0.1	0.1	16.0
	Water Resources Management	7.2	1.7	8.8	1.3	0.1	1.4	17.0
	Water and Sewerage Infrastructure Development	38.1	3.1	41.2	9.9	0.4	10.2	25.0
	Water Storage and Flood Control	9.8	-	9.8	1.7	-	1.7	17.0
State Department for Environment and Forestry	Environment Management and Protection	2.4	1.7	4.1	0.04	0.3	0.4	9.3
	General Administration, Planning and Support Services	-	0.3	0.3	-	0.1	0.1	19.6
	Meteorological Services	1.0	1.1	2.1	-	0.4	0.4	19.3
	Forests and Water Towers Conservation	3.8	7.1	10.9	0.4	0.8	1.2	10.9
State Department for Mining	General Administration Planning and Support Services	0.1	0.3	0.4	-	0.1	0.1	25.8
	Mineral Resources Management	0.4	0.2	0.6	0.01	0.02	0.03	4.5
	Geological Survey and Geo-information Management	0.1	0.1	0.2	0.00	0.01	0.02	9.5
State Department for Wildlife	Wildlife Conservation and Management	1.4	7.8	9.2	0.2	0.7	0.9	10.4
Total		66.1	24.1	90.2	12.3	3.3	15.6	17.3

Source: MDAs and National Treasury

The Water and Sewerage Infrastructure Development programme under Ministry of Water and Sanitation received the highest allocation at Kshs.41.2 billion (45 per cent of the annual estimates for the sector) while Geological Survey and Geo-information Management programme under the State Department for Mining received the lowest allocation at Kshs.181.1 million, translating to less than 1 per cent.

The total expenditure for the sector programmes in the first three months of the FY 2019/20 amounted to Kshs.15.6 billion representing an absorption rate of 17.3 per cent. This comprised of Kshs.12.3 billion for development activities, an absorption rate of 18.6 per cent of the annual estimates and Kshs.3.3 billion incurred on recurrent activities representing 13.9 per cent of the recurrent estimates.

Further analysis of sub-programme performance shows that, the General Administration, Planning and Support Services programme under the State Department for Mining recorded the highest proportion of programme expenditure to its annual estimates at 25.8 per cent while its' Mineral Resources Management programme recorded the lowest at 4.5 per cent.

Further analysis of sub-programme performance shows that, Wildlife Security sub-programme and Administration Services sub-programmes under the Wildlife Conservation and Management programme had the highest and lowest expenditures at Kshs.915 million and Kshs.35.5 million respectively.

5.6 General Economic and Commercial Affairs Sector (GECA)

The Sector's allocation in FY 2019/20 amounts to Kshs.29.9 billion for implementing eight (8) programmes. This comprises of Kshs.14.9 billion (49.8 per cent) for development programmes and Kshs.15.0 billion (50.2 per cent) for recurrent programmes. Analysis of sector programmes for the first three months of FY 2019/20 is presented in Table 5.5.

Table 5.5: GECA Sector's Programme Performance (Kshs. Billions)

VOTE	Programme	Gross Estimates			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Total	Dev.	Rec.	Total	
State Department for Industrialization	General Administration Planning and Support Services	0.2	0.5	0.7	0.01	0.1	0.1	10.7
	Industrial Development and Investments	1.7	1.5	3.3	0.6	0.2	0.8	24.4
	Standards and Business Incubation	4.0	1.4	5.4	1.3	0.3	1.6	28.9
State Department for Cooperatives	Cooperative Development and Management	3.7	0.7	4.5	0.2	0.2	0.3	7.4
State Department for Trade	Trade Development and Promotion	0.5	1.7	2.2	0.003	0.2	0.2	8.7
State Department for East African Community	East African Affairs and Regional Integration	-	0.7	0.7	-	0.1	0.1	14.7
State Department for Regional and Northern Corridor Development	Integrated Regional Development	3.2	2.1	5.4	-	0.3	0.3	6.1
State Department for Tourism	Tourism Development and Promotion	1.5	6.3	7.9	-	0.2	0.2	3.0
Total		14.9	15.0	29.9	2.0	1.6	3.6	12.1

Source: MDAs and National Treasury

The Tourism Development and Promotion programme under the State Department for Tourism received the highest budget allocation at Kshs.7.9 billion (26.3 per cent of the total budget allocations for the sector) while the East African Affairs and Regional Integration programme under the State Department for East African Community received the lowest allocation at Kshs.671.3 million (2.2 per cent of the total budget allocation for the sector).

The total expenditure for the sector programmes in the first three months of FY 2019/20 amounted to Kshs.3.6 billion representing an absorption rate of 12.1 per cent. This comprised of Kshs.2 billion for development activities, an absorption rate of 13.6 per cent of the annual estimates and Kshs.1.6 billion incurred on recurrent activities representing 10.5 per cent of the recurrent estimates.

Analysis by programme performance shows the Standards and Business Incubation programme under the State Department for Industrialization recorded the highest proportion of programme expenditure to its annual estimates at 28.9 per cent while Tourism Development and Promotion programme under the State Department for Tourism recorded the lowest at 3 per cent.

Further analysis of sub-programme performance shows that, Cooperative Development and Investment sub-programme and Marketing, Value Addition and Research sub-programme under Cooperative Development Management Programme had the highest and lowest expenditures at Kshs.166.3 million and Kshs.6.9 million respectively.

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

The sector budgetary allocation in FY 2019/20 was Kshs.209.6 billion to fund twenty (23) programmes. The allocation comprised of Kshs.17.2 billion (8.2 per cent) for development programmes and Kshs.192.4 billion (91.8 per cent) for recurrent programmes. Analysis of sector programmes for the first three months of FY 2019/20 is presented in Table 5.6.

Table 5.6: GJLOS Sector Programme Performance (Kshs. Billions)

VOTE	Programme	Gross Estimates			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Total	Dev.	Rec.	Total	
State Department for Interior	Policing services	3.5	97.1	100.6	0.8	16.3	17.1	17.0
	Planning, policy Coordination and Support Services	3.1	25.5	28.6	-	3.6	3.6	12.6
	Government Printing Services	0.2	0.7	0.9	-	0.1	0.1	12.1
	Road Safety	0.4	2.1	2.5	-	0.1	0.1	4.3
	Population Management Services	2.8	3.8	6.6	0.4	0.6	1.0	15.0
State Department for Correctional Services	Correctional services	1.0	25.7	26.6	-	4.6	4.6	17.2
	General Administration, Planning and Support Services	-	0.5	0.5	-	0.1	0.1	29.9
State Department for Immigration and Citizen Services	Population Management Services	1.4	2.1	3.5	-	0.3	0.3	9.4
State Law Office and Department of Justice	Legal Services	-	2.5	2.5	-	0.3	0.3	13.4
	Governance, Legal Training And Constitutional Affairs	0.2	1.9	2.0	-	0.3	0.3	13.9
	General Administration, Planning and Support Services	0.1	0.8	0.8	-	0.1	0.1	10.4
The Judiciary	Dispensation of Justice	4.4	14.5	18.9	0.1	2.3	2.4	12.9
Ethics and Anti-Corruption Commission	Ethics and Anti-Corruption	0.03	2.9	3.0	-	0.7	0.7	22.2
Office of Director of Public Prosecutions	Public Prosecution Services	0.1	2.9	3.0	-	0.6	0.6	18.4
Office of the Registrar of Political Parties	Registration, Regulation and Funding of Political Parties	-	1.3	1.3	-	0.3	0.3	23.2
Witness Protection Authority	Witness Protection	-	0.5	0.5	-	0.2	0.2	31.7
Kenya National Commission on Human Rights	Protection and Promotion of Human Rights	-	0.4	0.4	-	0.1	0.1	18.4
Independent Electoral and Boundaries Commission	Management of Electoral Processes	0.04	4.2	4.3	-	0.5	0.5	12.7
	Delimitation of Electoral Boundaries	-	0.5	0.5	-	0.3	0.3	48.1
Judicial Service Commission	Dispensation of Justice	-	0.6	0.6	-	0.1	0.1	14.7
National Police Service Commission	National Police Service Human Resource Management	-	0.7	0.7	-	0.1	0.1	13.6
National Gender and Equality Commission	Promotion of Gender Equality and Freedom from Discrimination	0.004	0.5	0.5	-	0.1	0.1	17.8
Independent Policing Oversight Authority	Policing Oversight Services	-	0.9	0.9	-	-	-	-
Total		17.2	192.4	209.6	1.3	31.6	32.9	15.7

Source: MDAs and National Treasury

The Policing services programme under State Department for Interior received the highest allocation at Kshs.100.6 billion (48 per cent of the annual estimates for the sector) while Protection and Promotion of Human Rights programme under Kenya National Commission of Human Rights received the lowest allocation at Kshs.384.3 million, translating to less than 1 per cent.

The total expenditure for the sector programmes in the first three months of FY 2019/20 amounted to Kshs.32.9 billion representing an absorption rate of 15.7 per cent. This comprised of Kshs.1.3 billion for development activities, an absorption rate of 1.3 per cent of the annual estimates and Kshs.31.6 billion incurred on recurrent activities representing 16.4 per cent of the recurrent estimates.

Analysis by programme performance shows that Delimitation of Electoral Boundaries programme under the Independent Electoral and Boundaries Commission recorded the highest proportion of programme expenditure to its annual estimates at 48.1 per cent while Road Safety programme under State Department for Interior recorded the lowest at 4.3 per cent.

Further analysis of sub-programme performance shows that, Administrative Police Service sub-programme under the Policing Services programme recorded the highest expenditure at Kshs.7.9 billion, while the Compliance and Audit sub-programme under the Human Resource Management programme at the National Police Service Commission had the lowest at Kshs.1 million.

5.8 Health Sector

The Health sector budgetary allocation in FY 2019/20 was Kshs.92.7 billion to fund five (5) programmes. The allocation comprised of Kshs.34.6 billion (37.4 per cent) for development programmes and Kshs.58.1 billion (62.6 per cent) for recurrent programmes. Table 5.7 presents an analysis of the Health sector programmes for the first three months of the FY 2019/20.

Table 5.7: Health Sector's Programme Performance (Kshs. Billions)

VOTE	Programme	Gross Estimates			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Total	Dev.	Rec.	Total	
Ministry of Health	Preventive, Promotive & RMNCAH*	7.7	1.7	9.4	0.3	0.3	0.6	6.2
	National Referral & Specialized Services	9.1	27.9	37.0	-	3.9	3.9	10.5
	Health Research and Development	0.7	9.0	9.7	-	1.3	1.3	13.0
	General Administration, Planning & Support Services	1.0	8.0	9.0	-	1.1	1.1	12.7
	Health Policy, Standards and Regulations	16.2	11.4	27.6	0.4	0.0	0.5	1.7
Total		34.6	58.1	92.7	0.7	6.6	7.3	7.9

Source: MDAs and National Treasury

* RMNCAH- Reproductive, Maternal, New-born Child and Adolescent Health

Analysis of the Health sector shows that, National Referral & Specialized Services programme received the highest budgetary allocation of Kshs.37 billion (39.9 per cent of the total annual allocation for the sector), while the General Administration, Planning & Support Services programme had the lowest allocation at Kshs.9 billion (9.7 per cent of the sector's total annual allocation).

The total expenditure for the sector programmes in the period under review amounted to Kshs.7.3 billion representing 7.9 per cent of the annual gross budget estimates. This comprised of Kshs.714.4 million on development expenditure, accounting for an absorption rate of 2.1 per cent of the annual budget estimates for development programmes and Kshs.6.6 billion on recurrent expenditure, which accounted for 11.4 per cent of the annual budget estimates for recurrent programmes.

Further analysis of sub-programme performance shows that, Health Research and Development programme recorded the highest proportion of programme expenditure to its' annual estimates at 13 per cent while the Health Policy, Standards and Regulations registered the lowest proportion of programme expenditure at 1.7 per cent.

5.9 National Security Sector

The National Security budgetary allocation in FY 2019/20 was Kshs.159.3 billion to fund its five (5) programmes. This comprises of Kshs.17.1 billion (10.7 per cent) for development expenditure and Kshs.142.2 billion (89.3 per cent) for recurrent expenditure. The analysis of National Security sector programmes for the first three months of the FY 2019/20 is presented in Table 5.8.

Table 5.8: National Security Sector's Programme Performance (Kshs. Billions)

VOTE	Programme	Gross Estimates			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Total	Dev.	Rec.	Total	
Ministry of Defence	Defense	17.1	102.7	119.8	0.3	24.9	25.2	21.0
	Civil Aid	-	0.2	0.2	-	-	-	-
	General Administration, Planning and Support Services	-	1.4	1.4	-	0.3	0.3	20.2
	National Space Management	-	0.2	0.2	-	0.1	0.1	25.0
National Intelligence Service	National Security Intelligence	-	37.7	37.7	-	9.2	9.2	24.3
Total		17.1	142.2	159.3	0.3	34.4	34.7	21.8

Source: MDAs and National Treasury

Defence programme under the Ministry of Defence received the highest allocation of Kshs.119.8 billion (75.2 per cent of the total allocation for the sector) while Civil Aid and National Space Management programme received the lowest allocations each at Kshs.200 million translating to less than 1 per cent respectively.

The total expenditure for the sector programmes in the period under review amounted to Kshs.34.7 billion representing 21.8 per cent of the annual gross budget estimates. This comprised of Kshs.301.4 million on development expenditure, accounting for an absorption rate of 1.8 per cent of the annual budget estimates for development programmes and Kshs.34.4 billion on recurrent expenditure, which accounted for 24.2 per cent of the annual budget estimates for recurrent programmes.

Further analysis of sub-programme performance shows that, National Space Management programme recorded the highest proportion of programme expenditure to its' annual estimates at 25 per cent while the General Administration, Planning and Support Services the lowest proportion of programme expenditure at 20.2 per cent.

5.10 Public Administration and International Relations (PAIR) Sector

The Public Administration and International Relations (PAIR) sector's allocation in FY 2019/20 amounts to Kshs.288.8 billion for implementing thirty four (34) programmes. This comprises of Kshs.103.7 billion (35.9 per cent) for development programmes and Kshs.185.1 billion (64.1 per cent) for recurrent programmes. The analysis of PAIR sector programmes for the first three months of FY 2019/20 is presented in Table 5.9.

Table 5.9: PAIR Sector's Programme Performance (Kshs. Billions)

VOTE	Programme	Gross Estimates			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Total	Dev.	Rec.	Total	
The Presidency	Cabinet Affairs	1.7	1.7	3.4	0.1	0.2	0.3	7.8
	Government Advisory Services	0.2	0.7	0.9	-	0.1	0.1	16.2
	State House Affairs	0.4	4.4	4.8	0.03	0.8	0.8	16.5
	Deputy President Services	0.1	2.1	2.2	-	0.4	0.4	19.0
State Department for Planning and Statistics	Economic Policy and National Planning	42.2	1.7	43.9	0.01	0.3	0.3	0.7
	National Statistical Information Services	1.6	9.7	11.3	0.04	7.8	7.9	69.6
	Monitoring and Evaluation Services	0.1	0.1	0.2	-	0.01	0.01	4.2
	General Administration Planning and Support Services	-	0.4	0.4	-	0.1	0.1	12.9
State Department for Devolution	Devolution Services	6.9	0.6	7.5	0.02	0.1	0.1	1.9
	General Administration Planning and Support Services	0.5	0.4	0.9	-	0.1	0.1	6.1
	Special Initiatives	-	0.1	0.1	-	0.6	0.6	1,195.9*
Ministry of Foreign Affairs	General Administration Planning and Support Services	0.1	2.7	2.8	0.04	0.9	1.0	34.0
	Foreign Relation and Diplomacy	1.7	14.3	16.0	0.5	3.0	3.5	22.2
	Economic and Commercial Diplomacy	-	0.1	0.1	-	0.02	0.02	20.8
	Foreign Policy Research, Capacity Dev. And Technical Cooperation	0.2	0.2	0.4	0.02	0.1	0.1	31.3
The National Treasury	General Administration, Planning and Support Services	2.1	67.5	69.6	0.7	5.6	6.3	9.0
	Public Financial Management	34.4	9.5	43.9	1.2	1.6	2.7	6.3
	Economic and Financial Policy Formulation and Management	0.7	1.3	2.0	-	0.3	0.3	16.7
	Market Competition	0.1	0.3	0.4	-	0.1	0.1	15.7
State Department for Public Service	Public Service Transformation	1.4	3.8	5.2	-	0.1	0.1	2.2
	General Administration, Planning and Support Services	0.1	4.6	4.7	-	0.1	0.1	3.2
State Department for Youth	Youth Empowerment	6.0	11.4	17.4	1.6	2.5	4.1	23.5
Parliamentary Service Commission	Senate Affairs	-	7.2	7.2	-	1.0	1.0	14.4
	General Administration, Planning and Support Services	3.1	6.4	9.5	-	0.9	0.9	10.0
National Assembly	National Legislation, Representation and Oversight	-	23.9	23.9	-	3.4	3.4	14.1
Commission on Revenue Allocation	Inter-Governmental Revenue and Financial Matters	-	0.5	0.5	-	0.1	0.1	15.9
Public Service Commission	General Administration, Planning and Support Services	0.1	1.7	1.8	-	0.1	0.1	8.0
	Human Resource management and Development	-	0.3	0.3	-	0.1	0.1	22.4
	Governance and National Values	-	0.2	0.2	-	0.04	0.04	24.2
	Performance and Productivity Management	-	0.03	0.03	-	0.01	0.01	21.7
Salaries and Remuneration Commission	Salaries and Remuneration Management	-	0.5	0.5	-	0.1	0.1	17.5
Auditor General	Audit Services	0.2	5.5	5.7	-	1.3	1.3	23.3
Controller of Budget	Control and Management of Public finances	-	0.7	0.7	-	0.1	0.1	16.1
Commission on Administrative Justice	Promotion of Administrative Justice	-	0.6	0.6	-	0.1	0.1	18.6
Total		103.7	185.1	288.8	4.2	32.3	36.4	12.6

Source: MDAs and National Treasury

The General Administration, Planning and Support Services programme under The National Treasury received the highest allocation at Kshs.69.6 billion (24.2 per cent of the annual estimates for the sector) while Special Initiatives programme under the State Department for Devolution received the lowest allocation at Kshs.54.2 million, translating to less than 1 per cent.

The total expenditure for the sector programmes in the first three months of FY 2019/20 amounted to Kshs.36.4 billion representing an absorption rate of 12.6 per cent. This comprised of Kshs.4.2 billion for development activities, an absorption rate of 4 per cent of the annual estimates and Kshs.32.3 billion incurred on recurrent activities representing 17.4 per cent of the recurrent estimates.

Analysis by programme performance shows that Special Initiatives under State Department for Devolution recorded the highest proportion of programme expenditure to its annual estimates at 1,195.9 per cent³ while Economic Policy and National Planning programme under State Department for Planning and Statistics recorded the lowest at 0.7 per cent.

Further analysis of sub-programme performance shows that, Census and Surveys sub-programme under the National Statistical Information Services programme had the highest expenditure at Kshs.7.6 billion while Human Resource Development sub-programme under the Human Resource Management and Development programme had the lowest expenditure at Kshs.9.1 million.

5.11 Social Protection, Culture and Recreation Sector

The Sector’s allocation in FY 2019/20 amounts to Kshs.68.7 billion for implementing 15 programmes. This comprises of Kshs.38.9 billion (56.7 per cent) for development programmes and Kshs.29.8 billion (43.3 per cent) for recurrent programmes. Table 5.10 presents an analysis of the Social Protection, Culture and Recreation sector’s programme for the first three months of FY 2019/20.

Table 5.10: Social Protection, Culture and Recreation Sector’s Programme Performance (Kshs. Billions)

VOTE	Programme	Gross Estimates			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Total	Dev.	Rec.	Total	
State Department for Development of the ASALs	Accelerated ASALs Development	3.9	1.1	4.9	0.4	0.2	0.6	11.5
State Department for Sports	Sports	13.9	1.3	15.2	0.5	0.3	0.7	4.7
State Department for Heritage	Culture	0.1	1.8	1.9	-	0.3	0.3	17.5
	The Arts	-	0.2	0.2	-	0.0	0.02	10.5
	Library Services	0.5	0.8	1.2	-	0.2	0.2	14.2
	General Administration, Planning and Support Services	-	0.2	0.2	-	0.03	0.03	17.8
State Department for Labour	General Administration, Planning and Support Services	-	0.5	0.5	-	0.1	0.1	18.8
	Promotion of the Best Labour Practice	0.05	0.7	0.8	-	0.1	0.1	17.1
	Manpower Development, Employment and Productivity Management	3.2	1.7	4.9	0.3	0.2	0.5	9.7

3 Special Initiatives Programme was allocated Kshs.54.2 million in the Approved Budget. The excess expenditure on this programme will be regularized in the Supplementary Budget.

VOTE	Programme	Gross Estimates			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Total	Dev.	Rec.	Total	
State Department for Social Protection, Pension and Senior Citizens Affairs	Social Development and Children Services	1.1	3.3	4.4	-	0.5	0.5	12.0
	National Social Safety Net	13.4	16.2	29.6	-	0.4	0.4	1.2
	General Administration, Planning and Support Services	-	0.4	0.4	-	0.04	0.04	11.8
State Department for Gender	Community Development	2.1	-	2.1	-	-	-	-
	Gender Empowerment	0.7	1.2	1.9	-	0.27	0.3	13.6
	General Administration, Planning and Support Services	-	0.4	0.4	-	0.06	0.1	13.9
Total		38.9	29.8	68.7	1.1	2.7	3.8	5.5

Source: MDAs and National Treasury

The National Social Safety Net programme under the State Department for Social Protection received the highest allocation at Kshs.29.6 billion (43.1 per cent of the annual estimates for the sector) while General Administration Planning and Support Services programme under the State Department for Heritage received the lowest allocation at Kshs.172.4 million, translating to less than 1 per cent.

The total expenditure for the sector programmes in the first three months of FY 2019/20 amounted to Kshs.3.8 billion representing an absorption rate of 5.5 per cent. This comprised of Kshs.1.1 billion for development activities, an absorption rate of 2.8 per cent of the annual estimates and Kshs.2.7 billion incurred on recurrent activities representing 9.1 per cent of the recurrent estimates.

Analysis by programme performance shows the General Administration, Planning and Support Services under State Department for Labour recorded the highest proportion of programme expenditure to its annual estimates at 18.8 per cent while National Social Safety Net programme under the State Department for Social Protection recorded the lowest at 1.2 per cent.

Further analysis of sub-programme performance shows that, Drought Management Sub-programme under the Accelerated ASALs Development programme had the highest expenditure at Kshs.514.1 million while the Regulation of Trade Unions sub-programme under Promotion of Best Labour Practices Programme had the lowest at Kshs.3 million.

6 KEY ISSUES AND RECOMMENDATIONS

6.1 Introduction

This section highlights issues that affected budget implementation among MDAs in the first quarter of FY 2019/20. It also provides recommendations aimed at improving budget implementation in the future.

6.2 Key Issues and Recommendations

In the course of overseeing budget implementation, the Office identified a number of challenges, some of which have been highlighted in previous reports. The issues were;

6.2.1 Delay by MDAs to Submit Quarterly Financial Reports to the Controller of Budget

Article 228 (6) of the Constitution of Kenya, 2010, and Section 9 of the Controller of Budget Act, 2016 requires the Controller of Budget to submit to each House of Parliament a report on the implementation of budgets of the national and County Governments every four months. Further, Section 39 (8) of the PFM Act, 2012, requires the Controller of Budget to ensure that the public has access to information on budget implementation.

During the reporting period, the Office experienced delays in submission of financial reports by some MDAs, which affected timely reporting on budget implementation. The report by the COB is based on reports on financial and non-financial information submitted by the MDAs in line with Section 83 (3 and 4) of the PFM Act, 2012.

The Office recommends that, all Accounting Officers should ensure that expenditure reports are submitted not later than fifteen days after the end of each quarter as specified in Section 83 (3, 4) of the PFM Act, 2012. This will ensure timely preparation and publication of Budget Implementation Reports and will enhance oversight on budget implementation.

6.2.2 Delay in Uploading Procurement Plans and Budgets into IFMIS

In the first three months of FY 2019/20, exchequer issues towards development activities amounted to Kshs.48 billion, representing 11.4 per cent of the annual net estimates. Gross expenditure was Kshs.94 billion (including Appropriations-in-Aid) representing an absorption rate of 13.4 per cent.

From analysis of reports submitted by MDAs, the low levels of development expenditure has been attributed to delay in uploading of procurement plans and development budgets into IFMIS at the start of FY 2019/20.

Accounting Officers should ensure that both procurement plans and the development expenditure estimates are uploaded into IFMIS on time to ensure prompt procurement of goods and services by MDAs.

6.2.3 Low Levels of Expenditure by MDAs

In the FY 2019/20, a total of Kshs.704.2 billion and Kshs.1.2 trillion was allocated to MDAs development and recurrent votes respectively. In the first three months of FY 2019/20, the total

development expenditure for MDAs was Kshs.94 billion representing an absorption rate of 13.4 per cent while recurrent expenditure was Kshs.235.1 billion representing 19.2 per cent of the annual recurrent gross estimates.

The levels of expenditure for both development and recurrent programmes are therefore, below the 25 per cent expected performance by the end of the first three months. From the analysis of reports submitted to the Office of the Controller of Budget by MDAs, low level of expenditure has been attributed to delay in uploading of procurement plans and development budgets into IFMIS at the beginning of the financial year and delay in release of exchequer issues by the National Treasury.

In order to achieve high rates of development and recurrent expenditure, the Office recommends that planned activities should be implemented as outlined in the annual work plans. This will overcome budget underspending and as a result improve budget credibility and ensuring services delivery to the public.

6.2.4 Data discrepancies between IPPD and IFMIS reports

A review of the reports submitted by MDAs showed that, personnel compensation cost as per IPPD reports differed from that contained in IFMIS reports. The discrepancies make it difficult for OCOB and other users of the report to determine the accurate Personnel Emoluments by MDAs.

MDAs should reconcile IFMIS vote book records to IPPD reports on regular basis and provide explanation where discrepancies occur.

7 CONCLUSION

This report provides information on the National Government budget performance in the first three months of FY 2019/20

The report indicates improvement in budget performance over a similar period in FY 2018/19. Gross budget estimates for FY 2019/20 amounted to Kshs.3.1 trillion, comprised of allocations of Kshs.2 trillion (65.2 per cent) for recurrent expenditure, Kshs.704.2 billion (22.6 per cent) towards development expenditure, and, Kshs.378.5 billion (12.2 per cent) to County Governments as per the County Allocation of Revenue Act, 2019. The National Government's recurrent expenditure budget comprised of Kshs.1.2 trillion for MDAs programmes and Kshs.805.8 billion towards Consolidated Fund Services.

Total exchequer issues in the period under review was Kshs.571.1 billion, representing 22 per cent of the annual net estimates. This comprised of Kshs.48 billion for development expenditure (8.4 per cent), Kshs.55.1 billion for County Governments (9.6 per cent), Kshs.237.4 billion for Consolidated Fund Services (41.6 per cent), and Kshs.230.6 billion (40.4 per cent) for recurrent activities by MDAs.

Total expenditure by the National Government entities was Kshs.564.2 billion which translated to an absorption rate of 20.6 per cent, and was an improvement compared to 16 per cent attained in the first three months of the FY 2018/19. A total of Kshs.99.7 billion was spent on development activities, translating to an absorption rate of 14.2 per cent, an improvement compared to 7.6 per cent recorded in FY 2018/19. Recurrent expenditure by MDAS was Kshs.235 billion recording 19.2 per cent of the annual gross estimates compared to 20.3 per cent recorded in the FY 2018/19. Expenditure on Consolidated Fund Services amounted to Kshs.229.5 billion, translating to 28.5 per cent of the annual gross estimates, an improvement compared to 16.7 per cent recorded in the FY 2018/19.

In the period under review, the Office identified key issues which affected effective budget implementation. They included; delay by MDAs to submit quarterly financial reports to the controller of budget, delay in uploading procurement plans and budgets into IFMIS, low levels of expenditure by MDAs, discrepancies between IPPD and IFMIS data and Supplementary Budget and Budget Credibility. The report has also provided recommendations on how to address the key issues identified in order to enhance budget implementation.

The Office calls on all the stakeholders to continue monitoring budget implementation by the National Government. Such monitoring will contribute towards promoting prudence in the use of public funds and ensuring that budgeted activities are implemented for the betterment of Kenyans.

ANNEX I: MDAs Development Expenditure for the First Quarter, FY 2019/20 (Kshs.)

MINISTRY/STATE DEPARTMENT	Gross Estimates	Appropriation-In-Aid (A-I-A)	Net Estimates	Exchequer Issues	Expenditure	% of Exchequer Issues to Net Estimates.	% of Expenditure to Gross Estimates.
The Presidency	2,337,271,996	97,096,000	2,240,175,996	-	112,260,389	-	4.8
State Department for Interior	10,097,176,163	50,000,000	10,047,176,163	-	1,197,304,970	-	11.9
State Department for Correctional Services	957,521,941	-	957,521,941	-	-	-	-
State Department for Immigration and Citizen Services	1,390,300,000	-	1,390,300,000	-	-	-	-
State Department for Devolution	7,400,999,933	-	7,400,999,933	-	17,172,030	-	0.2
State Department for Development for the ASALs	3,860,122,570	98,000,000	3,762,122,570	291,069,493	352,258,085	7.7%	9.1
Ministry of Defence	17,079,049,600	13,079,049,600	4,000,000,000	-	301,372,120	-	1.8
Ministry of Foreign Affairs	1,957,700,000	-	1,957,700,000	-	888,150,945	-	45.4
State Department for Vocational and Technical Training	9,178,600,000	4,600,000,000	4,578,600,000	-	1,872,969,900	-	20.4
State Department for University Education	9,238,700,000	702,000,000	8,536,700,000	-	159,522,422	-	1.7
State Department for Early Learning & Basic Education	7,063,880,993	62,211,640	7,001,669,353	-	26,290,983	-	0.4
The National Treasury	37,270,584,851	7,903,593,127	29,366,991,724	1,174,898,889	1,386,770,195	4.0	3.7
State Department of Planning	43,961,301,426	84,401,010	43,876,900,416	53,925,943	53,789,483	0.1	0.1
Ministry of Health	34,640,680,042	5,408,458,000	29,232,222,042	432,653,685	714,180,789	1.5	2.1
State Department of Infrastructure	124,965,600,000	55,792,170,821	69,173,429,179	23,076,813,664	39,408,417,798	33.4	31.5
State Department of Transport	84,010,000,000	70,449,000,000	13,561,000,000	6,356,500,000	6,400,641,476	46.9	7.6
State Department for Shipping and Maritime	740,000,000	738,000,000	2,000,000	-	39,193,009	-	5.3
State Department for Housing & Urban Development	30,519,000,000	3,480,000,000	27,039,000,000	177,919,338	1,466,295,082	0.7	4.8
State Department for Public Works	2,103,000,000	168,000,000	1,935,000,000	-	-	-	-
Ministry of Water and Sanitation	56,971,887,900	27,434,537,900	29,537,350,000	6,038,539,933	11,639,704,489	20.4	20.4
State Department for Environment and Forestry	7,200,443,400	2,314,000,000	4,886,443,400	-	397,565,975	-	5.5
Ministry of Lands and Physical Planning	3,597,600,000	-	3,597,600,000	-	14,110,900	-	0.4
State Department for Information Communications and Technology	25,191,000,000	17,261,000,000	7,930,000,000	1,414,600,000	4,688,551,169	17.8	18.6
State Department for Broadcasting & Telecommunications	747,000,000	-	747,000,000	-	256,585,000	-	34.3
State Department for Sports	13,900,000,000	13,200,000,000	700,000,000	-	463,031,675	-	3.3
State Department for Culture and Heritage	552,000,000	-	552,000,000	-	-	-	-
Ministry for Energy	71,667,000,000	45,783,000,000	25,884,000,000	5,062,250,000	19,108,430,684	19.6	26.7
State Department for Livestock.	4,848,200,000	1,230,237,662	3,617,962,338	475,986,299	1,324,355,945	13.2	27.3

MINISTRY/STATE DEPARTMENT	Gross Estimates	Appropriation-In-Aid (A-I-A)	Net Estimates	Exchequer Issues	Expenditure	% of Exchequer Issues to Net Estimates.	% of Expenditure to Gross Estimates.
State Department for Crop Development	18,046,800,000	3,098,914,361	14,947,885,639	678,986,456	122,505,821	4.5	0.7
State Department for Fisheries, Aquaculture and the Blue Economy	4,894,876,955	171,673,103	4,723,203,852	-	3,196,440	-	0.1
State Department for Irrigation	8,499,606,674	1,862,556,674	6,637,050,000	-	2,686,563,051	-	31.6
State Department for Agricultural Research	795,000,000	45,000,000	750,000,000	-	141,500,000	-	17.8
State Department for Cooperatives	3,727,500,000	-	3,727,500,000	-	168,750,000	-	4.5
State Department for Trade	460,000,000	-	460,000,000	-	2,620,600	-	0.6
State Department for Industrialization	5,915,000,000	1,154,000,000	4,761,000,000	1,937,928,275	1,857,285,527	40.7	31.4
State Department for Labour	3,290,100,000	200,000,000	3,090,100,000	357,940,354	293,529,324	11.6	8.9
State Department for Social Protection, Pensions & Citizens Affairs	14,487,319,200	439,569,200	14,047,750,000	-	-	-	-
State Department for Mining	574,000,000	-	574,000,000	-	15,825,481	-	2.8
State Department for Petroleum	5,438,102,900	3,088,053,100	2,350,049,800	200,953,108	99,228,415	8.6	1.8
State Department for Tourism	1,530,000,000	-	1,530,000,000	-	-	-	-
State Department for Wildlife	1,368,000,000	269,000,000	1,099,000,000	-	241,750,000	-	17.7
State Department for Gender	2,831,652,764	39,652,764	2,792,000,000	-	-	-	-
State Department for Public Service	1,497,810,000	-	1,497,810,000	-	-	-	-
State Department for Youth	5,959,890,000	-	5,959,890,000	-	1,704,900,000	-	28.6
State Department for Regional and Northern Corridor Development	3,242,600,000	100,000,000	3,142,600,000	-	-	-	-
State Law Office and Department of Justice	230,000,000	4,000,000	226,000,000	-	-	-	-
The Judiciary	4,390,400,000	1,500,000,000	2,890,400,000	270,833,980	106,842,113	9.4%	2.4%
Ethics and Anti-Corruption Commission	25,000,000	-	25,000,000	-	-	-	-
Office of the Director of Public Prosecutions	107,500,000	3,500,000	104,000,000	-	-	-	-
Independent Electoral and Boundaries Commission	43,000,000	-	43,000,000	-	-	-	-
Parliamentary Service Commission	3,065,550,000	-	3,065,550,000	-	-	-	-
Public Service Commission	65,480,000	-	65,480,000	-	-	-	-
Teachers Service Commission	54,000,000	-	54,000,000	-	-	-	-
Auditor General	224,000,000	-	224,000,000	-	-	-	-
National Gender and Equality Commission	4,000,000	-	4,000,000	-	-	-	-
TOTAL	704,213,809,308	281,910,674,962	422,303,134,346	48,001,799,417	99,733,422,285	11.4	14.2

ANNEX II: MDAs Recurrent Expenditure for the First Quarter, FY 2019/20 (Kshs.)

MINISTRY/STATE DEPARTMENT	Gross Estimates	Appropriation-In-Aid (A-I-A)	Net Estimates	Exchequer Issues	Expenditure	% of Exchequer Issues to Net Estimates	% of Expenditure to Gross Estimates
The Presidency	8,982,989,974	10,132,074	8,972,857,900	1,893,563,832	1,510,909,271	21.1	16.8
State Department for Interior	129,096,941,424	1,723,906,847	127,373,034,577	26,735,505,610	20,728,396,397	21.0	16.1
State Department for Correctional Services	26,105,770,000	3,500,000	26,102,270,000	5,850,307,117	4,515,478,713	22.4	17.3
State Department for Immigration and Citizen Services	2,121,100,000	-	2,121,100,000	372,027,801	330,732,850	17.5	15.6
State Department for Devolution	991,500,000	-	991,500,000	486,474,517	823,234,246	49.1	83.0
State Department for Development for the ASALs	1,059,690,000	-	1,059,690,000	222,151,007	212,919,536	21.0	20.1
Ministry of Defence	104,531,033,000	-	104,531,033,000	18,569,876,183	25,195,495,409	17.8	24.1
Ministry of Foreign Affairs	17,288,410,000	561,138,451	16,727,271,549	3,779,112,296	4,052,737,284	22.6	23.4
State Department for Vocational and Technical Training	17,139,284,601	2,935,071,609	14,204,212,992	2,303,977,378	2,418,972,606	16.2	14.1
State Department for University Education	108,820,539,253	50,757,938,863	58,062,600,390	13,972,549,399	13,827,704,323	24.1	12.7
State Department for Early Learning & Basic Education	90,214,700,000	1,432,600,000	88,782,100,000	29,468,166,508	31,544,173,353	33.2	35.0
State Department for Post Training and Skills Development	200,500,000	-	200,500,000	24,455,983	20,337,291	12.2	10.1
The National Treasury	78,641,057,205	2,949,300,000	75,691,757,205	7,406,554,885	7,577,695,474	9.8	9.6
State Department of Planning	11,902,116,213	71,000,000	11,831,116,213	8,246,799,412	8,199,923,091	69.7	68.9
Ministry of Health	58,083,956,778	14,971,428,285	43,112,528,493	7,996,683,876	6,623,274,199	18.5	11.4
State Department of Infrastructure	61,451,000,000	59,619,000,000	1,832,000,000	194,309,787	7,057,075,629	10.6	11.5
State Department of Transport	9,821,100,000	8,677,000,000	1,144,100,000	232,488,877	1,696,913,355	20.3	17.3
State Department for Shipping and Maritime.	1,642,000,000	1,230,000,000	412,000,000	23,333,157	35,791,562	5.7	2.2
State Department for Housing and Urban Development	1,005,000,000	-	1,005,000,000	119,215,025	115,991,580	11.9	11.5
State Department for Public Works	2,330,000,000	4,000,000	2,326,000,000	336,008,201	482,168,307	14.4	20.7
Ministry of Water and Sanitation	5,532,595,766	1,909,000,000	3,623,595,766	889,870,659	871,326,916	24.6	15.7
State Department for Environment and Forestry	10,179,800,000	1,018,900,000	9,160,900,000	1,542,021,641	1,633,976,036	16.8	16.1
Ministry of Lands and Physical Planning	3,016,200,000	9,000,000	3,007,200,000	508,190,557	491,139,959	16.9	16.3
State Department for Information Communications and Technology	3,043,000,000	48,000,000	2,995,000,000	539,397,310	601,619,398	18.0	19.8
State Department for Broadcasting & Telecommunications	4,412,800,000	2,492,000,000	1,920,800,000	330,970,048	279,296,856	17.2	6.3
State Department for Sports	1,260,190,000	94,560,000	1,165,630,000	278,351,908	238,100,399	23.9	18.9
State Department for Heritage	3,018,200,000	441,000,000	2,577,200,000	569,235,580	568,840,545	22.1	18.8

MINISTRY/STATE DEPARTMENT	Gross Estimates	Appropriation-In-Aid (A-I-A)	Net Estimates	Exchequer Issues	Expenditure	% of Exchequer Issues to Net Estimates	% of Expenditure to Gross Estimates
Ministry for Energy	5,752,000,000	3,806,000,000	1,946,000,000	473,494,684	480,466,991	24.3	8.4
State Department for Livestock.	2,139,000,000	21,000,000	2,118,000,000	432,402,921	452,525,940	20.4	21.2
State Department for Crop Development	4,183,200,000	4,000,000	4,179,200,000	471,416,356	749,595,412	11.3	17.9
State Department for Fisheries, Aquaculture and the Blue Economy	1,770,776,973	-	1,770,776,973	377,997,254	338,312,688	21.3	19.1
State Department for Irrigation	978,000,000	308,000,000	670,000,000	140,707,702	69,596,277	21.0	7.1
State Department for Agricultural Research	5,561,333,367	1,018,000,000	4,543,333,367	1,080,214,270	1,076,749,268	23.8	19.4
State Department for Cooperatives	732,900,000	349,000,000	383,900,000	76,554,251	161,444,958	19.9	22.0
State Department for Trade	1,692,900,000	26,700,000	1,666,200,000	145,286,361	184,488,498	8.7	10.9
State Department for Industrialization	3,440,614,000	751,454,000	2,689,160,000	604,168,078	571,982,625	22.5	16.6
State Department for Labour	2,943,370,000	751,410,000	2,191,960,000	403,967,524	419,195,276	18.4	14.2
State Department for Social Protection, Pension & Senior Citizens Affairs	19,825,310,000	42,000,000	19,783,310,000	1,070,635,612	935,630,715	5.4	4.7
State Department for Mining	632,326,074	20,000,000	612,326,074	162,511,376	130,365,293	26.5	20.6
State Department for Petroleum	269,000,000	47,000,000	222,000,000	42,871,744	49,425,137	19.3	18.4
State Department for Tourism	6,345,928,800	4,616,000,000	1,729,928,800	298,839,098	236,358,363	17.3	3.7
State Department for Wildlife	7,788,168,700	4,199,168,700	3,589,000,000	41,204,501	708,239,392	1.1	9.1
State Department for Gender	1,661,730,000	135,000,000	1,526,730,000	218,787,397	323,367,331	14.3	19.5
State Department for Public Service	8,411,649,764	1,738,509,764	6,673,140,000	288,539,962	309,624,734	4.3	3.7
State Department for Youth	11,435,472,000	1,223,572,000	10,211,900,000	2,372,001,811	2,523,061,646	23.2	22.1
State Department for East African Community	671,300,000	-	671,300,000	87,040,585	98,967,267	13.0	14.7
State Department for Regional and Northern Corridor Development	2,131,600,000	430,000,000	1,701,600,000	288,214,440	327,060,698	16.9	15.3
State Law Office and Department of Justice	5,103,500,000	445,500,000	4,658,000,000	704,119,416	702,608,206	15.1	13.8
The Judiciary	14,466,600,000	-	14,466,600,000	3,116,225,268	2,330,483,184	21.5	16.1
Ethics and Anti-Corruption Commission	2,941,620,000	-	2,941,620,000	896,093,752	660,048,666	30.5	22.4
National Intelligence Service	37,660,000,000	-	37,660,000,000	9,400,000,000	9,158,250,167	25.0	24.3
Office of the Director of Public Prosecutions	2,936,180,000	-	2,936,180,000	350,948,072	559,211,299	12.0	19.0
Office of the Registrar of Political Parties	1,298,710,000	-	1,298,710,000	272,252,001	301,490,645	21.0	23.2
Witness Protection Agency	481,600,000	-	481,600,000	127,502,674	152,514,846	26.5	31.7
Kenya National Commission on Human Rights	384,301,220	-	384,301,220	95,688,389	70,533,864	24.9	18.4

MINISTRY/STATE DEPARTMENT	Gross Estimates	Appropriation-In-Aid (A-I-A)	Net Estimates	Exchequer Issues	Expenditure	% of Exchequer Issues to Net Estimates	% of Expenditure to Gross Estimates
National Land Commission	1,308,200,000	-	1,308,200,000	248,583,658	242,970,245	19.0	18.6
Independent Electoral and Boundaries Commission	4,760,410,000	-	4,760,410,000	692,516,768	797,804,834	14.5	16.8
Parliamentary Service Commission	13,646,600,000	14,000,000	13,632,600,000	2,137,236,516	1,986,718,409	15.7	14.6
National Assembly	23,932,141,000	-	23,932,141,000	4,274,538,767	3,364,144,454	17.9	14.1
Judicial Service Commission	565,070,000	-	565,070,000	119,425,256	82,859,771	21.1	14.7
The Commission on Revenue Allocation	469,376,899	-	469,376,899	54,440,131	74,440,857	11.6	15.9
Public Service Commission	2,171,000,000	520,000	2,170,480,000	246,936,437	245,161,877	11.4	11.3
Salaries and Remuneration Commission	450,360,000	-	450,360,000	74,045,787	78,602,804	16.4	17.5
Teachers Service Commission	252,897,000,000	517,000,000	252,380,000,000	63,864,912,020	60,478,379,271	25.3	23.9
National Police Service Commission	736,870,000	-	736,870,000	93,909,504	100,424,178	12.7	13.6
Auditor General	5,489,110,000	150,000,000	5,339,110,000	1,360,568,162	1,330,739,899	25.5	24.2
Controller of Budget	703,100,000	-	703,100,000	116,267,200	113,395,507	16.5	16.1
The Commission on Administrative Justice	565,040,000	-	565,040,000	109,098,848	105,011,870	19.3	18.6
National Gender and Equality Commission	488,930,000	-	488,930,000	59,531,568	87,975,851	12.2	18.0
Independent Policing Oversight Authority	892,700,000	-	892,700,000	194,588,115	202,057,115	21.8	22.6
TOTAL	1,224,606,473,011	171,572,310,593	1,053,034,162,418	230,577,882,785	235,026,510,914	21.9	19.2

ANNEX III: Sectoral Development Expenditure for the First Quarter, FY 2019/20 (Kshs.)

Sector	Gross Estimates	Net Estimates	Exchequer Issues	Expenditure	% of Exchequer Issues to Net Estimates	% Expenditure to Gross Estimates
Agriculture, Rural and Urban Development	40,682,083,629	34,273,701,829	1,154,972,755	4,292,232,157	3.4	10.6
Energy, Infrastructure and ICT	345,380,702,900	148,621,478,979	36,289,036,110	71,467,342,633	24.4	20.7
General Economics and Commercial Affairs	14,875,100,000	13,621,100,000	1,937,928,275	2,028,656,127	14.2	13.6
Health	34,640,680,042	29,232,222,042	432,653,685	714,180,789	1.5	2.1
Education	25,535,180,993	20,170,969,353	-	2,058,783,305	-	8.1
Governance, Justice, Law and Order	17,244,898,104	15,687,398,104	270,833,980	1,304,147,083	1.7	7.6
Public Administration and International Relations	103,740,588,206	95,655,498,069	1,228,824,832	4,163,043,042	1.3	4.0
National Security	17,079,049,600	4,000,000,000	-	301,372,120	0.0	1.8
Social Protection, Culture and Recreation	38,921,194,534	24,943,972,570	649,009,847	1,108,819,084	2.6	2.8
Environmental Protection, Water and Natural Resources	66,114,331,300	36,096,793,400	6,038,539,933	12,294,845,945	16.7	18.6
Total	704,213,809,308	422,303,134,346	48,001,799,417	99,733,422,285	11.4	14.2

ANNEX IV: Sectoral Recurrent Expenditure for the First Quarter, FY 2019/20 (Kshs.)

Sector	Gross Estimates	Net Estimates	Exchequer Issues	Expenditure	% of Exchequer Issues to Net Estimates	% Expenditure to Gross Estimates
Agriculture, Rural and Urban Development	18,956,710,340	17,596,710,340	3,259,512,718	3,420,889,789	18.5	18.0
Energy, Infrastructure and ICT	89,725,900,000	13,802,900,000	2,292,088,832	10,798,748,815	16.6	12.0
General Economics and Commercial Affairs	15,015,242,800	8,842,088,800	1,500,102,814	1,580,302,410	17.0	10.5
Health	58,083,956,778	43,112,528,493	7,996,683,876	6,623,274,199	18.5	11.4
Education	469,272,023,854	413,629,413,382	109,634,061,287	108,289,566,844	26.5	23.1
Governance, Justice, Law and Order	192,380,302,644	190,207,395,797	39,680,641,312	31,622,620,419	20.9	16.4
Public Administration and International Relations	185,079,923,055	178,361,750,766	32,846,178,560	32,295,401,423	18.4	17.4
National Security	142,191,033,000	142,191,033,000	27,969,876,183	34,353,745,576	19.7	24.2
Social Protection, Culture and Recreation	29,768,490,000	28,304,520,000	2,763,129,027	2,698,053,802	9.8	9.1
Environmental Protection, Water and Natural Resources	24,132,890,540	16,985,821,840	2,635,608,176	3,343,907,637	15.5	13.9
Total	1,224,606,473,011	1,053,034,162,418	230,577,882,785	235,026,510,914	21.9	19.2

ANNEX V: Overall Expenditure by Sector for the First Quarter, FY 2019/20 (Kshs.)

Sector	Gross Estimates	Net Estimates	Exchequer Issues	Expenditure	% of Exchequer Issues to Net Estimates	% Expenditure to Gross Estimates
Agriculture, Rural and Urban Development	59,638,793,969	51,870,412,169	4,414,485,473	7,713,121,946	8.5	12.9
Energy, Infrastructure and ICT	435,106,602,900	162,424,378,979	38,581,124,941	82,266,091,448	23.8	18.9
General Economics and Commercial Affairs	29,890,342,800	22,463,188,800	3,438,031,089	3,608,958,537	15.3	12.1
Health	92,724,636,820	72,344,750,535	8,429,337,562	7,337,454,988	11.7	7.9
Education	494,807,204,847	433,800,382,735	109,634,061,287	110,348,350,149	25.3	22.3
Governance, Justice, Law and Order	209,625,200,748	205,894,793,901	39,951,475,292	32,926,767,502	19.4	15.7
Public Administration and International Relations	288,820,511,261	274,017,248,835	34,075,003,392	36,458,444,465	12.4	12.6
National Security	159,270,082,600	146,191,033,000	27,969,876,183	34,655,117,696	19.1	21.8
Social Protection, Culture and Recreation	68,689,684,534	53,248,492,570	3,412,138,874	3,806,872,886	6.4	5.5
Environmental Protection, Water and Natural Resources	90,247,221,840	53,082,615,240	8,674,148,109	15,638,753,582	16.3	17.3
MDAs Total	1,928,820,282,319	1,475,337,296,764	278,579,682,202	334,759,933,198	18.9	17.4