



THE REPUBLIC OF KENYA

OFFICE OF THE CONTROLLER OF BUDGET

NATIONAL GOVERNMENT
BUDGET IMPLEMENTATION REVIEW REPORT
FOR FY 2017/18

PARLIAMENT
OF KENYA
LIBRARY

PARLIAMENT
OF KENYA
LIBRARY

SEPTEMBER, 2018





THE REPUBLIC OF KENYA
OFFICE OF THE CONTROLLER OF BUDGET

ANNUAL NATIONAL GOVERNMENT
BUDGET IMPLEMENTATION REVIEW REPORT
FOR FY 2017/18

**PARLIAMENT
OF KENYA
LIBRARY**

SEPTEMBER, 2018

FOREWORD

The Office of the Controller of Budget (OCOB) is pleased to present the Annual National Government Budget Implementation Review Report (BIRR) for the Financial Year (FY) 2017/18, covering the period of July, 2017 to June, 2018. This report has been prepared in accordance with Article 228 (6) of the Constitution of Kenya (CoK), 2010 and Section 9 (1) of the Controller of Budget Act, 2016, which requires the Controller of Budget (COB) to submit to both Houses of Parliament quarterly budget implementation reports for both the National and County Governments.

This report provides valuable information on the National government budget and its performance for the FY 2017/18 and also compares budget performance in the current year with that attained in the previous financial year of 2016/17. The information contained in this report includes; annual budget allocation to National Government Ministries, Departments and Agencies (MDAs), analysis of budget allocation by sector and programmes, receipts into and withdrawals from the Consolidated Fund, and, expenditure by MDA, sector and programme. In the report, expenditure is categorized into development and recurrent components and is summarized by major economic items.

The information contained in this report is based on analysis of financial and non-financial reports received from MDAs in line with Section 83(4) of the Public Finance Management Act, 2012, expenditure data from the Integrated Financial Management Information System (IFMIS), and OCOB records on exchequer issues. It identifies the key issues that affected budget implementation during the reporting period and contains appropriate recommendations to address these issues in order to enhance future budget implementation.

I would like to thank all members of staff at OCOB who were involved in the preparation of this report and staff from MDAs who submitted financial and non-financial performance reports that formed the basis of this report. The report provides useful information on budget implementation to various stakeholders including policy makers, legislators, researchers, analysts and members of the public. It is my expectation that this information will be useful in making timely decisions relating to budget implementation, and also provide opportunity to members of the public to interrogate how public funds have been utilized. In addition, their contributions will enhance prudent use of public funds and delivery of services by the Government to the citizenry.



Mrs. Agnes Odhiambo, CBS
CONTROLLER OF BUDGET

TABLE OF CONTENTS

FOREWORD ii

LIST OF ABBREVIATIONS AND ACRONYMS vii

EXECUTIVE SUMMARY.....ix

KEY HIGHLIGHTS..... x

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 Overall Budget 4
- 2.4 Exchequer Issues to the MDAs and County Governments 4
- 2.5 Analysis of Exchequer Issues to the National Government MDAs by Sector 5

3 NATIONAL GOVERNMENT OVERALL EXPENDITURE ANALYSIS..... 9

- 3.1 Introduction..... 9
- 3.2 Overall Government Budget Performance 9
- 3.3 Consolidated Fund Services (CFS)..... 10
- 3.4 MDAs Expenditure Analysis..... 12

4 DEVELOPMENT AND RECURRENT EXPENDITURE ANALYSIS BY SECTOR IN THE FY 2017/18 23

- 4.1 Introduction..... 23
- 4.2 Agriculture, Rural and Urban Development (ARUD) Sector 23
- 4.3 Education Sector 25
- 4.4 Energy, Infrastructure and Information Communications Technology (EI & ICT) Sector 28
- 4.5 Environmental Protection, Water and Natural Resource Sector..... 31
- 4.6 General Economic and Commercial Affairs (GECA) Sector 34
- 4.7 Governance, Justice, Law and Order Sector (GJLOS)..... 36
- 4.8 Health Sector..... 40
- 4.9 National Security Sector..... 42
- 4.10 Public Administration and International Relations (PAIR) Sector 43
- 4.11 Social Protection, Culture and Recreation Sector 46

5 BUDGET PERFORMANCE BY PROGRAMMES, FY 2017/18..... 50

- 5.1 Introduction..... 50
- 5.2 Agriculture, Rural and Urban Development (ARUD) Sector 50
- 5.3 Education Sector 51



5.4	Energy, Infrastructure and Information Communications Technology (EI & ICT) Sector	52
5.5	Environmental Protection, Water and Natural Resources Sector	53
5.6	General Economic and Commercial Affairs Sector (GECA)	54
5.7	Governance, Justice, Law and Order Sector (GJLOS)	55
5.8	Health Sector	56
5.9	National Security Sector	57
5.10	Public Administration and International Relations (PAIR) Sector	57
5.11	Social Protection, Culture and Recreation Sector	59
6	KEY ISSUES AND RECOMMENDATIONS	61
6.1	Introduction	61
6.2	Key Issues and Recommendations	61
7	CONCLUSION	63
ANNEX I:	MDAs Development Expenditure for FY 2017/18 (Kshs.)	64
ANNEX II:	MDAs Recurrent Expenditure for FY 2017/18 (Kshs.)	67
ANNEX III:	Sectoral Development Expenditure for FY 2017/18 (Kshs.)	70
ANNEX IV:	Sectoral Recurrent Expenditure for FY 2017/18 (Kshs.)	71
ANNEX V:	Total Sectoral Expenditure for FY 2017/18 (Kshs.)	72

LIST OF TABLES

Table 2.1:	Statement of Receipts into the Consolidated Fund in FY 2017/18 (Kshs. Billions).....	3
Table 2.2:	Summary of Exchequer Issues for FY 2017/18 and FY 2016/17 (Kshs. Billions).....	4
Table 2.3	Revised Gross Estimates and Exchequer Issues by Sector for FY 2017/18 and FY 2016/17 (Kshs. Billions)	6
Table 2.4:	Sectoral Recurrent Revised Gross Estimates and Exchequer issues for FY 2017/18 and FY 2016/17 (Kshs. Billions).....	7
Table 2.5:	CFS Budgetary Allocation and Exchequer Issues for FY 2017/18 and FY 2016/17..... (Kshs. Millions).....	7
Table 2.6:	Sectoral Development Revised Gross Estimates and Exchequer Issues for FY 2017/18 (Kshs. Billions).	8
Table 3.1:	Overall Government Revised Budget Allocation and Budget Performance, FY 2017/18 (Kshs. Billion).....	9
Table 3.2:	Cumulative Expenditure for CFS in the FY 2017/18 (Kshs. Millions).....	11
Table 4.1:	ARUD Sector-Analysis of Exchequer Issues and Expenditure, FY 2017/18 (Kshs. Billions)	24
Table 4.2:	Education Sector-Analysis of Exchequer Issues and Expenditure, FY 2017/18 (Kshs. Billions)	27
Table 4.3:	EI & ICT-Analysis of Exchequer Issues and Expenditure, FY 2017/18 (Kshs. Billions).....	29
Table 4.4:	Environmental Protection, Water and Natural Resources Sector-Analysis of Exchequer Issues and Expenditure, FY 2017/18 (Kshs. Billions).....	32
Table 4.5:	GECA Sector-Analysis of Exchequer Issues and Expenditure, FY 2017/8 (Kshs. Billions).....	35
Table 4.6:	GJLOS Sector-Analysis of Exchequer Issues and Expenditure, FY 2017/18 (Kshs. Billions).....	38
Table 4.7:	Health Sector-Analysis of Exchequer Issues and Expenditure, FY 2017/18 (Kshs. Billions).....	41
Table 4.8:	National Security Sector-Analysis of Exchequer Issues and Expenditure, FY 2017/18 (Kshs. Billions)	43
Table 4.9:	PAIR Sector-Analysis of Exchequer Issues and Expenditure, FY 2017/18 (Kshs. Billions).....	44
Table 4.10:	Social Protection, Culture Recreation Sector-Analysis of Exchequer Issues and Expenditure, FY 2017/18 (Kshs. Billions).....	48
Table 5.1:	ARUD Sector's Programme Performance in the Period from July 2017 to March 2018 (Kshs. Billions).....	50
Table 5.2:	Education Sector's Programme Performance for FY2017/18 (Kshs. Billions)	51
Table 5.3:	EI & ICT Sector's Programme Performance for FY2017/18 (Kshs. Billions)	52
Table 5.4:	Environment Protection, Water and Natural Resources Sector's Programme for 2017 /2018 (Kshs. Billion).....	53
Table 5.5:	GECA Sector's Programme Performance for FY2017/18 (Kshs. Billions)	54
Table 5.6:	GJLOS Sector Programme Performance for FY 2017/2018(Kshs. Billions).....	55
Table 5.7:	Health Sector's Programme Performance for FY2017/18 (Kshs. Billions).....	56
Table 5.8:	National Security Sector's Programme Performance for FY2017/18 (Kshs. Billions).....	57
Table 5.9:	PAIR Sector's Programme Performance for the FY 2017/ 2018 (Kshs. Billions)	57
Table 5.10:	Social Protection, Culture and Recreation Sector's Programme Performance for FY2017/18 (Kshs. Billions).....	59

FIGURE LISTING

Figure 2.1:	Receipts into the Consolidated Fund from FY 2013/14 to FY 2017/18.....	3
Figure 2.2:	Composition of Receipts into the Consolidated Fund, FY 2017/18	4
Figure 2.3:	Summary of Exchequer Issues in the FY 2017/18	5
Figure 3.1:	Comparison of Revised Gross Estimates and Expenditure by Sector, FY 2017/18	10
Figure 3.2:	Revised Gross Estimates and Expenditure by Sector, FY 2017/18.....	10
Figure 3.3:	Summary Analysis of MDAs' Recurrent Expenditure in FY 2017/18 (Kshs. Millions).....	16
Figure 3.4:	Summary Analysis of MDAs' Development Expenditure in FY 2017/18 (Kshs. Million).....	22
Figure 4.1:	Budgetary Allocation Trend for the ARUD Sector from FY 2013/14 to FY 2017/18.....	24
Figure 4.2:	Exchequer Issues to the ARUD Sector, FY 2017/18	25
Figure 4.3:	Budgetary Allocation Trend for the Education Sector from FY 2013/14 to FY 2017/18.....	26
Figure 4.4:	Exchequer Issues to the Education Sector, FY 2017/18	27
Figure 4.5:	Budgetary Allocation Trend for the EI & ICT Sector from FY 2013/14 to FY 2017/18.....	29
Figure 4.6:	Exchequer Issues to the EI & ICT Sector, FY 2017/18.	30
Figure 4.7:	Budgetary Allocation Trend for the Environmental Protection, Water and Natural Resources Sector from FY 2013/14 to FY 2017/18	32
Figure.4.8:	Exchequer Issues to the Environmental Protection, Water and Natural Resources Sector, FY 2017/18	33
Figure 4.9:	Budgetary Allocation Trend for the GECA Sector from FY 2013/14 to FY 2017/18	34
Figure 4.10:	Exchequer Issues to the GECA Sector, FY 2017/18.....	36
Figure 4.11:	Budgetary Allocation Trend for the GJLOS Sector from FY 2013/14 to FY 2017/18.....	37
Figure 4.12:	Exchequer Issues to the GJLOS Sector, FY 2017/18	39
Figure 4.13:	Budgetary Allocation Trend for the Health Sector from FY 2013/14 to FY 2017/18 (Kshs. Billion)	40
Figure 4.14:	Exchequer Issues to the Health Sector, FY 2017/18.....	41
Figure 4.15:	Budgetary Allocation Trend for the National Security Sector from FY 2013/14 to FY 2017/18	42
Figure 4.16:	Budgetary Allocation Trend for the PAIR Sector from FY 2013/14 to FY 2017/18.....	44
Figure 4.17:	Exchequer Issues to the PAIR Sector, FY 2017/18.....	46
Figure 4.18:	Budgetary Allocation Trend for the Social Protection, Culture Recreation Sector from FY 2013/14 to FY 2017/18	47
Figure 4.19:	Exchequer Issues to the Social Protection, Culture Recreation Sector, FY 2017/18 (Kshs. Billions).....	49

LIST OF ABBREVIATIONS AND ACRONYMS

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

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

EXECUTIVE SUMMARY

This is the Annual National Government Budget Implementation Review Report for FY 2017/18 which has been prepared in line with Article 228 of the Constitution of Kenya, 2010 and Section 9 of the Controller of Budget Act, 2016, which require the Controller of Budget to submit to Parliament quarterly budget implementation reports for the National and County Governments every four months. The annual report presents the progress made in executing the FY 2017/18 budget and also identifies the challenges that affected budget implementation. Receipts into the consolidated fund and expenditure are broken down and analysed against targets based on the Approved Budget Estimates for FY 2017/18 and compared to a similar period in the previous year, FY 2016/17.

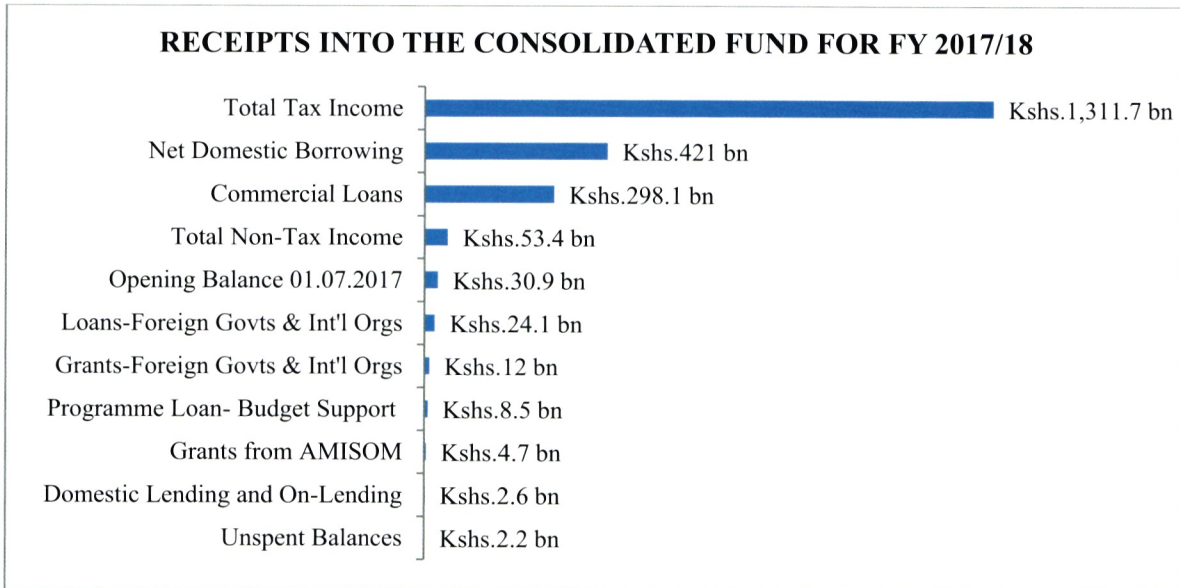
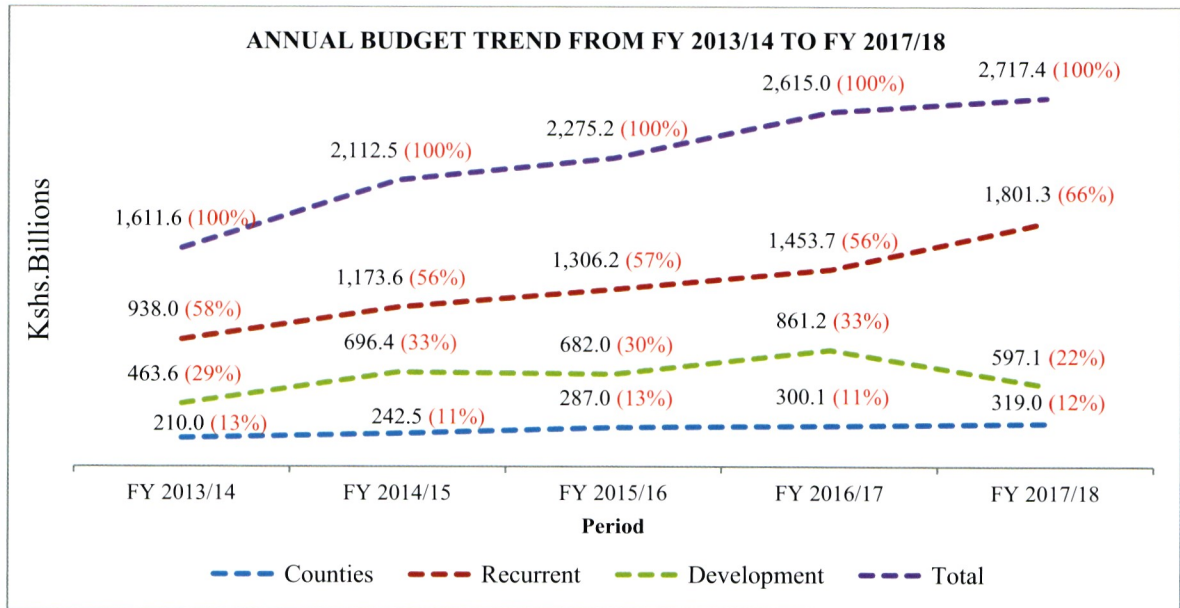
In FY 2017/18, receipts into the exchequer account amounted to Kshs.2,169.2 billion, representing 93.9 per cent of the revised annual target (Kshs.2.3 trillion). This translates to 7.0 per cent growth compared to Kshs.2,027.9 billion received into the exchequer account in a similar period of FY 2016/17. Total exchequer issues to MDAs, Consolidated Funds Service (CFS) and County Governments amounted to Kshs.2,066.4 billion. The exchequer issues comprised of Kshs.890.7 billion for MDAs' recurrent expenditure, Kshs.276.4 billion for development expenditure, Kshs.583.2 billion towards CFS and Kshs.316.2 billion to the County Governments.

The total expenditure for the MDAs amounted to Kshs.1.97 trillion, a slight increase from Kshs.1.96 trillion spent in the previous financial year. Analysis of recurrent expenditure by MDAs shows that Kshs.961.9 billion was spent on recurrent programmes representing 90.3 per cent of the revised gross estimates, a 12.1 per cent growth from Ksh.858.3 billion recorded in the same period of FY 2016/17. Further analysis of recurrent expenditure shows that, a total of Kshs.377.7 billion was spent on personnel emoluments. Further analysis of the recurrent expenditure shows that the Teachers Service Commission (TSC) had the highest expenditure on Personnel Emoluments (PE) at Kshs.216.5 billion, which translated to 57.3 per cent of the total PE expenditure by the MDAs. This could be explained by the fact that the bulk of the TSC's budget is for teachers' salaries. The second highest expenditure item was current transfers to Semi-Autonomous Government Agencies (SAGAs) at Kshs.364.4 billion, or 36 per cent of the total recurrent expenditure. Other categories with significant expenditure include the domestic travel at Kshs.8.6 billion and rentals and rates for non-residential buildings at Kshs.6.0 billion.

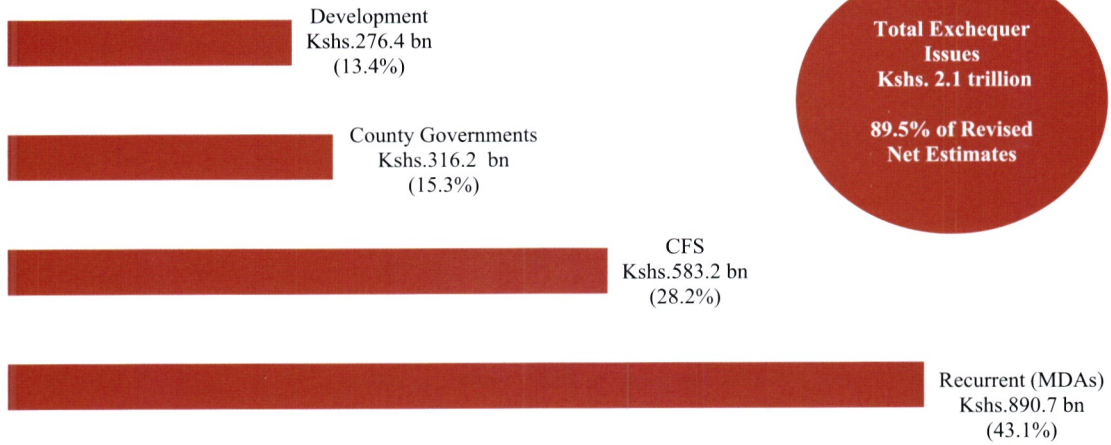
The gross development expenditure was Kshs.425.8 billion, representing an absorption rate of 71.3 per cent, a significant decrease from Kshs.602.3 billion spent in the same period the previous financial year. The leading development expenditure components included; Capital Transfers to SAGAs recorded the highest spending category at Kshs.102.2 billion, followed by refurbishment of buildings at Kshs.91.5 billion, representing 24 per cent and 21.5 per cent of the gross development expenditure respectively.

During FY 2017/18, a number of challenges were faced in the implementation of the budget. These included; low expenditure on development activities, delay by MDAs to submit quarterly financial reports to the Office of the Controller of Budget, frequent IFMIS downtime, non-disclosure of appropriation in aid (A~I~A) by MDAs and failure to report on programme and project achievements by MDAs. It is the recommendation of the OCOB that MDAs should work closely with the National Treasury to address these challenges in order to enhance budget implementation.

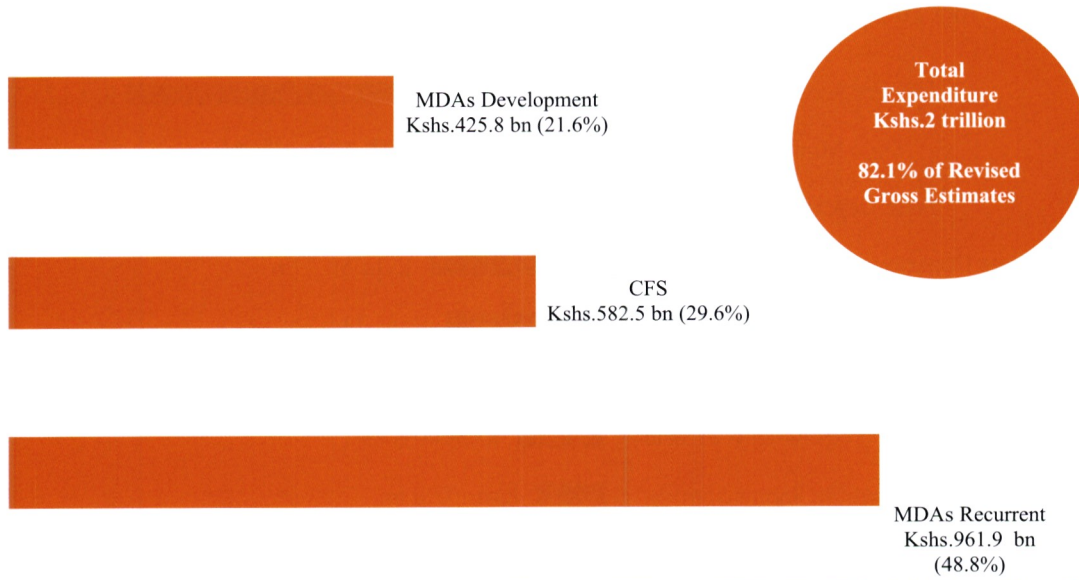
KEY HIGHLIGHTS



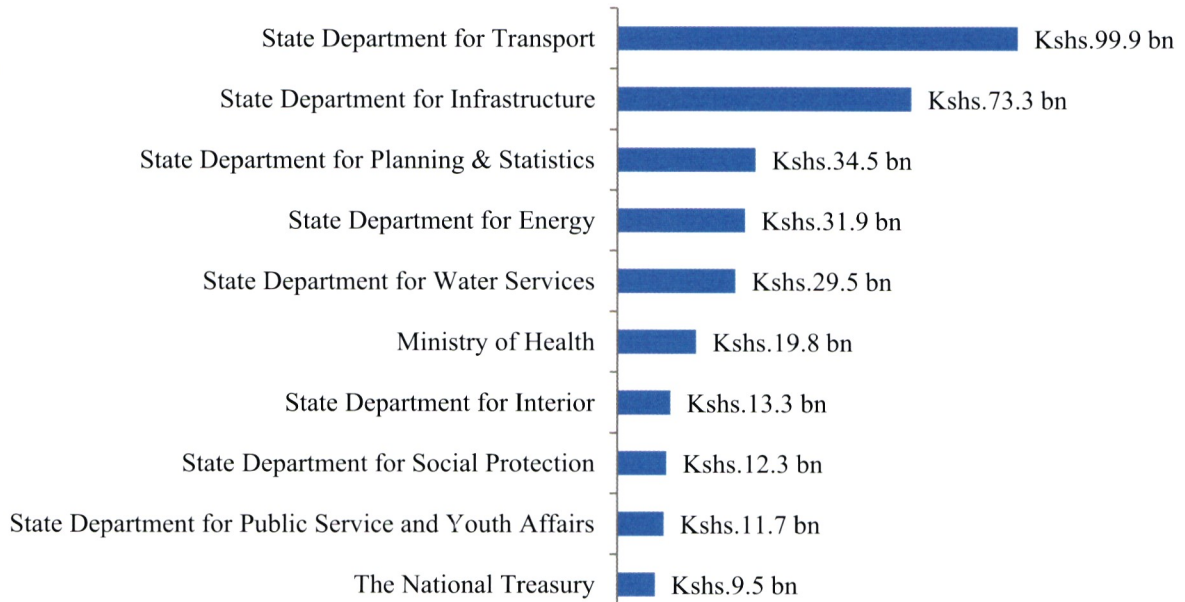
EXCHEQUER ISSUES IN FY 2017/18



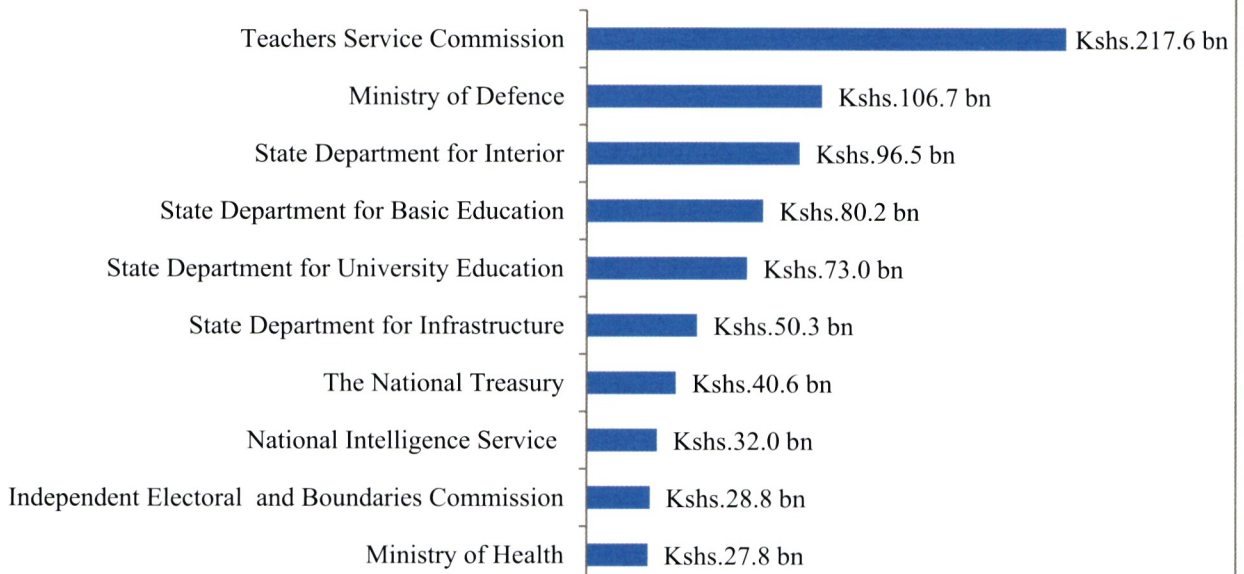
NATIONAL GOVERNMENT TOTAL EXPENDITURE IN FY 2017/18

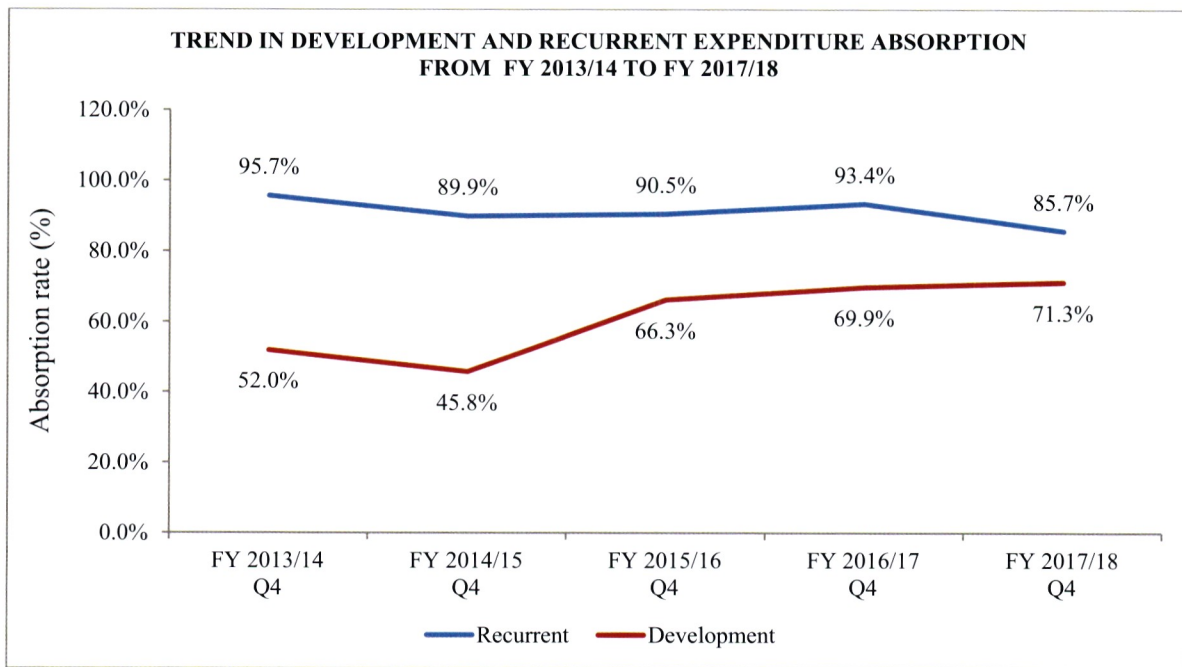
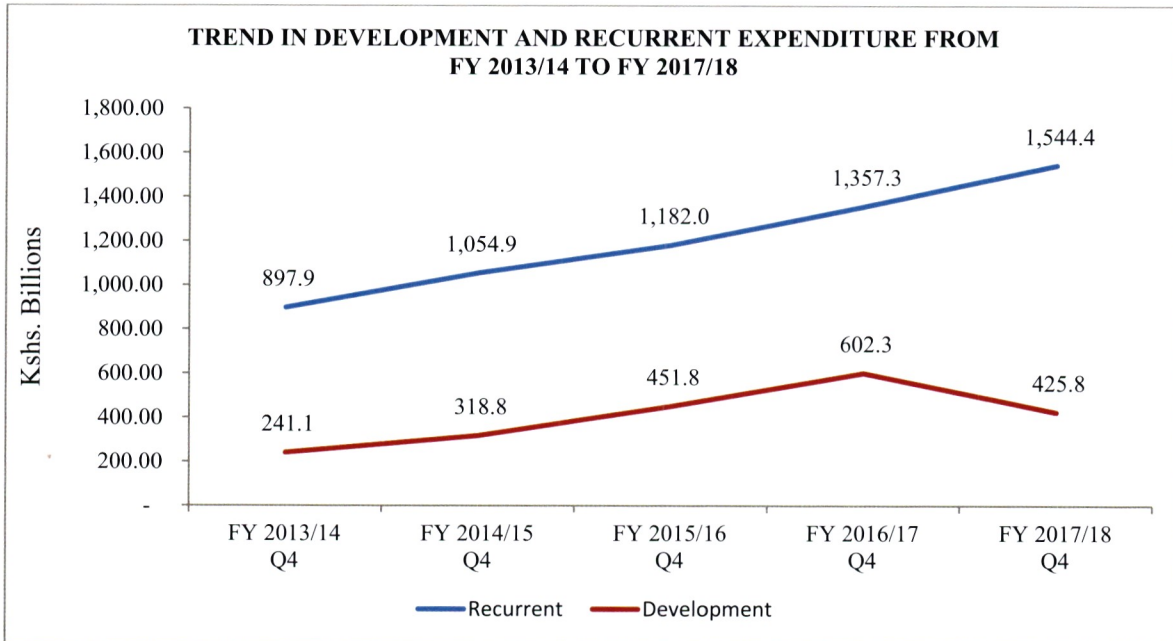


Top 10 Spending MDAs - Development Expenditure for FY 2017/18



Top 10 Spending MDAs - Recurrent Expenditure for FY 2017/18







1 INTRODUCTION

The Office of the Controller of Budget is established under Article 228 of the Constitution of Kenya (CoK), 2010 to among other functions, oversee and report on the implementation of the budgets of the National and County Governments. Specifically, Article 228(6) of the CoK, 2010 and Section 9 of the Controller of Budget Act, 2016 require the Controller of Budget (COB) to submit to both Houses of Parliament quarterly budget implementation reports for both the National and County Governments.

This report has been prepared in compliance with Article 228 (6) of the CoK, 2010 and Section 9 of the Controller of Budget Act, 2016 and provides information on budget and budget performance by the National Government Ministries, Departments and Agencies (MDAs), for the FY 2017/18. The information included in this report includes; annual budget allocation to MDAs, analysis of budget allocation by sector and programmes, receipts into and withdrawals from the Consolidated Fund, and, expenditure by MDA. In the report, expenditure is categorized as either development or recurrent and is further summarized by major economic items.

The report is structured into seven chapters. Chapter one offers the introduction. Chapter two presents analysis of receipts into the Consolidated Fund, exchequer issues to MDAs, Consolidated Fund Services (CFS) and County Governments. Exchequer issues to MDAs are disaggregated into development and recurrent votes and grouped under the ten sectors that form the government expenditure units. Chapter three provides a summary of the overall budget performance and expenditure breakdown analysis by economic items for both recurrent and development expenditure. Expenditure under the Consolidated Fund Services is categorized as recurrent expenditure and comprise of Public debt payments, Salaries and allowances to Constitutional Office holders, and payments for Pensions and gratuities.

Chapter four provides analysis of budget performance by sector for both development and recurrent expenditure. The ten sectors are; (i) Agriculture, Rural and Urban Development, (ii) Education, (iii) Energy, (iv) Infrastructure and Information Communications Technology, (v) Environmental Protection, Water and Natural Resources, (vi) Governance, Justice, Law and Order, (vii) Health, (viii) National Security, (ix) Public Administration and International Relations, and lastly, (x) Social Protection, Culture and Recreation. Additionally, chapter four contains information on revised gross and net budget estimates, exchequer issues, and expenditure by the MDAs under each sector. It also presents some of the major projects implemented by each sector in the year under review. Chapter five provides a summary on programme performance by the MDAs and contains details on allocation of funds, expenditure for both development and recurrent programmes and the implementation status of each programme.

In preparation of this report, the Office experienced challenges in obtaining financial and non-financial performance reports from MDAs, which caused delay in the publication of this report. This and other challenges faced during the year are highlighted in Chapter six. Chapter seven provides the conclusion.

2 ANALYSIS OF RECEIPTS AND EXCHEQUER ISSUES

2.1 Introduction

This chapter provides a summary of receipts into the Consolidated Fund and exchequer issues to the MDAs in FY 2017/18. The Exchequer issues are disaggregated into development, recurrent and issues to County Governments. Recurrent Exchequer issues towards CFS are categorised as recurrent.

2.2 Analysis of Revenue Estimates and Receipts into the Consolidated Fund

This section presents an overview of the revenue estimates and actual receipts into the Consolidated Fund in FY 2017/18. The section also presents the trend of receipts into the Consolidated Fund over the last five years.

2.2.1 Revenue Estimates

The revised revenue estimates for FY 2017/18 was Kshs.2.3 trillion, a slight increase compared to Kshs.2.1 trillion budgeted in the FY 2016/17. In financing the budget, the National Treasury expected to receive revenue from the following sources; Tax income (Kshs.1.4 trillion), Non-tax income (Kshs.73.7 billion), Net Domestic borrowing (Kshs.458.6 billion), Commercial Loan (Kshs.298.1 billion), Loans from Foreign Governments and International Organisations (Kshs.33.6 billion).

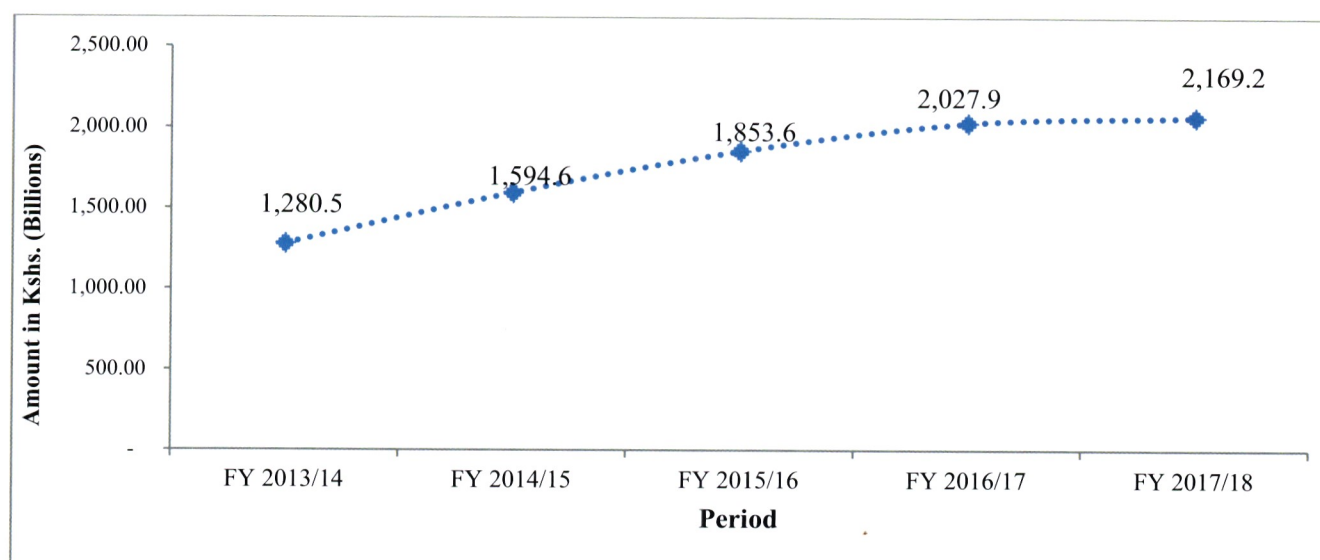
Other sources of exchequer revenue expected in the period under review included; Grants from Foreign Governments and International Organisations (Kshs.13 billion), Grants from Africa Mission in Somali -AMISON (Kshs.6.1 billion), Programme Loan -Budget Support (Kshs.7 billion) and Domestic Lending and on Lending (Ksh.4 billion).

2.2.2 Receipts into the Consolidated Fund

The total receipts into the Consolidated Fund amounted to Kshs.2.2 trillion in FY 2017/18, a slight increase compared to Kshs.2 trillion recorded in FY 2016/17. This amount consisted of the balance brought forward from FY 2016/17, tax and non-tax income, domestic borrowing, loans and grants from foreign governments and international Organisations, programme loan for budget support, domestic lending and on-lending, grants from AMISON, commercial loans and unspent balances recovered from MDAs from the previous financial year, FY 2016/17.

Figure 2.1 shows the annual trend of receipts into the Consolidated Fund from FY 2013/14 to FY 2017/18.

Figure 2.1: Receipts into the Consolidated Fund from FY 2013/14 to FY 2017/18



Source: National Treasury

FY 2017/18.

presents a statement of receipts into the Consolidated Fund in the FY 2017/18.

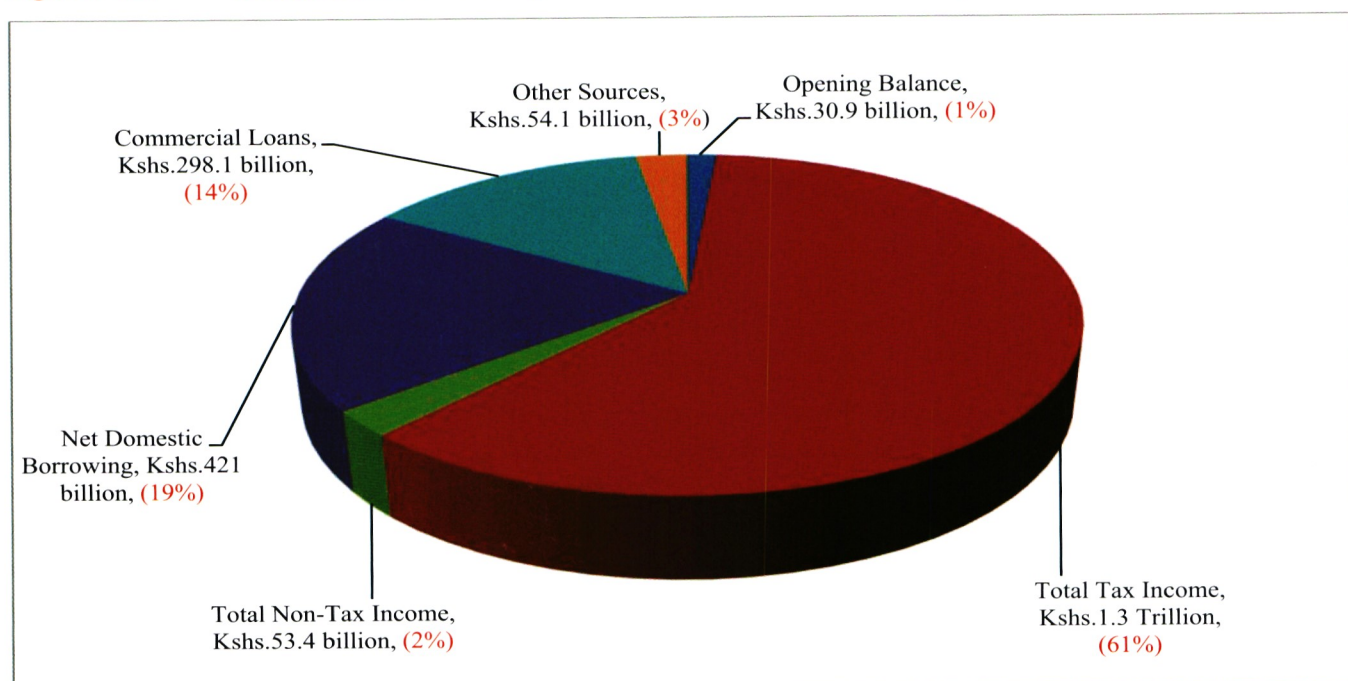
Table 2.1: Statement of Receipts into the Consolidated Fund in FY 2017/18 (Kshs. Billions)

RECEIPTS	Revised Estimates FY 2017/18	Actual Receipts as at June 2018	Performance Against Annual Target (%)	Contribution by Category (%)	Actual Receipts as at June 2017	Increase/ (Decrease) in receipts over June 2017	Percentage change (%)
Opening Balance 01.07.2017	-	30.9	-	1.4	59.8	(28.9)	(48.3)
Total Tax Income	1,415.9	1,311.7	92.6	60.5	1,253.4	58.3	4.7
Total Non-Tax Income	73.7	53.4	72.5	2.5	52.8	0.6	1.1
Net Domestic Borrowing	458.6	421.0	91.8	19.4	415.0	6.0	1.4
Loans-Foreign Governments and International Organisations	33.6	24.1	71.7	1.1	31.4	(7.3)	(23.2)
Programme Loan- Budget Support	7.0	8.5	121.4	0.4	6.8	1.7	25.0
Domestic Lending and On-Lending	4.0	2.6	65.0	0.1	1.8	0.8	44.4
Grant-Foreign Governments and International Organisations	13.0	12.0	92.3	0.6	6.6	5.3	80.3
Grants-DANIDA support to County Health Facilities	-	-	-	-	0.4	(0.4)	(100)
Debt Swap	-	-	-	-	0.03	(0.03)	(100)
Grants from AMISOM	6.1	4.7	77.1	0.2	6.8	(2.1)	(30.9)
Commercial Loans	298.1	298.1	100	13.7	186.3	111.8	60.0
Unspent Balances	-	2.2	-	0.1	6.8	(4.6)	(67.6)
Total Receipts	2,310.0	2,169.2	93.9		2027.9	141.3	7.0

Source: National Treasury

Figure 2.2 shows composition of receipts into the Consolidated Fund in the FY 2017/18.

Figure 2.2: Composition of Receipts into the Consolidated Fund, FY 2017/18



Source: National Treasury

2.3 Overall Budget

The revised budget for FY 2017/18 was Kshs.2.7 trillion, a slight increase compared to Kshs.2.6 trillion in FY 2016/17. This comprised of Kshs.1.1 trillion for MDAs' recurrent expenditure, Kshs.589.6 billion for MDAs' development expenditure, Kshs.726.9 billion for CFS expenditure and Kshs.345.7 billion for financing County Governments. Allocation to County Government comprised of Kshs.302 billion as equitable share, Kshs.17 billion as conditional grants and Kshs.26.7 billion disbursed through some National Government MDAs.

2.4 Exchequer Issues to the MDAs and County Governments

In the FY 2017/18, total exchequer issues to the MDAs and County governments amounted to Kshs.2.1 trillion representing 89.1 per cent of the revised net estimates, a decrease compared to 95.4 per cent issued in FY 2016/17. Table 2.2 presents a summary of Exchequer issues for FY 2017/18 compared to FY 2016/17 performance.

Table 2.2: Summary of Exchequer Issues for FY 2017/18 and FY 2016/17 (Kshs. Billions)

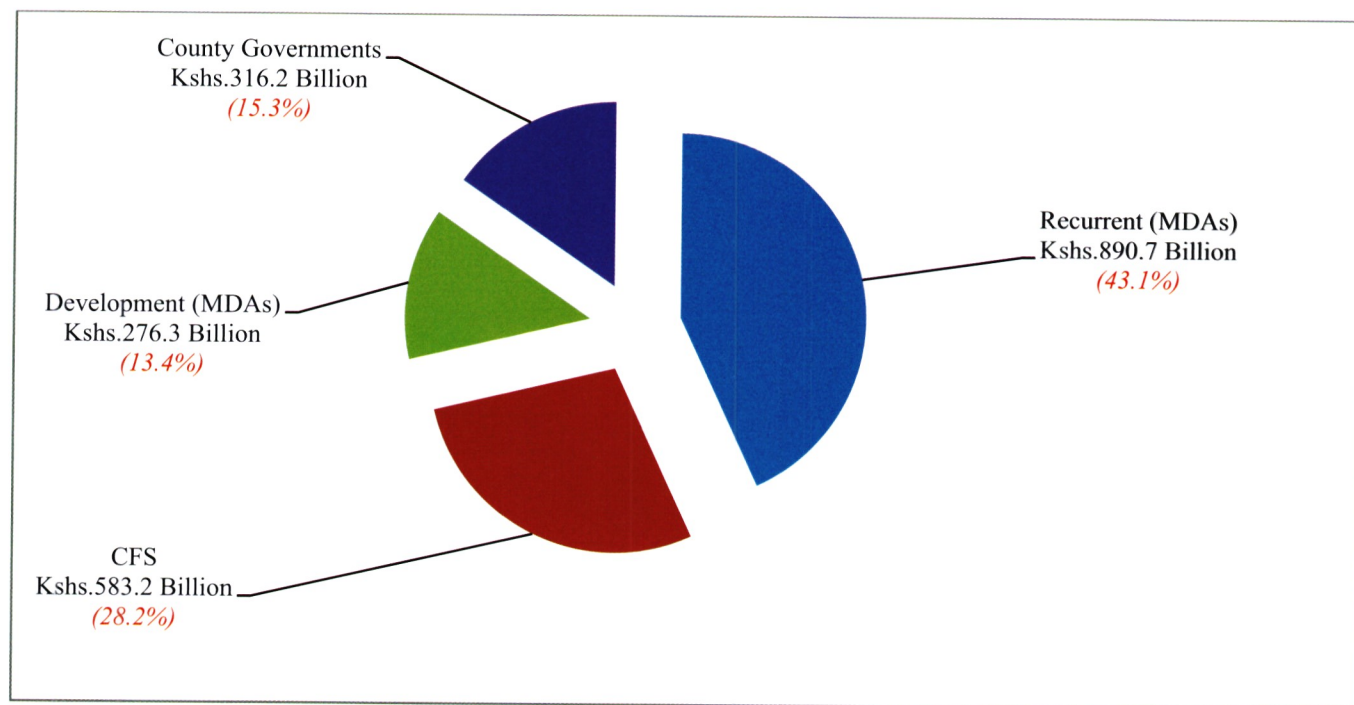
Vote	FY 2017/18					FY 2016/17				
	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	% of Exch. Issues to revised Net Estimates	% of Exchequer issues to total Issues	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	% of Exch. Issues to revised Net Estimates	% of Exchequer issues to total Issues
Recurrent	1,792.5	1,672.5	1,473.9	88.1	71.3	1,453.7	1,366.8	1,318.0	96.4	66.0
: MDAs	1,065.6	945.6	890.7	94.2	43.1	927.5	840.6	819.9	97.5	41.1
: CFS	726.9	726.9	583.2	80.2	28.2	526.2	526.2	498.1	94.7	24.9
Development (MDAs)	589.6	318.5	276.4	86.8	13.4	861.2	441.8	394.2	89.2	19.7
County Governments	345.7	319.0	316.2	99.1	15.3	300.1	284.7	284.7	100.0	14.3
Total	2,727.7	2,310.0	2,066.4	89.5	-	2,615.0	2,093.3	1,996.9	95.4	-

Source: National Treasury & OCOB

From the table, County Governments received the highest proportion of exchequer issues to the revised net estimates at 99.1 per cent while Consolidated Fund Services (CFS) received the lowest at 80.2 per cent.

However, out of the total exchequer issues in the period under review, MDAs recurrent expenditure recorded the highest percentage of the total exchequer issued at 43.1 per cent while MDAs development expenditure recorded the lowest at 13.4 per cent as shown in Figure 2.3 below.

Figure 2.3: Summary of Exchequer Issues in the FY 2017/18



Source: National Treasury & OCOB

2.5 Analysis of Exchequer Issues to the National Government MDAs by Sector

In the budget making process, MDAs are grouped into ten Sector Working Groups which are formulated according to the Classification of Functions of Government (COFOG). This provides a platform for public participation in the budget making process and rank allocation of resources amongst related key expenditure by the Government.

The ten sectors are; (i) Agriculture, Rural and Urban Development, (ii) Education, (iii) Energy, (iv) Infrastructure and Information Communications Technology, (v) Environmental Protection, Water and Natural Resources, (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 a breakdown of the revised gross estimates and exchequer issues by sectors in FY 2017/18 compared to FY 2016/17.

Table 2.3 Revised Gross Estimates and Exchequer Issues by Sector for FY 2017/18 and FY 2016/17 (Kshs. Billions)

Name of the Sector	FY 2017/18				FY 2016/17			
	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	% of Exch. To Net Estimates	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	% of Exchequer Issues to Rev.Net Estimates
Agriculture, Rural & Urban Development	48.5	44.9	40.9	91.0	51.7	41.6	38.4	92.3
Education	420.2	372.2	368.6	99.0	345.6	322.7	319.9	99.1
Energy, Infrastructure and Information Communications Technology (EI & ICT)	396.0	142.8	130.3	91.3	584.7	202.3	182.3	90.1
Environmental Protection, Water and Natural Resources	75.1	40.7	37.4	91.7	95.7	48.6	44.9	92.4
General Economic & Commercial Affairs (GECA)	15.5	14.2	13.1	91.8	22.2	19.8	19.0	96.0
Governance, Justice, Law and Order (GJLOS)	217.4	215.1	198.6	92.3	210.9	209.0	199.5	95.5
Health	75.3	53.2	44.4	83.3	77.4	63.0	56.5	89.7
Public Administration and International Relations	214.6	190.4	163.3	85.8	216.8	194.5	174.1	89.5
Social Protection, Culture and Recreation	53.9	51.6	44.6	86.4	53.3	50.7	49.3	97.2
National Security	138.8	138.8	126.1	90.8	130.2	130.2	130.2	100
Sub -Total for MDAs	1,655.2	1,264.0	1,167.3	92.3	1,788.50	1,282.40	1,214.10	94.7

Source: National Treasury & OCOB

The total Exchequer issued to MDAs amounted to Kshs.1.17 trillion, which was 92.3 per cent of the revised net estimates and a marginal decrease compared to 94.7 per cent recorded in FY 2016/17. The Education Sector received the highest proportion of exchequer issues to revised net estimates at 99 per cent, while the Health Sector received the lowest at 83.3 per cent.

2.5.1 Recurrent Exchequer Issues by Sector

In FY 2017/18, the revised net recurrent estimate to MDAs was Kshs. 945.6 billion representing a 12.5 per cent increase compared to Kshs. 840.6 billion allocated in FY 2016/17. Actual exchequer issues amounted to Kshs.890.7 billion, representing 94.2 per cent of the revised net recurrent estimates, a decline from 97.5 per cent recorded in FY 2016/17.

Table 2.4 shows sectoral recurrent estimates and exchequer issues for FY 2017/18 and FY 2016/17.

Table 2.4: Sectoral Recurrent Revised Gross Estimates and Exchequer issues for FY 2017/18 and FY 2016/17 (Kshs. Billions)

Name of the Sector	FY 2017/18				FY 2016/17			
	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	% of Exch. To Net Estimates	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	% of Exchequer To Net Estimates
Agriculture, Rural & Urban Development (ARUD)	28.5	28.4	27.7	97.5	30.2	23.0	22.1	96.1
Education	401.0	360.5	358.2	99.3	315.4	296.7	295.5	99.6
Energy, Infrastructure and Information Communications Technology (EI & ICT)	70.6	11.4	10.4	91.5	64.9	12.0	11.0	91.7
Environmental Protection, Water and Natural Resources	23.7	14.8	14.6	98.8	22.5	12.9	12.8	99.2
General Economic and Commercial Affairs (GECA)	9.8	8.6	8.1	93.6	12.5	12.4	12.2	98.4
Governance, Justice, Law and Order (GJLOS)	197.5	196.8	180.9	91.9	177.2	176.5	170	96.3
Health	38.6	30.4	28.7	94.4	35.7	31.8	30.2	95.0
Public Administration and International Relations (PAIR)	127.6	126.6	109.9	86.8	121.0	120.2	111.1	92.4
Social Protection, Culture and Recreation	29.4	29.4	26.2	89.2	25.1	25.1	24.8	98.8
National Security	138.8	138.8	126.1	90.8	130.2	130.2	130.2	100
Total	1,065.6	945.6	890.7	94.2	934.7	840.6	819.9	97.5

Source: National Treasury & OCOB

A review of the recurrent exchequer issued shows that, Education Sector received the highest proportion of exchequer issues to the revised net estimates at 99.3 per cent while Public Administration and International Relations (PAIR) Sector recorded the lowest at 86.8 per cent, a decline compared to 92.4 per cent recorded in FY 2016/17.

2.5.2 Exchequer Issues to Consolidated Fund Services (CFS) in FY 2017/18

The revised allocation towards CFS amounted to Kshs.726.9 billion, an increase by 38.1 per cent from Kshs.526.2 billion allocated in FY 2016/17. Table 2.5 shows the annual allocation and exchequer issues to CFS in FY 2017/18 and FY 2016/17.

Table 2.5: CFS Budgetary Allocation and Exchequer Issues for FY 2017/18 and FY 2016/17 (Kshs. Millions)

Consolidated Fund Services (CFS)	FY 2017/18			FY 2016/17		
	Revised Net Estimates	Exchequer Issues	% to Rev. Net Estimates	Revised Net Estimates	Exchequer Issues	% to Rev. Net Estimates
Public Debt	649,396.7	517,161.9	79.6	459,903.7	435,717	94.7
Pensions and Gratuities	71,895.1	62,413.3	86.8	60,691.1	58,487.6	96.4
Salaries, Allowances & Miscellaneous	5,564.9	3,632.7	65.3	5,615.8	3,905.7	69.5
Subscriptions to International Organizations	0.5	-	-	0.5	-	-
Total	726,857.2	583,207.9	80.2	526,211.2	498,110.3	94.7

Source: National Treasury and OCOB

In the period under review, total exchequer issues to CFS were Kshs.583.2 billion, translating to 80.2 per cent of the revised net estimates, a decline compared to 94.7 per cent recorded in FY 2016/17. Pensions and Gratuities received the highest proportion of exchequer issues to revised net estimates at 86.8 per cent, while Salaries, Allowances and Miscellaneous Services had the lowest at 65.3 per cent.

2.5.3 Development Exchequer Issues by Sector

The revised net allocation to development expenditure was Kshs.318.5 billion, representing a 27.9 per cent decrease compared to Kshs.441.8 billion allocated in FY 2016/17. The total exchequer issued to MDAs for development activities was Kshs.276.4 billion, representing 86.8 per cent of the revised net estimates, a decline from 89.2 per cent reported in FY 2016/17. Table 2.6 shows Sectoral development annual estimates and exchequer issues for FY 2017/18.

Table 2.6: Sectoral Development Revised Gross Estimates and Exchequer Issues for FY 2017/18 (Kshs. Billions).

Name of the Sector	FY 2017/18				FY 2016/17			
	Revised Gross Estimates	Revised Net Estimates	Exch. Issues	% of Exch. to Net Estimates	Revised Gross Estimates	Revised Net Estimates	Exch. Issues	% of Exch. to Rev. Net Estimates
Agriculture, Rural & Urban Development	20.1	16.5	13.2	79.8	28.7	18.7	16.4	87.7
Education	19.2	11.7	10.4	88.9	30.3	26.0	24.4	93.8
Energy, Infrastructure and Information Communications Technology (EI & ICT)	325.4	131.4	119.9	91.2	519.9	190.3	171.3	90.0
Environmental Protection, Water and Natural Resources	51.4	25.9	22.7	87.6	73.2	35.7	32.1	89.9
General Economic and Commercial Affairs (GECA)	5.7	5.6	4.9	88.9	9.7	7.3	6.8	93.2
Governance, Justice, Law and Order (GJLOS)	19.8	18.4	17.7	96.7	33.7	32.6	29.5	90.5
Health	36.8	22.8	15.7	68.7	41.7	31.3	26.2	83.7
Public Administration and International Relations (PAIR)	86.9	63.9	53.5	83.7	95.8	74.4	63.0	84.7
Social Protection, Culture and Recreation	24.4	22.2	18.3	82.8	28.3	25.6	24.5	95.7
Total	589.6	318.5	276.4	86.8	861.3	441.8	394.2	89.2

Source: National Treasury & OCOB

Analysis of development exchequer issues to MDAs in the period under review shows that, the Governance, Justice, Law and Order Sector (GJLOS) received the highest proportion of development exchequer issues to revised net estimates at 96.7 per cent while Health Sector received the lowest exchequer issues to revised net estimates at 68.7 per cent.

3 NATIONAL GOVERNMENT OVERALL EXPENDITURE ANALYSIS

3.1 Introduction

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

3.2 Overall Government Budget Performance

The revised budget for the FY 2017/18 amounted to Kshs.2.5 trillion, comprising of Kshs.1.1 trillion and Kshs.605.5 billion for MDAs' recurrent expenditure and development expenditure respectively, Kshs.543.7 billion towards Consolidated Fund Services (CFS) and the balance of Kshs.306.2 billion as shareable revenue for financing of County Governments. Table 3.1 shows the overall government revised budget.

Table 3.1: Overall Government Revised Budget Allocation and Budget Performance, FY 2017/18 (Kshs. Billion)

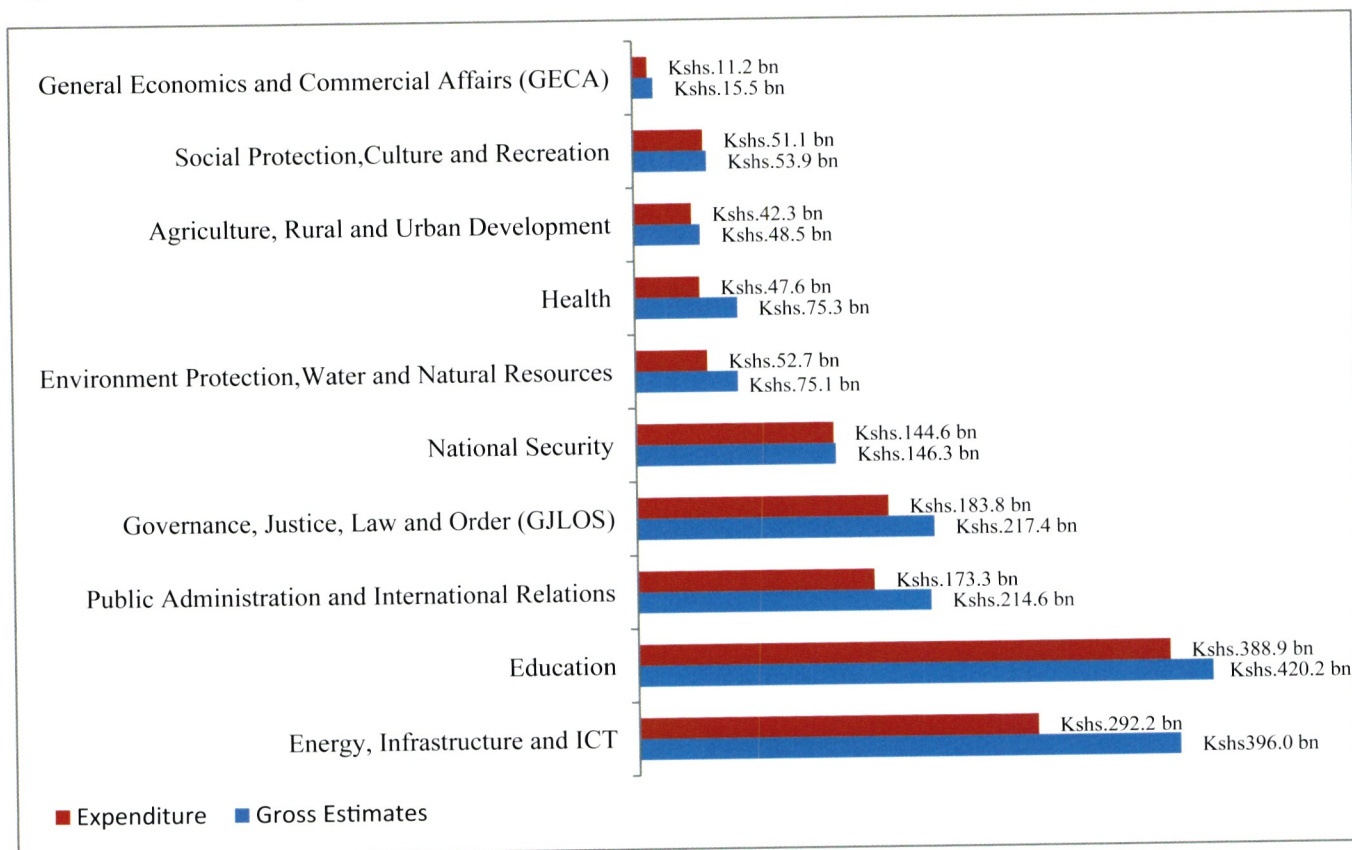
VOTE	FY 2017/18						FY 2016/17					
	Revised Gross Estimates	Revised Net Estimates	Cumulative Exchequer Issues	Cumulative Expenditure	% of Exchequer to Rev. Net Estimates	(%) of Exp. to revised Gross Estimate	Revised Gross Estimates	Revised Net Estimates	Cumulative Exchequer Issues	Cumulative Expenditure	% of Exchequer to Rev. Net Estimates	(%) of Exp. to revised Gross Estimate
Recurrent	1,792.5	1,672.5	1,473.9	1,544.4	88.1	86.2	1,453.7	1,366.8	1,318.0	1,357.3	96.4	93.4
:MDAs	1,065.6	945.6	890.7	961.9	94.2	90.3	927.5	840.6	819.9	858.3	97.5	92.5
:CFS	726.9	726.9	583.2	582.5	80.2	80.1	526.2	526.2	498.1	499.0	94.7	94.8
Development	589.6	318.5	276.3	425.8	86.8	72.2	861.2	441.8	394.2	602.3	89.2	69.9
County Governments	345.7	319.0	316.2	303.8	99.1	87.8	300.1	284.7	284.7	319.1	100.0	79.9
Total	2,727.7	2,310.0	2,066.4	2,274.0	89.5	83.4	2,615.0	2,093.3	1,996.9	2,287.7	95.4	87.1

Source: NT, OCOB, MDAs & County Treasuries

The total exchequer issues in FY 2017/18 amounted to Kshs.2.1 trillion, representing 89.5 per cent of the revised net estimates. This was a decline compared to 95.4 per cent recorded in FY 2016/17. The exchequer issues comprised of Kshs.1.5 trillion for recurrent expenditure, Kshs.276.3 billion for development expenditure and Kshs.316.2 billion to County Governments.

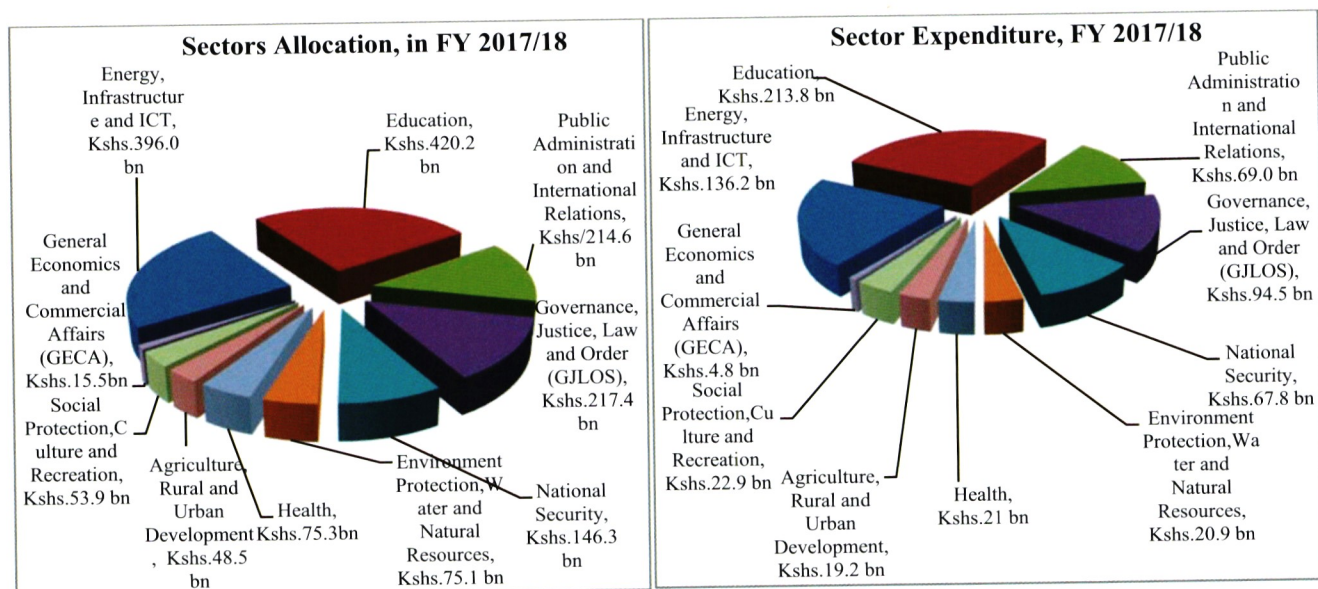
Gross expenditure for both the National and County governments was Kshs.2.3 trillion (Kshs.1.5 trillion on recurrent, Kshs.425.8 billion on development expenditure, and Kshs.303.8 billion by County Governments, representing an overall absorption rate of 83.4 per cent, which was a decrease compared to 87.1 per cent recorded in FY 2016/17.

Figure 3.1: Comparison of Revised Gross Estimates and Expenditure by Sector, FY 2017/18



Source: MDAs & National Treasury

Figure 3.2: Revised Gross Estimates and Expenditure by Sector, FY 2017/18



Source: MDAs & National Treasury

3.3 Consolidated Fund Services (CFS)

Consolidated Fund Services comprise of funds allocated towards: (i) Repayment of Public Debt (Domestic and Foreign debt, and government guaranteed loans to State Corporations), (ii) Pensions

and gratuities, (iii) Salaries and allowances to Constitutional Office holders and miscellaneous services, and (iv) Subscriptions to International Organizations. Table 3.2 presents a summary on CFS exchequer issues and expenditure performance in the FY 2017/18.

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

Consolidated Fund Services (CFS)	Revised Estimates	Exchequer Issues	Cumulative Expenditure	Expenditure as a % of Revised Estimates
Public Debt	649,396.7	517,161.9	516,350.0	79.5
Pensions and Gratuities	71,895.1	62,413.3	62,413.3	86.8
Salaries and Allowances	4,277.0	3,632.7	2,685.2	62.8
Subscriptions to International Organizations	0.5	-	-	-
Guaranteed Debt	1,287.9	1,049.1	1,049.1	81.5
Total	726,857.2	583,207.9	582,497.6	80.1

Source: National Treasury & OCOB

The revised allocation to CFS in FY 2017/18 was Kshs.726.9 billion, an increase by 37.8 per cent compared to Kshs.527.3 billion allocated in FY 2016/17. Total CFS expenditure amounted Kshs.582.5 billion, a 16.7 per cent growth compared to Kshs.499 billion recorded in the FY 2016/17. Pensions and gratuities recorded the highest percentage of expenditure to the revised estimates at 86.8 per cent while Salaries and Allowances to Constitutional Office holders recorded the lowest at 62.8 per cent.

3.3.1 Public Debt

The revised allocation towards repayment of public debt in FY 2017/18 was Kshs.649.4 billion, representing 41.2 per cent increase compared to Kshs.459.9 billion allocated in FY 2016/17. The total Exchequer issues for the period under review amounted to Kshs.517.2 billion, representing 79.7 per cent of the revised estimates. Actual expenditure was Kshs.516.4 billion, representing 79.5 per cent of the revised estimates, an increase compared to Kshs.436.3 billion recorded in FY 2016/17.

3.3.2 Guaranteed Debt to State Corporations

In FY 2017/18, the allocation towards repayment of guaranteed loans to State Corporations was Kshs.1.3 billion. Actual expenditure in FY 2017/18 amounted to Kshs.1 billion, representing 81.5 per cent of the revised estimates.

3.3.3 Salaries and Allowances for Constitutional Office Holders

The revised allocation for payment of Salaries and Allowances for Constitutional Office holders was Kshs.4.3 billion. Exchequer issues amounted to Kshs.3.6 billion representing 85 per cent of the revised estimates while actual expenditure was Kshs.2.7 billion, representing 62.8 per cent of the revised gross estimates.

3.3.4 Pensions and Gratuities

The budgetary allocation for pensions and gratuities was Kshs.71.9 billion which represents 9.9 per cent of the total CFS revised budget and 18.5 per cent increase compared to Kshs.60.7 billion allocated in FY 2016/17. Exchequer issues amounted to Kshs.62.4 billion, representing 86.8 per cent of the gross estimates.

Actual expenditure for the period under review was Kshs.62.4 billion, representing 86.8 per cent of the gross estimates, a decline compared with 96.4 per cent recorded in FY 2016/17.

3.4 MDAs Expenditure Analysis

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

Development expenditure is disaggregated by major economic items, which include; Maintenance of motor vehicles and other assets for programmes/projects, Capital transfers to SAGAs to implement their capital activities, Civil works and Construction of Residential Buildings, Refurbishment of Buildings/Infrastructure, Purchase of Specialized Plant, Equipment and Machinery, Pre-feasibility studies and other development activities.

3.4.1 MDAs Recurrent Expenditure Analysis

In FY 2017/18, the revised allocation for MDAs recurrent expenditure amounted to Kshs.1.1 trillion, a 14.9 per cent increase from Kshs.927.5 billion allocated in the FY 2016/17. Gross expenditure on recurrent activities by the MDAs amounted to Kshs.961.9 billion, representing 90.3 per cent of the revised recurrent gross estimates. This is a slight decline compared to 92.5 per cent recorded in FY 2016/17.

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

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

MINISTRY/STATE DEPARTMENT	PER-SONNEL EMOLUMENT (PE)	OPERATIONS & MAINTENANCE (O&M)											Current Transfers	Gross Expenditure	(A-1-A)	Net Expenditure
		Domestic Travel	Foreign Travel	Printing and Advertising	Rentals and Rates-Non Residential	Training	Hospitality	Maintenance Expenses-Motor Vehicles	Maintenance Expenses-Other Assets	Legal Fees	Other Expenses					
The Presidency	1,527.8	725.0	99.4	59.3	244.1	26.3	1,439.5	240.3	63.9	-	3,312.8	94.8	7,833.2	-	7,833.2	
State Department for Interior	71,456.5	1,018.3	60.5	5.8	992.6	890.6	106.4	268.5	110.7	-	20,943.6	659.4	96,512.9	-	96,512.9	
State Department for Correctional Services	13,947.8	264.6	25.4	11.1	105.5	99.2	70.8	77.6	539.0	-	3,639.2	-	18,780.1	-	18,780.1	
State Department for Devolution	151.9	13.3	0.4	0.5	60.4	2.1	29.3	3.5	0.5	-	192.1	460.1	914.2	-	914.2	
State Department for Special Programmes	150.0	33.9	2.6	0.7	76.2	4.3	5.9	7.5	2.4	-	689.4	4,505.4	5,478.2	-	5,478.2	
State Department for Planning & Statistics	363.5	98.1	13.0	9.1	27.4	16.5	30.0	12.2	1.8	0.1	208.6	4,512.2	5,292.2	-	5,292.2	
Ministry of Defence	856.6	41.0	14.5	2.1	-	14.6	14.9	11.3	1.0	-	67.1	105,688.0	106,711.0	-	106,711.0	
Ministry of Foreign Affairs and International Trade	4,329.9	137.8	800.0	8.7	1,322.4	42.8	320.2	68.5	33.6	-	1,468.4	112.0	8,644.3	-	8,644.3	
State Department for Basic Education	3,695.3	139.0	8.6	3.9	147.0	13.8	17.6	31.2	6.3	1,512.3	56,866.8	17,765.1	80,206.9	0.4	80,206.5	
State Department for Vocational and Technical Training	209.5	32.2	6.0	1.3	50.8	3.8	4.7	5.2	0.2	-	24.8	2,105.1	2,443.7	-	2,443.7	
State Department for University Education	393.1	28.1	4.8	1.5	25.3	4.3	6.0	12.6	2.0	-	10,692.9	61,788.7	72,959.1	-	72,959.1	
The National Treasury	363.5	98.1	13.0	9.1	27.4	16.5	30.0	12.2	1.8	0.1	35,552.5	4,512.2	40,636.2	-	40,636.2	
Ministry of Health	5,774.3	47.9	-	2.9	2.1	172.0	7.3	18.1	39.2	-	1,409.6	20,366.8	27,840.1	-	27,840.1	
State Department for Infrastructure	873.8	32.8	1.5	1.0	-	1.8	6.8	14.5	14.1	-	10,395.7	38,925.0	50,266.9	38,974.3	11,292.5	
State Department for Transport	188.1	10.7	1.4	0.3	5.1	1.5	1.6	4.0	1.2	-	151.4	8,005.3	8,370.8	6,965.0	1,405.8	
State Department for Maritime Affairs	59.4	19.7	8.6	0.3	12.0	1.5	4.6	0.8	0.2	-	59.1	45.5	211.6	-	211.6	
State Department for Housing & Urban Development	631.9	31.2	1.9	1.3	125.3	4.0	5.4	13.0	152.1	-	72.2	686.1	1,724.6	149.6	1,574.9	
State Department for Public Works	501.1	26.3	21.0	0.4	112.1	2.5	3.2	4.0	2.6	-	81.4	15.0	769.5	-	769.5	
State Department for Water Services	958.3	26.2	2.9	0.5	0.1	3.1	0.6	7.9	1.7	-	604.8	1,708.2	3,314.2	-	3,314.2	
State Department for Irrigation	181.4	13.6	3.2	1.3	-	1.1	1.7	4.6	0.6	-	14.0	308.0	529.4	-	529.4	
State Department for Environment	1,188.2	7.6	1.6	0.1	56.5	4.0	-	3.9	1.2	-	190.6	1,020.6	2,474.2	-	2,474.2	
State Department for Natural Resources	197.7	-	-	-	-	-	-	-	-	-	6,573.8	-	6,771.5	-	6,771.5	
Ministry of Lands and Physical Planning	2,033.1	18.7	2.1	0.6	2.0	5.4	2.5	3.8	3.0	0.4	130.5	10.0	2,212.2	9.5	2,202.7	

MINISTRY/STATE DEPARTMENT	PER-SONNEL EMOLUMENT (PE)	OPERATIONS & MAINTENANCE (O&M)											Current Transfers	Gross Expenditure	(A-I-A)	Net Expenditure
		Domestic Travel	Foreign Travel	Printing and Advertising	Rentals and Rates-Non Residential	Training	Hospitality	Maintenance Ex-penses-Motor Vehicles	Maintenance Ex-penses-Other Assets	Legal Fees	Other Ex-penses					
State Department of Information Communications & Technology & Innovation	167.9	24.6	3.3	4.4	27.0	50.8	9.4	3.7	2.8	1.4	85.6	654.7	1,035.7	-	1,035.7	
State Department for Broadcasting & Telecommunications	368.8	38.0	6.9	842.6	53.3	18.5	23.6	9.6	3.9	32.8	181.7	1,066.1	2,645.8	175.1	2,470.7	
State Department for Sports Development	142.5	153.0	704.1	0.6	46.2	8.4	115.0	5.6	0.3	-	495.0	972.8	2,643.5	-	2,643.5	
State Department for Arts and Culture	269.6	72.6	13.5	15.8	41.9	111.5	23.0	10.9	13.6	0.3	126.6	2,309.5	3,008.9	10.6	2,998.3	
State Department Energy	341.0	29.8	4.6	1.2	-	15.0	14.9	5.3	4.9	-	91.3	1,550.3	2,058.4	-	2,058.4	
State Department of Petroleum	113.5	18.1	3.7	3.0	6.0	1.9	9.8	5.2	1.2	-	28.6	-	190.9	47.4	143.5	
State Department for Agriculture	1,603.8	11.2	0.5	1.6	23.9	2.5	1.1	4.4	0.4	-	10,085.3	3,726.6	15,461.2	-	15,461.2	
State Department for Livestock	1,341.2	73.5	1.2	0.4	50.6	3.5	2.0	27.3	1.6	53.0	1,160.3	4,341.3	7,055.7	-	7,055.7	
State Department for Fisheries and the Blue Economy	245.4	23.6	2.8	0.3	1.6	2.3	38.7	4.3	0.2	-	61.2	1,299.9	1,680.3	-	1,680.3	
State Department of Investment and Industry	396.9	72.1	13.8	1.4	114.2	35.5	10.4	5.3	1.1	-	373.4	1,361.6	2,385.7	24.5	2,361.2	
State Department for Cooperatives	174.0	26.6	14.5	7.5	-	12.6	10.3	4.4	3.2	-	430.1	83.0	766.3	-	766.3	
State Department for Trade	321.8	56.3	28.8	3.0	143.8	4.4	14.6	10.9	43.1	-	444.4	997.5	2,068.7	3.6	2,065.1	
State Department for East African Integration	191.7	33.5	70.8	4.2	45.7	4.7	32.7	5.1	1.1	-	1,003.0	82.8	1,475.2	-	1,475.2	
State Department for Labour	593.8	53.9	10.9	2.7	192.3	6.1	36.3	7.4	1.9	1.1	105.8	607.4	1,619.6	-	1,619.6	
State Department for Social Protection	956.6	121.2	6.1	24.3	2.0	14.1	48.6	27.2	23.5	-	293.4	13,265.7	14,782.6	-	14,782.6	
Ministry of Mining	246.7	17.5	2.1	2.8	0.9	5.6	1.8	6.8	1.8	-	1,016.3	-	1,302.4	-	1,302.4	
Ministry of Tourism	186.8	21.8	27.2	1.0	40.0	3.0	8.2	4.4	1.1	70.0	208.0	1,007.9	1,579.5	1,083.6	495.9	
State Department for Public Service and Youth Affairs	2,342.2	99.0	8.6	2.1	144.9	854.6	19.8	37.2	17.1	0.0	9,338.5	656.0	13,520.0	-	13,520.0	
State Department for Gender	186.2	42.2	12.8	2.5	45.1	8.4	24.7	6.1	6.4	-	546.6	390.0	1,270.9	-	1,270.9	
State Law Office and Department of Justice	1,014.0	79.7	36.8	3.8	78.4	18.0	32.5	7.2	3.8	360.0	186.1	2,039.2	3,859.7	509.6	3,350.1	
The Judiciary	7,290.0	334.9	16.6	28.9	20.5	25.2	103.4	181.4	13.8	361.3	1,834.8	811.0	11,021.8	-	11,659.1	
Ethics & Anti-Corruption Commission	1,699.8	-	-	-	-	-	-	-	-	-	-	1,346.6	3,046.3	-	3,046.3	
National Intelligence Service	-	-	-	-	-	-	-	-	-	-	-	31,956.4	31,956.4	-	31,956.4	

MINISTRY/STATE DEPARTMENT	PERSONNEL EMOLUMENT (PE)	OPERATIONS & MAINTENANCE (O&M)										Current Transfers	Gross Expenditure	(A-I-A)	Net Expenditure
		Domestic Travel	Foreign Travel	Printing and Advertising	Rentals and Rates-Non Residential	Training	Hospitality	Maintenance Expenditures-Motor Vehicles	Maintenance Expenditures-Other Assets	Legal Fees	Other Expenditures				
Office of the Director of Public Prosecutions	1,257.0	87.5	7.5	4.2	140.9	38.8	27.9	15.0	4.4	-	323.5	-	1,906.7	-	1,715.5
Office of the Registrar of Political Parties	156.3	27.2	-	0.8	23.5	6.4	27.1	1.5	0.1	6.4	131.7	371.2	752.2	0.5	751.6
Witness Protection Agency	191.3	5.0	1.2	1.8	14.3	8.2	13.3	6.0	1.1	-	172.1	-	414.2	-	414.2
Kenya National Commission on Human Rights	230.9	15.7	3.7	2.0	50.6	1.5	2.0	6.0	0.1	-	40.6	36.2	389.4	-	389.4
National Lands Commission	730.3	63.0	9.2	7.2	26.6	2.3	22.9	10.6	0.1	-	166.6	-	1,038.9	-	1,038.9
Independent Electoral and Boundaries Commission	10,625.9	354.0	107.6	535.0	502.3	702.4	1,339.9	67.7	38.0	859.3	13,623.5	-	28,755.7	77.6	28,678.1
Parliamentary Service Commission	3,517.1	1,012.2	596.0	60.6	182.2	224.6	264.9	18.7	75.6	-	1,919.8	376.2	8,247.8	-	8,247.8
National Assembly	9,273.2	1,937.7	719.5	74.4	0.8	44.5	105.4	11.1	11.1	-	2,120.1	1,778.0	16,075.8	-	16,075.8
Judicial Service Commission	-	40.0	16.3	8.2	8.6	51.0	-	0.5	0.4	-	82.2	-	207.1	-	207.1
Commission on Revenue Allocation	162.8	9.6	5.6	4.4	46.5	7.9	-	5.5	0.9	-	57.5	-	300.7	-	300.7
Public Service Commission	572.0	77.1	40.0	34.8	7.3	48.7	60.1	5.2	8.4	2.3	492.4	1.9	1,350.1	-	1,350.1
Salaries & Remuneration Commission	235.5	16.0	0.0	5.6	29.8	15.4	70.5	2.3	3.6	-	177.6	-	556.4	-	556.4
Teachers Service Commission	216,527.4	172.8	6.1	11.0	20.0	42.1	47.6	55.3	28.8	26.1	693.2	-	217,630.5	517.0	217,113.5
National Police Service Commission	210.5	75.8	0.3	1.2	60.6	4.6	19.6	11.3	0.9	0.0	63.1	-	447.9	-	447.9
Auditor General	2,948.5	386.9	29.4	16.2	245.8	83.1	15.1	29.4	11.9	-	1,003.2	-	4,769.6	183.8	4,585.8
Controller of Budget	260.7	13.5	2.0	64.2	2.0	8.5	10.7	4.8	1.9	-	56.7	4.0	428.9	-	428.9
The Commission on Administrative Justice	226.1	10.0	1.4	1.8	51.8	2.8	2.4	3.4	1.0	1.2	85.9	-	387.9	-	387.9
National Gender & Equality Commission	142.0	24.9	5.6	4.5	38.9	11.9	5.7	7.8	0.5	-	88.3	-	330.1	-	330.1
Independent Policing Oversight Authority	252.9	34.5	1.2	1.8	44.8	4.2	30.3	3.8	1.4	-	213.4	-	588.3	-	588.3
Total	377,747.3	8,630.6	3,634.6	1,915.6	5,969.9	3,847.2	4,755.2	1,470.8	1,316.2	3,288.3	202,948.8	346,387.0	961,910.8	48,732.3	913,624.4

Source: MDAs and National Treasury IFMIS Directorate

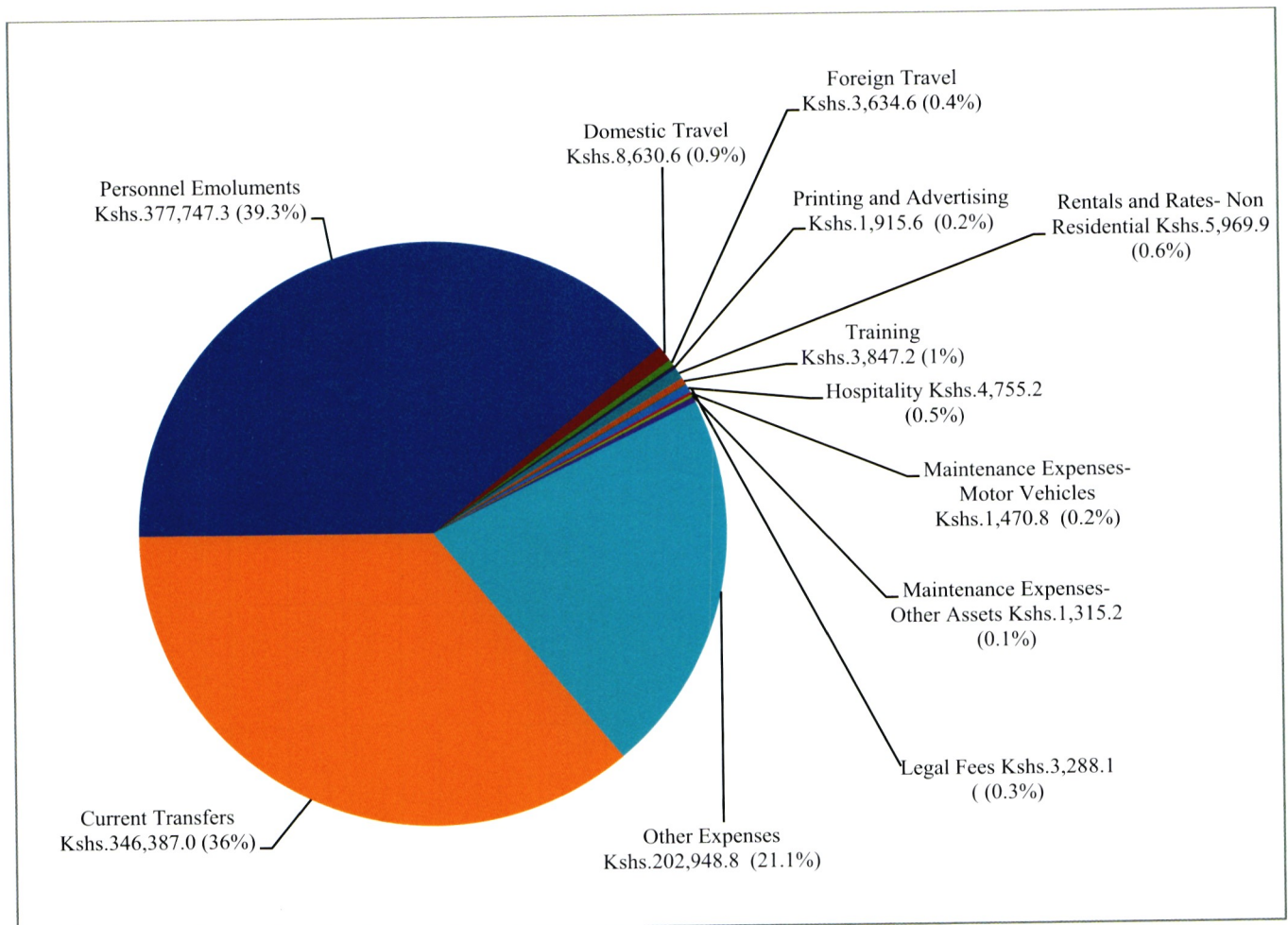
1 Note: The breakdown analysis for MDAs is based on expenditure/financial reports and IFMIS data. Some MDAs reported on Appropriations-in-Aid (AIA) and spent to defray some expenditure. Expenditure on Personnel Emoluments does not include figures for the National Intelligence Service and partially for the Ministry of Defence.

As shown in table 3.3, the highest expenditure category was personnel emoluments at Kshs.377.7 billion, representing 39.3 per cent of the gross recurrent expenditure. The second highest recurrent expenditure category by MDAs in FY 2017/18 was current transfers at Kshs.346.4 billion, representing 36 per cent of the gross recurrent expenditure. Other economic items with significant expenditure includes: - Kshs.8.6 billion spent on Domestic Travel, Kshs.6 billion on Rentals and rates for non-residential buildings, Kshs.4.8 billion on Hospitality, Kshs.3.6 billion of Foreign Travel and Kshs.3.3 billion on Legal Fees and Arbitration.

The highest amount transferred to SAGAs was reported by Ministry of Defense at Kshs.105.7 billion representing 30.4 per cent of the total amount on Current Transfers. The highest expenditure on Personnel Emoluments of Kshs.216.5 billion was by Teachers Service Commission. The Presidency and the Independent Electoral and Boundaries Commission spent Kshs.1.4 billion and Kshs.1.3 billion respectively on Hospitality, Kshs.1.9 billion by National Assembly on Domestic travel, Kshs.1.5 billion on Legal fees and Arbitration by State Department for Education, Kshs.1.3 billion by the Ministry of Foreign Affairs and International on Rent and Rates on non-residential buildings and Kshs.890.6 million on Training by the State Department for Interior among others.

Figure 3.3 shows breakdown recurrent expenditure for MDAs for FY 2017/18.

Figure 3.3: Summary Analysis of MDAs’ Recurrent Expenditure in FY 2017/18 (Kshs. Millions)



Source: MDAs and National Treasury

3.4.2 MDAs Development Expenditure Analysis

In FY 2017/18, the revised allocation to MDAs development expenditure amounted to Kshs.597.3 billion, a decline of 30.6 per cent from Kshs.861.2 billion allocated in FY 2017/18. The gross development expenditure amounted to Kshs.425.8 billion representing an absorption rate of 71.3 per cent, a marginal increase compared to 69.9 per cent recorded in FY 2016/17.

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

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

MINISTRY/STATE DEPARTMENT	Maintenance of Motor Vehicles	Maintenance of other Assets	Capital Transfers	Construction of Building	Refurbishment of Buildings/ Infrastructure	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
The Presidency	-	-	502.6	-	169.9	-	-	3.8	1.0	144.9	822.1	-	822.1
State Department for Interior	-	74.3	-	348.8	27.9	-	96.2	10,004.7	-	2,779.6	13,331.5	-	13,331.5
State Department for Correctional Services	-	-	-	120.3	56.3	113.6	-	-	-	105.6	395.8	-	395.8
State Department for Devolution	-	-	5,047.0	-	-	-	-	-	-	1,554.7	6,601.7	-	6,601.7
State Department for Special Programmes	-	-	3,695.0	-	4.0	-	-	-	4.0	17.1	3,720.1	-	3,720.1
State Department for Planning & Statistics	-	-	-	-	4.1	-	-	142.0	-	34,360.5	34,506.6	249.6	34,257.0
Ministry of Defence	-	-	5,914.5	-	-	-	-	-	-	45.0	5,959.5	5,959.5	-
Ministry of Foreign Affairs	-	-	7.5	-	86.4	-	-	-	-	-	93.9	-	93.9
State Department for Basic Education	-	-	5,430.9	-	-	-	-	-	-	1,648.4	7,079.3	3.2	7,076.0
State Department for Vocational and Technical Training	-	-	3,438.2	93.8	-	-	-	10.7	-	34.3	3,577.0	-	3,577.0
State Department for University Education	-	-	1,802.1	1,669.5	-	-	-	-	-	421.7	3,893.3	-	3,893.3
The National Treasury	-	-	9,442.4	-	4.1	-	-	-	-	10.1	9,456.6	-	9,456.6
Ministry of Health	-	-	-	-	-	-	-	-	142.0	19,621.2	19,763.2	-	19,763.2
State Department for Infrastructure	-	-	-	95.3	28.7	-	40.8	-	100.5	73,047.0	73,312.3	22,206.6	51,105.8
State Department for Transport	-	-	14,478.0	-	85,424.0	-	-	-	-	28.4	99,930.5	-	99,930.5
State Department Housing and Urban Development	37.5	-	1,952.7	440.9	40.5	-	2,251.3	474.2	66.4	3,286.4	8,550.0	4,679.7	3,870.3
State Department of Public Works	-	-	-	366.3	54.5	-	-	-	10.5	194.8	626.1	-	626.1

MINISTRY/STATE DEPARTMENT	Maintenance of Motor Vehicles	Maintenance of other Assets	Capital Transfers	Construction of Building	Refurbishment of Buildings/ Infrastructure	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 Water Services	-	-	13,117.9	-	-	-	-	-	-	16,404.4	29,522.3	-	29,522.3
State Department for Irrigation	-	-	1,105.6	-	-	-	5,187.3	-	-	17.2	6,310.1	-	6,310.1
State Department for Environment	0.5	-	-	-	-	-	75.7	-	-	909.7	985.9	-	985.9
State Department for Natural Resources	-	-	-	-	-	-	-	-	-	1,327.5	1,327.5	-	1,327.5
Ministry of Lands and Physical Planning	-	-	-	14.0	6.7	-	-	124.7	571.4	1,623.8	2,340.7	-	2,340.7
State Department of Information Communications & Technology & Innovation	-	-	7,191.9	-	-	-	-	-	-	-	7,191.9	-	7,191.9
State Department of Broadcasting and Telecommunications	-	-	-	-	-	-	-	-	-	-	378.1	-	378.1
State Department for Sports Development	-	-	481.2	-	1,812.0	-	-	-	-	0.0	2,293.3	-	2,293.3
State Department for Arts and Culture	-	-	510.3	-	30.0	-	-	4.1	-	5.4	549.7	-	549.7
State Department for Energy	-	-	9,212.0	-	-	-	22,690.2	-	-	17.4	31,919.7	-	31,919.7
State Department of Petroleum	-	-	786.0	-	342.5	-	-	-	714.1	1,147.5	2,990.0	1,982.0	1,008.0
State Department for Agriculture	7.5	0.5	433.3	-	23.1	-	382.5	16.8	118.9	7,679.5	8,662.0	-	8,662.0
State Department for Livestock	-	-	599.2	65.0	570.1	19.5	-	32.0	10.9	2,465.1	3,761.7	-	3,761.7
State department for Fisheries and Blue Economy	-	-	40.0	7.7	3.0	-	-	-	5.5	43.9	100.1	-	100.1
State Department for Investment and Industry	-	-	1,335.5	35.2	0.0	-	-	60.7	25.8	3.4	1,460.6	-	1,460.6
State Department for Cooperatives	-	-	-	-	-	-	-	-	-	462.4	462.4	-	462.4

MINISTRY/STATE DEPARTMENT	Maintenance of Motor Vehicles	Maintenance of other Assets	Capital Transfers	Construction of Building	Refurbishment of Buildings/ Infrastructure	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 Trade	-	-	-	10.6	-	-	-	-	4.8	31.7	47.0	-	47.0
State Department for East African Integration	-	-	-	-	-	-	-	-	-	7.7	7.7	-	7.7
State Department for Labour	-	-	-	36.0	-	-	-	10.0	14.2	174.4	234.6	-	234.6
State Department for Social Protection	2.9	2.1	11,703.0	13.8	29.7	-	-	-	-	561.3	12,312.8	-	12,312.8
Ministry of Mining	-	-	-	-	6.5	-	11.5	104.5	42.2	13.0	177.7	-	177.7
Ministry of Tourism	-	-	363.8	-	-	-	-	-	210.5	365.4	939.7	-	939.7
State Department for Public Service and Youth Affairs	60.5	-	76.3	4.9	2,567.6	92.7	-	1,501.2	-	7,377.1	11,680.3	-	11,680.3
State Department for Gender	-	-	3,187.8	-	-	-	-	-	-	-	3,187.8	-	3,187.8
State Law Office and Department of Justice	-	-	-	60.0	2.6	-	-	6.0	-	2.1	70.7	-	70.7
The Judiciary	-	-	-	189.2	86.7	-	-	17.5	-	1,403.2	1,696.6	-	1,696.6
Ethics & Anti-Corruption Commission	-	-	-	-	-	-	-	-	-	1,268.0	1,268.0	-	1,268.0
Office of the Directorate of Public Prosecution	-	-	-	-	-	-	-	-	-	6.3	6.3	6.7	- 0.3
National Land Commission	-	-	-	-	-	-	-	16.5	-	-	16.5	-	16.5
Independent Electoral and Boundaries Commission	-	-	-	-	-	-	-	-	-	-	-	-	-
Parliamentary Service Commission	-	-	-	-	43.6	984.4	-	19.8	-	10.1	1,057.9	-	1,057.9
Public Service Commission	-	-	-	-	9.0	-	-	-	-	-	9.0	-	9.0
Teachers Service Commission	55.3	-	-	-	48.6	-	-	28.9	-	963.7	1,096.5	517.0	579.5
Auditor General	-	-	-	102.7	-	-	-	-	-	-	102.7	-	102.7

MINISTRY/STATE DEPARTMENT	Maintenance of Motor Vehicles	Maintenance of other Assets	Capital Transfers	Construction of Building	Refurbishment of Buildings/ Infrastructure	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
Total	164.2	76.8	102,195.0	3,673.9	91,482.0	1,235.6	30,735.5	12,590.6	2,042.8	181,591.0	425,787.4	35,604.4	389,361.0

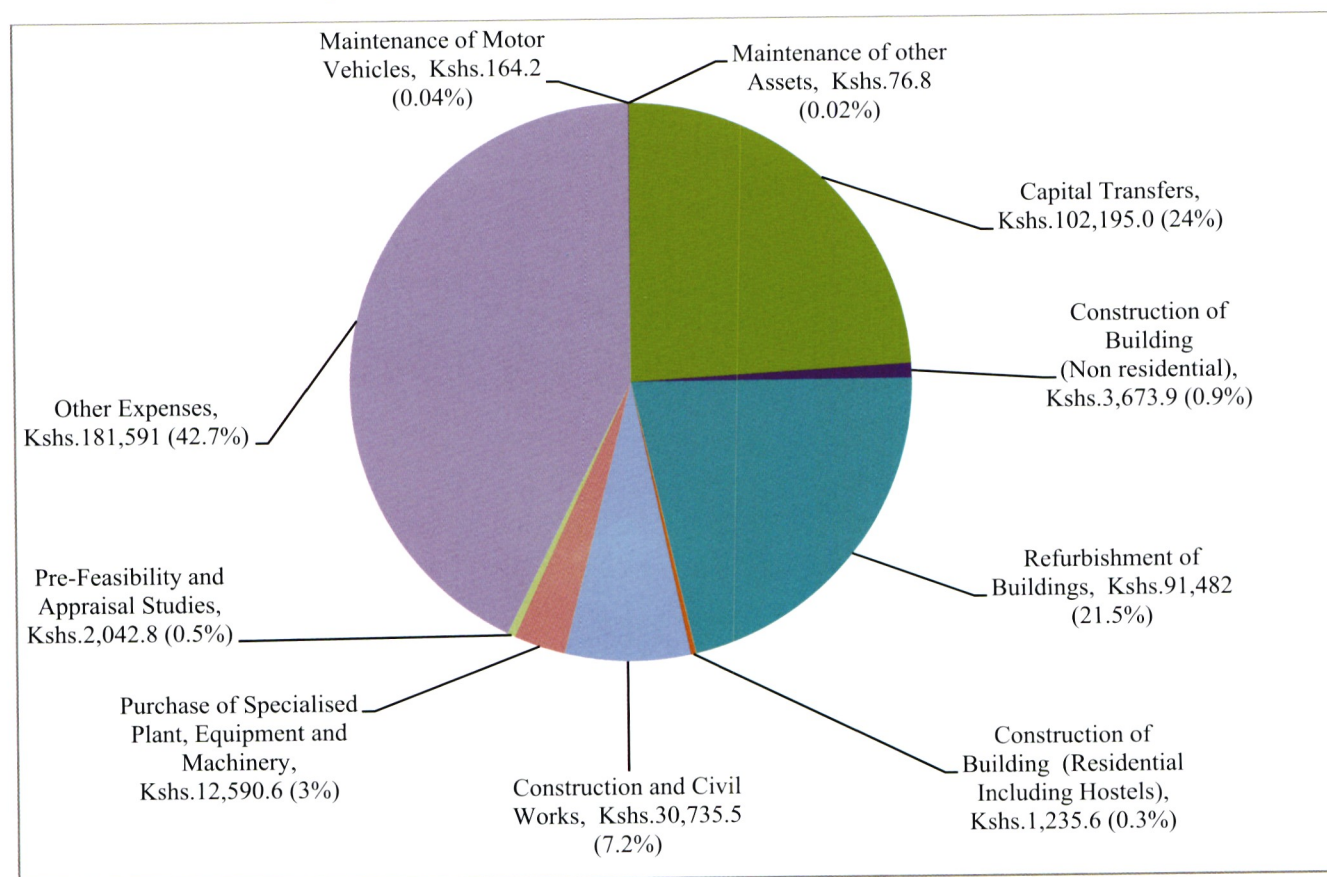
Source: MDAs and National Treasury IFMIS Directorate

In the period under review, the highest development expenditure category was Capital Transfers to SAGAs at Kshs.102.2 billion representing 24 per cent of the gross development expenditure followed by Refurbishment of Buildings/Infrastructure at Kshs.91.5 billion, representing 21.5 per cent of the gross development expenditure. Other categories with significant expenditure includes Construction and Civil Works at Kshs.30.7 billion, Purchase of Specialized Plant, Equipment and Machinery at Kshs.12.6 billion, Construction of Buildings – non-residential at Kshs.3.7 billion and Pre-Feasibility and Appraisal Studies at Kshs.2 billion.

The State Department for Transport had the highest capital transfers to its SAGAs at Kshs.14.5 billion, representing 14.2 per cent of the total capital transfers. This was followed by the State Department for Water Services at Kshs.13.1 billion, which represented 12.8 per cent. The State Department for Transport incurred the highest expenditure on Refurbishment of Buildings/infrastructure at Kshs.85.4 billion, translating into 93.3 per cent of the total expenditure on this category, State Department for Energy spent Kshs.22.7 billion on Civil Works representing 73.9 per cent of the total expenditure on this category. The State Department for Interior spent Kshs.10 billion on Purchase of Specialized Plant, Equipment and Machinery representing 79.4 per cent of the total expenditure under this category.

Figure 3.4 presents the breakdown of MDAs development expenditure for FY 2017/18.

Figure 3.4: Summary Analysis of MDAs’ Development Expenditure in FY 2017/18 (Kshs. Million)



Source: MDAs and National Treasury

4 DEVELOPMENT AND RECURRENT EXPENDITURE ANALYSIS BY SECTOR IN THE FY 2017/18

4.1 Introduction

This chapter analyses performance of the national government budget by sector for both development and recurrent expenditure in the FY 2017/18. It also provides a comparison of performance to the FY 2016/17 national government expenditure. In addition, the analysis shows exchequer issues and absorption of funds by each MDA. Finally, the chapter presents the budgetary allocation trend in the past five financial years.

The sectors are discussed in alphabetical order as follows; Agriculture, Rural and Urban Development (ARUD); Education; Energy, Infrastructure and Information Communications Technology (EI & ICT); Environmental Protection, Water and Natural Resources (EWNR); Governance, Justice, Law and Order (GJLOS); Health, National Security; Public Administration and International Relations (PAIR) and Social Protection, Culture and Recreation sector.

4.2 Agriculture, Rural and Urban Development (ARUD) Sector

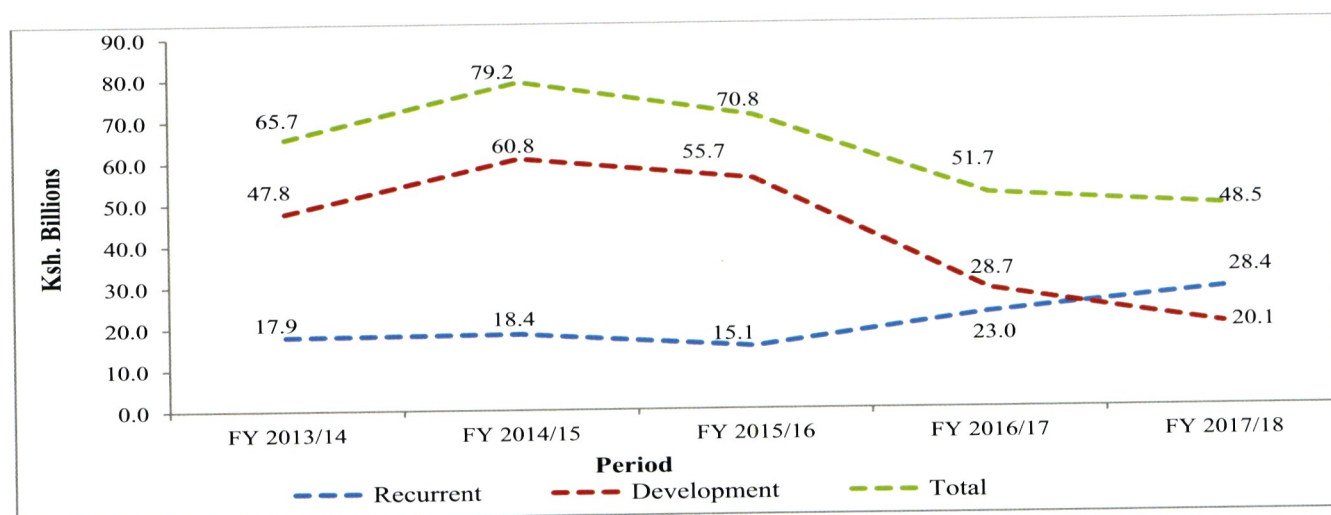
The Agriculture Rural and Urban Development (ARUD) Sector consists of five MDAs namely: the Ministry of Lands and Physical Planning (MoLPP); the State Department for Agriculture, State Department for Livestock, State Department for Fisheries and the Blue Economy and National Land Commission (NLC). The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

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

The revised budgetary allocation to the sector in FY 2017/18 was Kshs.48.5 billion, which was 1.8 per cent of the revised gross budget, a decline compared to Kshs.51.7 billion allocated in FY 2016/17. The allocation comprised of Kshs.20.1 billion (41.4 per cent) for development activities and Kshs.28.4 billion (58.6 per cent) for recurrent expenditure. State Department for Agriculture received the highest budgetary allocation of Kshs.28 billion (57.7 per cent of the sector's allocation), while NLC had the lowest budgetary allocation of Kshs.1.1billion (2.3 per cent of the sector's allocation).

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

Figure 4.1: Budgetary Allocation Trend for the ARUD Sector from FY 2013/14 to FY 2017/18



Source: National Treasury

In the FY 2017/18, the ARUD sector received exchequer issues of Kshs.40.9 billion, representing 91 per cent of the sector's revised net estimates. This comprised of Kshs.13.2 billion for development expenditure representing 79.8 per cent of the revised development net estimates and Kshs.27.7 billion for recurrent expenditure representing 97.5 per cent of the revised recurrent net estimates.

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

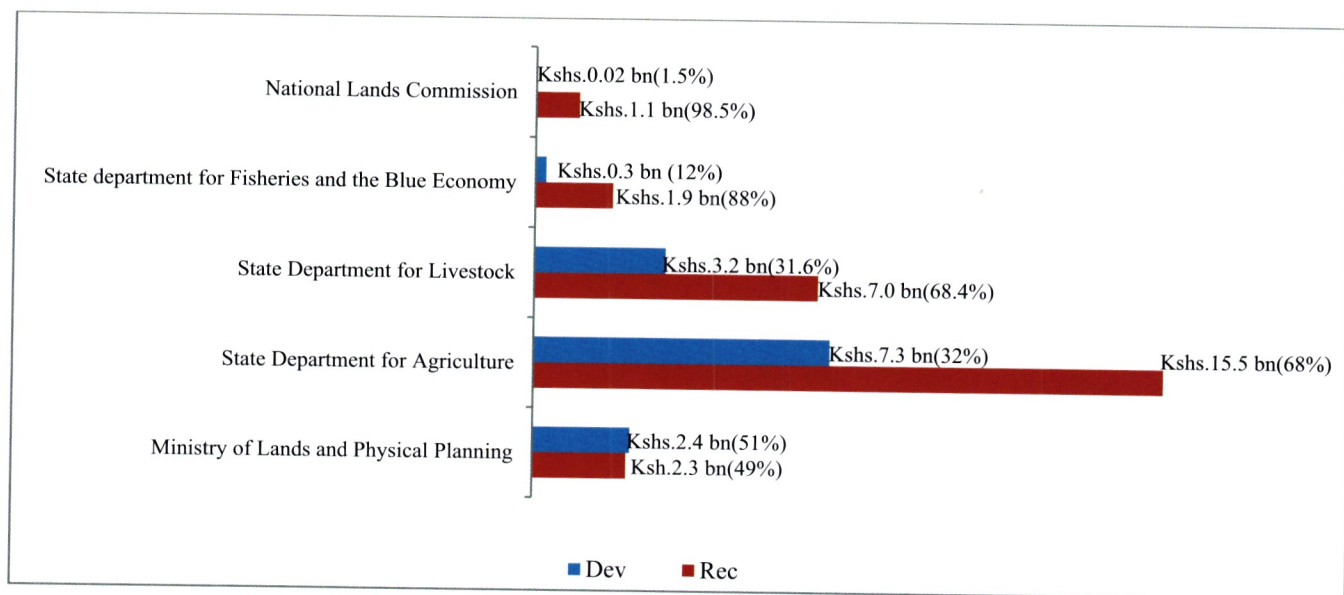
Table 4.1: ARUD Sector-Analysis of Exchequer Issues and Expenditure, FY 2017/18 (Kshs. Billions)

VOTE	Development						Recurrent					
	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Rev. Gross Est.	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
Ministry of Lands and Physical Planning	2.8	2.8	2.4	2.3	85.7	83.7	2.3	2.3	2.3	2.2	99.4	95.0
State Department for Agriculture	12.0	9.2	7.3	8.7	78.9	72.4	16.0	16.0	15.5	15.5	96.4	96.4
State Department for Livestock	5.0	4.2	3.2	3.8	77.2	75.3	7.0	7.0	7.0	7.1	99.4	100.4
State department for Fisheries and Blue Economy	0.3	0.3	0.3	0.1	83.3	31.9	1.9	1.9	1.9	1.7	99.3	87.4
National Land Commission	-	-	0.02	-	-	-	1.1	1.1	1.1	1.0	93.8	91.6
Total	20.1	16.5	13.2	14.9	79.8	74.1	28.4	28.4	27.7	27.4	97.5	96.4
Total for the Sector							Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Revised Net Est.	% of Exp. to Rev. Gross Est.
Development							20.1	16.5	13.2	14.9	79.8	74.1
Recurrent							28.4	28.4	27.7	27.4	97.5	96.4
Total							48.5	44.9	40.9	42.3	91.0	87.2

Source: MDAs and National Treasury

As shown in table 4.1, the Ministry of Lands and Physical Planning received the highest proportion of exchequer issues to the revised net estimates for development expenditure at 85.7 per cent while State Department for Livestock received the lowest at 77.2 per cent. Ministry of Lands and Physical Planning and State Department for Livestock received the highest proportion of recurrent exchequer issues to the revised net estimates at 99.4 per cent while NLC received the lowest at 93.8 per cent. Figure 4.2 shows the exchequer issues to the ARUD Sector in the FY 2017/18.

Figure 4.2: Exchequer Issues to the ARUD Sector, FY 2017/18



Source: National Treasury

The total expenditure for the sector in the FY 2017/18 was Kshs.42.3 billion, representing 87.2 per cent of the revised gross estimates, an increase compared to 74 per cent recorded in a similar period of FY 2016/17. The expenditure comprised of Kshs.14.9 billion for development, representing absorption of 74.1 per cent, an increase compared to 57.1 per cent recorded in a similar period of FY 2016/17 and Kshs.27.4 billion as recurrent expenditure, representing 96.4 per cent of the revised recurrent gross estimates a slight improvement from 95.1 per cent in FY 2016/17.

Ministry of Lands and Physical Planning recorded the highest absorption on development expenditure at 83.7 per cent with the State Department for Fisheries and Blue Economy recording the lowest at 31.9 per cent. State Department for Livestock recorded the highest percentage of recurrent expenditure to the revised gross recurrent estimates at 100 per cent while NLC recorded the lowest at 91.6 per cent.

Some of the key development projects/programmes implemented by MDAs under this sector included: Regional Pastoral Livelihood Resilience Project at Ksh.1.6 billion, Processing and registration of title deeds at Kshs.1.1 billion, Digitization of National Registries at Kshs.642 million, Smallholders Dairy Commercialization Programme at Kshs.556.4 million, Food Security and Crop Diversification Project at Kshs.537 million and Small Scale Irrigation and Value Addition Project at Ksh.348.3 Million.

4.3 Education Sector

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

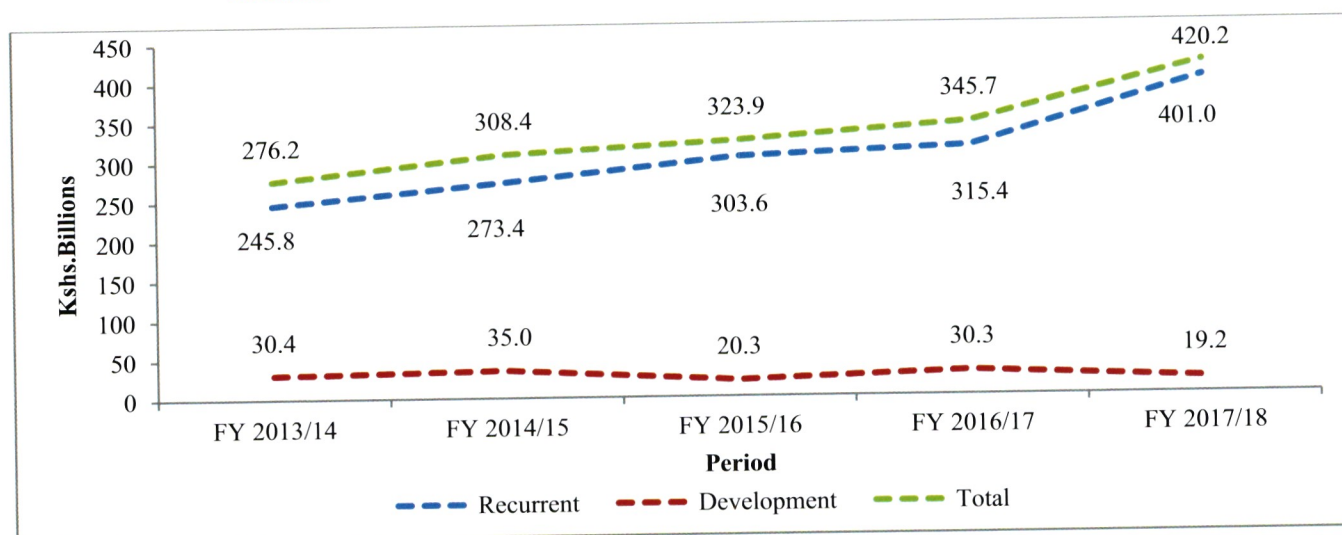
The sector envisions a globally competitive education, training, research and innovation for sustainable development. In order to realize this, the sector undertakes to provide, promote and coordinate quality education for sustainable development. The sector's overall goal is to increase access to education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

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

The revised budgetary allocation to the sector in FY 2017/18 was Kshs.420.2 billion, representing 15.6 per cent of the revised gross budget, an increase compared to Kshs.345.7 billion allocated in FY 2016/17. The allocation comprised of Kshs.19.2 billion (4.6 per cent) for development activities and Kshs.401 billion (95.4 per cent) for recurrent expenditure. TSC received the highest budgetary allocation of Kshs.219.4 billion (52.2 per cent of the Sector's allocation), while State Department for Vocational and Technical Training had the lowest budgetary allocation of Kshs.7.7 billion (1.8 per cent of the sector's allocation).

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

Figure 4.3: Budgetary Allocation Trend for the Education Sector from FY 2013/14 to FY 2017/18



Source: National Treasury

In the FY 2017/18, the sector received exchequer issues of Kshs.368.6 billion, representing 99 per cent of the sector's revised net estimates. This comprised of Kshs.10.4 billion for development expenditure representing 88.9 per cent of the revised development net estimates and Kshs.358.2 billion for recurrent expenditure representing 99.3 per cent of the revised recurrent net estimates.

Table 4.2 shows Education Sector analysis of exchequer issues and expenditure in the FY 2017/18.

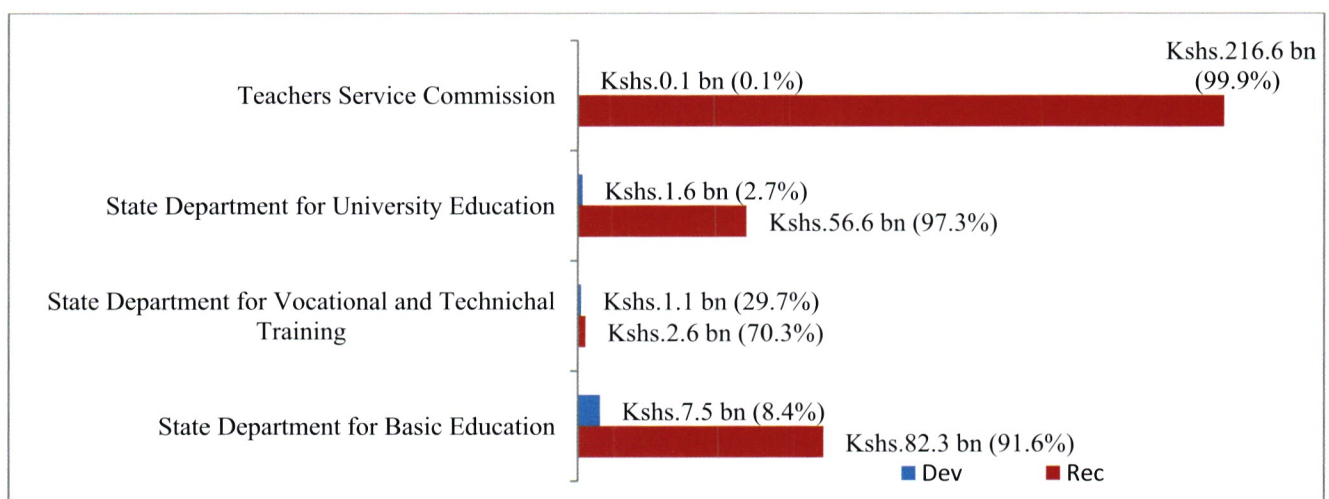
Table 4.2: Education Sector-Analysis of Exchequer Issues and Expenditure, FY 2017/18 (Kshs. Billions)

VOTE	Development						Recurrent					
	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Rev. Gross Est.	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
State Department for Basic Education	7.8	7.7	7.5	7.1	97.6	90.5	83.8	82.3	82.3	80.2	100.0	95.7
State Department for Vocational and Technical Training	5.1	1.8	1.1	3.6	61.46	69.8	2.6	2.6	2.6	2.4	99.9	95.5
State Department for University Education	5.0	2.0	1.6	3.9	79.7	77.9	96.5	57.9	56.6	73.0	97.8	75.6
Teachers Service Commission	1.2	0.1	0.1	1.1	99.5	88.7	218.2	217.7	216.6	217.6	99.5	99.7
Total	19.2	11.7	10.4	15.6	88.9	81.6	401.0	360.5	358.2	373.2	99.3	93.1
Total for the Sector							Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Revised Net Est.	% of Exp. to Rev. Gross Est.
Development							19.2	11.7	10.4	15.6	88.9	81.6
Recurrent							401.0	360.5	358.2	373.2	99.3	93.1
Total							420.2	372.2	368.6	388.9	99.0	92.5

Source: MDAs and National Treasury

In FY 2017/18, the Teacher's Service Commission (TSC) received the highest proportion of exchequer issues to revised net estimates for development expenditure at 99.5 per cent while State Department for Vocational and Technical Training received the lowest at 61.5 per cent. State Department for Basic Education received the highest proportion of recurrent exchequer issues to the revised net estimates at 100 per cent while State Department for University Education received the lowest at 97.8 per cent. Figure 4.4 shows the exchequer issues to the Education Sector in the FY 2017/18.

Figure 4.4: Exchequer Issues to the Education Sector, FY 2017/18



Source: National Treasury

As shown in table 4.2, the total expenditure for the sector in the period under review was Kshs.388.9 billion, representing 92.5 per cent of the revised gross estimates, a decline compared to 94 per cent

recorded in a similar period of FY 2016/17. The expenditure comprised of Kshs.15.6 billion for development, representing absorption of 81.6 per cent, an increase compared to 73.6 per cent recorded in a similar period of FY 2016/17 and Kshs.373.2 billion as recurrent expenditure, representing 93.1 per cent of the revised recurrent estimates, a decline from 95.9 per cent in FY 2016/17.

State Department for Basic Education recorded the highest absorption on development expenditure at 90.5 per cent while the State Department for Vocational and Technical Training recorded the lowest at 69.8 per cent. TSC recorded the highest percentage of recurrent expenditure to the revised recurrent estimates at 99.7 per cent while State Department for University Education had the lowest at 75.6 per cent.

Some of the major projects implemented by the sector in the period under review include; Revitalization of Youth Polytechnics at Kshs.2 billion, Secondary Schools Infrastructure Improvement Project at Kshs.1.7 billion, Kenya Primary Education Project – (Global Partnership for Education- GPE) Programme at Kshs.1.4 billion, Construction of seventy Technical Training Institutes at Kshs.692.7 million, and Support to Enhancement of quality and relevance in Higher Education at Kshs.526.2 million.

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

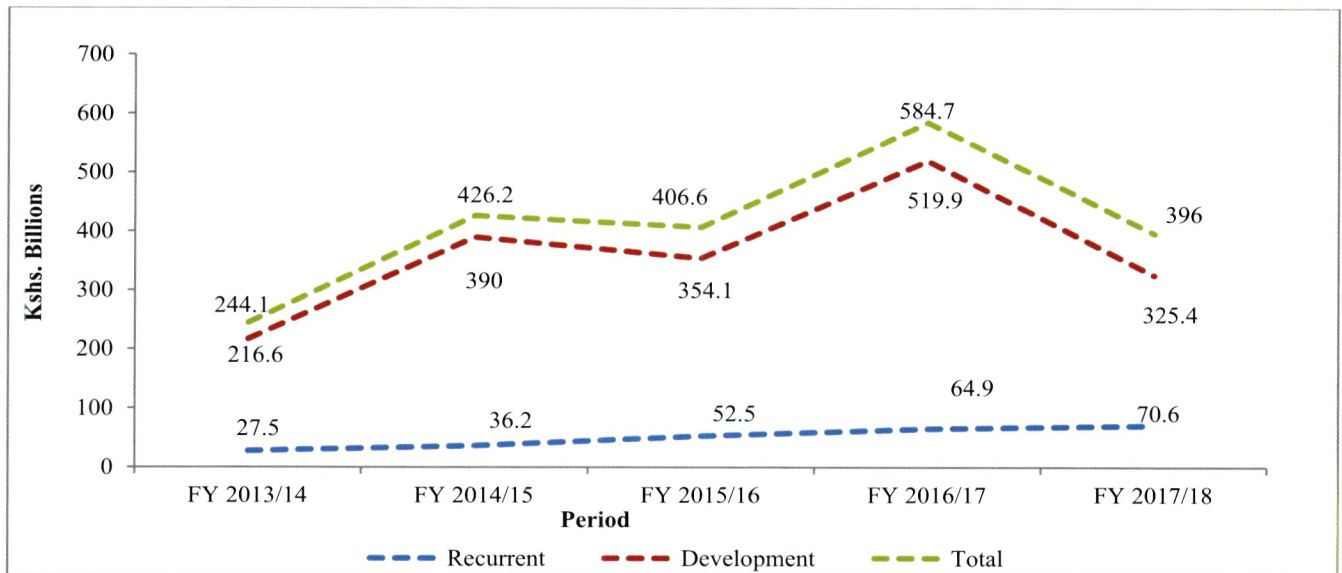
This sector comprises of 9 MDAs namely: State Department for Infrastructure, Transport, Maritime and Shipping Affairs, Housing and Urban Development, Public Works, Information Communications Technology and Innovation, Broadcasting and Telecommunication, Petroleum and Energy. The sector was identified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

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

The revised budgetary allocation to the sector in the FY 2017/18 was Kshs.396 billion, representing 14.7 per cent of the revised gross budget, a decline compared to Kshs.584.7 billion allocated in FY 2016/17. The allocation comprised of Kshs.325.4 billion (82.2 per cent) for development activities and Kshs.70.6 billion (17.8 per cent) for recurrent expenditure. State Department for Infrastructure received the highest budgetary allocation of Kshs.159 billion (40.1 per cent of the sector's allocation), while State Department for Maritime Affairs had the lowest budgetary allocation of Kshs.0.3 billion (Less than 1 per cent of the sector's allocation).

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

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



Source: National Treasury

The EI & ICT sector received exchequer issues of Kshs.130.3 billion, representing 91.3 per cent of the sector's revised net estimates. This comprised of Kshs.119.9 billion for development expenditure representing 91.2 per cent of the revised development net estimates and Kshs.10.4 billion for recurrent expenditure representing 91.5 per cent of the revised recurrent net estimates.

Table 4.3 shows EI & ICT Sector analysis of exchequer issues and expenditure in the FY 2017/18.

Table 4.3: EI & ICT-Analysis of Exchequer Issues and Expenditure, FY 2017/18 (Kshs. Billions)

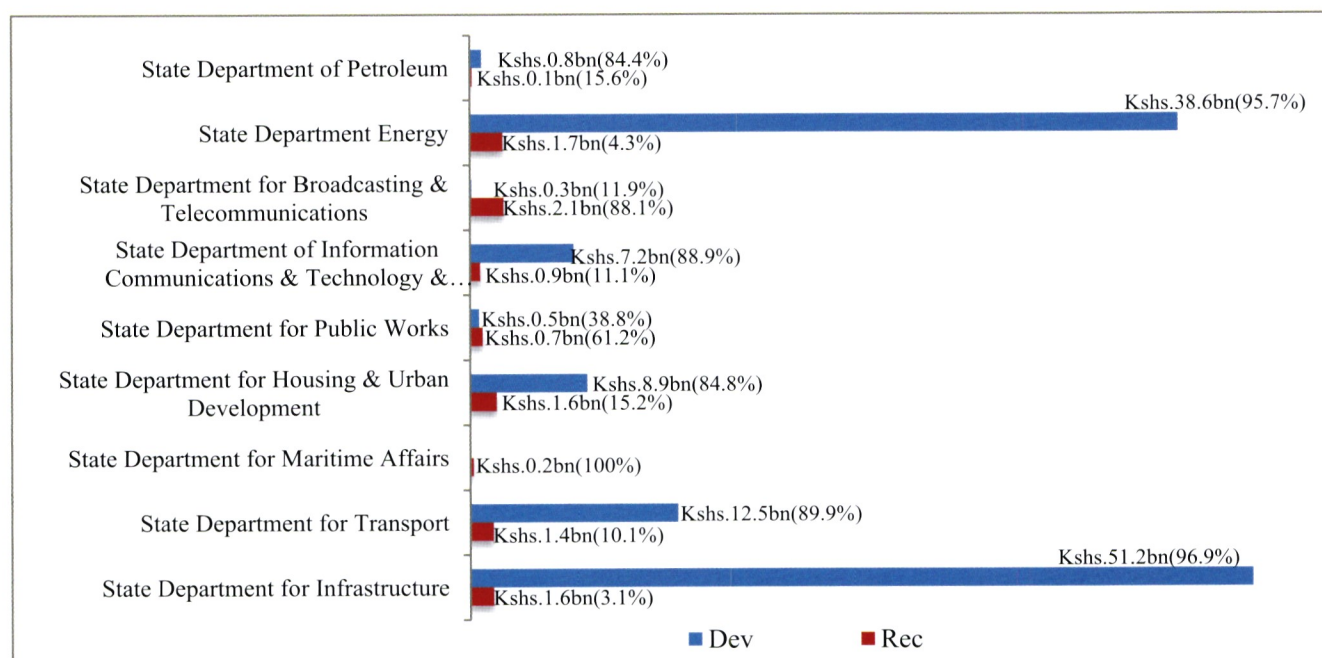
VOTE	Development						Recurrent					
	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
State Department for Infrastructure	106.5	53.3	51.2	73.3	96.0	68.9	52.5	1.7	1.6	50.3	95.1	95.8
State Department for Transport	104.1	17.4	12.5	99.9	71.6	96.0	8.4	1.4	1.4	8.4	98.8	99.8
State Department for Maritime & Shipping Affairs	-	-	-	-	-	-	0.3	0.3	0.2	0.2	81.3	81.3
State Department for Housing & Urban Development	16.0	10.9	8.9	8.6	81.1	53.5	1.8	1.8	1.6	1.7	88.2	95.2
State Department for Public Works	0.7	0.7	0.5	0.6	66.1	87.6	0.8	0.8	0.7	0.8	91.7	91.3
State Department of ICT & Innovation	10.6	7.5	7.2	7.2	95.7	68.1	1.1	1.1	0.9	1.0	80.0	92.6
State Department for Broadcasting & Telecommunications	0.4	0.4	0.3	0.4	73.6	99.4	3.4	2.2	2.1	2.6	95.9	78.7
State Department for Energy	83.8	39.9	38.6	31.9	96.6	38.1	2.1	1.9	1.7	2.1	89.1	96.5

VOTE	Development						Recurrent					
	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
State Department of Petroleum	3.4	1.2	0.8	3.0	67.7	87.8	0.2	0.2	0.2	0.2	92.3	91.2
Total	325.4	131.4	119.9	224.9	91.2	69.1	70.6	11.4	10.4	67.3	91.5	95.3
Total for the Sector							Rev. Gross Estimates	Rev. Net Estimates	Rev. Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
Development							325.4	131.4	119.9	224.9	91.2	69.1
Recurrent							70.6	11.4	10.4	67.3	91.5	95.3
Total							396.0	142.8	130.3	292.2	91.3	73.8

Source: MDAs and National Treasury

The State Department for Energy received the highest proportion of exchequer issues to revised net estimates for development expenditure at 96.6 per cent while State Department for Public Works received the lowest at 66.1 per cent. State Department for Transport received the highest proportion of recurrent exchequer issues to the revised net estimates at 98.8 per cent while State Department for ICT and Innovation received the lowest at 80 per cent for recurrent expenditure. Figure 4.6 shows the exchequer issues to the EI & ICT Sector in the FY 2017/18.

Figure 4.6: Exchequer Issues to the EI & ICT Sector, FY 2017/18.



Source: National Treasury

The total expenditure for the sector in the FY 2017/18 was Kshs.292.2 billion, representing 73.8 per cent of the revised gross estimates, an increase compared to 72.9 per cent recorded in a similar period of FY 2016/17. The expenditure comprised of Kshs.224.9 billion for development, an absorption

rate of 69.1 per cent, a decline compared to 69.8 per cent recorded in a similar period of FY 2016/17 and Kshs.67.3 billion as recurrent expenditure, representing 95.3 per cent of the revised recurrent estimates, a decline from 97.9 per cent recorded in FY 2016/17.

State Department for Broadcasting and Telecommunication recorded the highest absorption rate on development expenditure at 99.4 per cent while the State Department for Energy recorded the lowest at 38.1 per cent. State Department for Transport recorded the highest percentage of recurrent expenditure to the revised net recurrent estimates at 99.8 per cent while State Department for Broadcasting and Telecommunication had the lowest at 78.7 per cent.

Some of the key development projects/programmes implemented under EI & ICT Sector included Digital Literacy Programme at Kshs.5.8 Billion, Supply and Installation of an Internet Based 4000 Network-PH3 at Kshs.693.7 million, Kenya Broadcasting Corporation (KBC) Analogue to Digital TV migration at Kshs.268.5 million, Kenya Petroleum Technical Assistance Project (KEPTAP) at Kshs.711 million, Construction of Housing Units for National Police and Kenya Prison Service at Kshs.1.2 billion, and Kenya Informal Settlement Improvement Project (KISIP) at Kshs.3.2 billion.

4.5 Environmental Protection, Water and Natural Resource Sector

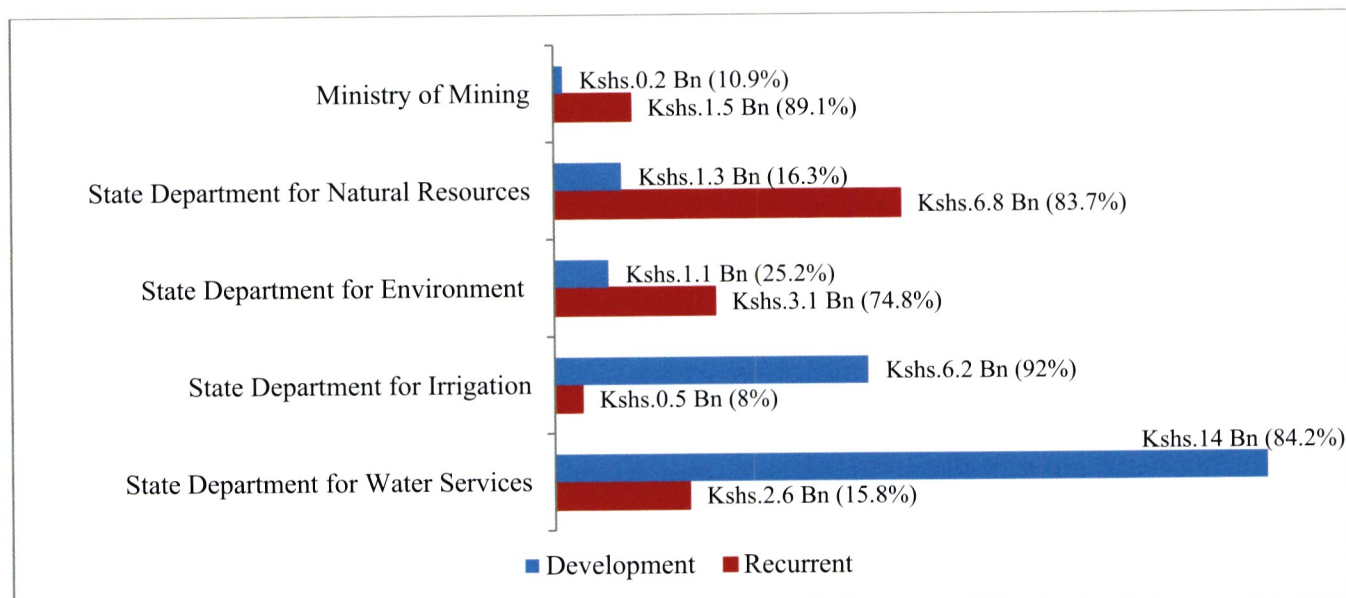
The Environmental Protection, Water and Natural Resources Sector comprises of five MDAs namely: The State Department for; Environment, Natural Resources, Water Services, Irrigation and Ministry of Mining with a total of 26 SAGAs.

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

The revised budgetary allocation to the sector in FY 2017/18 was Kshs.75.1 billion, representing 2.8 per cent of the revised gross budget, a decline compared to Kshs.95.7 billion allocated in FY 2016/17. The allocation comprised of Kshs.51.4 billion (68.4 per cent) for development activities and Kshs.23.7 billion (31.6 per cent) for recurrent expenditure. State Department for Water Services received the highest budgetary allocation of Kshs.40.9 billion (54.5 per cent of the sector's allocation), while Ministry of Mining had the lowest budgetary allocation of Kshs.1.8 billion (2.4 per cent of the sector's allocation).

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

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



Source: National Treasury

The sector received exchequer issues of Kshs.37.3 billion, representing 91.7 per cent of the sector's revised net estimates. This comprised of Kshs.22.7 billion for development expenditure representing 87.6 per cent of the revised development net estimates and Kshs.14.6 billion for recurrent expenditure representing 98.8 per cent of the revised recurrent net estimates.

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

Table 4.4: Environmental Protection, Water and Natural Resources Sector-Analysis of Exchequer Issues and Expenditure, FY 2017/18 (Kshs. Billions)

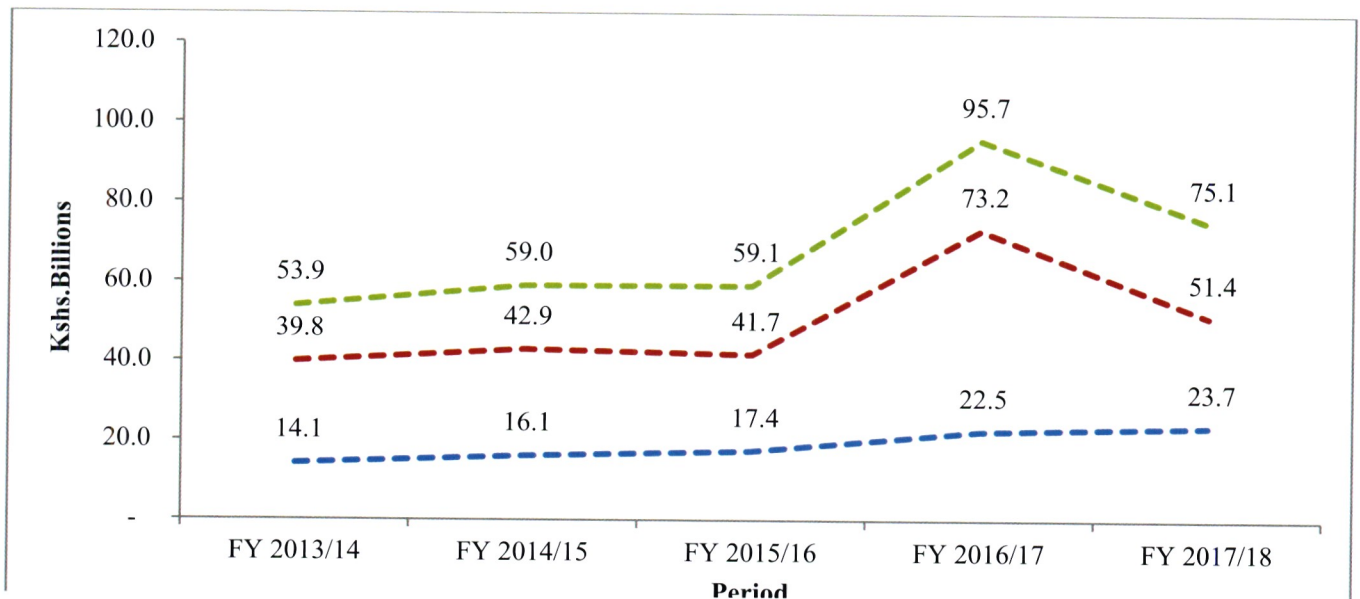
VOTE	Development						Recurrent					
	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev.Net Est.	% of Exp. to Rev. Gross Est.	Rev. Gross Est.	Rev. Net Estimates	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
State Department for Water Services	36.4	15.5	14.0	29.5	90.5	81.2	4.8	2.7	2.6	3.3	97.4	68.5
State Department for Irrigation	10.4	7.1	6.2	6.3	86.3	60.8	0.9	0.5	0.5	0.5	98.4	55.9
State Department for Environment	1.8	1.5	1.1	1.0	70.6	56.0	3.3	3.1	3.1	2.5	100.0	75.9
State Department for Natural Resources	2.7	1.6	1.3	1.3	81.0	49.2	13.1	6.9	6.8	6.8	98.8	51.6
Ministry of Mining	0.2	0.2	0.2	0.2	100.0	85.4	1.6	1.5	1.5	1.3	98.5	83.9
Total	51.4	25.9	22.7	38.3	87.6	74.6	23.7	14.8	14.6	14.4	98.8	60.7

VOTE	Development						Recurrent					
	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev.Net Est.	% of Exp. to Rev. Gross Est.	Rev. Gross Est.	Rev. Net Estimates	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
Total for the Sector							Rev. Gross Est.	Rev. Net Estimates	Exch. Issues	Exp.	% of Exch. to Rev.Net Est.	% of Exp. to Rev. Gross Est.
Development							51.4	25.9	22.7	38.3	87.6	74.6
Recurrent							23.7	14.8	14.6	14.4	98.8	60.7
Total							75.1	40.7	37.3	52.7	91.7	70.2

Source: MDAs and National Treasury

The Ministry of Mining received the highest proportion of exchequer issues to revised net estimates for development expenditure at 100 per cent while State Department for Environment received the lowest at 70.6 per cent. State Department for Environment received the highest proportion of recurrent exchequer issues to the revised net estimates at 100 per cent while State Department for Water Services received the lowest at 97.4 per cent for recurrent expenditure. Figure 4.8 shows the exchequer issues to the Environmental Protection, Water and Natural Resources Sector in the FY 2017/18.

Figure.4.8: Exchequer Issues to the Environmental Protection, Water and Natural Resources Sector, FY 2017/18



Source: National Treasury

The total expenditure for the sector in the FY 2017/18 was Kshs.52.7 billion, representing 70.2 per cent of the revised gross estimates, an increase compared to 63.7 per cent recorded in the FY 2016/17. The expenditure comprised of Kshs.38.3 billion for development, representing absorption of 74.6 per cent, an increase compared to 58.1 per cent recorded in the FY 2016/17 and Kshs.14.4 billion as recurrent expenditure, representing 60.7 per cent of the revised recurrent estimates, a decline from 82.1 per cent recorded in FY 2016/17.

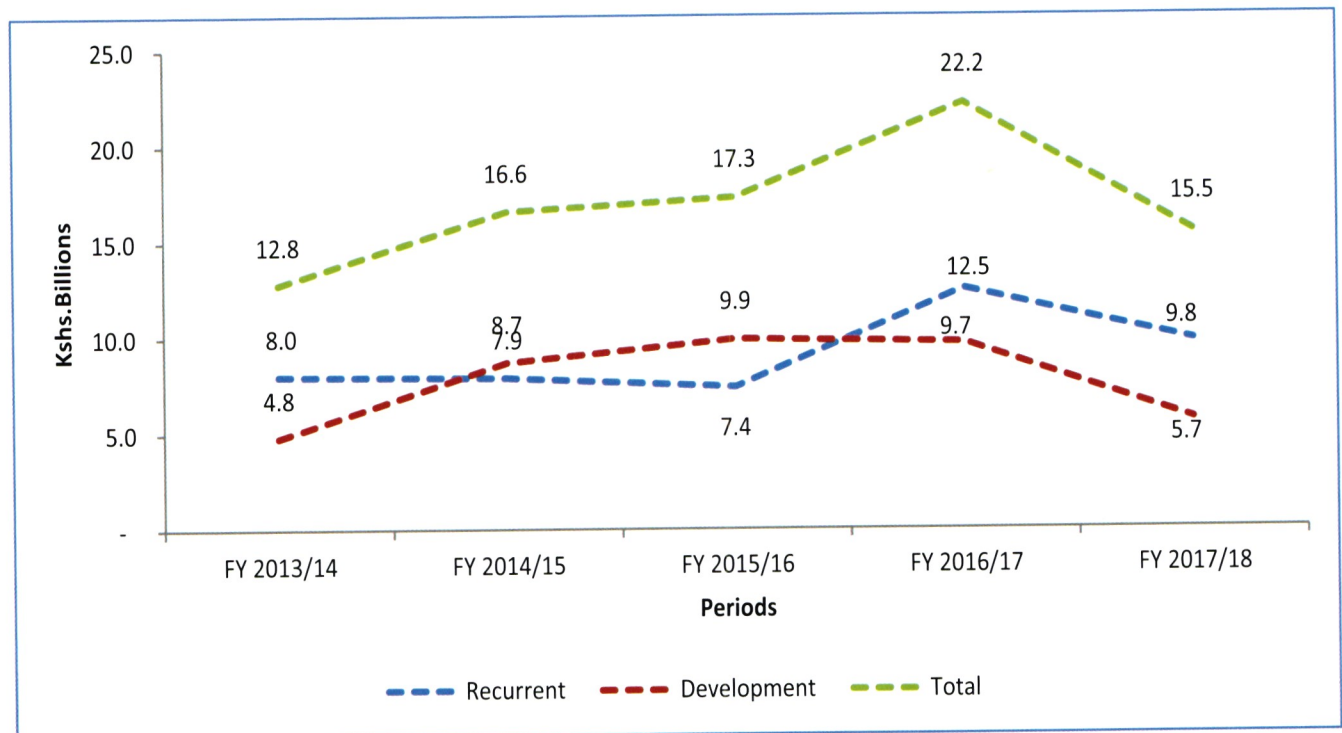
Ministry of Mining recorded the highest absorption rate for both development and recurrent expenditure at 85.4 per cent and 83.9 per cent respectively. The State Department for Natural Resources recorded the lowest absorption for development and recurrent expenditure at 49.2 per cent and 51.6 per cent respectively.

4.6 General Economic and Commercial Affairs (GECA) Sector

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

The revised budgetary allocation to the sector in FY 2017/18 was Kshs.15.5 billion, representing 0.6 per cent of the revised gross budget, a decline compared to Kshs.22.2 billion allocated in FY 2016/17. The allocation comprised of Kshs.5.7 billion (36.8 per cent) for development activities and Kshs.9.8 billion (63.2 per cent) for recurrent expenditure. State Department for Investment and Industry received the highest budgetary allocation of Kshs.6.5 billion (41.7 per cent of the Sector's allocation), while State Department for Cooperatives had the lowest budgetary allocation of Kshs.1.3 billion (8.7 per cent of the Sector's allocation). Figure 4.9 shows the budgetary allocation trend for GECA Sector from FY 2013/14 to FY 2017/18.

Figure 4.9: Budgetary Allocation Trend for the GECA Sector from FY 2013/14 to FY 2017/18



Source: National Treasury

The sector received exchequer issues of Kshs.13 billion, representing 91.8 per cent of the sector's revised net estimates. This comprised of Kshs.4.9 billion for development expenditure representing 88.9 per cent of the revised development net estimates and Kshs.8.1 billion for recurrent expenditure representing 93.6 per cent of the revised recurrent net estimates.

Table 4.5 shows GECA Sector analysis of exchequer issues and expenditure in the FY 2017/18.

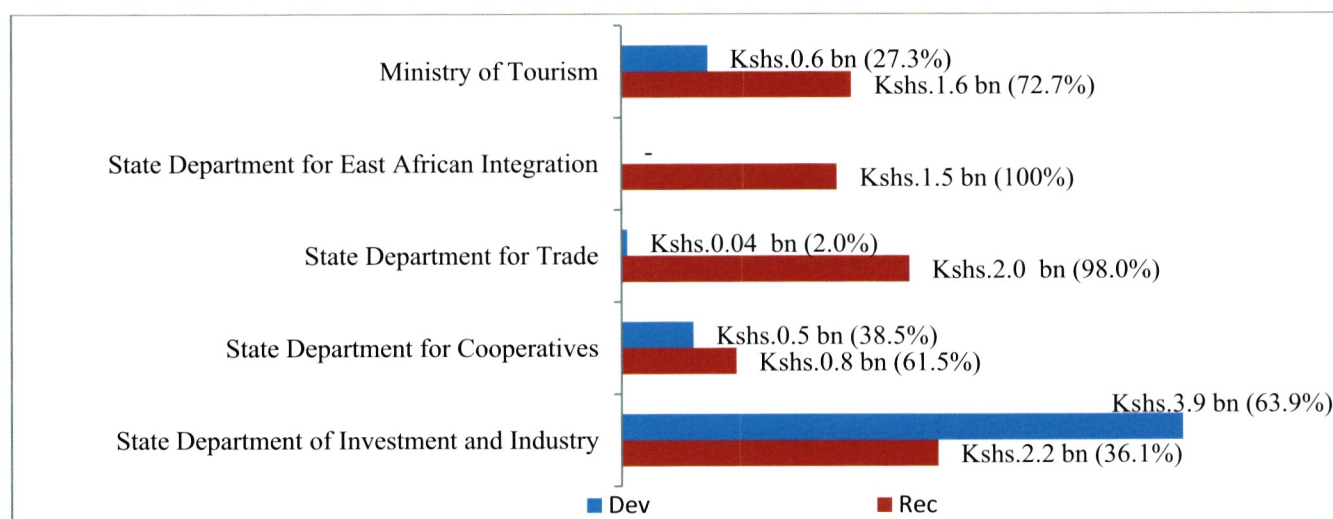
Table 4.5: GECA Sector-Analysis of Exchequer Issues and Expenditure, FY 2017/8 (Kshs. Billions)

VOTE	Development						Recurrent					
	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	of Exch. to Rev. Net Est.	of Exp. to Rev. Gross Est.	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	of Exch. to Rev. Net Est.	of Exp. to Rev. Gross Est.
State Department for Investment and Industry	4.0	4.0	3.9	1.5	97.7	36.2	2.4	2.2	2.2	2.4	99.8	98.5
State Department for Cooperatives	0.6	0.6	0.5	0.5	83.3	83.3	0.8	0.8	0.8	0.8	100.0	97.1
State Department for Trade	0.05	0.05	0.04	0.05	83.8	98.9	2.2	2.2	2.0	2.1	90.8	93.4
State Department for East African Integration	0.1	-	-	0.01	-	11.8	1.6	1.6	1.5	1.5	91.8	89.5
Ministry of Tourism	1.0	1.0	0.6	0.9	56.6	95.9	2.7	1.8	1.6	1.6	87.9	57.6
Total	5.7	5.6	4.9	2.9	88.9	51.3	9.8	8.6	8.1	8.3	93.6	84.3
Total for the Sector							Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	of Exch. to Rev. Net Est.	of Exp. to Rev. Gross Est.
Development							5.7	5.6	4.9	2.9	88.9	51.3
Recurrent							9.8	8.6	8.1	8.3	93.6	84.3
Total							15.5	14.2	13.0	11.2	91.8	72.2

Source: MDAs and National Treasury

In the reporting period, State Department for Investment and Industry received the highest proportion of exchequer issues to the revised net estimates for development expenditure at 97.7 per cent while the State Department for Cooperatives received the highest proportion of recurrent exchequer issues to the revised net estimates at 100 per cent. Ministry for Tourism received the lowest proportion of exchequer issues for both development and recurrent expenditure to the revised net estimates at 56.6 per cent and 87.9 per cent respectively. Figure 4.10 shows the exchequer issues to the GECA Sector in the FY 2017/18.

Figure 4.10: Exchequer Issues to the GECA Sector, FY 2017/18



Source: National Treasury

The total expenditure for the sector in the period under review was Kshs.11.2 billion, representing 72.2 per cent of the revised gross estimates, a decline compared to 87 per cent recorded in a similar period of FY 2016/17. The expenditure comprised of Kshs.2.9 billion for development, representing absorption of 51.3 per cent, a decline compared to 73.8 per cent recorded in a similar period of FY 2016/17 and Kshs.8.3 billion as recurrent expenditure, representing 84.3 per cent of the revised recurrent estimates, a decline from 97.9 per cent in FY 2016/17.

State Department for Trade recorded the highest absorption on development expenditure at 98.9 per cent while the State Department for East African Integration recorded the lowest at 11.8 per cent. State Department for Investments and Industry recorded the highest percentage of recurrent expenditure to the revised recurrent estimates at 98.9 per cent while Ministry of Tourism recorded the lowest at 57.6 per cent.

Some of the major programmes implemented under the sector in the period under review included Tourism Recovery Programme and Sustaining of New Markets and Siting Booths in Tourism Target Market Programme – Kenya Tourism Board at Kshs.210.5 million and Kshs.125 million respectively, and Establishment of Commodities Exchange Platform at Kshs.24.6 million.

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

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

The role of the sector includes; provision of security, correctional services, legal advisory services to government agencies, and administration of justice. It also plays a major role in promoting integrity and the fight against corruption, provision of prosecution services, regulating political parties,

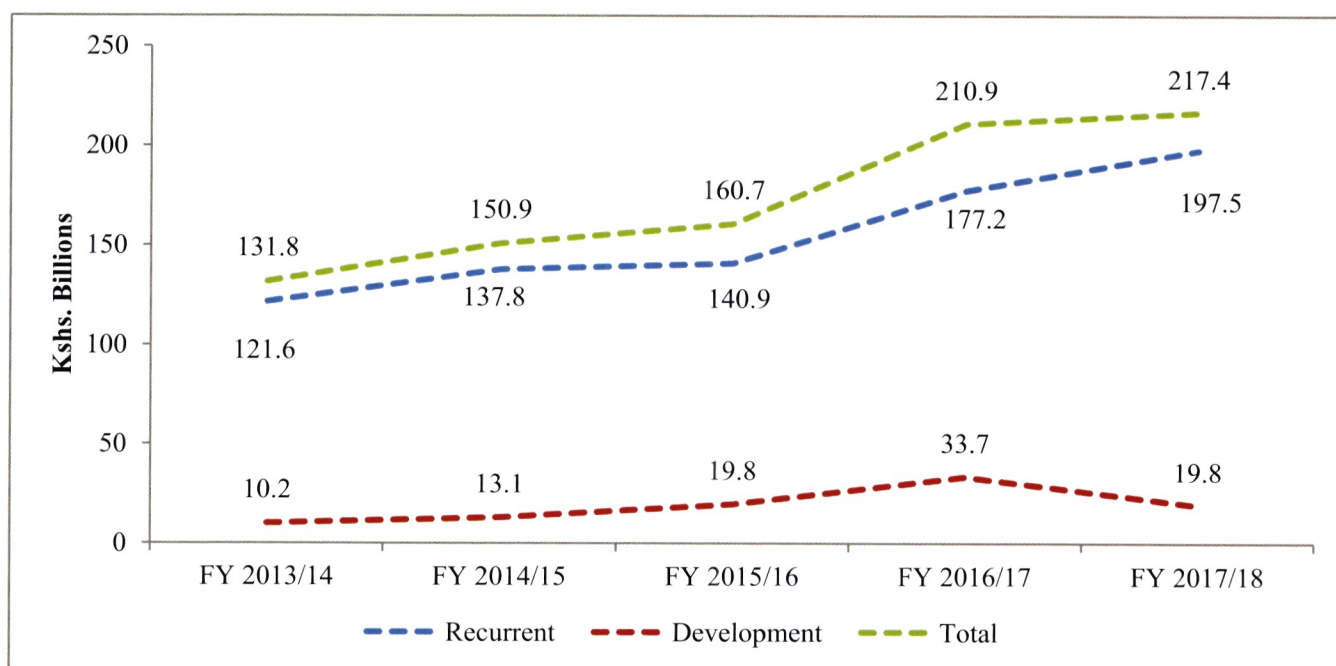
protecting witnesses, and protecting human rights. Further, the Sector plays an instrumental role in the delimitation of electoral boundaries and management of electoral process, promotion of gender equality and inclusion of marginalized groups and communities, and civilian policing oversight.

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

The revised budgetary allocation to the sector in FY 2017/18 was Kshs.217.3 billion, representing 8.1 per cent of the revised gross budget, an increase compared to Kshs.210.9 billion allocated in FY 2016/17. The allocation comprised of Kshs.19.8 billion (9.1 per cent) for development activities and Kshs.197.5 billion (90.9 per cent) for recurrent expenditure. State Department for Interior received the highest budgetary allocation of Kshs.116.3 billion (60.5 per cent of the sector's allocation), while the Judicial Service Commission had the lowest budgetary allocation of Kshs.283.5 million (less than 1 per cent of the sector's allocation).

Figure 4.11 shows the budgetary allocation trend for the GJLOS Sector from FY 2013/14 to FY 2017/18

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



Source: National Treasury

The sector received exchequer issues of Kshs.198.6 billion, representing 92.3 per cent of the sector's revised net estimates. This comprised of Kshs.17.7 billion for development expenditure representing 96.7 per cent of the revised development net estimates and Kshs.180.9 billion for recurrent expenditure representing 91.9 per cent of the revised recurrent net estimates.

Table 4.6 shows GJLOS Sector analysis of exchequer issues and expenditure in the FY 2017/18.

Table 4.6: GJLOS Sector-Analysis of Exchequer Issues and Expenditure, FY 2017/18 (Kshs. Billions)

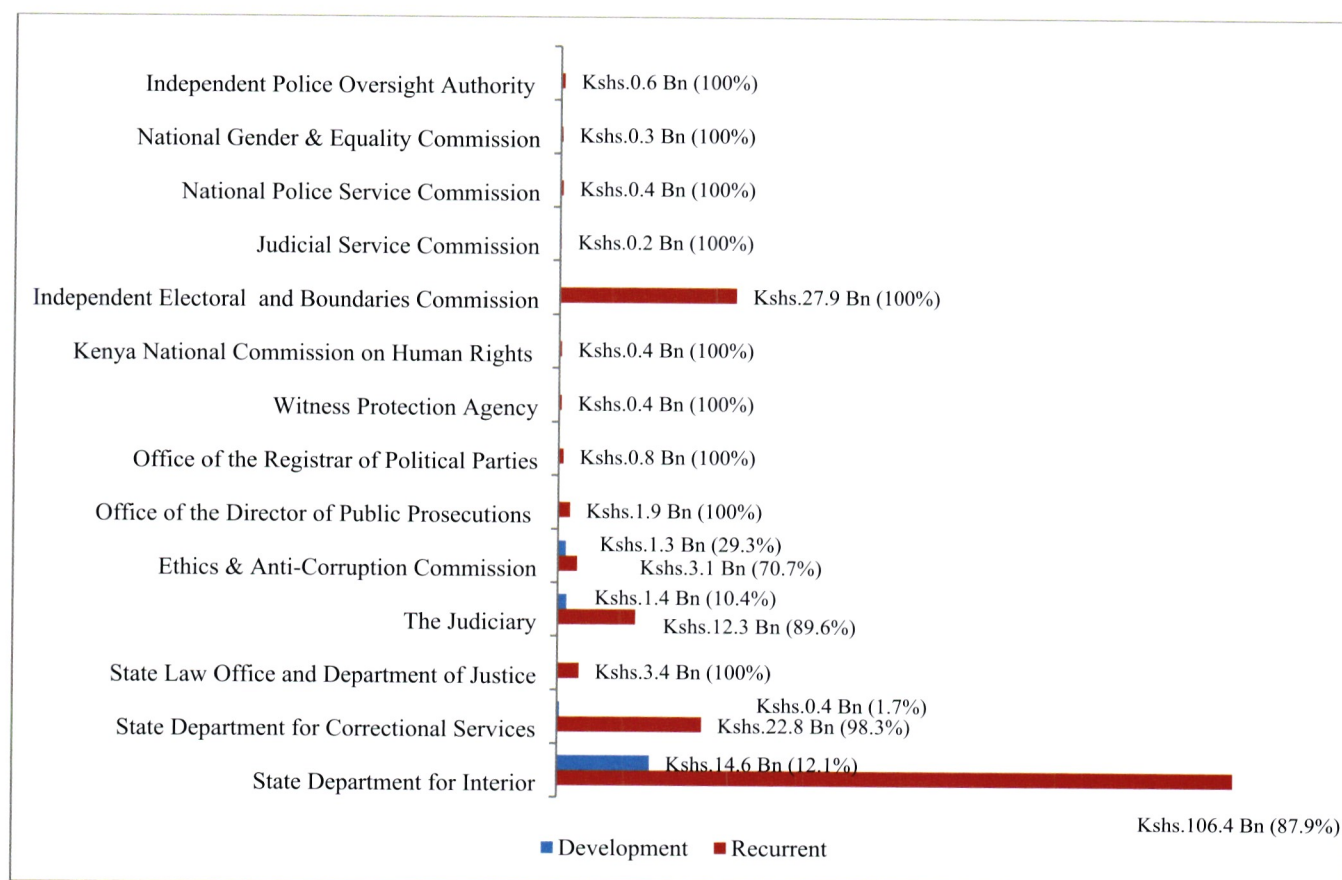
VOTE	Development						Recurrent					
	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Rev. Gross Est.	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
State Department for Interior	15.3	14.9	14.6	13.3	98.3	87.0	116.3	115.9	106.4	96.5	91.8	83.0
State Department for Correctional Services	0.6	0.6	0.4	0.4	73.0	71.5	22.8	22.8	22.8	18.8	100.0	82.4
State Law Office and Department of Justice	0.4	0.1	-	0.1	-	18.5	4.5	4.1	3.4	3.9	83.1	85.1
The Judiciary	1.6	1.6	1.4	1.7	91.2	108.2	12.7	12.7	12.3	11.0	96.7	86.7
Ethics & Anti-Corruption Commission	1.3	1.3	1.3	1.3	100	100	3.1	3.1	3.1	3.0	99.5	99.3
Office of the Director of Public Prosecutions	0.005	0.005	-	0.005	-	99.6	2.0	2.0	1.9	1.7	94.1	86.0
Office of the Registrar of Political Parties	-	-	-	-	-	-	0.8	0.8	0.8	0.8	96.2	93.0
Witness Protection Agency	-	-	-	-	-	-	0.4	0.4	0.4	0.4	97.0	93.6
Kenya National Commission on Human Rights	-	-	-	-	-	-	0.4	0.4	0.4	0.39	100.0	97.7
Independent Electoral and Boundaries Commission	0.7	-	-	-	-	-	32.7	32.7	27.9	28.8	85.4	88.0
Judicial Service Commission	-	-	-	-	-	-	0.3	0.3	0.2	0.21	69.5	73.0
National Police Service Commission	-	-	-	-	-	-	0.5	0.5	0.4	0.4	81.3	81.8
National Gender & Equality Commission	-	-	-	-	-	-	0.3	0.3	0.3	0.3	94.2	95.5
Independent Policing Oversight Authority	-	-	-	-	-	-	0.7	0.7	0.6	0.59	84.5	84.5
Total	19.8	18.4	17.7	16.8	96.7	84.6	197.5	196.8	180.9	166.8	91.9	84.4
Total for the Sector							Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Revised Net Est.	% of Exp. to Rev. Gross Est.
Development							19.8	18.4	17.7	16.8	96.7	84.6
Recurrent							197.5	196.8	180.9	166.8	91.9	84.4
Total							217.3	215.1	198.6	183.6	92.3	84.5

Source: MDAs and National Treasury

The Ethics and Anti-Corruption Commission received the highest proportion of exchequer issues to revised net estimates for development expenditure at 100 per cent while the State Department for Correctional Services received the lowest at 73 per cent. State Department for Correctional Services and Kenya National Commission on Human Rights received the highest proportion of recurrent exchequer issues to the revised net estimates at 100 per cent while the Judicial Service Commission received the lowest at 69.5 per cent for recurrent expenditure.

Figure 4.12 shows the exchequer issues to the GJLOS Sector in the FY 2017/18.

Figure 4.12: Exchequer Issues to the GJLOS Sector, FY 2017/18



Source: National Treasury

The total expenditure for the sector in the FY 2017/18 was Kshs. 183.6 billion, representing 84.5 per cent of the revised gross estimates, a slight increase compared to 84.3 per cent recorded in FY 2016/17. The expenditure comprised of Kshs.16.8 billion for development, representing an absorption rate of 84.6 per cent, an increase compared to 81.7 per cent recorded in FY 2016/17 and Kshs.166.8 billion as recurrent expenditure, representing 84.4 per cent of the revised recurrent gross estimates, a slight decline from 84.8 per cent recorded in FY 2016/17.

The Judiciary recorded the highest absorption rate on development expenditure at 108.2 per cent (exceeding 100 per cent) while the State Law Office and Department of Justice Department for Interior recorded the lowest at 18.5 per cent. Ethics & Anti-Corruption Commission recorded the highest percentage of recurrent expenditure to the revised recurrent gross estimates at 99.3 per cent while The Judiciary had the lowest at 73 per cent.

Some of the key development projects implemented under the sector in the included Purchase of EACC headquarters at a cost of Kshs.1.26 billion, construction of Garissa Law Court at Kshs.230.6 million, Construction of Siaya Law Court at Kshs.208.4 million, Construction of Nakuru Law Court at Kshs.274.4 million, and Construction of Isiolo Law Court at Kshs.102.5 million.

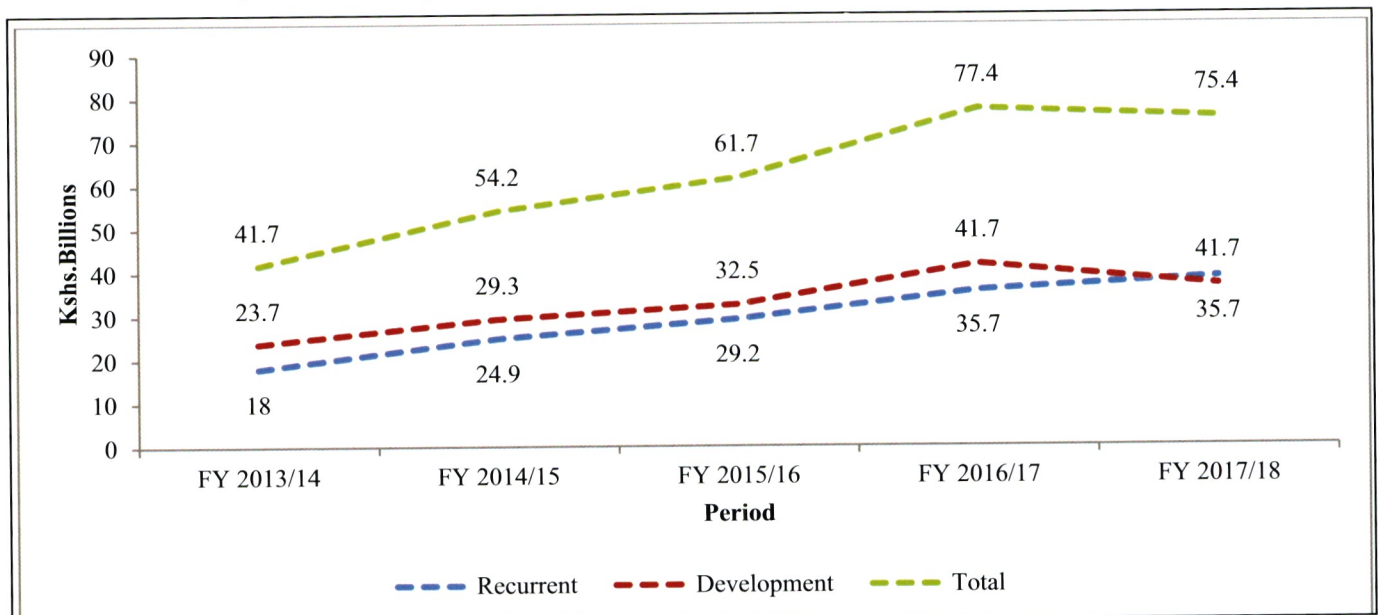
4.8 Health Sector

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

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

The revised budgetary allocation to the sector in FY 2017/18 was Kshs.75.3 billion, representing 2.8 per cent of the revised gross budget, a decrease compared to Kshs.77.4 billion allocated in FY 2016/17. The allocation comprised of Kshs.36.8 billion (48.8 per cent) for development expenditure and Kshs.38.6 billion (51.2 per cent) for recurrent expenditure. Figure 4.13 shows the budgetary allocation trend for the Health Sector from FY 2013/14 to FY 2017/18.

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



Source: National Treasury

In the period under review, the sector received exchequer issues of Kshs.44.4 billion, representing 83.3 per cent of the sector's revised net estimates. This comprised of Kshs.15.7 billion for development expenditure, representing 68.7 per cent of the revised development net estimates and Kshs.28.7 billion for recurrent expenditure, representing 94.4 per cent of the revised recurrent net estimates. Table 4.7 shows analysis of exchequer issues to the Health sector and expenditure for FY 2017/18.

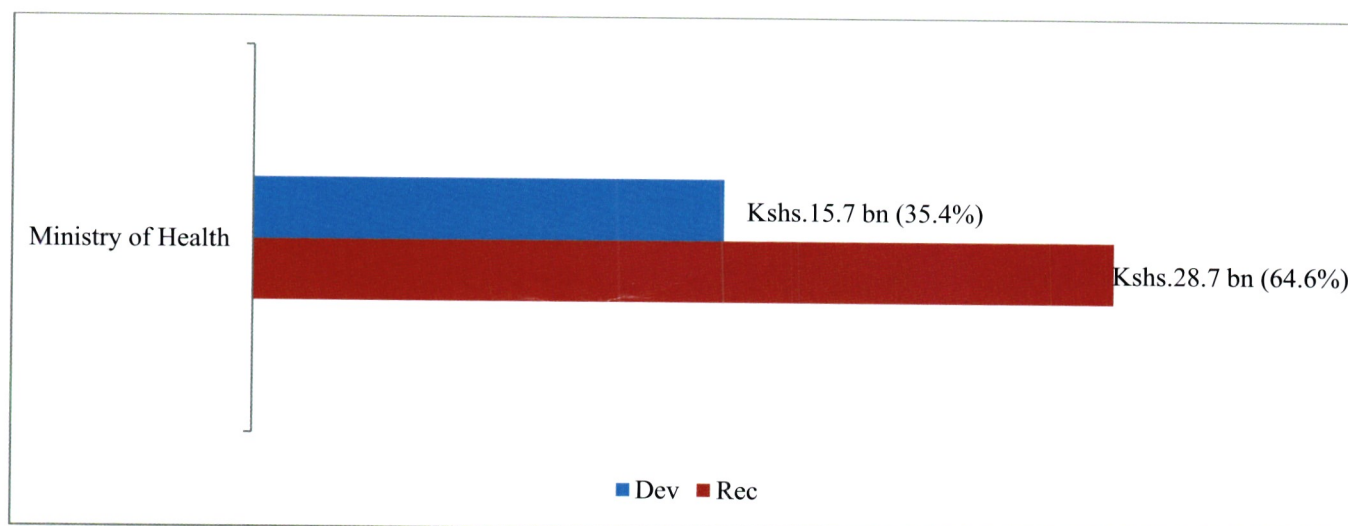
Table 4.7: Health Sector-Analysis of Exchequer Issues and Expenditure, FY 2017/18 (Kshs. Billions)

VOTE	Development						Recurrent					
	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Rev. Gross Est.	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
Ministry of Health	36.8	22.8	15.7	19.8	68.7	53.7	38.6	30.4	28.7	27.8	94.4	72.2
Total	36.8	22.8	15.7	19.8	68.7	53.7	38.6	30.4	28.7	27.8	94.4	72.2
Total for the Sector							Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Revised Net Est.	% of Exp. to Rev. Gross Est.
Development							36.8	22.8	15.7	19.8	68.7	53.7
Recurrent							38.6	30.4	28.7	27.8	94.4	72.2
Total							75.3	53.2	44.4	47.6	83.3	63.2

Source: MDAs and National Treasury

Figure 4.14 shows the amount of exchequer issues towards development and recurrent expenditure in the Health Sector for FY 2017/18.

Figure 4.14: Exchequer Issues to the Health Sector, FY 2017/18



Source: National Treasury

The total expenditure for the sector in FY 2017/18 amounted to Kshs.47.6 billion, representing 63.2 per cent of the revised estimates, a decline compared to 73.6 per cent recorded in FY 2016/17. The expenditure consists of Kshs.19.8 billion for development activities, representing absorption rate of 53.7 per cent, a decline from 65.1 per cent recorded in FY 2016/17 and Kshs.27.8 billion for recurrent expenditure, representing 72.2 per cent of the revised recurrent estimates, a decrease from 83.5 per cent recorded in FY 2016/17.

Some of the key development projects implemented by the Ministry of Health included The Managed Equipment Service-Hire of Medical Equipment for 98 Hospital Project at Kshs.5.1 billion, Kenya Health Sector Support Project (KHSSP) at Kshs.2.4 billion, Free Maternity (Strategic Intervention) Project at Kshs.2 billion, Tuberculosis Round 6 Project at Kshs.772 million, and the Malaria Round 10 - Special Global Fund Project at Kshs.709 million.

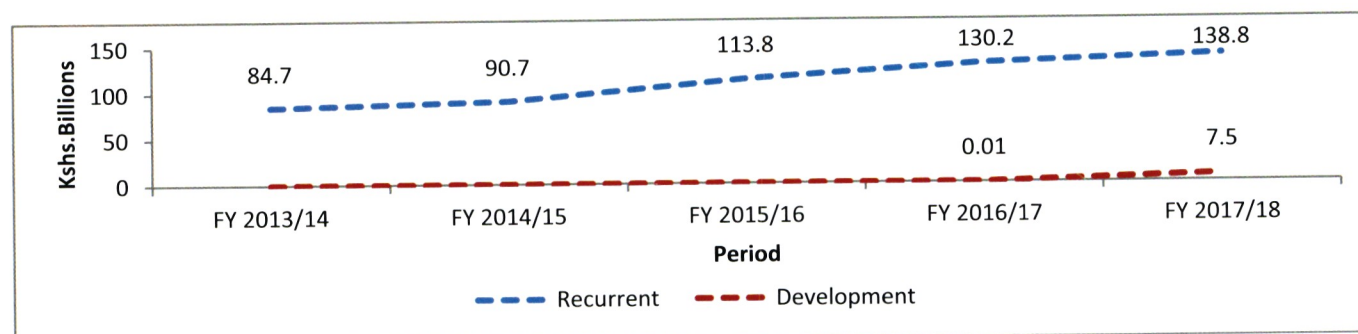
4.9 National Security Sector

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

The revised budgetary allocation to the sector in FY 2017/18 was Kshs.146.3 billion, representing 5.4 per cent of the revised gross budget, an increase compared to Kshs.130.2 billion allocated in FY 2016/17. Ministry of Defence received the highest allocation of Kshs.106.8 billion (78.1 per cent of the sector's allocation), while National Intelligence Service received Kshs.32 billion (21.9 per cent of the sector's allocation).

Figure 4.15 below shows the budgetary allocation trend for the National Security Sector from FY 2013/14 to FY 2017/18.

Figure 4.15: Budgetary Allocation Trend for the National Security Sector from FY 2013/14 to FY 2017/18



Source: National Treasury

In the FY 2017/18, the sector received exchequer issues totaling to Kshs.126.1 billion, representing 90.8 per cent of the sector's revised net estimates. The Ministry of Defence received Kshs.94.1 billion while the NIS received Kshs.32.0 billion, representing 88.1 per cent and 100 per cent of the revised net estimates respectively.

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

Table 4.8: National Security Sector-Analysis of Exchequer Issues and Expenditure, FY 2017/18 (Kshs. Billions)

VOTE	Development						Recurrent					
	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
Ministry of Defence	7.5	-	-	6.0	-	79.7	106.8	106.8	94.1	106.7	88.1	99.9
National Intelligence Service	-	-	-	-	-	-	32.0	32.0	32.0	32.0	100.0	100.0
Total	7.5	-	-	6.0	-	79.7	138.8	138.8	126.1	138.7	90.8	99.9
Total for the Sector							Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
Development							7.5	-	-	6.0	-	79.7
Recurrent							138.8	138.8	126.1	138.7	90.8	99.9
Total							146.3	138.8	126.1	144.6	90.8	98.9

Source: MDAs and National Treasury

The total expenditure for the sector in FY 2017/18 amounted to Kshs.144.6 billion, representing 98.9 per cent of the revised gross estimates, an increase compared to Kshs.130.2 billion spent in FY 2016/17. The Ministry of Defence spent Kshs.106.7 million on recurrent activities, representing 99.9 per cent of the revised gross estimates, a slight decrease compared to 100 per cent recorded in FY 2016/17, and Kshs.6 billion on development activities. NIS expenditure amounted to Kshs.32 billion, representing 100 per cent of revised gross estimates, the same rate recorded in FY 2016/17.

4.10 Public Administration and International Relations (PAIR) Sector

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

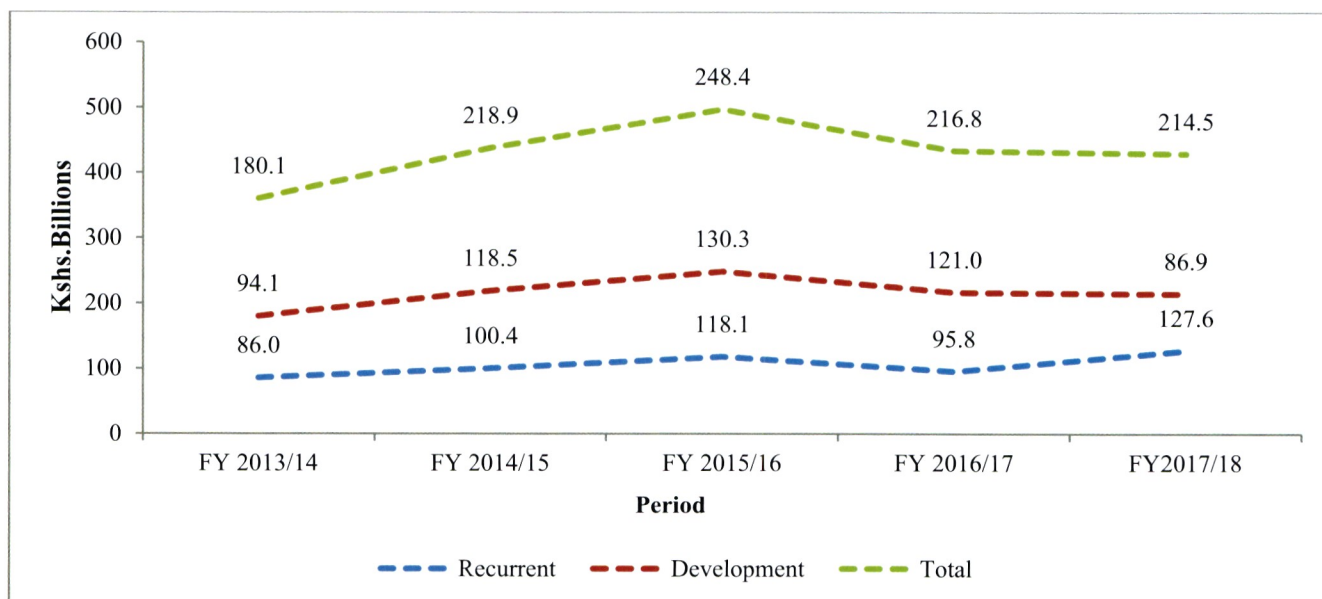
The sector provides overall policy and leadership direction to the Country, oversees national legislation as well as the human resource function in the Public Service. It further coordinates national policy formulation, implementation, and, monitoring and evaluation. Other key mandates undertaken by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

The revised budgetary allocation to the sector in FY 2017/18 was Kshs.214.6 billion, representing 8 per cent of the revised gross budget, a slight decline compared to Kshs.216.8 billion allocated in FY 2016/17. The allocation comprised of Kshs.86.9 billion (40.5 per cent) for development activities and Kshs.127.6 billion (59.5 per cent) for recurrent expenditure. The National Treasury received

the highest budgetary allocation of Kshs.42.5 billion (33.4 per cent of the sector's allocation), while Commission on Revenue Allocation had the lowest budgetary allocation of Kshs.0.4 billion (less than 1 per cent of the sector's allocation).

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

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



Source: National Treasury

In the FY 2017/18, the sector received exchequer issues amounting to Kshs.163.4 billion, representing 85.8 per cent of the sector's revised net estimates. This comprised of Kshs.53.5 billion for development expenditure representing 83.7 per cent of the revised development net estimates and Kshs.109.9 billion for recurrent expenditure representing 86.8 per cent of the revised recurrent net estimates.

Table 4.9 shows PAIR Sector analysis of exchequer issues and expenditure in the FY 2017/18.

Table 4.9: PAIR Sector-Analysis of Exchequer Issues and Expenditure, FY 2017/18 (Kshs. Billions)

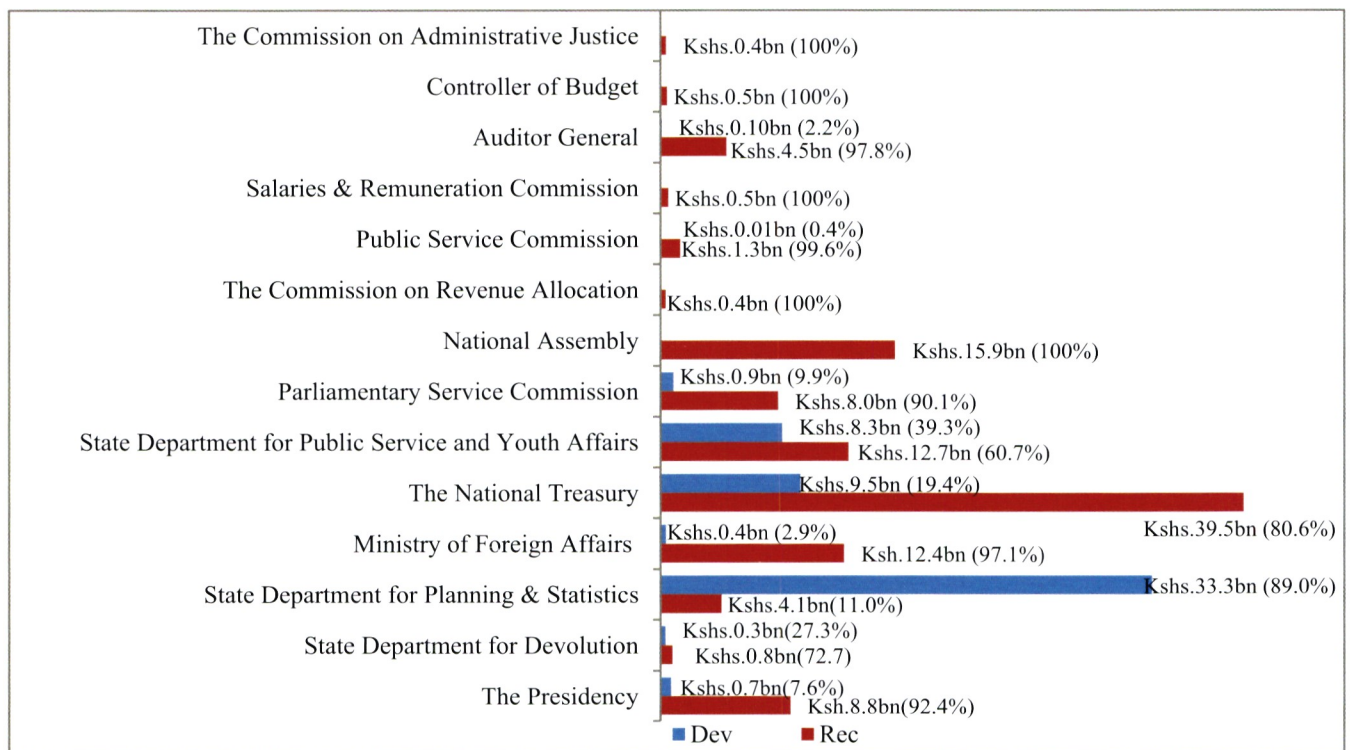
VOTE	Development						Recurrent					
	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Rev. Gross Est.	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
The Presidency	1.1	1.1	0.7	0.82	67.6	76.4	8.9	8.9	8.8	7.8	99.2	88.0
State Department for Devolution	8.1	3.0	0.3	6.6	11.4	81.8	1.3	1.3	0.8	0.9	63.9	72.0
State Department for Planning & Statistics	34.0	33.3	33.3	34.5	99.8	101.6	5.8	5.5	4.1	5.3	75.0	90.8
Ministry of Foreign Affairs	0.5	0.5	0.4	0.1	81.7	20.6	16.3	15.9	12.4	8.6	78.4	53.1
The National Treasury	29.2	11.9	9.5	9.5	80.0	32.4	42.5	42.5	39.5	40.6	92.8	95.5
State Department for Public Service and Youth Affairs	11.9	11.9	8.3	11.7	69.7	98.5	14.5	14.3	12.7	13.5	88.9	93.1
Parliamentary Service Commission	2.2	2.2	0.9	1.1	40.2	48.4	10.2	10.2	8.0	8.2	78.0	80.5

VOTE	Development						Recurrent					
	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Rev. Gross Est.	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
National Assembly	-	-	-	-	-	-	19.6	19.6	15.9	16.1	81.1	82.1
The Commission on Revenue Allocation	-	-	-	-	-	-	0.4	0.4	0.4	0.3	90.6	76.8
Public Service Commission	0.01	0.01	0.01	0.01	55.6	100.0	1.4	1.4	1.3	1.4	99.0	99.3
Salaries & Remuneration Commission	-	-	-	-	-	-	0.6	0.6	0.5	0.6	84.9	88.5
Auditor General	0.1	0.1	0.1	0.1	97.2	99.9	5.1	5.0	4.5	4.4	89.8	85.9
Controller of Budget	-	-	-	-	-	-	0.5	0.5	0.5	0.4	88.9	82.3
The Commission on Administrative Justice	-	-	-	-	-	-	0.4	0.4	0.4	0.4	94.3	94.0
Total	86.9	63.9	53.5	64.3	83.7	74.0	127.6	126.6	109.9	108.6	86.8	85.1
Total for the Sector							Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Revised Net Est.	% of Exp. to Rev. Gross Est.
Development							86.9	63.9	53.5	64.3	83.7	74.0
Recurrent							127.6	126.6	109.9	108.6	86.8	85.1
Total							214.6	190.4	163.4	172.9	85.8	80.6

Source: MDAs and National Treasury

In the FY 2017/18, State Department for Planning and Statistics received the highest proportion of exchequer issues to the revised net estimates for development at 99.8 per cent. The Presidency received the highest proportion of recurrent exchequer issues to the revised net estimates at 99.2 per cent. State Department for Devolution received the lowest proportion of exchequer issues to revised net estimates for both development and recurrent expenditure at 11.4 per cent and 63.9 per cent respectively. Figure 4.17 shows the exchequer issues to PAIR Sector in the FY 2017/18.

Figure 4.17: Exchequer Issues to the PAIR Sector, FY 2017/18



Source: National Treasury

The total expenditure for the sector in the FY 2017/18 amounts to Kshs.172.9 billion, representing 80.6 per cent of the revised gross estimates, a decline compared to 81.4 per cent recorded in FY 2016/17. The expenditure comprised of Kshs.64.3 billion for development, representing absorption of 74 per cent, a decline compared to 78.2 per cent recorded in FY 2016/17 and Kshs.108.6 billion as recurrent expenditure, representing 85.1 per cent of the revised recurrent estimates, a slight improvement compared to 84.4 per cent recorded in FY 2016/17.

State Department for Planning and Statistics recorded the highest absorption on development expenditure at over 100 per cent and Public Service Commission recorded the highest percentage of recurrent expenditure to the revised net recurrent estimates at 99.3 per cent. The Ministry of Foreign Affairs recorded the lowest percentage of expenditure to revised gross estimates for both development and recurrent expenditure at 20.6 per cent and 53.1 per cent respectively.

Some of the key development projects/programmes implemented by MDAs under the PAIR Sector included National Youth Service, Youth empowerment programme in 69 informal settlements at Kshs.9.6 billion and the construction of Multi-Storey Office Block at Kshs.988.2 million.

4.11 Social Protection, Culture and Recreation Sector

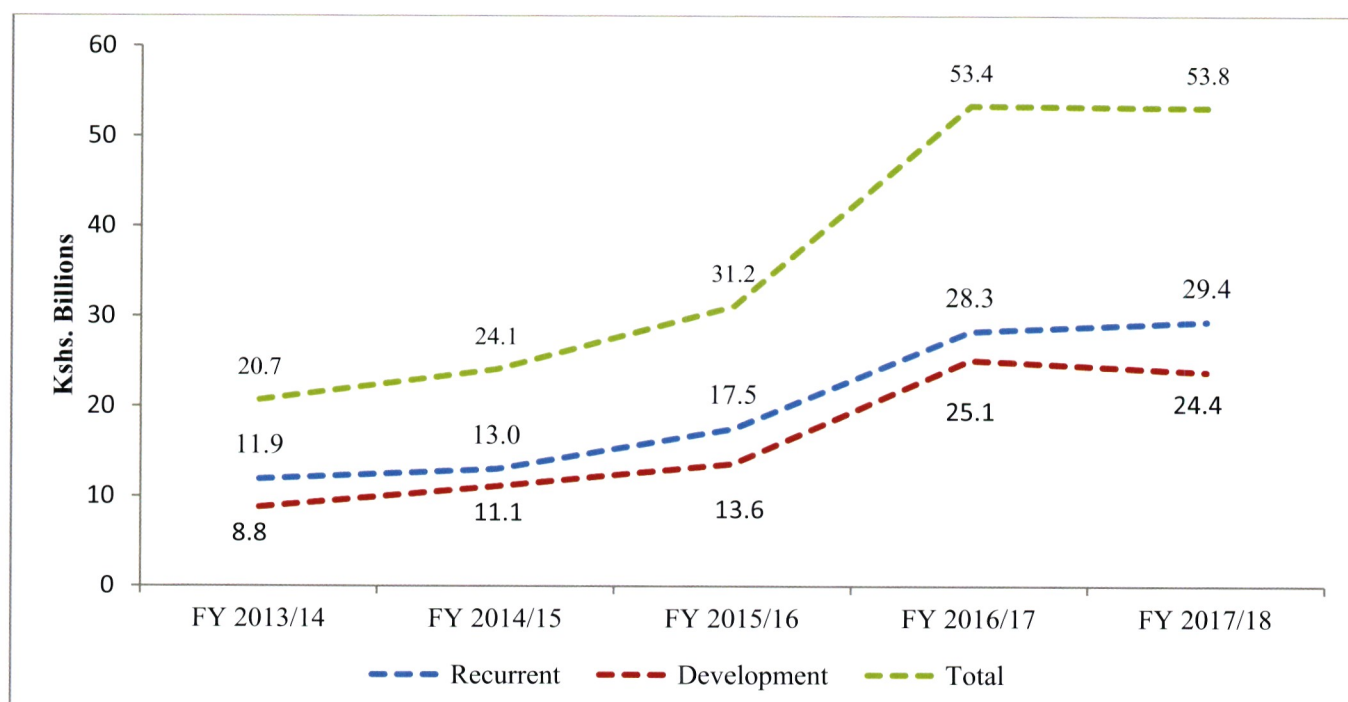
The Social Protection, Culture and Recreation Sector comprise of six MDAs namely; State Departments for Sports Development, Arts and Culture, Labour, Social Protection, Special Programmes and Gender Affairs. The sector plays a major role in the country's transformation by promoting and exploiting Kenya's diverse cultures and arts, enhancing a reading culture, regulation, development and promotion of sports, the film and music industry and preservation of the country's heritage. It also promotes harmonious industrial relations, safety and health at workplaces, employment promotion,

industrial training, and regulation of trade unions, productivity improvement, manpower planning and development, social security, social assistance, children care and protection and vocational training for Persons Living with Disability (PLWDs) and development of community groups.

The revised budgetary allocation to the sector in FY 2017/18 was Kshs.53.8 billion, representing 2 per cent of the revised gross budget, a marginal increase compared to Kshs.53.4 billion allocated in FY 2016/17. The allocation comprised of Kshs.24.4 billion (45.4 per cent) for development activities and Kshs.29.4 billion (54.6 per cent) for recurrent expenditure. State Department for Social Protection received the highest budgetary allocation of Kshs.28.2 billion (52.4 per cent of the sector's allocation), while State Department for Labour had the lowest budgetary allocation of Kshs.2.2 billion (4.1 per cent of the sector's allocation).

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

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



Source: National Treasury

In the FY 2017/18, the sector received exchequer issues of Kshs.44.5 billion, representing 86.4 per cent of the sector's revised net estimates. This comprised of Kshs.18.3 billion for development expenditure representing 82.8 per cent of the revised development net estimates and Kshs.26.2 billion for recurrent expenditure representing 89.2 per cent of the revised recurrent net estimates.

Table 4.10 shows Social Protection, Culture and Recreation sector analysis of exchequer issues and expenditure in the FY 2017/18.

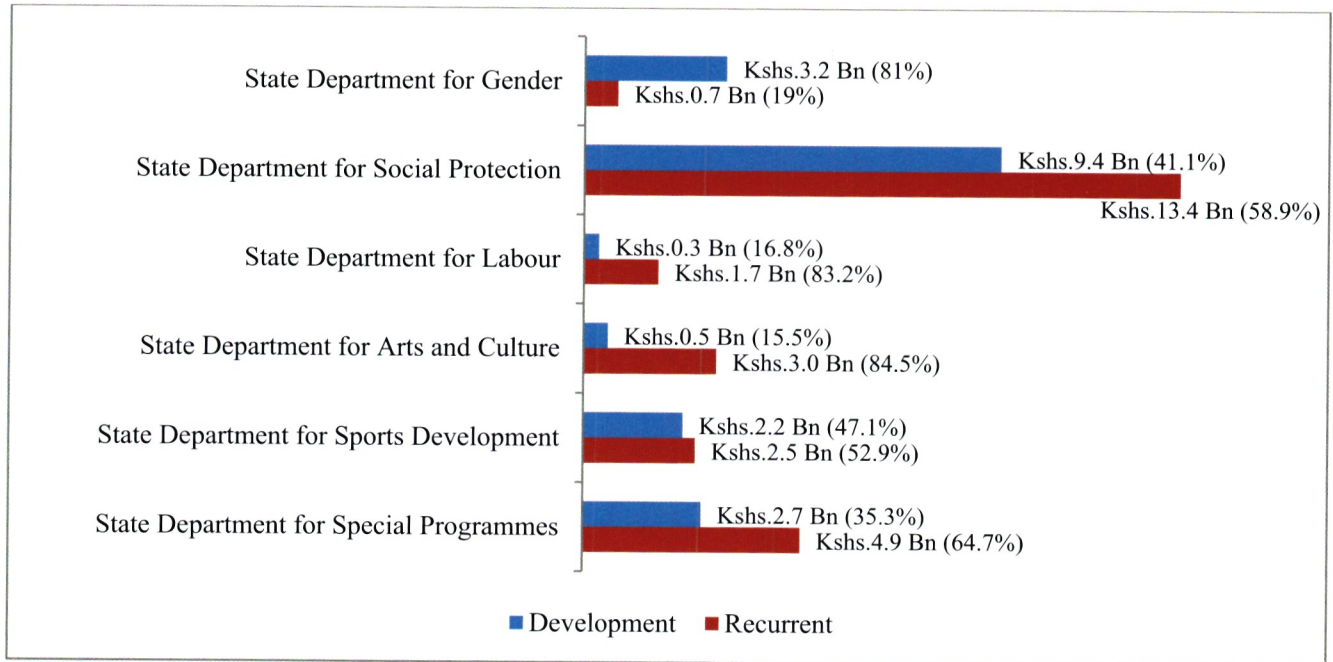
Table 4.10: Social Protection, Culture Recreation Sector-Analysis of Exchequer Issues and Expenditure, FY 2017/18 (Kshs. Billions)

VOTE	Development						Recurrent					
	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.	Rev. Gross Est.	Rev. Net Estimates	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
State Department for Special Programmes	4.3	2.8	2.7	3.7	96.0	85.6	5.5	5.5	4.9	5.5	88.3	99.0
State Department for Sports Development	2.9	2.2	2.2	2.6	100	91.5	2.5	2.5	2.5	2.5	99.2	100.0
State Department for Arts and Culture	0.6	0.5	0.5	0.5	99.7	92.9	3.0	3.0	3.0	3.0	99.0	99.3
State Department for Labour	0.4	0.4	0.3	0.2	86.3	59.7	1.8	1.8	1.7	1.6	92.3	88.4
State Department for Social Protection	13.0	13.0	9.4	12.3	71.9	94.6	15.2	15.1	13.4	14.8	88.5	97.4
State Department for Gender	3.2	3.2	3.2	3.2	100	100.0	1.3	1.3	0.7	1.3	56.2	95.6
Total	24.4	22.2	18.3	22.6	82.8	92.7	29.4	29.4	26.2	28.7	89.2	97.5
Total for the Sector							Rev. Gross Est.	Rev. Net Estimates	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
Development							24.4	22.2	18.3	22.6	82.8	92.7
Recurrent							29.4	29.4	26.2	28.7	89.2	97.5
Total							53.8	51.6	44.5	51.3	86.4	95.3

Source: MDAs and National Treasury

In the FY 2017/18, State Department for Sports Development and State Department for Gender received the highest proportion of exchequer issues to revised net estimates for development expenditure at 100 per cent while State Department for Social Protection received the lowest at 71.9 per cent. State Department for Sports Development received the highest proportion of recurrent exchequer issues to the revised net estimates at 99.2 per cent while State Department for Gender received the lowest at 56.2 per cent. Figure 4.19 shows the exchequer issues to the Social Protection, Culture and Recreation Sector in the FY 2017/18.

Figure 4.19: Exchequer Issues to the Social Protection, Culture Recreation Sector, FY 2017/18 (Kshs. Billions)



Source: National Treasury

The total expenditure for the sector in the FY 2017/18 was Kshs.51.3 billion, representing 95.3 per cent of the revised gross estimates, a slight decline compared to 95.5 per cent recorded in FY 2016/17. The expenditure comprised of Kshs.22.6 billion for development, representing absorption of 92.7 per cent, a decline compared to 96.5 per cent recorded in FY 2016/17 and Kshs.28.7 billion as recurrent expenditure, representing 97.5 per cent of the revised recurrent estimates, an increase from 94.4 per cent in recorded FY 2016/17.

State Department for Gender recorded the highest absorption on development expenditure at 100 per cent while State Department for Sports Development recorded the highest proportion of recurrent expenditure to its revised gross estimates at 100 per cent. The State Department for Labour recorded the lowest absorption for development and recurrent expenditure at 59.7 per cent and 88.4 per cent respectively.

Some of the key development projects implemented under the Social Protection, Culture and Recreation Sector included Kenya Hunger Safety Net Programme (Government of Kenya Counterpart) at Kshs.2.5 billion, National Social Safety Net Programme at Kshs.12.9 billion, Women Enterprise Fund and Uwezo Fund Programmes at Kshs.500 million and Kshs.557.6 million respectively.

5 BUDGET PERFORMANCE BY PROGRAMMES, FY 2017/18

5.1 Introduction

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

5.2 Agriculture, Rural and Urban Development (ARUD) Sector

The revised allocation to the ARUD Sector in FY 2017/18 was Kshs.48.5 billion for implementing twelve programmes. This comprises of Kshs.20.1 billion (41.3 per cent) for development activities and Kshs.28.5 billion (58.7 per cent) for recurrent expenditure. The analysis of Sector programmes of the FY 2017/18 is presented in table 5.1.

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

VOTE	Programme	Revised Estimates			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Total	Dev.	Rec.	Total	
Ministry of Lands and Physical Planning	Land Policy and Planning	2.8	2.3	5.1	2.3	2.2	4.6	88.8
State Department for Agriculture	General Administration Planning and Support Services	0.5	4.5	5.0	1.2	3.9	5.1	103.7
	Crop Development and Management	11.0	11.4	22.4	7.1	11.4	18.5	82.8
	Agribusiness and Information Management	0.5	0.2	0.7	0.31	0.14	0.4	67.7
State Department for Livestock	Livestock Resources Management and Development	5.0	7.0	12.0	3.8	7.1	10.8	90.0
State Department for Fisheries and the Blue Economy	Fisheries Development and Management	0.3	1.6	1.9	0.1	1.5	1.6	84.6
	General Administration Planning and Support Services	-	0.2	0.2	-	0.2	0.2	80.2
	Development and Coordination of Blue Economy	0.01	0.2	0.2	0.02	0.2	0.2	103.5
National Land Commission	Land Administration and Management	-	0.7	0.7	-	0.5	0.5	76.8
	General Administration Planning and Support Services	-	0.3	0.3	0.02	0.3	0.3	83.3
	Land Disputes and Conflict Resolutions	-	0.04	0.04	-	0.03	0.03	81.3
	National Land Information Management Systems	-	0.1	0.1	-	0.08	0.08	78.8
Total		20.1	28.5	48.5	14.9	27.4	42.3	87.2

Source: MDAs and National Treasury

The Crop Development and Management programme under the State Department for Agriculture received the highest budgetary allocation at Kshs.22.4 billion, which accounted for 46.1 per cent of the total budgetary allocation to the sector while the Land Disputes and Conflict Resolutions under the National Land Commission received the lowest allocation at Kshs.0.04 billion, less than 1 per cent of the sector total budgetary allocation.

The total expenditure for the programmes in the FY 2017/18 amounted to Kshs.42.3 billion representing 87.2 per cent of the revised gross estimates. It comprised of development expenditure of Kshs.14.9 billion, recording an absorption rate of 74.1 per cent and Kshs.27.4 billion for recurrent expenditure representing 96.4 per cent of the revised annual estimates for recurrent programmes.

Analysis by programme performance shows that General Administration Planning and Support Services programme under State Department of Agriculture registered the highest proportion of programme expenditure to its revised annual estimates at 103.7 per cent while the Agribusiness and Information Management programme under State Department for Agriculture recorded the lowest proportion of its programme expenditure to the revised annual estimates at 67.7 per cent.

5.3 Education Sector

The Education sector allocation in the revised budget for FY 2017/18 amounted to Kshs.420.2 billion for implementing thirteen programmes. This comprises of Kshs.19.2 billion (4.6 per cent) for development programmes and Kshs.401.0 billion (95.4 per cent) for recurrent programmes. The analysis of Sector programmes for FY 2017/18 is presented in table 5.2.

Table 5.2: Education Sector's Programme Performance for FY2017/18 (Kshs. Billions)

VOTE	Programme	Revised Estimates			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
State Department for Education	Primary Education	5.9	17.0	22.8	4.1	16.0	20.1	88.1
	Secondary Education	2.0	57.8	59.8	1.6	56.9	58.5	97.9
	Quality Assurance and Standards	0.4	4.2	4.5	0.4	2.3	2.7	58.6
	General Administration, Planning and Support Services	0.1	4.9	4.9	-	5.0	5.0	101.3
State Department for Vocational Training and Technical Training	Technical Vocational Education and Training	4.9	2.3	7.2	4.6	2.3	6.9	95.4
	Youth Training and Development	2.1	0.1	2.2	2.1	0.03	2.1	95.1
	General Administration, Planning and Support Services	-	0.2	0.2	-	0.1	0.12	73.8
State Department for University Education	University Education	3.6	92.8	96.4	2.8	72.6	75.3	78.2
	Research, Science, Technology and Innovation	0.1	3.1	3.3	0.1	0.1	0.2	7.0
	General Administration, Planning and Support Services	-	0.5	0.5	-	0.3	0.3	56.1
Teachers Service Commission	Teacher Resource Management	-	211.7	211.7	-	211.7	211.7	100
	Governance and Standards	-	0.1	0.1	-	0.04	0.04	79.1
	General Administration, Planning and Support Services	0.1	6.5	6.6	0.01	5.87	5.88	89.2
Total		19.2	401.0	420.2	15.6	373.2	388.9	92.5

Source: MDAs and National Treasury

The Teacher Resource Management programme under Teachers Service Commission received the highest budgetary allocation at Kshs.211.7 billion (50.4 per cent of the total budget allocation for the sector) while the Governance and Standards under Teachers Service Commission received the lowest at Kshs.143 million (less than 1 per cent).

The total expenditure for the programmes in the FY 2017/18 amounted to Kshs.388.9 billion representing an absorption rate of 92.5 per cent. This comprised of Kshs.15.6 billion as development expenditure, representing 81.6 per cent of the revised annual estimates for development programmes and Kshs.373.2 billion for recurrent expenditure, representing an absorption rate of 93.1 per cent of revised annual estimates for the recurrent programmes.

Analysis by programme performance shows that, General Administration, Planning and Support Services programme under State Department for Education recorded the highest proportion of

programme expenditure to their annual budget estimates at 101.3 per cent while Research, Science, Technology and Innovation under the State Department for State Department for University Education recorded the lowest absorption rate at 7 per cent.

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

The revised allocation to EI&ICT Sector in FY 2017/18 amounted to Kshs.396 billion to implement twenty two programmes. The allocation comprises of Kshs.325.4 billion (82.2 per cent) for development activities and Kshs.70.6 billion (17.8 per cent) as recurrent expenditure. The analysis of the EI&ICT Sector's programmes for FY 2017/18 is as presented in Table 5.3.

Table 5.3: EI & ICT Sector's Programme Performance for FY2017/18 (Kshs. Billions)

VOTE	Programme	Revised Estimate			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
State Department of Transport	General Administration, Planning and Support Services	0.5	0.7	1.3	0.2	0.7	0.9	69.6
	Rail Transport	95.4	-	95.4	88.4	-	88.4	92.7
	Marine Transport	6.6	0.6	7.3	5.9	0.6	6.5	90.0
	Air Transport	4.1	6.6	10.7	2.9	6.6	9.5	89.2
	Road Safety	0.3	0.44	0.7	0.3	0.4	0.7	99.9
State Department of Infrastructure	Road Transport	106.5	52.5	159.0	71.3	50.2	121.5	76.4
State Department for Maritime Affairs	Marine Transport	-	0.3	0.3	-	0.2	0.2	81.3
State Department for Public Works	Government Buildings	0.6	0.3	1.0	0.6	0.3	0.9	92.9
	Coastline Infrastructure and Pedestrian Access	0.1	0.1	0.2	0.05	0.08	0.1	82.9
	General Administration, Planning and Support Services	-	0.4	0.4	-	0.3	0.3	91.4
State Department for Housing & Urban Development	Housing Development and Human Settlement	6.1	0.5	6.6	5.5	0.5	5.9	90.7
	Urban and Metropolitan Development	10.1	0.3	10.3	8.2	0.3	8.5	82.6
	General Administration, Planning and Support Services	-	0.2	0.2	-	0.2	0.2	90.3
	Regulation and Development of the Construction Industry	0	0.9	0.9	0.03	0.9	0.9	98.9
State Department for Information Communications & Technology	General Administration Planning and Support Services	-	0.2	0.2	-	0.2	0.2	89.2
	ICT Infrastructure Development	7	0.3	7.7	6	0.2	6.4	84.1
	E-Government Services	0.1	0.6	0.7	0.0	0.6	0.6	78.0
State Department for Broadcasting & Telecommunication	General Administration Planning and Support Services	-	0.3	0.3	-	0.3	0.3	89.0
	Information and Communication Services	0.3	2.8	3.1	0.3	2.2	2.5	78.9
	Mass Media Skills Development	0.1	0.2	0.3	-	0.2	0.2	95.4
State Department for Energy	Energy	83.8	2.1	85.9	31.9	2.1	34.0	39.5
State Department for Petroleum	Exploration and Distribution of Oil and Gas	3.4	0.2	3.6	3.0	0.19	3.2	88.0
Total		325.4	70.6	396.0	224.8	67.3	292.2	73.8

Source: MDAs and National Treasury

The Road Transport programme under the State Department of Infrastructure received the highest budgetary allocation at Kshs. 159.0 (40.1 per cent of the total budget allocation for the sector) while the Coastline Infrastructure and Pedestrian Access programme under the State Department for Public works, General Administration Planning and Support Services under State Department for ICT and

General Administration, Planning and Support Services programme under the State Department for House and Urban Development received the lowest budgetary allocation at Kshs.165million (less than 1 per cent of the total budget allocation for the sector).

The total expenditure for the programmes for the FY 2017/18 amounted to Kshs.292.2 billion representing an absorption rate of 73.8 per cent. This expenditure comprised of Kshs. 224.8 billion for development expenditure, representing an absorption rate of 69.1 per cent of revised annual estimates for the development programmes and Kshs.67.8 billion for recurrent expenditure, representing 95.3 per cent of the revised annual estimates for recurrent programmes.

Analysis by programme performance shows that the Road Safety programme under State Department for Transport recorded the highest proportion of programme expenditure to its revised annual estimates at 99.9 per cent while the Energy programme under State Department for Energy registered the lowest proportion of programme expenditure to its' revised annual estimates at 39.5 per cent.

5.5 Environmental Protection, Water and Natural Resources Sector

The revised allocation to the Sector in FY 2017/18 amounted to Kshs.75.1 billion for implementing thirteen programmes. This comprise of Kshs.51.4 billion (68.4 per cent) for development programmes and Kshs.23.7 billion (31.6 per cent) for recurrent expenditure. The analysis of Environmental Protection, Water and Natural Resources Sector programmes for the FY 2017/18 is presented in Table 5.4.

Table 5.4: Environment Protection, Water and Natural Resources Sector's Programme for 2017 /2018 (Kshs. Billion)

VOTE	Programme	Revised Estimate			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
State Department for Water Services	General Administration, Planning and Support Services	0.1	0.7	0.8	0.1	0.6	0.7	90.1
	Water Resources Management	9.2	1.6	10.8	8.9	1.0	9.9	91.8
	Water and Sewerage Infrastructure Development	25.8	1.2	26.9	20.5	1.0	21.6	80.1
State Department for Irrigation	Irrigation and Land Reclamation	5.7	1.3	7.0	3.1	0.2	3.3	47.6
	Water Storage and Flood Control	5.2	-	5.2	2.0	-	2.0	38.3
	General Administration, Planning and Support Services	-	0.01	0.01	-	0.002	0.002	28.7
State Department for Environment	Meteorological Services	0.2	0.4	0.6	0.1	0.3	0.3	56.3
	Environment Management and Protection	1.2	1.6	2.7	0.6	1.0	1.7	61.2
	General Administration, Planning and Support Services	1.0	1.4	2.3	0.3	0.8	1.1	45.4
State Department for Natural Resources	Natural Resource Management	2.8	14.4	17.2	2.4	8.8	11.2	65.1
Ministry of Mining	General Administration Planning and Support Services	0.03	0.8	0.8	0.02	0.4	0.5	57.1
	Resources Surveys and Remote Sensing	0.1	0.2	0.3	0.065	0.08	0.1	55.7
	Mineral Resources Management	0.2	0.3	0.6	0.2	0.23	0.4	75.7
Total		51.4	23.7	75.1	38.3	14.4	52.7	70.2

Source: MDAs and National Treasury

The Water and Sewerage Infrastructure Development programme under the State Department for Water Services received the highest budgetary allocation at Kshs.26.9 billion (35.8 per cent of the total

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

The total expenditure for the programmes for the FY 2017/18 amounted to Kshs.52.7 billion representing an absorption rate of 70.2 per cent. This expenditure comprised of Kshs. 38.3 billion for development expenditure, representing an absorption rate of 74.6 per cent of revised annual estimates for the development programmes and Kshs. 14.4 billion for recurrent expenditure, representing 60.7 per cent of the revised annual estimates for recurrent programmes.

Analysis by programme performance shows that the Water Resource Management programme under State Department for Water Services recorded the highest proportion of programme expenditure to its revised annual estimates at 91.8 per cent while General Administration, Planning and Support Services programme under State Department Irrigation registered the lowest proportion of programme expenditure to its' revised annual estimates at 28.7 per cent.

5.6 General Economic and Commercial Affairs Sector (GECA)

The Sector's revised allocation in FY 2017/18 amounted to Kshs.15.5 billion for implementing seven programmes. This comprises of Kshs.5.7 billion (36.8 per cent) for development programmes and Kshs.9.8 billion (63.2 per cent) for recurrent programmes. Analysis of GECA Sector programmes for the FY 2017/18 is presented in Table 5.5.

Table 5.5: GECA Sector's Programme Performance for FY2017/18 (Kshs. Billions)

VOTE	Programme	Revised Estimates			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
State Department for Investment and Industry	General Administration Planning and Support Services	-	0.6	0.6	-	0.4	0.4	66.2
	Industrial Development and Investments	2.9	0.8	3.7	1.4	1.4	2.8	74.8
	Standards and Business Incubation	0.7	1.0	1.7	0.1	0.6	0.7	37.8
State Department for Cooperatives	Cooperative Development and Management	1.0	0.8	1.7	0.5	0.8	1.2	70.4
State Department for Trade	Trade Development and Promotion	0.0	2.2	2.3	0.047	2.1	2.1	93.6
State Department for East African Integration	East African Affairs and Regional Integration	0.1	1.6	1.7	0.05	1.5	1.5	86.5
Ministry of Tourism	Tourism Development and Promotion	1.0	2.7	3.7	0.9	1.6	2.5	67.7
Total		5.7	9.8	15.5	2.9	8.3	11.2	72.2

Source: MDAs and National Treasury

Both Tourism Development and Promotion programme under the Ministry of Tourism and Industrial Development and Investments under State Department for Investment and Industry received the highest budget allocation each at Kshs.3.7 billion (47.7 per cent of the total budget allocation for the sector) while the General Administration Planning and Support Services programme under the State Department for Industry and Investment received the lowest allocation at Kshs.0.6 billion (3.9 per cent of the total budget allocation for the sector).

The total expenditure for the sector programmes in the FY 2017/18 amounted to Kshs.11.2 billion representing an implementation rate of 72.2 per cent. This comprised of Kshs.2.9 billion for development activities at a rate of 51.3 per cent of the revised gross estimates and Kshs.8.3 billion incurred on recurrent activities representing 84.3 per cent of the revised recurrent gross estimates.

Analysis by programme performance shows the Trade Development and Promotion programme under the State Department for Trade recorded the highest implementation rate at 93.6 per cent while Standards and Business Incubation programme under the State Department for Investment and Industry recorded the lowest at 37.8 per cent.

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

The Sector's revised allocation in FY 2017/18 amounted to Kshs 217.4 billion to implement twenty programmes. The allocation comprises of Kshs.19.8 billion (9.1 per cent) for development expenditure and Kshs. 197.5 billion (90.9 per cent) for recurrent expenditure. Analysis of the GJLOS sector programmes for the FY 2017/18 is presented in Table 5.6.

Table 5.6: GJLOS Sector Programme Performance for FY 2017/2018(Kshs. Billions)

VOTE	Programme	Revised Estimate			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
State Department for Interior	Policing services	10.3	83.6	93.8	8.4	76.3	84.7	90.2
	Planning, policy Coordination and Support Services	5.2	32.3	37.5	4.9	19.7	24.6	65.7
	Government Printing Services	0.2	0.8	0.9	0.1	0.7	0.8	89.8
State Department for Correctional Services	Betting Control, Licensing and Regulation Services	-	0.1	0.1	-	0.11	0.11	94.0
	Correctional services	0.5	22.2	22.7	0.3	18.2	18.5	81.4
	General Administration, Planning and Support Services	0.05	0.5	0.5	0.1	0.4	0.6	113.1
State Law Office and Department of Justice	Legal Services	0.0	2.2	2.2	-	2.0	2.0	93.5
	Governance, Legal Training And Constitutional Affairs	0.1	1.4	1.4	-	1.1	1.1	75.1
	General Administration, Planning and Support Services	0.0	0.6	0.6	-	0.5	0.5	83.1
The Judiciary	Dispensation of Justice	1.6	12.7	14.3	1.7	11.0	12.7	89.1
Ethics and Anti-Corruption Commission	Ethics and Anti-Corruption	1.3	3.1	4.3	1.3	3.0	4.3	99.5
Office of Director of Public Prosecutions	Public Prosecution Services	0.005	2.0	2.0	0.01	1.7	1.7	86.0
Office of the Registrar of Political Parties	Registration, Regulation and Funding of Political Parties	-	0.8	0.8	-	0.8	0.8	93.0
Witness Protection Authority	Witness Protection	-	0.4	0.4	-	0.4	0.4	93.6
Kenya National Commission on Human Rights	Protection and Promotion of Human Rights	-	0.4	0.4	-	0.4	0.4	97.7
Independent Electoral and Boundaries Commission	Management of Electoral Processes	0.7	32.7	33.4	-	28.8	28.8	86.2
Judicial Service Commission	Dispensation of Justice	-	0.3	0.3	-	0.2	0.2	73.0
National Police Service Commission	National Police Service Human Resource Management	-	0.5	0.5	-	0.4	0.4	81.8
National Gender and Equality Commission	Promotion of Gender Equality and Freedom from Discrimination	-	0.3	0.3	-	0.3	0.3	95.5
Independent Policing Oversight Authority	Policing Oversight Services	-	0.7	0.7	-	0.6	0.6	84.5
Total		19.8	197.5	217.4	16.8	166.8	183.6	84.5

Source: MDAs and National Treasury

The Policing Services programme under State Department for Interior received the highest allocation at Kshs.93.8 billion (43.2 per cent of the revised annual estimates for the sector) while Betting Licensing and Regulations Services received the lowest allocation at Kshs.0.1 billion, translating to less than 1 per cent.

The total expenditure for the programmes for the FY 2017/18 amounted to Kshs. 183.6 billion representing 84.5 per cent of the sector revised annual estimates. This comprised of Kshs.16.8 billion for development expenditure, an absorption rate of 84.6 per cent and Kshs.166.8 billion for recurrent expenditure representing 84.4 per cent of the revised annual estimates for recurrent programmes.

Analysis by programme performance shows that the General Administration, Planning and Support Services programme under the State Department for Correctional Services recorded the highest proportion of programme expenditure to its revised annual estimates at 113.1 per cent while the Planning, policy Coordination and Support Services programme under State Department for Interior had the lowest proportion of programme expenditure to its annual budget estimates at 65.7 per cent.

5.8 Health Sector

The Health sector's revised allocation in FY 2017/18 was Kshs.75.3 billion to fund five programmes. The allocation comprised of Kshs.36.8 billion (48.8 per cent) for development programmes and Kshs.38.6 billion (51.2 per cent) for recurrent programmes. The analysis of Sector programmes for the period under review is presented in Table 5.7.

Table 5.7: Health Sector's Programme Performance for FY2017/18 (Kshs. Billions)

VOTE	Programme	Revised Estimate			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
Ministry of Health	Preventive, Promotive & RMNCAH*	5.2	2.0	7.3	3.7	1.4	5.1	70.1
	National Referral & Specialized Services	14.8	16.5	31.3	8.5	14.2	22.7	72.5
	Health Research and Development	0.6	7.6	8.3	0.5	5.6	6.1	73.6
	General Administration, Planning & Support Services	1.9	6.5	8.4	1.0	5.0	6.1	72.4
	Health Policy, Standards and Regulations	14.2	5.9	20.1	6.7	5.7	12.4	61.7
Total		36.8	38.6	75.3	20.4	32.0	52.4	69.5

Source: MDAs and National Treasury

*Reproductive, Maternal, Newborn Child and Adolescent Help

The National Referral & Specialized Services programme received the highest allocation at Kshs. 31.3 billion (41.5 per cent of the revised annual allocation for the sector) while the Preventive, Promotive and Reproductive, Maternal, Newborn Child and Adolescent Help (RMNCAH) programme had the lowest allocation at Kshs.7.3 billion (9.6 per cent of the sector's revised annual allocation).

The total expenditure for the programmes in the FY 2017/18 amounted to Kshs.52.4 billion, representing an absorption rate of 69.5 per cent. This expenditure comprised of Kshs.20.4 billion for development programmes, representing an absorption rate of 55.4 per cent, and Kshs.32 billion for recurrent programmes recording an implementation rate of 83 per cent.

Analysis by programme performance shows that the Health Research and Development recorded the highest proportion of programme expenditure to its revised gross estimates at 73.6 per cent while the Health Policy, Standards and Regulations had the lowest at 61.7 per cent.

5.9 National Security Sector

The National Security Sector revised allocation in FY 2017/18 amounted to Kshs.146.3 billion to fund its 2 programmes. This comprises of Kshs.7.5 million (5.1 per cent) for development expenditure and Kshs.138.8 billion (94.9 per cent) for recurrent expenditure. The analysis of National Security sector programmes for FY 2017/18 is presented in Table 5.8.

Table 5.8: National Security Sector's Programme Performance for FY2017/18 (Kshs. Billions)

VOTE	Programme	Revised Estimate			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
Ministry of Defence	Defence	7.47	106.8	114.3	5.96	106.7	112.7	98.6
National Intelligence Service	National Security Intelligence	-	32.0	32.0	-	32.0	32.0	100.0
Total		7.47	138.8	146.3	5.96	138.7	144.6	98.9

Source: MDAs and National Treasury

The Sector has two programs namely the Defence and the National Security Intelligence programme. Defence programme under Ministry of Defence received the highest allocation at Kshs.114.3 billion (78.1 per cent of the total allocation for the sector) and National Intelligence Service under National Intelligence Service received Kshs.32 billion (21.9 per cent of the total allocation for the sector) respectively.

The total recurrent expenditure for the sector programmes in the reporting period amounted to Kshs.146.3 billion, which represented 98.9 per cent of the revised gross estimates. Analysis of programme performance shows that expenditure by both National Intelligence Service and Defence programme was 100 per cent and 98.6 per cent of the revised gross estimates respectively.

5.10 Public Administration and International Relations (PAIR) Sector

The Public Administration and International Relations (PAIR) Sector's revised allocation in FY 2017/18 amounted to Kshs.214.6 billion to implement thirty three programmes. This comprises of Kshs.86.9 billion (40.5 per cent) for development programmes and Kshs.127.6 billion (59.5 per cent) for recurrent programmes. Analysis of PAIR sector programmes for the FY 2017/18 is presented in Table 5.9.

Table 5.9: PAIR Sector's Programme Performance for the FY 2017/ 2018 (Kshs. Billions)

VOTE	Programme	Revised Estimate			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
The Presidency	Cabinet Affairs	0.2	2.0	2.2	0.19	1.7	1.9	87.1
	Government Advisory Services	-	0.6	0.6	-	0.5	0.5	80.6
	State House Affairs	0.3	3.4	3.7	0.2	2.7	2.9	78.5
	Deputy President Services	0.4	1.9	2.3	0.1	1.7	1.9	81.8

VOTE	Programme	Revised Estimate			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
State Department for Planning and Statistics	Economic Policy and National Planning	30.3	1.2	31.5	31.3	1.1	32.4	102.7
	National Statistical Information Services	1.4	2.3	3.8	1.4	2.3	3.7	97.9
	Monitoring and Evaluation Services	0.1	0.1	0.2	0.1	0.1	0.2	88.0
	General Administration Planning and Support Services	-	0.4	0.4	-	0.3	0.3	83.0
	Integrated Regional Development	6.1	1.8	7.9	1.7	1.5	3.2	41.1
State Department for Devolution	Devolution Services	3.5	0.8	4.3	3.0	0.6	3.6	84.4
	General Administration and Management	0.02	0.2	0.2	0.015	0.2	0.2	83.1
Ministry of Foreign Affairs	General Administration Planning and Support Services	0.1	2.8	2.9	0.068	1.7	1.7	59.4
	Foreign Relation and Diplomacy	0.2	9.6	9.7	0.01	8.3	8.3	85.7
	Economic and Commercial Diplomacy	-	0.04	0.04	-	0.04	0.04	91.2
	Foreign Policy Research, Capacity Dev. And Technical Cooperation	-	0.1	0.1	-	0.1	0.1	86.6
The National Treasury	General Administration, Planning and Support Services	6.2	39.1	45.4	4.2	32.9	37.1	81.7
	Public Financial Management	22.6	4.5	27.0	8.2	4.1	12.3	45.6
	Economic and Financial Policy Formulation and Management	1.4	3.5	4.9	0.9	2.9	3.8	77.7
	Market Competition	0.1	0.3	0.4	-	0.3	0.3	63.3
	Government Clearing Services	-	0.1	0.1	-	0.06	0.06	72.2
State Department for Public Service and Youth Affairs	Public Service Transformation	1.6	7.2	8.8	1.6	6.9	8.5	96.6
	Youth Empowerment	10.2	7.3	17.5	10.2	6.8	17.0	96.9
Parliamentary Service Commission	Senate Affairs	-	5.3	5.3	-	4.4	4.4	82.2
	General Administration, Planning and Support Services	2.2	5.0	7.1	1.1	3.9	5.0	69.4
National Assembly	National Legislation, Representation and Oversight	-	19.6	19.6	-	16.1	16.1	82.1
Commission on Revenue Allocation	Inter-Governmental Revenue and Financial Matters	-	0.4	0.4	-	0.3	0.3	76.8
Public Service Commission	General Administration, Planning and Support Services	0.01	1.0	1.0	0.009	1.0	1.0	99.2
	Human Resource management and Development	-	0.2	0.2	-	0.2	0.2	99.7
	Governance and National Values	-	0.1	0.1	-	0.1	0.1	99.8
Salaries and Remuneration Commission	Salaries and Remuneration Management	-	0.6	0.6	-	0.6	0.6	88.5
Auditor General	Audit Services	0.1	5.1	5.2	0.10	4.4	4.5	86.2
Controller of Budget	Control and Management of Public Finances	-	0.5	0.5	-	0.4	0.4	82.3
Commission on Administrative Justice	Promotion of Administrative Justice	-	0.4	0.4	-	0.4	0.4	94.0
Total		86.9	127.6	214.6	64.3	108.6	172.9	80.6

Source: MDAs and National Treasury

The General Administration, Planning and Support Services under The National Treasury received the highest allocation at Kshs. 45.4 billion (21.2 per cent of the revised annual estimates for the sector) while Economic and Commercial Diplomacy under Ministry of Foreign Affairs received the lowest allocation at Kshs.43.6 million, translating to less than 1 per cent.

The total expenditure for the programmes for the FY 2017/18 amounted to Kshs. 172.9 billion representing 80.6 per cent of the sector revised annual estimates. This comprised of Kshs.64.3 billion for development expenditure, an absorption rate of 74 per cent and Kshs.108.6 billion for recurrent expenditure representing 85.1 per cent of the revised annual estimates for recurrent programmes.

Analysis by programme performance shows that the Economic Policy and National Planning programme under the State Department for Planning and Statistics recorded the highest proportion of programme expenditure to its revised annual estimates at 102.7 per cent while the Integrated Regional Development programme had the lowest proportion of programme expenditure to its annual budget estimates at 41.1 per cent.

5.11 Social Protection, Culture and Recreation Sector

The Social Protection, Culture and Recreation Sector's revised allocation in FY 2017/18 amounted to Kshs.53.9 billion to implement seventeen programmes. The allocation comprises of Kshs.24.4 billion (45.4 per cent) for development programmes and Kshs.29.4 billion (54.6 per cent) for recurrent programmes.

Table 5.10 presents an analysis of the Social Protection, Culture and Recreation sector's programme for the FY 2017/18.

Table 5.10: Social Protection, Culture and Recreation Sector's Programme Performance for FY2017/18 (Kshs. Billions)

VOTE	Programme	Revised Estimate			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
State Department for Special Programmes	Special Initiatives	-	4.6	4.6	-	4.4	4.4	97
	Accelerated ASAL Development	4.55	0.7	5.3	3.72	0.7	4.4	84.1
	General Administration, Planning and Support Services	0.005	0.2	0.2	0.004	0.2	0.2	97.3
State Department for Sports Development	Sports	3	2.5	5.5	2.5	2.7	5.3	95.6
State Department for Arts and Culture	Culture	0.1	1.5	1.6	0.08	1.5	1.6	99.2
	The Arts	0.02	0.7	0.7	0.02	0.7	0.7	98.8
	Library Services	0.4	0.7	1.1	0.4	0.6	1.1	95.6
	General Administration, Planning and Support Services	-	0.2	0.2	-	0.2	0.2	99.5
State Department for Labour	General Administration, Planning and Support Services	0	0.5	0.5	0	0.45	0.45	92.7
	Promotion of the Best Labour Practice	-	0.6	0.6	-	0.5	0.5	76.2
	Manpower Development, Employment and Productivity Management	0.4	0.7	1.1	0.3	0.7	1	90.2
State Department for Social Protection	Social Development and Children Services	0.7	4	4.7	0.6	4.1	4.7	99.2
	National Social Safety Net	11.8	10.9	22.7	11.7	10.5	22.2	97.9
	General Administration, Planning and Support Services	0.002	0.2	0.2	0.002	0.12	0.12	57.3
State Department for Gender	Community Development	2.4	-	2.4	2.1	-	2.1	88.4
	Gender Empowerment	1.1	0.7	1.7	1.1	0.61	1.7	97.4
	General Administration, Planning and Support Services	-	0.7	0.7	-	0.7	0.7	98
Total		24.4	29.4	53.9	22.6	28.7	51.3	95.3

Source: MDAs and National Treasury

The National Social Safety Net programme under the State Department for Social Protection received the highest budgetary allocation at Kshs.22.7 billion (42.1 per cent of the revised gross allocation to the sector) while the General Administration, Planning and Support Services programme under the State Department for Arts and Culture received the lowest allocation at Kshs.160 million (less than 1 per cent of the sector's allocation).

The total expenditure for the sector programmes in the reporting period amounted to Kshs.51.3 billion representing 95.3 per cent of the revised annual estimates. This comprised of Kshs.22.6 billion for development expenditure representing an absorption rate of 92.7 per cent while Kshs.28.7 billion was spent as recurrent expenditure which accounted for 97.5 per cent as absorption rate.

Analysis of the programme performance showed that the General Administration, Planning and Support Services programme under the State Department for Arts and Culture recorded the highest proportion of programme expenditure to its total annual budget estimates at 99.5 per cent while General Administration, Planning and Support Services programme under the State Department for Social Protection recorded the lowest absorption rate at 57.3 per cent.

6 KEY ISSUES AND RECOMMENDATIONS

6.1 Introduction

This chapter highlights the key challenges that affected budget implementation by the MDAs during the FY 2017/18. It also contains recommendations aimed at addressing the issues that affected budget implementation.

6.2 Key Issues and Recommendations

In the course of overseeing and reporting on budget implementation, the Office identified the following key challenges which affected budget implementation.

6.2.1 Delay in Release of Funds to the MDAs by the National Treasury

During the period under review, the Office noted some delay in release of exchequer issues for both recurrent and development expenditure to MDAs. Actual exchequer issues for both recurrent and development expenditure amounted to Kshs.1.75 trillion representing 87.9 per cent of the revised net estimates, a decline compared to 94.7 per cent recorded in FY 2016/17. This affected implementation of planned activities.

We recommend that, the National Treasury should release funds to MDAs in time and according to their cash flow and procurement plans to ensure effective budget implementation.

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

Article 228 (6) of the Constitution of Kenya, 2010, requires the Controller of Budget to submit to each House of Parliament a report on the implementation of 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 members of the public are given information on budget implementation.

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

In order to address the delays, the Office recommends that all Accounting Officers should ensure that expenditure reports are submitted promptly to allow timely preparation and publication of Budget Implementation Reports.

6.2.3 Frequent IFMIS Downtime

The Integrated Financial Management Information System (IFMIS) is the system prescribed by the National Treasury for processing financial transactions by MDAs in line with Section 12 (1)(e) of the Public Financial Management Act, 2012. While IFMIS has been rolled out to all MDAs, some MDAs experienced challenges in accessing funds and processing payments in IFMIS during the FY 2017/18 as a result of IFMIS downtime. This resulted to delays in implementation of planned activities.

The IFMIS Directorate should ensure that the accounting system operates seamlessly in order to enhance timely implementation of planned activities by the MDAs.

6.2.4 Non-disclosure of Appropriation In Aid (A~I~A) by MDAs

Article 206 (1b) of the Constitution of Kenya, 2010 exempts surrender of revenue into the Consolidated Fund where an Act of Parliament allows a State Organ that receives it to retain such revenue for the purpose of defraying some of its the expenses. The MDAs are however, required to report on all such revenue and the associated expenditure. In its reporting template, the Controller of Budget specifically requires MDAs to submit a report on A-I-A performance. Despite this requirement, some MDAs did not disclose A-I-A generated in the reports submitted to Office, which may result into under reporting of the revenue generated.

To ensure completeness of the financial reports, we recommend that, MDAs should ensure that A-I-A generated is disclosed and reported.

6.2.5 Failure to Report on Programme and Project Achievements by MDAs

Section 9 (2) of the Controller of Budget Act, 2016 requires the Controller of Budget to report on programme and project achievements by the MDAs. In order to facilitate this reporting, the Office has developed and shared a template for submission of pogramme and project achievement. However, despite this effort, some MDAs did not submit information on programme and project achievements in the FY 2017/18.

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

7 CONCLUSION

This report has been prepared in fulfilment of Article 228 (6) of the Constitution of Kenya, 2010 and Section 9 of the Controller of Budget Act, 2016. It provides information on budget implementation by the National Government Ministries, Departments and Agencies (MDAs) for the financial year 2017/18.

The report indicates that total receipts into the Consolidated Fund amounted to Kshs.2.2 trillion, (93.9 per cent of the annual target) representing growth of about 10 per cent compared to Kshs.2 trillion (96.9 per cent of the annual target) received in FY 2016/17. Exchequer issues to the MDAs, County Governments and Consolidated Fund Services from the Consolidated Fund amounted to Kshs.2.1 trillion, (89.1 per cent of the revised net estimates) and remained at the same level compared to Kshs.2.1 trillion (95.4 per cent of the revised net estimates) issued in FY 2016/17.

Expenditure by the National Government amounted Kshs.2 trillion representing 82.4 per cent of the revised gross estimates, a decline compared to 84.7 per cent (Kshs.1.9 trillion) recorded in FY 2016/17. The MDAs' recurrent expenditure was Kshs.961.9 billion, representing 90.3 per cent of the revised recurrent gross budget, indicating growth of 12 per cent from the Kshs.858.3 billion, (92.5 per cent of the revised gross estimates) spent in FY 2016/17. CFS expenditure amounted to Kshs.582.5 billion, a 16.7 per cent growth from Kshs.499 billion incurred in the FY 2016/17. The MDAs' development expenditure amounted to Kshs.425.8 billion, (29 per cent decline compared to Kshs.602.3 billion recorded in FY 2016/17), representing an absorption rate 71.3 per cent. This absorption rate was a slight increase that recorded in FY 2016/17 of 69.9 per cent.

During the reporting period, the Office identified some challenges that affected budget implementation. These included; delay in release of funds by the National Treasury, frequent downtime of the Integrated Financial Management Information System, Non-disclosure of Appropriations-in-Aid by some MDAs, and, failure to report on programme and project achievements by the MDAs. In order to enhance budget implementation, it is recommended that the National Treasury should release funds to MDAs in line with approved cash flow projections and procurement plans. Further, all Accounting Officers should ensure timely submission of expenditure reports to the Controller of Budget while the IFMIS Directorate should ensure smooth operation of the system. MDAs should also ensure that reports submitted to the Office contain sufficient information on Appropriations-in-Aid, and programme and project achievements as set out in the Programme Based Budgetary Framework.

In line with its mandate, the Office will continue to oversee budget implementation by the National Government and shall publish and publicize quarterly Budget Implementation Review Reports to inform Parliament, stakeholders and members of the public on the progress made in budget implementation.

ANNEX I: MDAs Development Expenditure for FY 2017/18 (Kshs.)

VOTE	MINISTRY/STATE DEPARTMENT	Gross Estimates	Gross Estimates 1	Gross Estimates 2	Net Estimates	Net Estimates 1	Net Estimates 2	Exchequer Issues	Expenditure	% of Exch. To Net Est.	% of Exp. To Revised G.Est.
D1011	The Presidency	1,110,000,000	893,500,000	1,075,932,530	1,110,000,000	893,500,000	1,075,932,530	726,864,144	822,056,800	67.6	76.4
D1021	State Department for Interior	17,616,796,889	18,082,496,889	15,331,087,110	17,180,800,000	17,646,500,000	14,895,090,221	14,647,792,739	13,331,495,709	98.3	87.0
D1023	State Department for Correctional Services	900,000,000	900,000,000	553,323,930	900,000,000	900,000,000	553,323,930	404,155,200	395,758,025	73.0	71.5
D1032	State Department for Devolution	3,539,300,000	3,539,300,000	8,073,000,000	2,539,300,000	2,539,300,000	2,974,999,990	337,916,600	6,601,679,490	11.4	81.8
D1033	State Department for Special Programmes	4,519,450,000	4,355,875,000	4,345,875,000	2,950,100,000	2,786,525,000	2,776,525,000	2,666,158,200	3,720,055,425	96.0	85.6
D1034	State Department for Planning & Statistics	37,478,856,000	29,977,673,156	33,962,714,656	36,861,756,000	29,360,573,156	33,345,614,656	33,279,866,949	34,506,592,792	99.8	101.6
D1041	Ministry of Defence	45,000,000	45,000,000	7,474,995,045	-	-	-	-	5,959,506,872	-	79.7
D1052	Ministry of Foreign Affairs	2,000,000,000	247,499,999	455,697,738	2,000,000,000	247,499,999	455,697,738	372,400,000	93,897,836	81.7	20.6
D1063	State Department for Basic Education	6,406,730,000	7,256,718,600	7,820,658,996	6,292,000,000	7,141,988,600	7,705,928,996	7,520,847,760	7,079,278,454	97.6	90.5
D1064	State Department for Vocational and Technical Training	5,646,000,000	5,735,000,000	5,124,910,908	4,346,000,000	4,435,000,000	1,824,910,908	1,121,536,000	3,577,009,651	61.5	69.8
D1065	State Department for University Education	12,668,100,000	5,435,849,998	4,998,859,688	9,692,750,000	2,460,499,998	2,023,509,688	1,612,056,547	3,893,260,310	79.7	77.9
D1071	The National Treasury	43,908,042,616	46,745,013,082	29,224,191,682	26,546,819,817	29,383,790,283	11,862,968,883	9,489,920,771	9,456,605,843	80.0	32.4
D1081	Ministry of Health	30,978,663,319	30,022,431,054	36,781,925,264	19,616,441,419	18,660,209,154	22,834,996,499	15,687,561,371	19,763,223,525	68.7	53.7
D1091	State Department for Infrastructure	134,987,591,571	129,987,591,571	106,476,451,245	81,859,000,000	76,859,000,000	53,347,859,674	51,237,673,853	73,312,347,689	96.0	68.9
D1092	State Department for Transport	96,769,432,000	88,969,432,000	104,061,800,000	15,575,000,000	7,775,000,000	17,382,800,000	12,450,839,326	99,930,463,773	71.6	96.0
D1094	State Department Housing and Urban Development	14,272,000,000	13,342,065,000	15,973,664,394	9,247,000,000	8,317,065,000	10,948,664,394	8,879,560,635	8,550,039,894	81.1	53.5
D1095	State Department of Public Works	2,176,090,000	544,022,500	714,490,253	2,176,090,000	544,022,500	714,490,253	472,231,100	626,135,110	66.1	87.6
D1103	State Department for Water Services	29,777,370,000	32,582,516,698	36,350,937,411	8,895,600,000	11,700,746,698	15,469,167,411	13,992,491,517	29,522,337,052	90.5	81.2
D1104	State Department for Irrigation	12,258,300,000	12,458,300,000	10,372,182,477	9,022,300,000	9,222,300,000	7,136,182,477	6,158,882,477	6,310,141,785	86.3	60.8
D1105	State Department for Environment	3,629,000,000	2,303,625,000	1,760,081,875	3,371,642,000	2,046,267,000	1,502,723,875	1,061,153,385	985,886,822	70.6	56.0
D1106	State Department for Natural Resources	3,877,320,990	3,164,070,990	2,698,332,302	2,813,000,000	2,099,750,000	1,634,011,312	1,323,550,000	1,327,538,144	81.0	49.2
D1112	Ministry of Lands and Physical Planning	3,770,000,000	3,563,375,000	2,797,595,734	3,770,000,000	3,563,375,000	2,797,595,734	2,397,402,050	2,340,651,327	85.7	83.7

VOTE	MINISTRY/STATE DEPARTMENT	Gross Estimates	Gross Estimates 1	Gross Estimates 2	Net Estimates	Net Estimates 1	Net Estimates 2	Exchequer Issues	Expenditure	% of Exch. To Net Est.	% of Exp. To Revised G.Est.
D1122	State Department of Information Communications & Technology & Innovation	19,247,000,000	11,947,478,834	10,563,519,068	16,201,000,000	8,901,478,834	7,517,519,068	7,192,341,183	7,191,885,876	95.7	68.1
D1123	State Department of Broadcasting and Telecommunications	764,000,000	191,000,000	380,483,438	764,000,000	191,000,000	380,483,438	280,100,000	378,111,880	73.6	99.4
D1132	State Department for Sports Development	560,000,001	2,950,000,000	2,873,899,981	560,000,001	2,950,000,000	2,246,899,981	2,246,010,000	2,293,273,796	100.0	79.8
D1133	State Department for Arts and Culture	1,046,978,010	683,228,010	591,913,837	1,005,000,000	641,250,000	549,935,827	548,100,000	549,748,875	99.7	92.9
D1152	State Department for Energy	75,166,704,310	82,725,394,310	83,783,708,447	31,301,004,658	38,859,694,658	39,918,008,795	38,557,997,865	31,919,656,018	96.6	38.1
D1153	State Department of Petroleum	5,138,500,000	4,276,875,000	3,405,698,000	2,925,500,000	2,063,875,000	1,192,698,000	807,029,375	2,990,045,956	67.7	87.8
D1161	State Department for Agriculture	10,601,800,000	15,035,194,148	11,957,968,561	8,901,401,537	13,334,795,685	9,207,570,098	7,268,691,783	8,662,045,591	78.9	72.4
D1162	State Department for Livestock	5,498,980,000	3,693,332,750	4,993,882,845	4,681,665,000	2,876,017,750	4,176,567,845	3,223,191,723	3,761,707,365	77.2	75.3
D1164	State Department for Fisheries and Blue Economy	914,000,000	420,920,000	313,976,804	914,000,000	420,920,000	313,976,804	261,443,952	100,084,854	83.3	31.9
D1172	State Department for Investment and Industry	5,381,062,000	2,614,687,000	4,035,088,489	5,327,062,000	2,560,687,000	3,981,088,489	3,890,536,150	1,460,634,360	97.7	36.2
D1173	State Department for Cooperatives	490,000,000	385,000,000	555,000,000	490,000,000	385,000,000	555,000,000	462,449,000	462,435,400	83.3	83.3
D1174	State Department for Trade	327,500,000	71,250,000	47,566,957	327,500,000	71,250,000	47,566,957	39,863,100	47,028,836	83.8	98.9
D1183	State Department for East African Integration	65,000,000	65,000,000	65,000,000	-	-	-	-	7,698,000	-	11.8
D1184	State Department for Labour	1,044,100,000	636,024,999	392,926,951	1,044,100,000	636,024,999	392,926,951	339,040,075	234,600,092	86.3	59.7
D1185	State Department for Social Protection	14,959,750,000	14,663,955,283	13,017,955,283	14,959,750,000	14,663,955,283	13,017,955,283	9,362,648,630	12,312,765,141	71.9	94.6
D1191	Ministry of Mining	1,256,321,429	330,821,429	208,068,224	1,234,000,000	308,500,000	185,746,795	185,746,795	177,661,765	100.0	85.4
D1201	Ministry of Tourism	3,921,000,000	980,250,000	980,250,000	3,921,000,000	980,250,000	980,250,000	554,657,960	939,726,163	56.6	95.9
D1211	State Department for Public Service and Youth Affairs	12,990,000,000	11,891,899,727	11,854,092,379	12,990,000,000	11,891,899,727	11,854,092,379	8,261,264,831	11,680,336,162	69.7	98.5
D1212	State Department for Gender	3,430,000,000	3,187,500,000	3,187,500,000	3,430,000,000	3,187,500,000	3,187,500,000	3,187,750,000	3,187,750,000	100.0	100.0
D1252	State Law Office and Department of Justice	1,445,928,571	388,178,571	382,103,196	1,137,000,000	79,250,000	73,174,625	-	70,731,594	-	18.5
D1261	The Judiciary	4,128,900,000	3,248,975,000	1,567,750,089	4,128,900,000	3,248,975,000	1,567,750,089	1,429,124,078	1,696,558,433	91.2	108.2

VOTE	MINISTRY/STATE DEPARTMENT	Gross Estimates	Gross Estimates 1	Gross Estimates 2	Net Estimates	Net Estimates 1	Net Estimates 2	Exchequer Issues	Expenditure	% of Exch. To Net Est.	% of Exp. To Revised G.Est.
D1271	Ethics & Anti-Corruption Commission	1,268,000,000	1,268,000,000	1,268,000,000	1,268,000,000	1,268,000,000	1,268,000,000	1,268,000,000	1,268,000,000	100.0	100.0
D1291	Office of the Directorate of Public Prosecution	82,550,000	2,550,000	5,310,500	82,550,000	2,550,000	4,560,500	-	6,342,342	0.0	119.4
D2030	National Land Commission	300,000,000	-	173,000,000	300,000,000	-	173,000,000	16,539,800	16,539,742	9.6	9.6
D2031	Independent Electoral and Boundaries Commission	757,210,000	712,210,000	712,210,000	45,000,000	-	-	-	-	0.0	0.0
D2041	Parliamentary Service Commission	3,150,000,000	2,637,500,000	2,187,500,000	3,150,000,000	2,637,500,000	2,187,500,000	879,483,000	1,057,875,659	40.2	48.4
D2071	Public Service Commission	60,000,000	15,000,000	8,986,779	60,000,000	15,000,000	8,986,779	5,000,000	8,986,780	55.6	100.0
D2091	Teachers Service Commission	118,000,000	118,000,000	1,236,457,400	719,457,400	719,457,400	143,000,000	142,282,520	1,096,476,291	99.5	88.7
D2101	National Police Service Commission	65,000,000	-	-	65,000,000	-	-	-	-	-	-
D2111	Auditor General	235,000,000	171,250,000	102,837,884	235,000,000	171,250,000	102,837,884	100,000,000	102,703,531	97.2	99.9
D2151	Independent Policing Oversight Authority	150,000,000	-	-	150,000,000	-	-	-	-	-	-
TOTAL		642,897,327,706	605,462,831,598	597,281,363,350	389,083,489,832	351,649,243,724	318,497,840,756	276,350,152,444	425,787,372,830	78.6	71.3

ANNEX II: MDAs Recurrent Expenditure for FY 2017/18 (Kshs.)

MINISTRY/STATE DEPARTMENT	Gross Estimates	Gross Estimates 1	Gross Estimates 2	Net Estimates	Net Estimates 1	Net Estimates 2	Exchequer Issues	Expenditure	% of Exch. To Net Est.	% of Exp. To Revised G.Est.
The Presidency	8,702,407,012	7,866,966,719	8,903,958,294	8,693,274,938	7,857,834,645	8,894,826,220	8,824,046,205	7,833,162,212	99.2	88.0
State Department for Interior	106,819,293,000	111,919,293,000	116,258,085,730	106,445,556,000	111,545,556,000	115,884,348,730	106,371,890,287	96,512,930,089	91.8	83.0
State Department for Correctional Services	21,535,369,313	21,535,369,313	22,797,569,313	21,535,369,313	21,535,369,313	22,797,569,313	22,797,253,532	18,780,088,294	100.0	82.4
State Department for Devolution	1,107,800,000	1,007,391,630	1,268,886,630	1,107,800,000	1,007,391,630	1,268,886,630	810,468,902	914,219,750	63.9	72.0
State Department for Special Programmes	2,153,110,000	4,338,445,872	5,534,745,872	2,153,110,000	4,338,445,872	5,534,745,872	4,884,557,516	5,478,210,631	88.3	99.0
State Department for Planning & Statistics	5,714,450,000	5,383,995,235	5,829,466,683	5,388,450,000	5,057,995,235	5,503,466,683	4,130,336,310	5,292,239,330	75.0	90.8
Ministry of Defence	103,574,400,000	105,261,384,819	106,835,384,819	103,574,400,000	105,261,384,819	106,835,384,819	94,114,815,498	106,711,018,687	88.1	99.9
Ministry of Foreign Affairs	17,746,000,000	14,570,071,499	16,273,797,499	17,339,789,099	14,163,860,598	15,867,586,598	12,445,156,146	8,644,304,861	78.4	53.1
State Department for Basic Education	59,949,000,000	83,269,399,585	83,774,399,585	58,516,400,000	81,836,799,585	82,341,799,585	82,341,349,762	80,206,920,092	100.0	95.7
State Department for Vocational and Technical Training	2,640,500,000	2,535,356,993	2,558,156,993	2,640,500,000	2,535,356,993	2,558,156,993	2,555,866,447	2,443,653,855	99.9	95.5
State Department for University Education	85,721,517,529	90,755,304,284	96,501,304,284	47,115,417,529	52,149,204,284	57,895,204,284	56,646,247,665	72,959,069,896	97.8	75.6
The National Treasury	77,442,300,000	81,434,454,275	42,539,648,623	77,442,300,000	81,434,454,275	42,539,648,623	39,465,582,903	40,636,165,569	92.8	95.5
Ministry of Health	30,721,820,252	30,877,376,247	38,559,176,247	26,743,943,775	26,899,499,770	30,381,299,770	28,666,361,858	27,840,126,195	94.4	72.2
State Department for Infrastructure	52,658,000,000	52,495,032,071	52,495,032,071	1,884,000,000	1,721,032,071	1,721,032,071	1,636,282,728	50,266,883,452	95.1	95.8
State Department for Transport	6,050,700,000	6,017,131,343	8,387,211,343	1,455,700,000	1,422,131,343	1,422,131,343	1,404,957,971	8,370,831,090	98.8	99.8
State Department for Maritime Affairs	275,030,000	218,589,618	260,289,771	275,030,000	218,589,618	260,289,771	211,603,493	211,628,347	81.3	81.3
State Department for Housing & Urban Development	1,725,700,000	1,608,768,601	1,811,328,601	1,725,700,000	1,608,768,601	1,811,328,601	1,597,609,310	1,724,581,937	88.2	95.2
State Department for Public Works	846,050,000	789,575,117	815,275,117	842,050,000	785,575,117	811,275,117	744,227,115	769,505,897	91.7	94.4
State Department for Water Services	4,017,160,000	4,404,068,971	4,837,166,453	1,876,401,761	2,263,310,732	2,696,408,214	2,627,333,378	3,314,235,240	97.4	68.5
State Department for Irrigation	955,300,000	901,423,540	946,323,953	555,300,000	501,423,540	546,323,953	537,665,480	529,422,173	98.4	55.9
State Department for Environment	2,838,300,000	2,743,441,011	3,257,741,011	2,729,400,000	2,634,541,011	3,148,841,011	3,148,646,781	2,474,226,465	100.0	75.9
State Department for Natural Resources	13,513,000,000	12,892,449,917	13,122,737,315	7,272,979,000	6,652,428,917	6,882,716,315	6,801,719,803	6,771,521,454	98.8	51.6

MINISTRY/STATE DEPARTMENT	Gross Estimates	Gross Estimates 1	Gross Estimates 2	Net Estimates	Net Estimates 1	Net Estimates 2	Exchequer Issues	Expenditure	% of Exch. To Net Est.	% of Exp. To Revised G.Est.
Ministry of Lands and Physical Planning	2,464,000,000	2,312,568,601	2,329,368,601	2,454,585,250	2,303,153,851	2,319,953,851	2,305,627,842	2,212,189,851	99.4	95.0
State Department of Information Communications & Technology & Innovation	1,276,290,000	985,318,078	1,118,566,059	1,276,290,000	985,318,078	1,118,566,059	894,894,848	1,035,658,774	80.0	92.6
State Department for Broadcasting & Telecommunications	2,095,700,000	1,957,173,235	3,363,390,837	1,915,700,000	1,777,173,235	2,154,270,837	2,066,458,857	2,645,815,110	95.9	78.7
State Department for Sports Development	2,468,475,024	3,748,333,817	2,544,633,817	2,468,075,024	3,747,933,817	2,544,233,817	2,522,778,683	2,643,507,897	99.2	103.9
State Department for Arts and Culture	2,938,424,896	2,865,775,296	3,030,675,296	2,927,824,896	2,855,175,296	3,020,075,296	2,989,531,985	3,008,893,792	99.0	99.3
State Department Energy	2,052,500,000	2,052,500,000	2,132,200,000	1,845,400,000	1,845,400,000	1,925,100,000	1,715,561,546	2,058,361,032	89.1	96.5
State Department of Petroleum	242,010,000	195,232,407	209,309,740	194,645,306	147,867,713	161,945,046	149,538,643	190,901,835	92.3	91.2
State Department for Agriculture	6,288,600,000	14,116,298,340	16,044,398,340	6,282,100,000	14,109,798,340	16,037,898,340	15,459,251,391	15,461,162,039	96.4	96.4
State Department for Livestock	5,051,412,500	7,114,150,771	7,029,350,771	5,030,300,000	7,093,038,271	7,008,238,271	6,964,061,591	7,055,745,370	99.4	100.4
State Department for Fisheries and the Blue Economy	2,056,300,000	1,844,465,848	1,922,194,109	2,056,300,000	1,844,465,848	1,922,194,109	1,908,468,953	1,680,255,944	99.3	87.4
State Department of Investment and Industry	2,341,400,000	2,189,243,808	2,421,393,776	2,318,900,000	2,166,743,808	2,248,893,776	2,244,596,259	2,385,724,268	99.8	98.5
State Department for Cooperatives	446,000,000	737,987,448	789,498,429	439,500,000	731,487,448	782,998,429	782,927,880	766,314,056	100.0	97.1
State Department for Trade	2,414,400,000	2,164,310,293	2,213,910,293	2,394,540,000	2,144,450,293	2,194,050,293	1,993,292,288	2,068,688,338	90.8	93.4
State Department for East African Integration	1,551,000,000	1,356,495,896	1,648,754,559	1,551,000,000	1,356,495,896	1,648,754,559	1,514,070,071	1,475,198,371	91.8	89.5
State Department for Labour	2,029,900,000	1,792,943,512	1,831,443,512	2,016,800,000	1,779,843,512	1,818,343,512	1,677,987,447	1,619,627,353	92.3	88.4
State Department for Social Protection	9,447,300,000	15,218,012,572	15,173,276,086	9,404,835,000	15,175,547,572	15,130,811,086	13,390,767,794	14,782,608,108	88.5	97.4
Ministry of Mining	1,464,464,217	1,287,594,267	1,552,309,626	1,450,464,217	1,273,594,267	1,538,309,626	1,514,656,450	1,302,424,394	98.5	83.9
Ministry of Tourism	2,856,900,000	2,777,458,614	2,742,758,614	1,877,900,000	1,798,458,614	1,763,758,614	1,550,941,924	1,579,531,830	87.9	57.6
State Department for Public Service and Youth Affairs	13,516,650,000	14,455,917,402	14,516,917,402	13,340,800,000	14,280,067,402	14,341,067,402	12,747,940,420	13,519,990,785	88.9	93.1
State Department for Gender	1,612,700,000	1,424,218,371	1,329,985,841	1,612,700,000	1,424,218,371	1,329,985,841	747,892,817	1,270,948,297	56.2	95.6
State Law Office and Department of Justice	4,688,010,000	4,383,634,769	4,535,634,769	4,293,510,000	3,989,134,769	4,141,134,769	3,440,331,860	3,859,702,203	83.1	85.1
The Judiciary	13,432,535,272	12,361,768,912	12,711,768,912	13,432,535,272	12,361,768,912	12,711,768,912	12,289,864,873	11,021,767,467	96.7	86.7
Ethics & Anti-Corruption Commission	2,768,540,000	3,068,540,000	3,068,540,000	2,768,540,000	3,068,540,000	3,068,540,000	3,053,249,024	3,046,343,222	99.5	99.3
National Intelligence Service	26,604,000,000	29,754,000,000	31,954,000,000	26,604,000,000	29,754,000,000	31,954,000,000	31,953,446,800	31,956,444,700	100.0	100.0

MINISTRY/STATE DEPARTMENT	Gross Estimates	Gross Estimates 1	Gross Estimates 2	Net Estimates	Net Estimates 1	Net Estimates 2	Exchequer Issues	Expenditure	% of Exch. To Net Est.	% of Exp. To Revised G.Est.
Office of the Director of Public Prosecutions	2,250,080,000	1,944,442,462	1,994,442,462	2,250,080,000	1,944,442,462	1,994,442,462	1,875,851,255	1,906,661,305	94.1	95.6
Office of the Registrar of Political Parties	877,750,000	798,527,310	808,527,310	877,750,000	798,527,310	808,527,310	778,003,736	752,155,482	96.2	93.0
Witness Protection Agency	432,392,990	442,380,483	442,380,483	432,392,990	442,380,483	442,380,483	429,161,000	414,219,079	97.0	93.6
Kenya National Human Rights & Equality Commission	450,410,000	389,766,300	398,766,300	450,410,000	389,766,300	398,766,300	398,766,234	389,444,995	100.0	97.7
National Lands Commission	1,452,000,000	1,093,767,550	1,134,167,550	1,452,000,000	1,093,767,550	1,134,167,550	1,064,156,171	1,038,882,485	93.8	91.6
Independent Electoral and Boundaries Commission	20,860,477,459	32,860,477,459	32,660,477,459	20,855,477,459	32,855,477,459	32,655,477,459	27,881,536,142	28,755,707,820	85.4	88.0
Parliamentary Service Commission	11,726,950,001	10,243,068,157	10,243,068,157	11,726,950,001	10,243,068,157	10,243,068,157	7,986,167,473	8,247,798,072	78.0	80.5
National Assembly										
Judicial Service Commission	21,166,033,200	19,591,048,577	19,591,048,577	21,166,033,200	19,591,048,577	19,591,048,577	15,896,303,470	16,075,800,105	81.1	82.1
The Commission on Revenue Allocation	490,160,000	183,537,700	283,537,700	490,160,000	183,537,700	283,537,700	196,978,268	207,108,966	69.5	73.0
Public Service Commission	365,000,000	391,711,063	391,711,063	365,000,000	391,711,063	391,711,063	355,044,310	300,672,029	90.6	76.8
Salaries & Remuneration Commission	1,359,000,000	1,351,425,000	1,359,000,000	1,358,500,000	1,350,925,000	1,358,500,000	1,344,822,285	1,350,089,021	99.0	99.3
Teachers Service Commission	546,000,000	609,634,499	628,433,000	546,000,000	609,634,499	628,433,000	533,329,480	556,351,816	84.9	88.5
National Police Service Commission	201,837,000,000	201,893,457,400	218,193,457,400	201,362,000,000	201,418,457,400	217,718,457,400	216,619,736,198	217,630,525,420	99.5	99.7
Auditor General	485,990,000	467,393,780	547,588,237	485,990,000	467,393,780	547,588,237	445,334,826	447,852,379	81.3	81.8
Controller of Budget	5,276,000,000	5,110,767,700	5,138,266,242	5,126,000,000	4,960,767,700	4,988,266,242	4,478,446,059	4,769,598,134	89.8	92.8
The Commission on Administrative Justice	575,000,000	494,931,000	521,079,350	575,000,000	494,931,000	521,079,350	463,466,087	428,921,665	88.9	82.3
National Gender & Equality Commission	476,500,000	416,789,402	412,789,402	476,500,000	416,789,402	412,789,402	389,297,468	387,858,142	94.3	94.0
Independent Policing Oversight Authority	445,870,000	352,824,207	345,524,207	445,870,000	352,824,207	345,524,207	325,512,017	330,061,159	94.2	95.5
Total	990,487,332,665	1,052,321,041,966	1,065,572,090,495	878,312,250,030	940,145,939,331	945,647,787,860	890,692,346,615	961,910,754,195	94.2	90.3

ANNEX III: Sectoral Development Expenditure for FY 2017/18 (Kshs.)

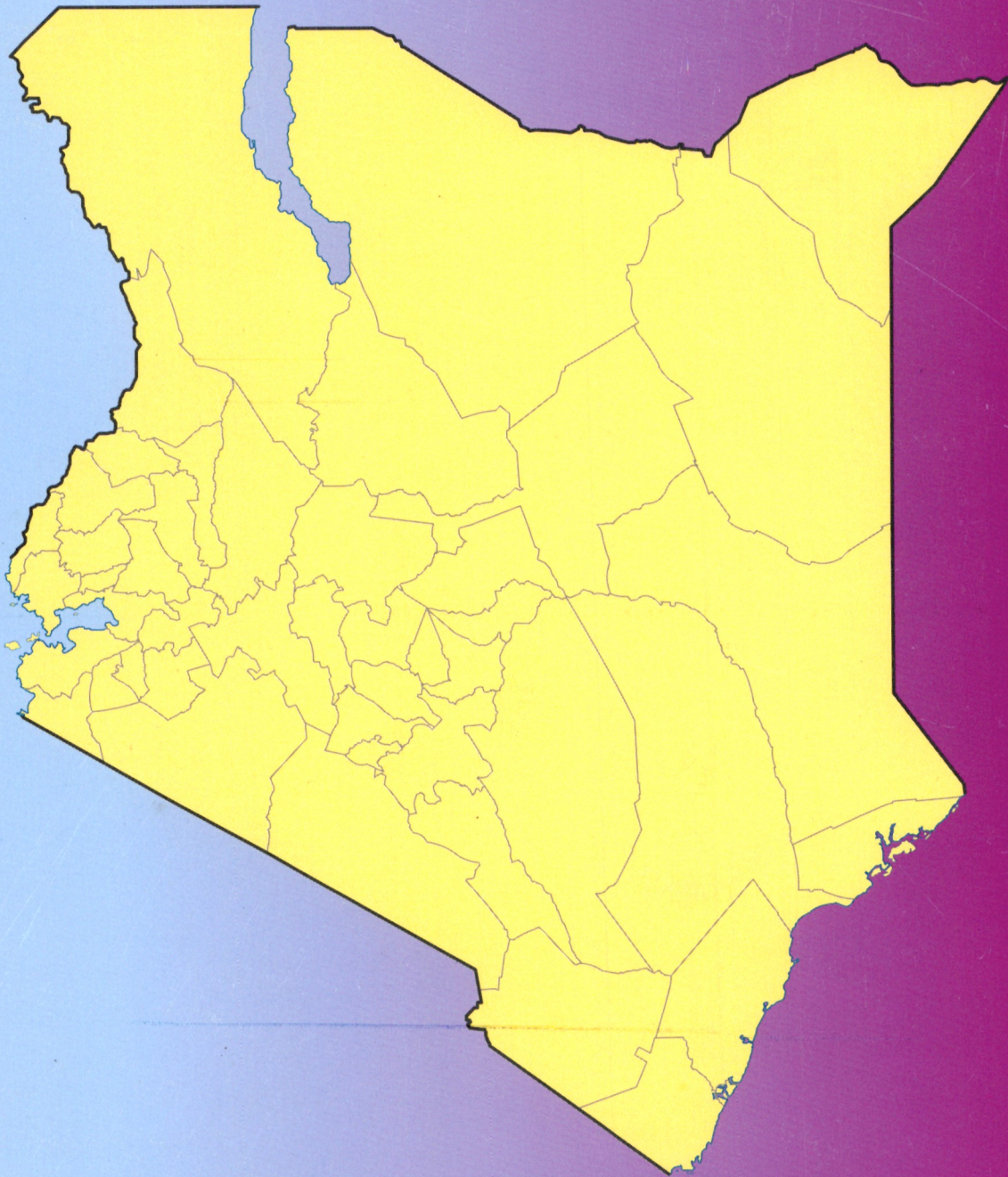
Sector	Gross Est.	Net Est.	Exch. Issues	Expenditure	% of Exch. to N. Est.	% Exp. to G. Est.
Agriculture, Rural and Urban Development	20,063,423,944	16,495,710,481	13,167,269,308	14,881,028,879	79.8	74.2
Energy, Infrastructure and ICT	325,359,814,845	131,402,523,622	119,877,773,337	224,898,686,196	91.2	69.1
General Economics and Commercial Affairs (GECA)	5,682,905,446	5,563,905,446	4,947,506,210	2,917,522,759	88.9	51.3
Health	36,781,925,264	22,834,996,499	15,687,561,371	19,763,223,525	68.7	53.7
Education	19,180,886,992	11,697,349,592	10,396,722,827	15,646,024,706	88.9	81.6
Governance, Justice, Law and Order (GJLOS)	19,819,784,825	18,361,899,365	17,749,072,017	16,768,886,103	96.7	84.6
Public Administration and International Relations	86,944,953,648	63,868,630,839	53,452,716,295	64,330,734,893	83.7	74.0
National Security	7,474,995,045	-	-	5,959,506,872	-	79.7
Social Protection, Culture and Recreation	24,410,071,052	22,171,993,042	18,349,706,905	22,298,193,329	82.8	91.3
Environment Protection, Water and Natural Resources	51,389,602,289	25,927,831,870	22,721,824,174	38,323,565,568	87.6	74.6
Total	597,108,363,350	318,324,840,756	276,350,152,444	425,787,372,830	86.8	71.3

ANNEX IV: Sectoral Recurrent Expenditure for FY 2017/18 (Kshs.)

Sector	Gross Est.	Net Est.	Exch. Issues	Expenditure	% of Exch. to N. Est.	% Exp. to G. Est.
Agriculture, Rural and Urban Development	28,459,479,371	28,422,452,121	27,701,565,948	27,448,235,689	97.5%	96.4%
Energy, Infrastructure and ICT	70,592,603,539	11,385,938,845	10,421,134,511	67,274,167,474	91.5%	95.3%
General Economics and Commercial Affairs (GECA)	9,816,315,671	8,638,455,671	8,085,828,422	8,275,456,863	93.6%	84.3%
Health	38,559,176,247	30,381,299,770	28,666,361,858	27,840,126,195	94.4%	72.2%
Education	401,027,318,262	360,513,618,262	358,163,200,072	373,240,169,263	99.3%	93.1%
Governance, Justice, Law and Order (GJLOS)	197,548,702,882	196,775,465,882	180,872,047,854	167,012,338,029	91.9%	84.5%
Public Administration and International Relations	127,618,070,922	126,550,377,947	109,870,407,518	108,957,171,492	86.8%	85.4%
National Security	138,789,384,819	138,789,384,819	126,068,262,298	138,667,463,387	90.8%	99.9%
Social Protection, Culture and Recreation	29,444,760,424	29,378,195,424	26,213,516,242	28,803,796,078	89.2%	97.8%
Environment Protection, Water and Natural Resources	23,716,278,358	14,812,599,119	14,630,021,892	14,391,829,726	98.8%	60.7%
Total	1,065,572,090,495	945,647,787,860	890,692,346,615	961,910,754,195	94.2%	90.3%

ANNEX V: Total Sectoral Expenditure for FY 2017/18 (Kshs.)

Sector	Gross Estimates	Net Estimates	Exch. Issues	Expenditure	% of Exch. to N. Est.	% Exp. to G. Est.
Agriculture, Rural and Urban Development	48,522,903,315	44,918,162,602	40,868,835,256	42,312,724,826	91.0%	87.2%
Energy, Infrastructure and ICT	395,952,418,384	142,788,462,467	130,298,907,848	292,172,853,670	91.3%	73.8%
General Economics and Commercial Affairs (GECA)	15,499,221,117	14,202,361,117	13,033,334,632	11,192,979,622	91.8%	72.2%
Health	75,341,101,511	53,216,296,269	44,353,923,229	47,603,349,720	83.3%	63.2%
Education	420,208,205,254	372,210,967,854	368,559,922,899	388,886,193,969	99.0%	92.5%
Governance, Justice, Law and Order (G.JLOS)	217,368,487,707	215,137,365,247	198,621,119,871	183,781,224,132	92.3%	84.5%
Public Administration and International Relations	214,563,024,570	190,419,008,786	163,323,123,813	173,287,906,385	85.8%	80.8%
National Security	146,264,379,864	138,789,384,819	126,068,262,298	144,626,970,259	90.8%	98.9%
Social Protection, Culture and Recreation	53,854,831,476	51,550,188,466	44,563,223,147	51,101,989,407	86.4%	94.9%
Environment Protection, Water and Natural Resources	75,105,880,647	40,740,430,989	37,351,846,066	52,715,395,294	91.7%	70.2%
MDAs Total	1,662,680,453,845	1,263,972,628,616	1,167,042,499,059	1,387,681,587,283	92.3%	83.5%



Bima House, 12th Floor, Harambee Avenue
P.O. Box 35616-00100 Nairobi, Kenya
Tel: +254 (0) 20 318939, 2211056
Fax: +254 (0) 20 2211920
Email: cob@cob.go.ke Website: www.cob.go.ke

