



THE REPUBLIC OF KENYA

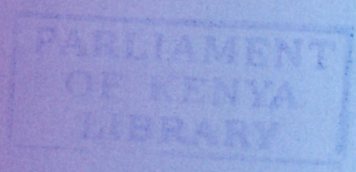
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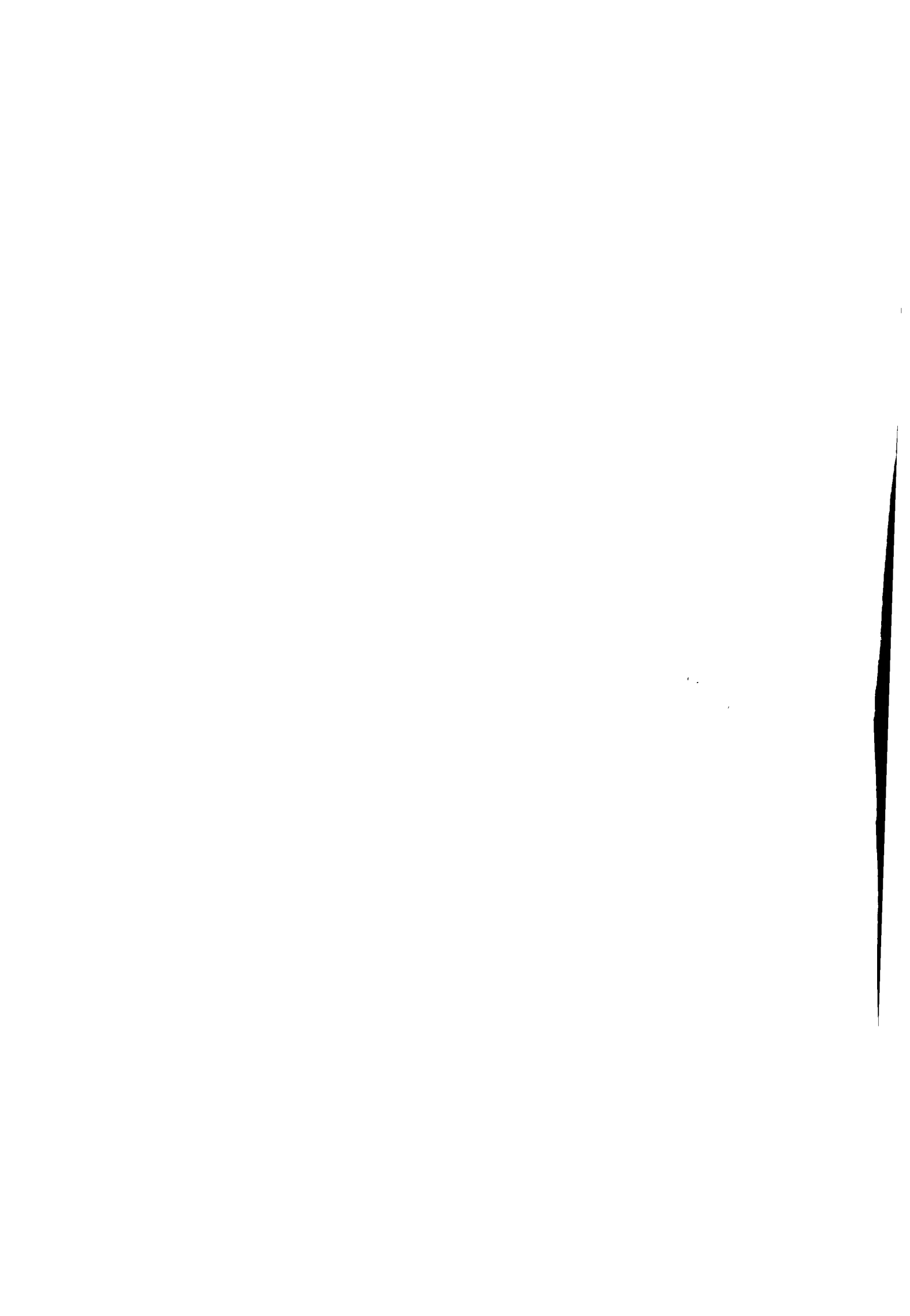
NATIONAL GOVERNMENT

BUDGET IMPLEMENTATION REVIEW REPORT

HALF YEAR
FY 2017/18

MARCH, 2018







THE REPUBLIC OF KENYA

OFFICE OF THE CONTROLLER OF BUDGET

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BUDGET IMPLEMENTATION REVIEW REPORT



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FOREWORD

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

The report provides information on the progress made by National Government Ministries, Departments and Agencies (MDAs) on budget implementation at a time when the country was experiencing a prolonged electioneering period. It presents revenue and expenditure performance during the reporting period and compares performance with a similar period of FY 2016/17. The report is based on data from the approved budget, financial reports received from the MDAs in line with Section 83(4) of the Public Finance Management Act, 2012, and expenditure reports from the Integrated Financial Management Information System (IFMIS). The report identifies the key challenges that faced budget implementation in the first half of FY 2017/18 and proposes appropriate recommendations to address the challenges in order to enhance budget execution.

The report is crucial in providing regular information on budget implementation to legislators, policy makers, the public, development partners, and other stakeholders. It provides information that is useful in decision making on key issues that affect budget implementation.

In line with its mandate, the Office will continue to provide regular information on budget implementation through quarterly Budget Implementation Review Reports. These reports are widely publicised. I encourage readers of this report to not only hold the players in budget implementation to account, but also provide the Office with feedback on this report. It is my hope that the information contained in this report will be used to improve budget implementation in the country.



Mrs. Agnes Odhiambo, CBS
CONTROLLER OF BUDGET

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LIST OF ABBREVIATIONS AND ACRONYMS

AIA	Appropriations-In-Aid
AMISOM	Africa Union Mission in Somali
AR & UD	Agricultural Rural and Urban Development
ASAL	Arid and Semi-arid Lands
BIRR	Budget Implementation Review Report
BPS	Budget Policy Statement
Bn	Billion
CFS	Consolidated Fund Services
COB	Controller of Budget
CRA	Commission on Revenue Allocation
Dev	Development
EACC	Ethics and Anti-Corruption Commission
EI & ICT	Energy Infrastructure and Information Communication Technology
Est	Estimates
EWNR	Environment Protection, Water and Natural Resources
Exch	Exchequer
Exp	Expenditure
FY	Financial Year
GECA	General Economic and Commercial Affairs
GJLOS	Governance, Justice, Law and Order Sector
ICT	Information Communication Technology
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
NT	National Treasury
O&M	Operations and Maintenance
OCOB	Office of the Controller of Budget
PAIR	Public Administration and International Relations
PE	Personnel Emoluments
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 half year National Government Budget Implementation Review Report for FY 2017/18 and covers the period from July to December 2017. The report is prepared in line with Article 228 of the Constitution of Kenya 2010 and Section 9 of the Controller of Budget Act, 2016, which requires the Controller of Budget to submit to Parliament quarterly budget implementation reports for the National and County Governments every four months.

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

In the first half of FY 2017/18, total receipts into the Consolidated Fund amounted to Kshs.880.4 billion representing **37.7 per cent** of the revised estimates compared to Kshs.877.7 billion received in a similar period of FY 2016/17. Total exchequer issues to MDAs and County Governments amounted to Kshs.835.5 billion, representing **35.8 per cent** of the revised net estimates. The exchequer issues comprised of Kshs.413 billion for MDAs' recurrent expenditure, Kshs.243.5 billion towards Consolidated Fund Services (CFS), Kshs.94.2 billion for development expenditure and Kshs.84.7 billion to the County Governments.

Gross expenditure for MDAs and CFS amounted to **Kshs.915.2 billion**, representing **38.2 per cent** of the revised gross estimates, a slight increase compared to Kshs.836.8 billion recorded in the first half of FY 2016/17. This expenditure comprised of **Kshs.729.9 billion** on recurrent activities and **Kshs.185.3 billion** on development programs. The recurrent expenditure consisted of **Kshs.485.2 billion** incurred by the MDAs, representing 46.1 per cent of the revised gross recurrent estimates and a 39.5 per cent growth from Ksh.347.9 billion (40.6 per cent) recorded in a similar period of FY 2016/17 and **Kshs.244.7 billion** on CFS. The CFS expenditure was 33.3 per cent of the revised gross estimates, a decline compared to 42.5 per cent recorded in a similar period of FY 2016/17.

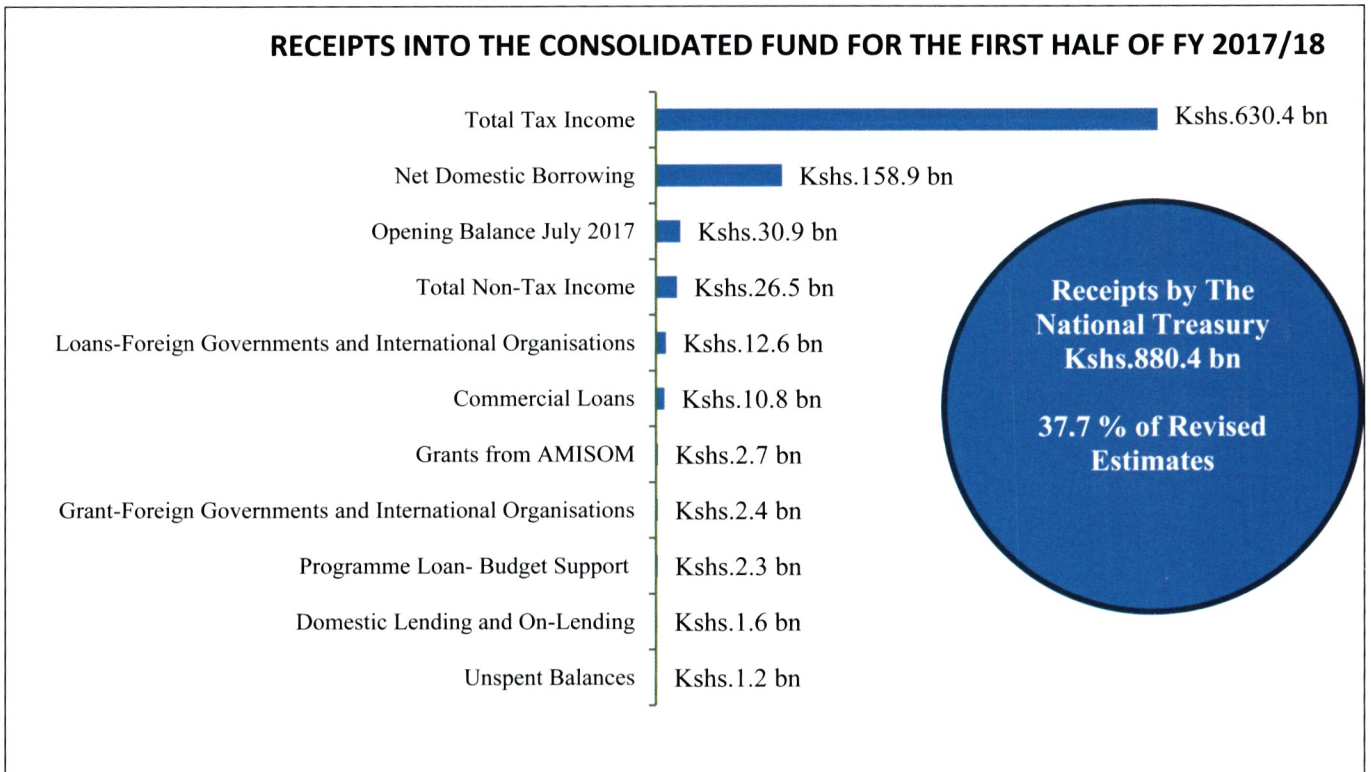
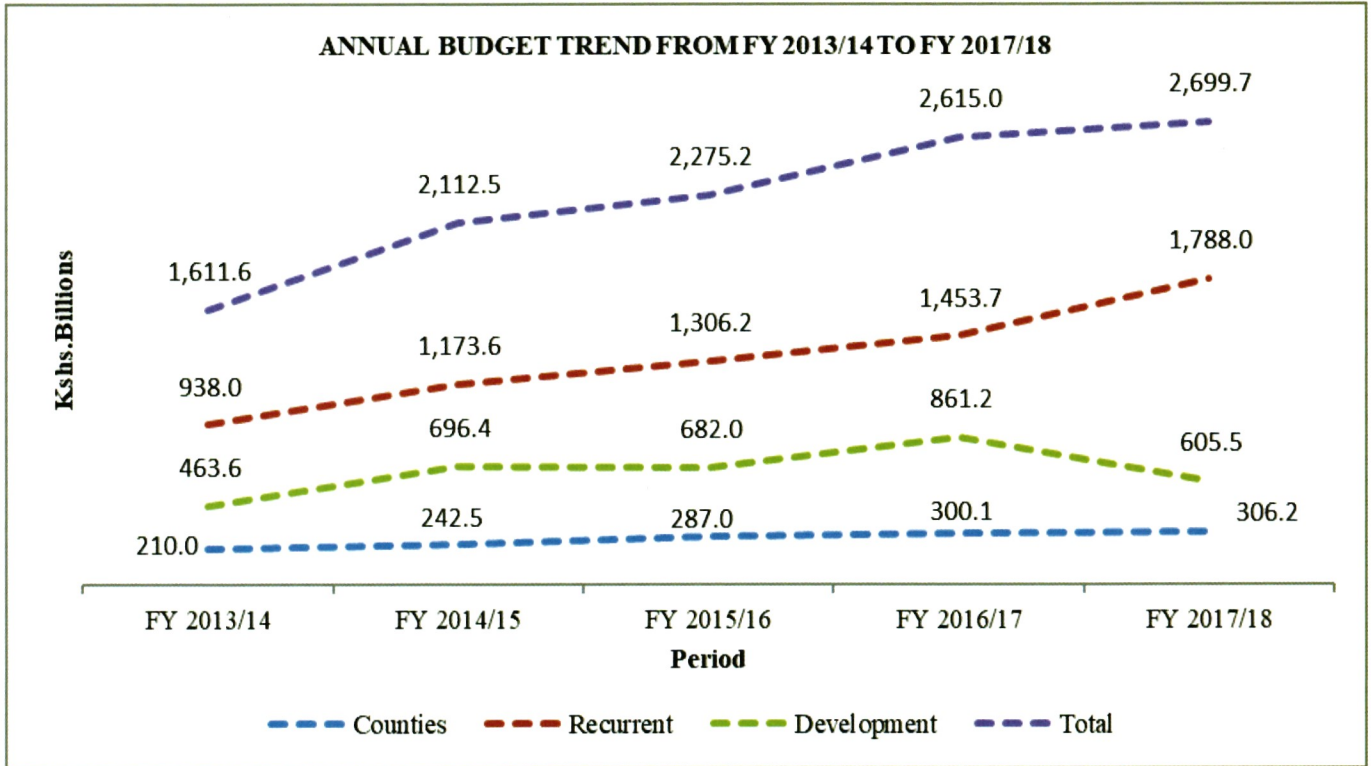
Analysis of the MDA's recurrent expenditure by major economic item indicates that, most expenditure related to; Personnel emoluments, Travelling, Rentals and Rates for Non-Residential, Current transfers to Semi-Autonomous Government Agencies (SAGAs) and Hospitality. Personnel Emoluments (PE) incurred the highest expenditure at Kshs.181.4 billion, representing 37.4 per cent of the total recurrent expenditure. The Teachers Service Commission (TSC) reported the highest expenditure on Personnel Emoluments (PE) at Kshs.106.5 billion, which translated to 58.7 per cent of the total PE expenditure by the MDAs. The second highest spending economic item was current transfers to SAGAs at Kshs.181 billion, representing 37.3 per cent of the total recurrent expenditure. Rentals and rates for non-residential buildings recorded the third highest expenditure at Kshs.7 billion, representing 1.5 per cent of the total recurrent expenditure by MDAs.

The gross development expenditure amounted to **Kshs.185.3 billion**, representing an absorption rate of **30.6 per cent**, a decline compared to 32.3 per cent (Kshs.264.7 billion) attained in a similar period FY 2016/17. The major expenditure items included; Capital transfers to SAGAs, Construction

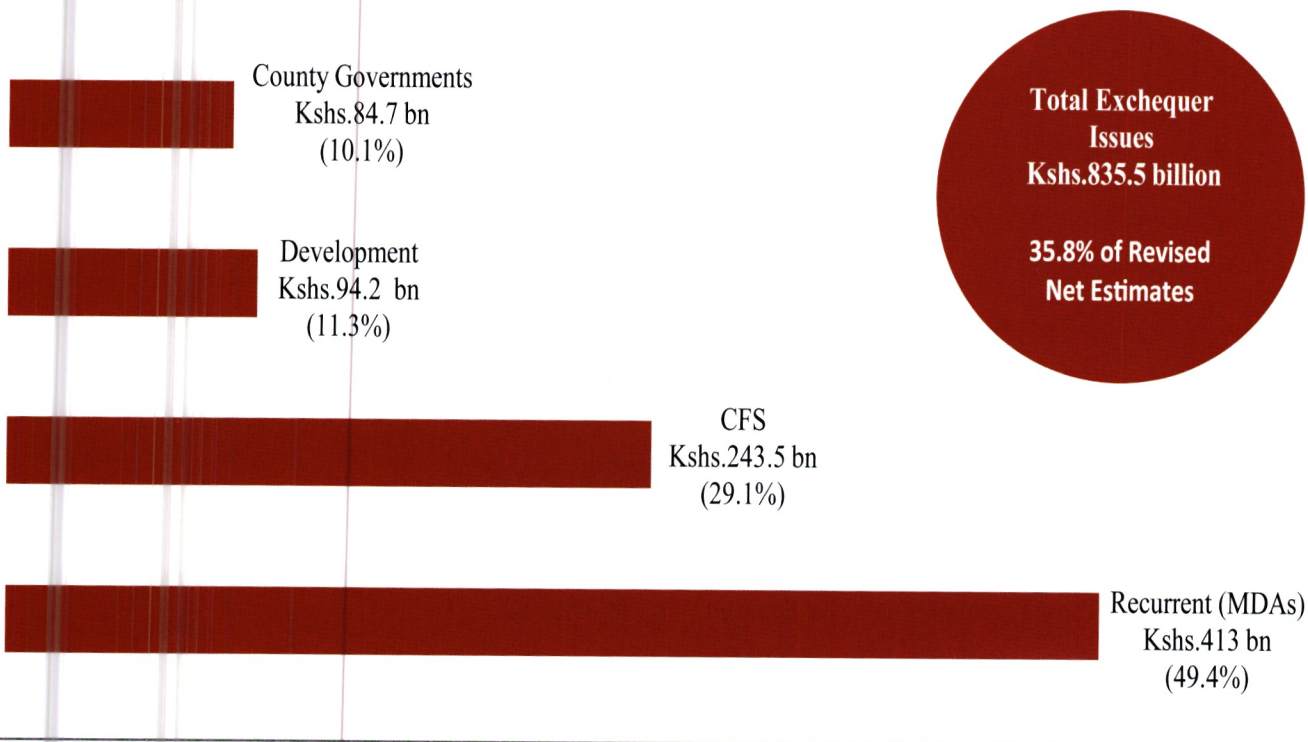
of buildings, Refurbishment of buildings/infrastructure, Construction and civil works. The highest expenditure category was Capital transfers to SAGAs at Kshs.108.7 billion, followed by refurbishment of buildings/infrastructure at Kshs.30.1 billion, representing 58.7 per cent and 16.3 per cent of the gross development expenditure respectively.

During the first half of FY 2017/18, budget implementation was faced by a number of challenges. These include; low absorption of development funds, failure to align budgetary reallocations with actual expenditure thereby leading to higher expenditure than budgeted amounts for some items, and delays in submission of quarterly financial reports by MDAs to the Controller of Budget. These challenges should be addressed in order to enhance budget implementation in the future.

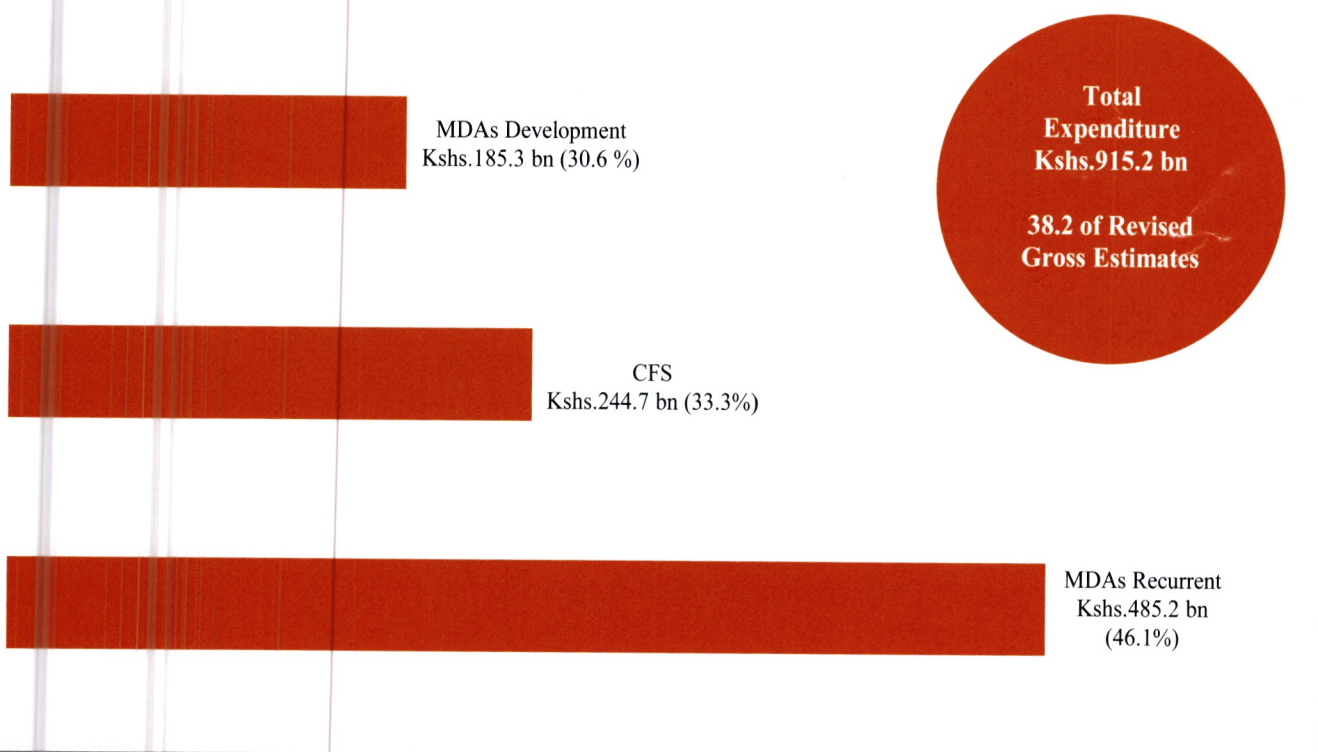
KEY HIGHLIGHTS

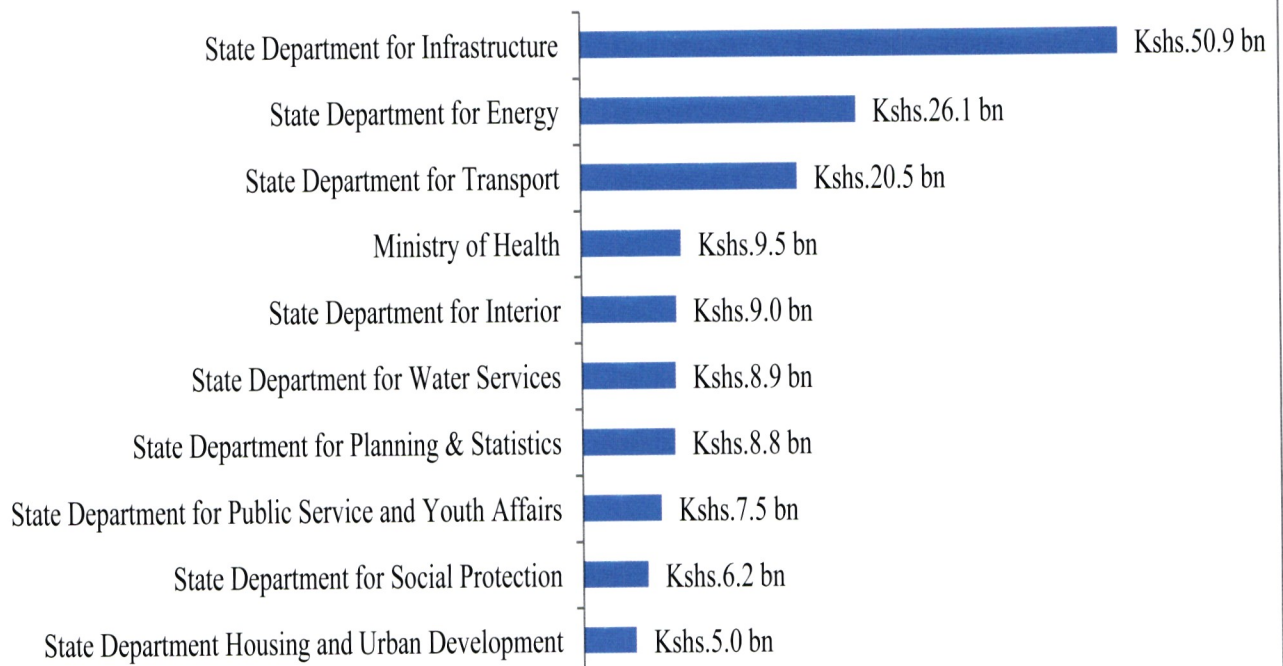
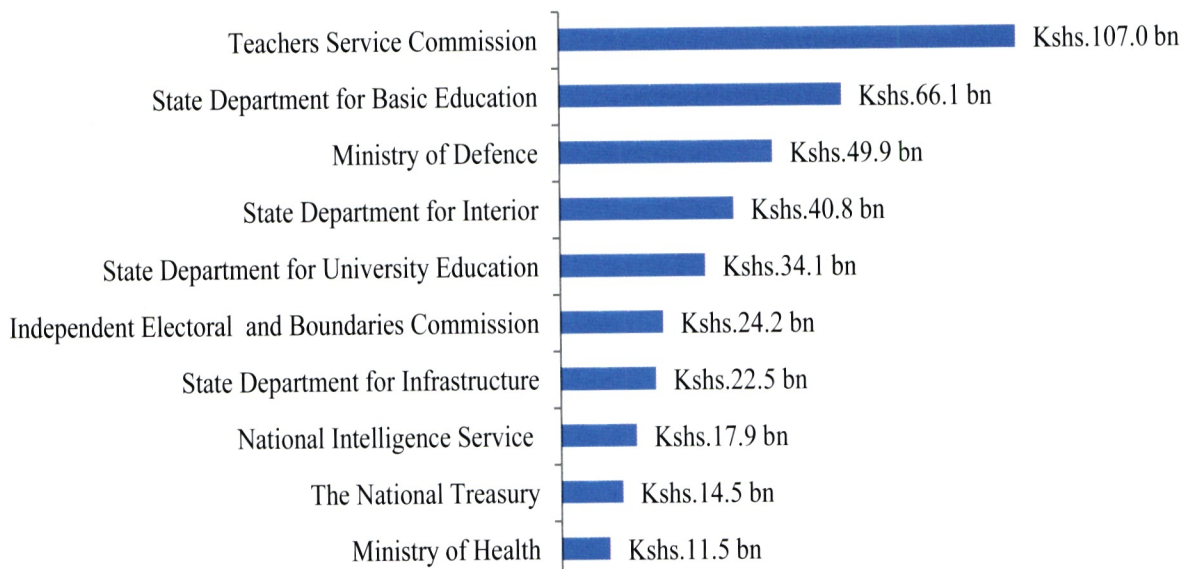


EXCHEQUER ISSUES IN THE FIRST HALF OF FY 2017/18

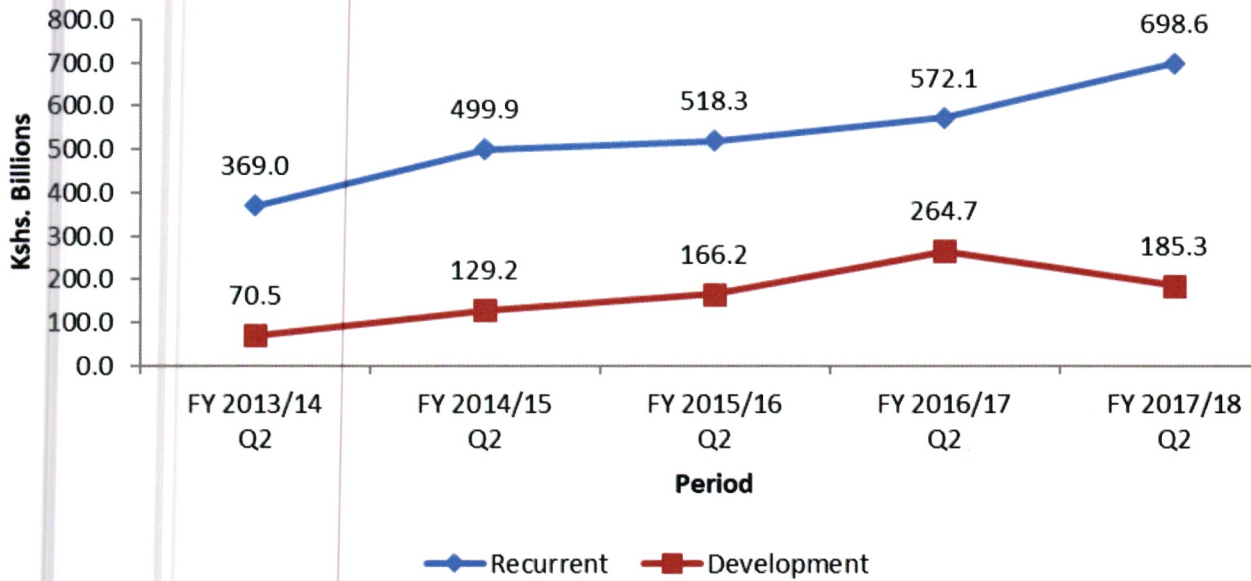


NATIONAL GOVERNMENT TOTAL EXPENDITURE IN THE FIRST HALF OF FY 2017/18

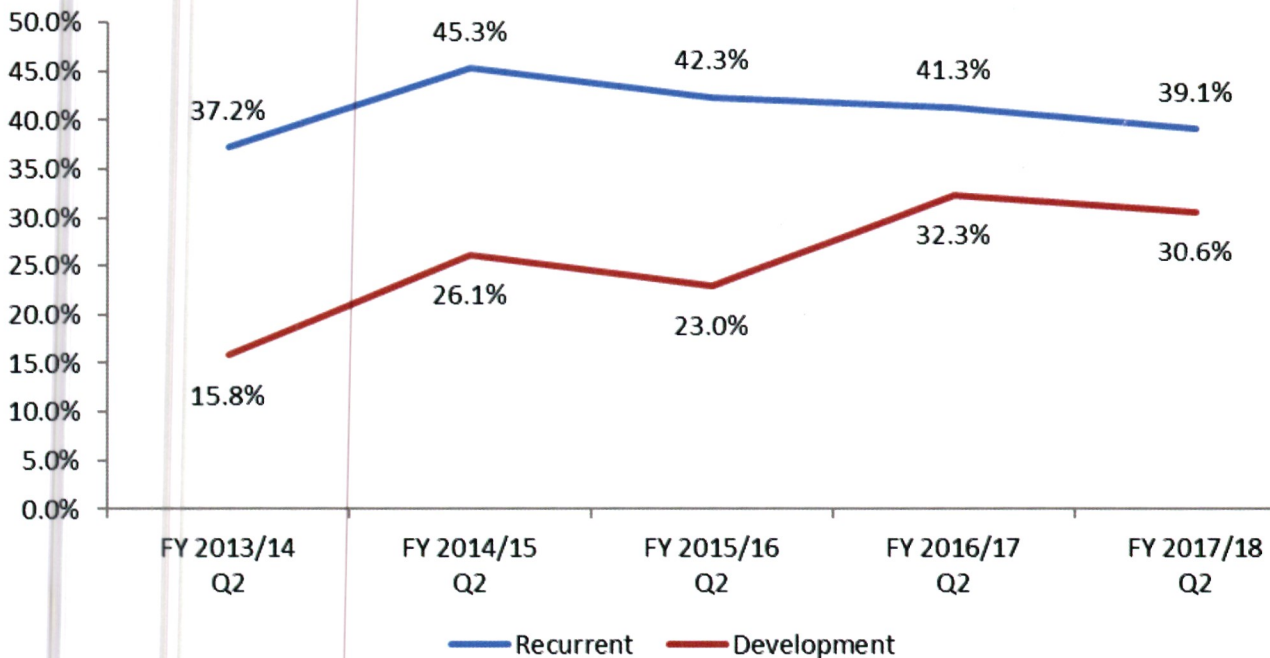


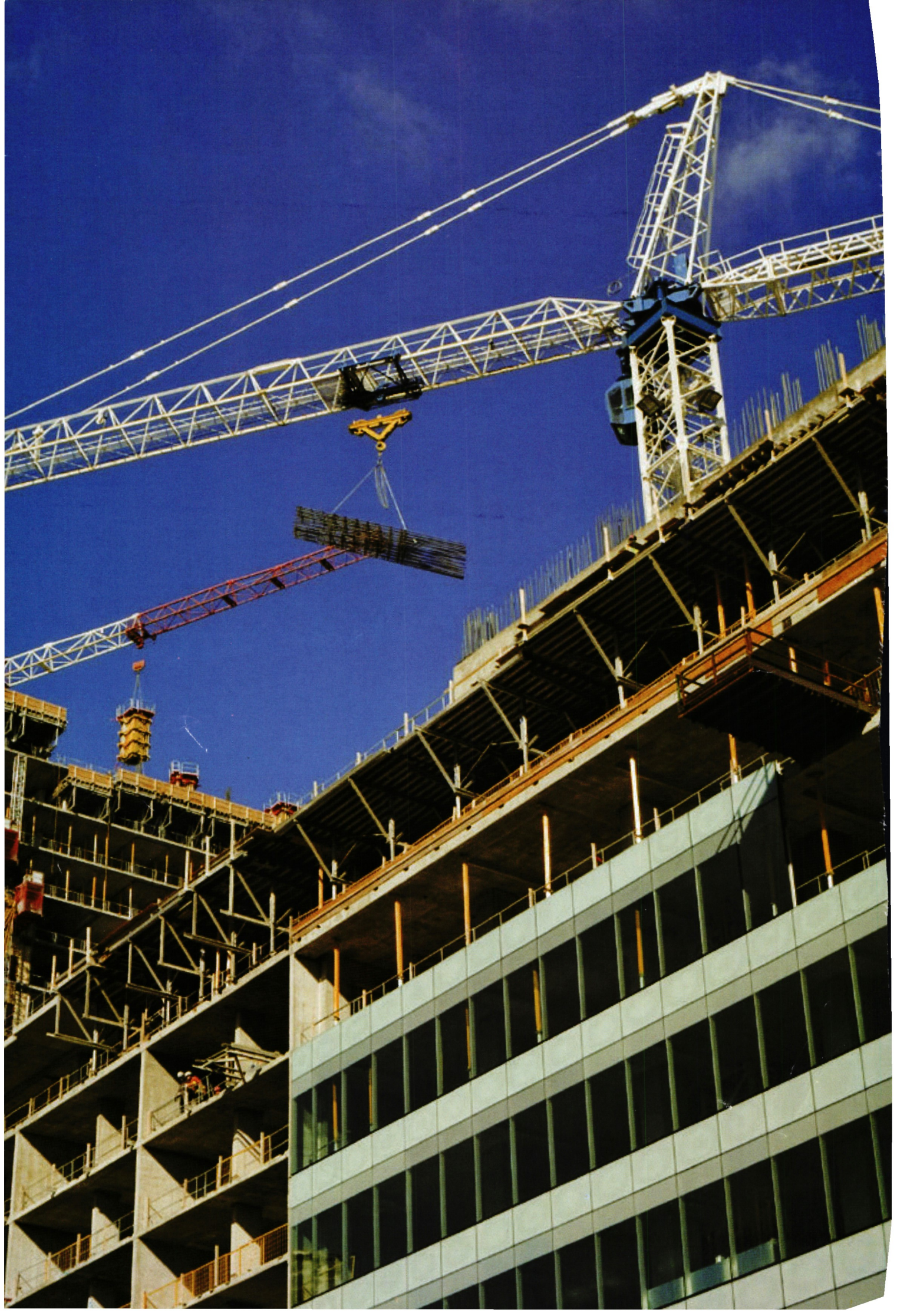
TOP 10 SPENDING MDAs- DEVELOPMENT EXPENDITURE IN THE FIRST HALF OF FY 2017/18**TOP 10 SPENDING MDAS - RECURRENT EXPENDITURE IN THE FIRST HALF OF FY 2017/18**

HALF YEAR TREND IN DEVELOPMENT AND RECURRENT EXPENDITURE FOR FY 2013/14 TO FY 2017/18 IN KSHS. BILLION



HALF YEAR TREND IN DEVELOPMENT AND RECURRENT EXPENDITURE ABSORPTION RATE FY 2013/14 TO FY 2017/18





1 INTRODUCTION

This National Government Budget Implementation Review Report for the first half of FY 2017/18 has been prepared in compliance with Article 228 (6) of the Constitution of Kenya, 2010 and the Controller of Budget Act, 2016, which require the Controller of Budget to submit to each House of Parliament a report on the implementation of the budgets of the National and County governments every four months.

The report presents an analysis of budget performance by the National Government, which includes receipts into the Consolidated Fund, Exchequer issues, budgetary allocations and expenditure by the MDAs in the reporting period. Budget performance is also compared to that of a similar period in FY 2016/17 in order to gain understanding of progress made in budget implementation to enable policy makers make informed decisions. The report also identifies the key challenges which hindered effective budget execution by the MDAs and makes recommendations aimed at improving budget implementation.

The report is divided into seven chapters. Chapter 2 presents information on budget financing and release of funds to MDAs, Consolidated Fund Services, and County Governments. The Exchequer issues to MDAs are disaggregated into recurrent and development expenditure issues and are further categorised by Sector. Chapter 3 provides analysis of expenditure for both recurrent and development activities. The Consolidated Fund Services (CFS), which captures public debt, salaries and allowances to Constitutional Office holders, and payments for pensions and gratuities is captured under recurrent expenditure.

Chapter 4 provides analysis of budget performance by Sector for both development and recurrent expenditure. It contains information on budgetary allocation, exchequer issues, and expenditure by the MDAs under each of the ten sectors. The ten Sectors are; 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. Chapter 5 provides highlights on programme performance by the MDAs. It provides information on allocation of funds, and expenditure incurred under each recurrent or development program.

Chapter six identifies the key challenges that affected smooth budget implementation and also provides recommendations on how to address the challenges. The conclusion is provided in Chapter 7.

2 ANALYSIS OF RECEIPTS AND EXCHEQUER ISSUES

2.1 Introduction

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

2.2 Analysis of Revenue Estimates and Receipts into the Consolidated Fund

This section presents an overview of the revenue estimates and actual receipts into the Consolidated Fund for the period under review.

2.2.1 FY 2017/18 Revenue Estimates

The initial projected revenue to fund government expenditure in FY 2017/18 was Kshs.2.27 trillion. This amount was revised to Kshs.2.33 trillion in the FY 2017/18 Supplementary Budget, a slight increase compared to Kshs.2.1 trillion projected in FY 2016/17.

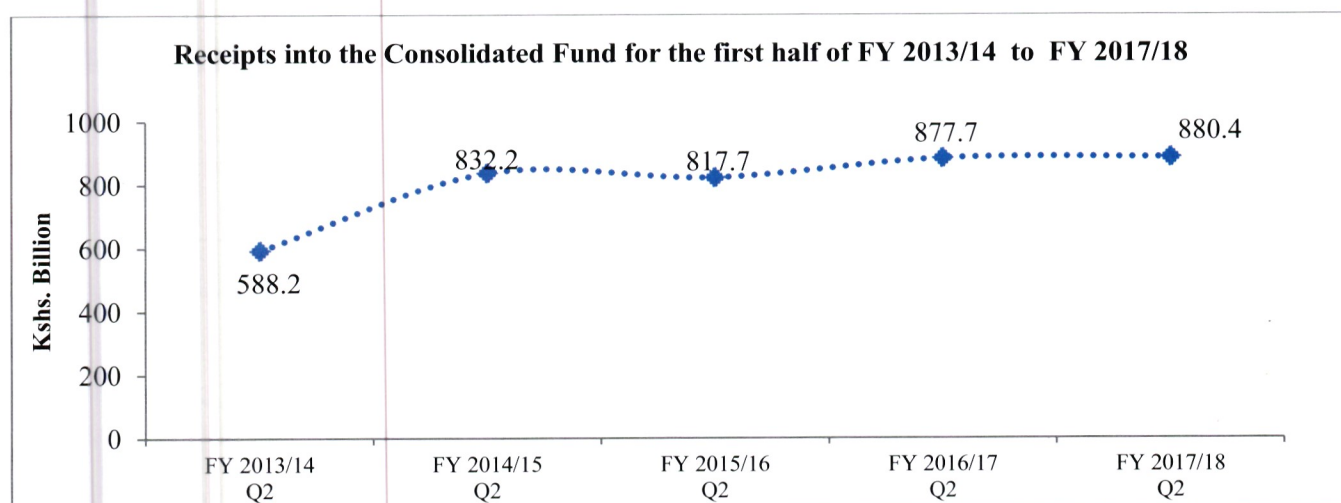
The National Treasury (NT) projects to raise funds through; ordinary revenue, grants, and loans from both internal and external sources. Specific sources of revenue are as follows; Tax income (Kshs.1.4 trillion), Non-tax income (Kshs.50.4 billion), Net Domestic borrowing (Kshs.531.4 billion), Commercial Loan (Kshs.250 billion), Loans from Foreign Governments and International Organisation (Kshs.32.8 billion). Other sources of exchequer revenue include; Grants from Foreign Governments and International Organisations (Kshs.12.5 billion), Grants from AMISOM (Kshs.6.1 billion), Programme Loan- Budget Support (Kshs.6.0 billion) and Domestic Lending and on-Lending (Kshs.3.8 billion).

2.2.2 Receipts into the Consolidated Fund

In the first half of FY 2017/18 total receipts into the Consolidated Fund amounted to Kshs.880.4 billion representing 37.7 per cent of the annual target and a marginal growth (0.3 per cent) from Kshs.877.7 billion received in a similar period FY 2016/17.

Figure 1 shows the half year trend of receipts into the Consolidated Fund from FY 2013/14 to FY 2017/18.

Figure 1: Half Year Trend of Receipts into the Consolidated Fund for FY 2013/14 to FY 2017/18 (Kshs. Billions)



Source: National Treasury

Table 2.1 shows a summary of receipts into the Consolidated Fund for the first half of FY 2017/18.

Table 2.1: Statement of Receipts into the Consolidated Fund for the Period from July to December FY 2017 (Kshs. Billions)

Receipts Category	Revised Estimates FY 2017/18	Actual Receipts Dec. 2017	Performance Against Annual Target (%)	Contribution by Category (%)	Actual Receipts Dec. 2017	Increase/ (Decrease) in receipts over Dec. 2016	Percentage change (%)
Total Tax Income	1,440.0	630.4	43.8	71.6	591.2	39.2	6.6
Total Non-Tax Income	50.4	26.5	52.6	3.0	31.3	(4.8)	(15.3)
Net Domestic Borrowing	531.4	158.9	29.9	18.0	156.6	2.3	1.5
Opening Balance 01.07.2017	-	30.9	-	3.5	59.8	(28.9)	(48.3)
Loans-Foreign Governments and International Organisations	32.8	12.6	38.4	1.4	12.7	(0.1)	(0.8)
Programme Loan- Budget Support	6.0	2.3	38.3	0.3	3.7	(1.4)	(37.8)
Domestic Lending and On-Lending	3.8	1.6	42.1	0.2	0.2	1.4	>100
Grant-Foreign Governments and International Organisations	12.5	2.4	19.2	0.3	4.0	(1.6)	(40)
Grants from AMISOM	6.1	2.7	44.3	0.3	1.5	1.2	80
Commercial Loans	250.0	10.8	4.3	1.2	10.1	0.7	6.9
Unspent Balances	-	1.2	-	0.1	6.6	(5.4)	(81.8)
Total Receipts	2,333.0	880.4	37.7	100	877.7	2.7	0.3

Source: National Treasury

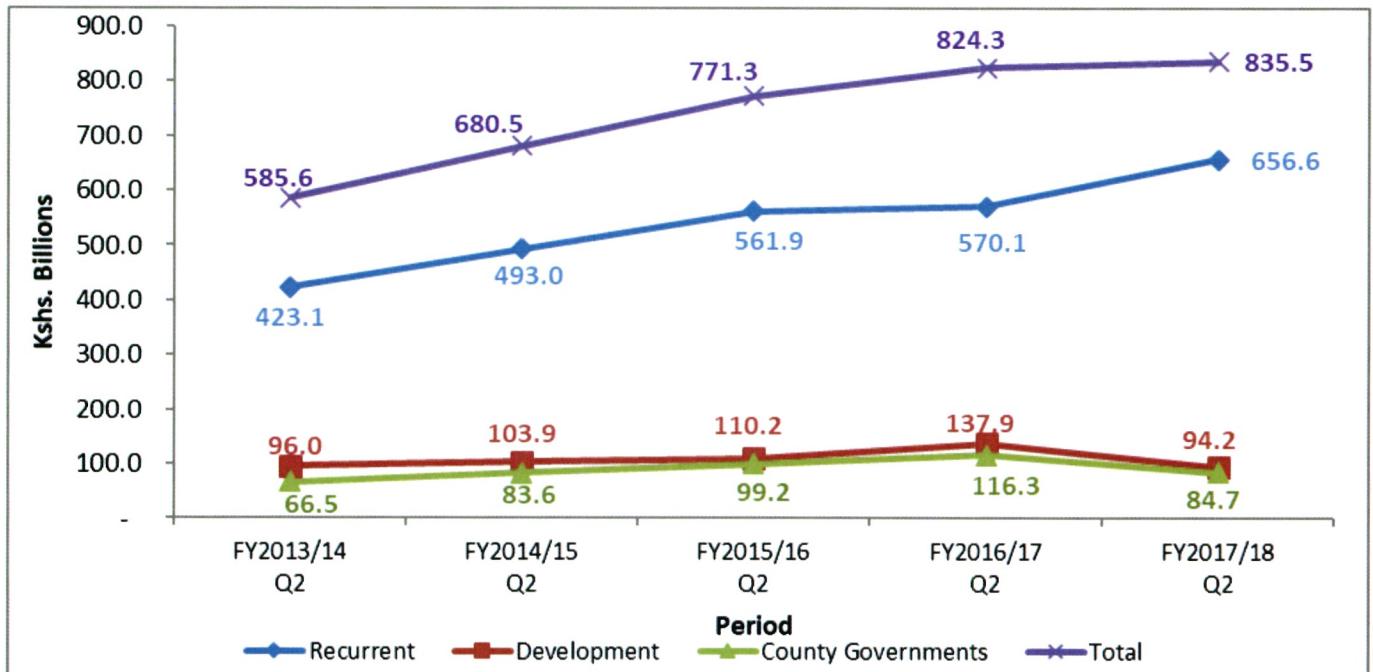
2.3 FY 2017/18 Overall Budget

The overall budget for FY 2017/18 is Kshs.2.7 trillion, comprising of Kshs.1.1 trillion for MDAs' recurrent expenditure, Kshs.605.5 billion for MDAs' development expenditure, Kshs.735.7 billion for CFS expenditure and Kshs.306.2 billion for financing of County Governments.

2.4 Exchequer Issues to the MDAs and County Governments in FY 2017/18

During the reporting period, total exchequer issues amounted to Kshs.835.5 billion representing 35.8 per cent of the revised net estimates. This was a slight decline compared to 40.8 per cent in a similar period of FY 2016/17. Figure 2.1 shows the trend in exchequer issues from the Consolidated Fund in the first half of the year from FY 2013/14 to FY 2017/18.

Figure 2.2: Trend in Exchequer Issues from the Consolidated Fund for the first half of the year from FY 2013/14 to FY 2017/18 (Kshs. Billions)



Source: National Treasury & OCOB

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

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

Vote	Half Year, FY 2017/18					Half Year, FY 2016/17				
	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	% of Exch. Issues to net Estimates	% of Exchequer issues to total Issues	Gross Estimates	Net Estimates	Exchequer Issues	% of Exch. Issues to net Estimates	% of Exchequer issues to total Issues
Recurrent	1,788.0	1,675.8	656.6	39.2	78.6	1,384.8	1,318.1	570.1	43.3	69.2
:MDAs	1,052.3	940.1	413.0	43.9	49.4	857.5	790.8	345.2	43.6	41.9
:CFS	735.7	735.7	243.5	33.1	29.1	527.3	527.3	224.9	42.7	27.3
Development (MDAs)	605.5	351.0	94.2	26.8	11.3	820.2	416.4	137.9	33.1	16.7
County Governments	306.2	306.2	84.7	27.7	10.1	300.1	284.7	116.3	40.9	14.1
Total	2,699.7	2,333.1	835.5	35.8	100.0	2,505.1	2,019.2	824.3	40.8	100.0

Source: National Treasury & OCOB

Table 2.2 above shows that, the MDAs' recurrent vote received the highest proportion of exchequer issues to net estimates at 43.9 per cent while the development vote received the lowest proportion at 26.8 per cent. When compared to total exchequer issues, the recurrent votes received the highest proportion at 78.6 per cent while County Governments had the lowest proportion at 10.1 per cent.

Table 2.3 shows a summary of exchequer issues by sector for the period from July to December 2017.

Table 2.3: Annual Estimates and Exchequer Issues by Sector for the Period from July to December, 2017 (Kshs. Billions)

Sector	Half Year, FY 2017/18				Half Year, FY 2016/17			
	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	% of Exch. To Rev. Net Estimates	Gross Estimates	Net Estimates	Exchequer Issues	% of Exchequer To Net Estimates
Agriculture, Rural & Urban Development	49.2	46.6	15.2	32.6	46.5	35.5	12.4	34.9
Education	397.0	352.1	165.9	47.1	339.9	314.4	136.0	43.3
Energy, Infrastructure and Information Communications Technology (EI & ICT)	398.3	154.0	45.6	29.6	529.2	185	54.9	29.6
Environmental Protection, Water and Natural Resources	73.1	38.7	14.6	37.9	89.0	40.8	17.1	41.9
General Economic & Commercial Affairs (GECA)	13.3	12.2	4.5	37.1	23.7	22.2	8.6	38.8
Governance, Justice, Law and Order (GJLOS)	216.0	213.8	105.4	49.3	195.5	193.6	85.8	44.3
Health	60.9	45.6	21.7	47.5	60.3	45.8	20.1	43.9
Public Administration and International Relations (PAIR)	259.0	239.0	54.0	22.6	224.9	203.7	81.4	40.0

Sector	Half Year, FY 2017/18				Half Year, FY 2016/17			
	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	% of Exch. To Rev. Net Estimates	Gross Estimates	Net Estimates	Exchequer Issues	% of Exchequer To Net Estimates
Social Protection, Culture and Recreation	55.9	54.2	16.2	29.9	124.0	124.0	49.0	39.5
National Security	135.1	135.0	64.1	47.5	44.6	42.1	17.7	42.0
Consolidated Fund Services (CFS)	735.7	735.7	243.5	33.1	527.3	527.3	224.9	42.7
County Governments	306.2	306.2	84.7	27.7	300.1	284.7	116.3	40.9
Grand Total	2,699.7	2,333.1	835.5	35.8	2,505.1	2,019.3	824.3	40.8

Source: National Treasury & OCOB

Analysis of exchequer issues by Sector indicates that, Governance, Justice, Law and Order (GJLOS) received the highest proportion of exchequer issues to net estimates at 49.3 per cent, while the Public Administration and International Relations (PAIR) Sector received the lowest proportion at 22.6 per cent.

2.4.1 Recurrent Exchequer Issues by Sector

In FY 2017/18, the initial net estimate allocated to MDAs for recurrent expenditure was Kshs.878.3 billion. This amount was revised to Kshs.940.1 billion in the Supplementary Budget I.

During the reporting period, the recurrent Exchequer issues to MDAs amounted to Kshs.413 billion, representing 43.9 per cent of the revised recurrent net estimates. This was a slight increase compared to 43.6 per cent (Kshs.345.2 billion) recorded in the same period of FY 2016/17.

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

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

Sector	Half Year FY 2017/18				Half Year FY 2016/17			
	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	% of Exch. To revised Net Estimates	Gross Estimates	Net Estimates	Exchequer Issues	% of Exchequer To Net Estimates
Agriculture, Rural & Urban Development (ARUD)	26.5	26.4	11.1	41.9	15.8	15.7	6.9	44.2
Education	378.5	337.9	161.4	47.8	315.7	297.4	130.4	43.8
Energy, Infrastructure and Information Communications Technology (EI & ICT)	66.3	10.5	5.2	49.0	41.9	9.9	4.2	42.3
Environmental Protection, Water and Natural Resources	22.2	13.3	5.6	41.7	19.6	9.9	4.9	49.5
General Economic and Commercial Affairs (GECA)	9.2	8.2	3.2	38.8	12.6	11.6	5.2	44.6

Sector	Half Year FY 2017/18				Half Year FY 2016/17			
	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	% of Exch. To revised Net Estimates	Gross Estimates	Net Estimates	Exchequer Issues	% of Exchequer To Net Estimates
Health	30.9	26.9	12.9	47.9	29.0	25.0	11.2	44.8
Social Protection, Culture and Recreation	29.4	29.3	8.0	27.3	124.0	124.0	49.0	39.5
National Security	135.0	135.0	64.1	47.5	18.2	18.1	8.6	47.5
Total	1,052.3	940.1	413.0	43.9	857.5	790.8	345.2	43.6

Source: National Treasury & OCOB

Analysis of recurrent Exchequer issues by Sector indicates that the Governance, Justice, Law and Order (GJLOS) sector received the highest percentage of exchequer issues to net estimates at 52.2 per cent. The Public Administration and International Relations (PAIR) Sector had the lowest at 26.1 per cent, a decline compared to 51.2 per cent recorded in a similar period of FY 2016/17.

2.4.2 Exchequer Issues towards Consolidated Fund Services (CFS) for the Period from July and December 2017

In FY 2017/18, the initial allocation towards CFS was Kshs.699.2 billion. This allocation was later revised to Kshs.735.6 billion in Supplementary Budget 1, representing 27 per cent of the overall national budget.

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

Table 2.5: Budget Allocation and Exchequer Issues towards CFS for the First Half of FY 2017/18 (Kshs. Millions)

Consolidated Fund Services (CFS)	Half Year FY 2017/18			Half Year FY 2016/17		
	Revised Net Estimates	Exchequer Issues	% to Rev. Net Estimates	Net Estimates	Exchequer Issues	% to Net Estimates
Public Debt	658,226.5	215,631.3	32.8	466,514.0	194,704.7	41.7
Pensions and Gratuities	71,895.1	25,930.7	36.1	55,691.1	28,533.6	51.2
Salaries, Allowances & Miscellaneous	5,564.9	1,977.7	35.5	5,101.2	1,711.0	33.5
Subscriptions to International Organizations	0.5	-	-	0.5	-	-
Total	735,687.0	243,539.7	33.1	527,306.8	224,949.3	42.7

Source: National Treasury and OCOB

In the first half of FY 2017/18, total exchequer issues towards CFS amounted to Kshs.243.5 billion. This amount was 33.1 per cent of the revised net estimates and a decline from 42.7 per cent reported in similar period of FY 2016/17. Pensions and Gratuities received the highest proportion of exchequer issues to revised net estimates at 36.1 per cent while Public Debt received the lowest at 32.8 per cent.

1.1.1 Development Exchequer Issues by Sector

In the FY 2017/18, the initial net allocation towards development expenditure was Kshs.388 billion. This allocation was subsequently revised downward to Kshs.351 billion in Supplementary Budget 1.

The total exchequer issues towards development activities in the period under review amounted to Kshs.94.2 billion. This amount represented 26.8 per cent of the revised development net estimates, a decline from 28.4 per cent recorded in a similar period, FY 2016/17. Table 2.6 below, shows presents the development estimates and exchequer issues by Sector for the first half of FY 2017/18.

Table 2.6: Annual Development Estimates and Exchequer Issues by Sector for the Period from July to December 2017 (Kshs. Billions).

Name of the Sector	Half Year FY 2017/18				Half Year FY 2016/17			
	Revised Gross Estimates	Revised Net Estimates	Exch. Issues	% of Exch. to Net Estimates	Gross Estimates	Net Estimates	Exch. Issues	% of Exch. to Net Estimates
Agriculture, Rural & Urban Development	22.7	20.2	4.1	20.3	30.8	19.8	5.4	27.5
Education	18.5	14.2	4.5	32.1	24.2	17.0	5.7	33.3
Energy, Infrastructure and Information Communications Technology (EI & ICT)	332.0	143.5	40.5	28.2	487.2	175.1	50.6	28.9
Environmental Protection, Water and Natural Resources	50.8	25.4	9.1	35.8	69.4	30.9	12.2	39.4
General Economic and Commercial Affairs (GECA)	4.1	4.0	1.3	33.6	11.1	10.7	3.5	32.6
The Governance, Justice, Law and Order (GJLOS)	24.6	23.1	5.9	25.5	29.7	28.5	12.3	43.0
Health	30.0	18.7	8.8	47.0	31.3	20.8	8.9	42.9
Public Administration and International Relations (PAIR)	96.1	77.1	11.8	15.3	110.0	89.6	30.2	33.7
Social Protection, Culture and Recreation	26.5	24.9	8.2	32.9	26.4	24.0	9.1	37.9
Total	605.5	351.0	94.2	26.8	820.2	416.4	137.9	33.1

Source: National Treasury & OCOB

Analysis of development exchequer issues by Sector indicates that, the Health Sector received the highest development exchequer issues to net estimates at 47 per cent, an improvement from 42.9 per cent received in a similar period of FY 2016/17. This was followed by the Environmental Protection, Water and Natural Resources Sector that recorded 35.8 per cent, a decline from 39.4 per cent recorded in the similar period of FY 2016/17. On the other hand, the Public Administration and International Relations (PAIR) Sector received the lowest at 15.3 per cent, a significant decline from 33.7 per cent recorded in the first half of FY 2016/17.

3 NATIONAL GOVERNMENT OVERALL EXPENDITURE ANALYSIS

3.1 Introduction

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

3.2 Overall Government Budget Performance

The initial government budget for FY 2017/18 was Kshs.2.6 trillion, comprising of Kshs.990.4 billion for MDAs' recurrent expenditure, Kshs.642.3 billion for MDAs' development expenditure, Kshs.699.2 billion towards CFS, and Kshs.306.2 billion for financing County Governments.

The overall government budget was revised in Supplementary Budget I to Kshs.2.7 trillion as detailed in table 3.1 below.

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

VOTE	Half Year, FY 2017/18						Half Year, 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	Gross Estimates	Net Estimates	Cumulative Exchequer Issues	Cumulative Expenditure	% Exchequer to Net Estimates	(%) of Exp. to Gross Estimate
Recurrent	1,788.0	1,675.8	656.5	729.9	39.2	40.8	1,384.8	1,318.1	570.1	572.1	43.3	41.3
:MDAs	1,052.3	940.1	413.0	485.2	43.9	46.1	857.5	790.8	345.2	347.9	43.6	40.6
:CFS	735.7	735.7	243.5	244.7	33.1	33.3	527.3	527.3	224.9	224.1	42.7	42.5
Development	605.5	351.0	94.2	185.3	26.8	30.6	820.1	416.4	137.9	264.7	33.1	32.3
County Governments	306.2	306.2	84.7*	104.4**	27.7	-	300.1	284.7*	116.3	127.5	40.9	42.5
Total	2,699.7	2,333.0	835.5	1,019.6	35.8	37.8	2,505.1	2,014.8	824.3	964.3	40.8	38.5

Source: NT, OCOB, MDAs & County Treasuries

*Refer to Shareable revenue exchequer issues.

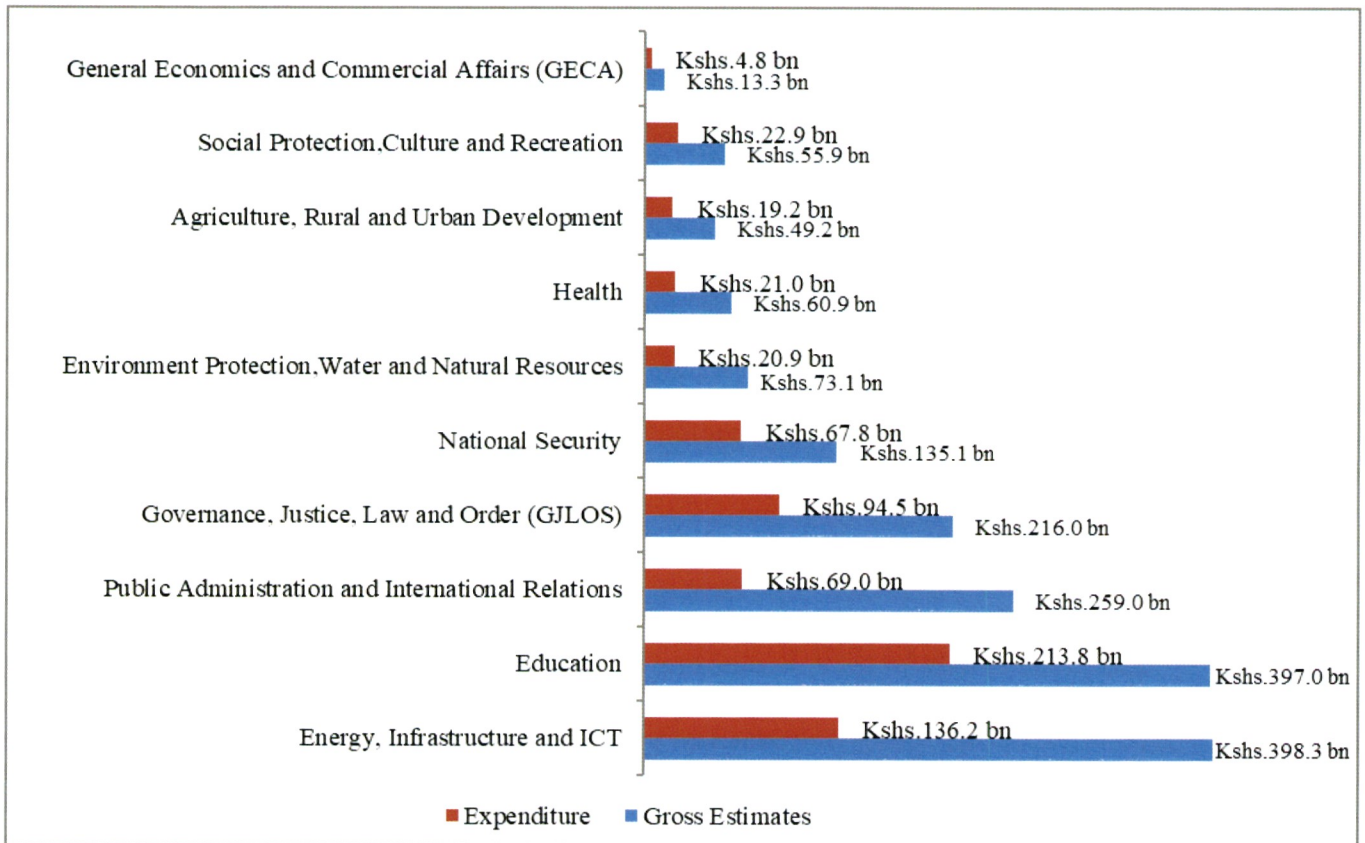
** The difference between the exchequer issues and expenditure was financed by revenue from local sources and cash balance brought forward from FY 2016/17.

The total exchequer issues in the first half of FY 2017/18 amounted to Kshs.835.5 billion, representing 35.8 per cent of the revised net estimates. This was a decline from 40.8 per cent recorded in a similar period of FY 2016/17.

The exchequer issues comprised of Kshs.656.5 billion for recurrent expenditure, Kshs.94.2 billion for development expenditure and Kshs.84.7 billion to County Governments. Gross expenditure for

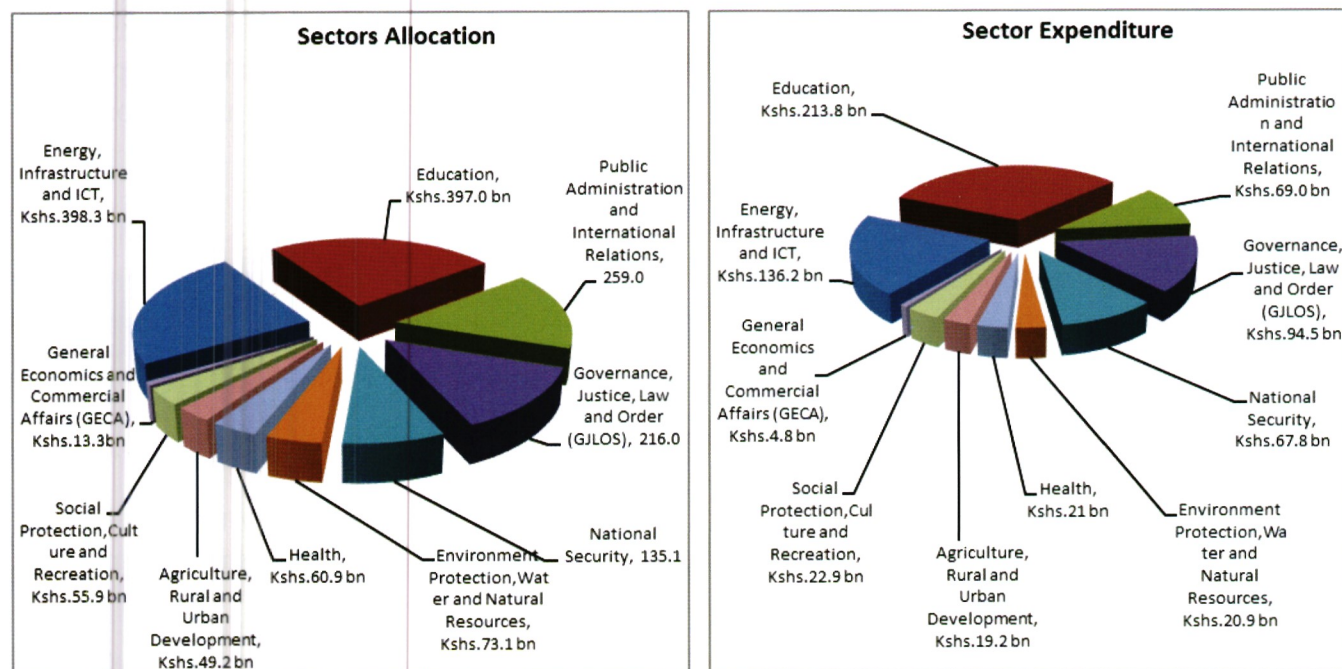
both the National and County governments was Kshs.1 trillion (Kshs.729.9 billion on recurrent, Kshs.185.3 billion on development, and Kshs.104.4 billion by County Governments), representing an overall absorption rate of 37.8 per cent, which was a decrease compared to 38.5 per cent recorded in a similar period of FY 2016/17.

Figure 3.1: Comparison of Revised Budget and Expenditure by Sector in the First Half of FY 2017/18



Source: MDAs & National Treasury

Figure 3.2: Annual Budget and Expenditure by Sector in the First Half of FY 2017/18



Source: MDAs & National Treasury

3.3 Consolidated Fund Services (CFS)

The CFS comprises of funds allocated towards: (i) Repayment of public debt (domestic and foreign debt, and government guaranteed loans to parastatals), (ii) Pensions and gratuities, (iii) Salaries and allowances to Constitutional Office Holders and miscellaneous services, and (iv) Subscriptions to International Organizations. Table 3.2 presents a summary on CFS exchequer issues and expenditure performance in the first half of FY 2017/18.

Table 3.2: Annual Budget and Cumulative Expenditure for CFS in the First Half of FY 2017/18 (Kshs. Millions)

Consolidated Fund Services (CFS)	Revised Estimates	Exchequer Issues	Cumulative Expenditure	Expenditure as a % of Revised Estimates
Public Debt	658,226.5	215,631.3	214,124.1	32.5
Pensions and Gratuities	71,895.1	25,930.7	28,508.2	39.7
Salaries Allowances & Miscellaneous	4,277.0	1,977.7	1,351.5	32.6
Subscriptions to International Organizations	0.5	-	-	-
Guaranteed Debt	1,287.9	**	703.2	54.6
Total	735,687.0	243,540	244,687.1	33.3

Source: National Treasury & OCOB

** Guaranteed debt expenditure was funded under Salaries, Allowances & Miscellaneous vote

The initial annual allocation to Consolidated Fund Services amounted Kshs.699.2 billion was revised to Kshs.735.7 billion in Supplementary Budget I, and represented 27 per cent of the total budget. This is an increase of 39.8 per cent compared to Kshs.526.2 billion allocated in FY 2016/17.

3.3.1 Public Debt

The original allocation towards repayment of public debt in the FY 2017/18 was Kshs.621.8 billion. This was revised to Kshs.658.2 billion in Supplementary Budget. This represents 43.1 per cent increase from Kshs.459.9 billion allocated in FY 2016/17 and recorded the highest proportion of the CFS budget at 89.5 per cent.

Exchequer issued in the first half of FY 2017/18 amounted to Kshs.215.6 billion, representing 32.8 per cent of the revised estimates. The actual expenditure was Kshs.214.1 billion, representing 32.5 per cent of the revised estimates. This expenditure represented an increase compared to Kshs.193.4 billion incurred in the first half of FY 2016/17.

3.3.2 Guaranteed Debt to State Corporations

In FY 2017/18, the allocation towards repayment of guaranteed loans to State Corporations amounted to Kshs.1.2 billion. Actual expenditure in the first half of FY 2017/18 amounted to Kshs.703.2 million, representing 54.6 per cent of the revised annual estimates.

3.3.3 Salaries and Allowances for Constitutional Office Holders

In FY 2017/18, Kshs.4.1 billion was allocated for payment of salaries and allowances for Constitutional Office holders, a slight decrease compared to Kshs.4.3 billion allocated in FY 2016/17. Exchequer released in the first half of FY 2017/18 amounted to Kshs.2 billion representing 50 per cent of the revised estimates while actual expenditure was Kshs.1.4 billion, representing 32.6 per cent of the revised annual estimates.

3.3.4 Pensions and Gratuities

The annual allocation for Pensions and gratuities amounted to Kshs.71.9 billion which represents 9.8 per cent of the total CFS budget and 18 per cent increase compared to Kshs.60.7 billion allocated in FY 2016/17. Exchequer issues amount to Kshs.25.9 billion, representing 36.1 per cent of the revised annual estimates.

Total expenditure for the period under review amounted to Kshs.28.5 billion, representing 39.7 per cent of the revised annual estimates, a decline compared with 51.2 per cent recorded in a similar period, FY 2016/17.

3.4 MDAs Expenditure Analysis

This section disaggregates MDAs expenditure for both development and recurrent activities based on major economic items. It also provides details on the Appropriations-In-Aid (AIA) received in the first half of FY 2017/18 as reported by the MDAs. Recurrent expenditure is disaggregated into two main categories, namely; Personnel Emoluments and Operation and Maintenance (O&M). The Personnel Emoluments includes; Basic salaries for permanent employees, Basic wages for temporary employees, Personal allowances paid as part of salary, Employer contributions to compulsory National Social Security Schemes and Employer contributions to compulsory health insurance schemes. The

O&M category includes; Domestic and foreign travel, Printing and advertising, Rentals and rates for non-residential, Training, Hospitality, Maintenance expenses for motor vehicles and other assets among other expenses. The analysis also presents Current transfers to SAGAs by the MDAs.

Development expenditure is disaggregated by the main 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 and infrastructure, Purchase of specialized plant, equipment and machinery, Pre-feasibility studies and other development activities.

3.4.1 MDAs Recurrent Expenditure Analysis

In the first half of FY 2017/2018, gross expenditure on recurrent activities by the MDAs amounted to Kshs.485.2 billion representing 46.1 per cent of the revised recurrent gross estimates. This is an increase compared to 40.6 per cent (Kshs.347.9 billion) recorded in a similar period of FY 2016/17.

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

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

MINISTRY/STATE DEPARTMENT	Personnel Emoluments	Domestic Travel	Foreign Travel	Printing and Advertising	Rentals and Rates- Non Residential	Training	Hospitality	Maintenance Expenses- Motor Vehicles	Main-tenance Expenses- Other Assets	Current Transfers	Other Expenses	Gross Expenditure	AIA	Net Expenditure
The Presidency	686.4	432.5	44.0	18.3	45.6	16.3	666.9	74.2	13.0	128.5	1,277.4	3,403.1	14.7	3,388.5
State Department for Interior	28,185.3	461.6	16.5	1.8	396.9	394.2	51.2	89.1	41.5	307.9	10,878.9	40,825.0	-	40,825.0
State Department for Correctional Services	6,682.3	24.9	7.0	3.1	38.2	11.8	16.2	36.4	0.7	1.2	2,182.0	9,004.0	-	9,004.0
State Department for Devolution	60.1	7.4	-	0.2	33.0	0.7	3.0	1.5	0.1	208.1	5.7	319.7	-	319.7
State Department for Special Programmes	76.1	17.6	0.2	0.4	36.4	1.5	4.6	0.9	0.3	3,121.4	405.2	3,664.5	-	3,664.5
State Department for Planning & Statistics	187.1	62.9	8.8	9.8	11.7	17.2	21.8	9.6	1.5	2,080.7	113.3	2,524.3	-	2,524.3
Ministry of Defence	431.6	26.9	9.1	1.4	-	6.7	8.6	4.4	1.1	49,386.2	30.3	49,906.1	-	49,906.1
Ministry of Foreign Affairs and International Trade	3,521.9	80.8	207.4	6.8	684.1	8.5	246.3	55.8	43.3	417.0	807.5	6,079.6	316.9	5,762.7
State Department for Basic Education	1,856.9	51.7	3.4	1.8	15.0	4.7	12.7	12.8	0.8	11,259.9	52,894.3	66,114.1	0.4	66,113.7
State Department for Vocational and Technical Training	91.7	8.1	1.3	0.2	22.7	0.5	3.6	2.3	-	1,034.2	14.2	1,179.0	-	1,179.0
State Department for University Education	76.5	16.3	1.1	0.3	-	3.1	4.2	5.2	1.1	30,349.7	3,657.4	34,114.9	-	34,114.9
The National Treasury	1,399.1	14.4	17.6	0.6	0.6	6.4	56.1	0.1	0.5	9,175.6	3,861.9	14,532.9	-	14,532.9
Ministry of Health	2,714.9	25.9	1.1	1.7	0.9	98.4	5.6	9.7	20.9	8,598.5	1.5	11,479.1	1,988.9	9,490.2
State Department for Infrastructure	357.6	12.6	1.0	0.3	-	2.3	4.4	5.0	2.3	22,020.9	48.9	22,455.2	23,770.9	(1,315.7)
State Department for Transport	74.5	6.7	0.8	0.1	1.9	0.9	1.2	1.7	8.7	3,412.1	63.1	3,571.8	2,913.3	658.5
State Department for Maritime Affairs	27.9	11.9	5.9	0.3	6.1	0.8	3.7	0.1	0.2	41.9	3.1	101.9	-	101.9
State Department for Housing & Urban Development	296.9	11.7	1.6	0.6	46.3	3.6	4.8	5.9	0.9	344.7	58.0	775.1	-	775.1
State Department for Public Works	199.8	11.4	3.2	-	56.0	0.3	1.4	0.3	0.1	3.8	9.0	285.2	-	285.2
State Department for Water Services	127.9	11.5	5.4	0.5	-	2.4	0.6	1.5	3.0	253.4	1,343.2	1,749.5	3,151.4	(1,401.9)
State Department for Irrigation	28.3	5.5	1.2	0.3	0.2	1.2	1.2	2.9	0.2	-	158.8	198.7	57.2	141.5

MINISTRY/STATE DEPARTMENT	Personnel Emoluments	Domestic Travel	Foreign Travel	Printing and Advertising	Rentals and Rates- Non Residential	Training	Hospitality	Maintenance- Motor Vehicles	Maintenance- Expenses- Other Assets	Current Transfers	Other Expenses	Gross Expenditure	AIA	Net Expenditure
State Department for Environment	544.6	7.1	4.6	0.2	17.9	2.4	3.9	2.9	1.6	594.2	235.9	1,415.2	3.7	1,411.5
State Department for Natural Resources	32.2	11.5	7.0	0.1	25.6	1.4	1.6	1.1	-	3,067.0	190.8	3,338.1	-	3,338.1
Ministry of Lands and Physical Planning	796.7	9.0	0.3	0.1	0.4	2.7	2.0	1.9	3.1	-	249.7	1,066.0	2.7	1,063.3
State Department of Information Communications & Technology & Innovation	78.3	8.3	2.7	3.8	12.6	8.7	6.6	2.4	2.8	198.6	19.5	344.3	-	344.3
State Department for Broadcasting & Telecommunications	154.9	16.9	4.4	433.7	23.9	10.5	7.5	2.8	1.8	528.2	86.7	1,271.2	94.4	1,176.8
State Department for Sports Development	86.1	43.5	150.0	0.2	42.5	2.1	52.5	2.8	0.1	451.4	614.8	1,445.8	-	1,445.8
State Department for Arts and Culture	126.0	14.6	2.6	1.8	8.9	101.9	7.1	1.9	1.4	1,095.3	31.2	1,392.7	-	1,392.7
State Department Energy	162.4	17.2	1.9	-	-	6.0	7.3	4.1	2.7	764.4	14.2	980.4	53.5	926.9
State Department of Petroleum	33.2	5.4	0.7	0.4	-	0.3	3.7	-	-	-	0.1	43.8	-	43.8
State Department for Agriculture	366.1	13.9	2.2	1.3	8.1	0.9	0.9	1.5	0.4	1,613.9	5,863.1	7,872.1	-	7,872.1
State Department for Livestock	682.0	38.7	0.6	0.3	36.7	1.4	0.5	8.8	0.2	2,041.4	465.0	3,275.6	1.6	3,274.0
State department for Fisheries and the Blue Economy	119.8	6.4	1.7	-	0.6	2.9	0.3	2.8	-	651.3	14.2	799.9	-	799.9
State Department of Investment and Industry	143.1	11.9	5.6	1.1	57.6	0.4	3.1	2.3	0.8	726.2	44.5	996.4	7.9	988.5
State Department for Cooperatives	79.2	7.1	1.0	2.9	-	1.8	1.8	1.2	1.7	41.5	136.3	274.4	1.1	273.3
State Department for Trade	129.6	23.5	14.1	1.2	46.3	2.4	9.0	3.5	40.8	419.2	49.1	739.0	2.0	736.9
State Department for East African Integration	88.6	16.4	38.2	2.0	23.0	1.5	14.7	0.1	0.6	7.8	497.6	690.6	-	690.6
State Department for Labour	300.6	25.2	4.5	1.7	89.2	1.5	7.5	3.7	1.1	304.0	36.7	775.6	-	775.6
State Department for Social Protection	375.1	60.9	2.8	5.0	-	8.2	32.0	7.5	6.7	3,069.9	40.3	3,608.5	-	3,608.5
Ministry of Mining	192.3	8.8	1.6	0.3	1.1	2.8	0.3	1.9	2.0	-	219.2	430.2	0.5	429.7
Ministry of Tourism	75.3	8.1	6.3	-	11.7	1.5	2.5	1.2	0.1	52.2	516.5	675.4	442.5	233.0
State Department for Public Service and Youth Affairs	1,495.7	43.8	8.7	1.9	29.2	402.2	29.2	18.1	10.7	328.3	5,178.9	7,546.7	-	7,546.7

MINISTRY/STATE DEPARTMENT	Personnel Emoluments	Domestic Travel	Foreign Travel	Printing and Advertising	Rentals and Rates- Non Residential	Training	Hospitality	Maintenance Expenses- Motor Vehicles	Maintenance Expenses- Other Assets	Current Transfers	Other Expenses	Gross Expenditure	AIA	Net Expenditure
State Department for Gender	109.6	19.9	1.8	0.5	18.5	0.9	5.7	1.8	0.1	149.3	34.4	342.4	-	342.4
State Law Office and Department of Justice	555.0	12.9	6.8	0.6	24.4	13.0	7.0	2.3	0.4	925.5	180.7	1,728.6	-	1,728.6
The Judiciary	3,694.5	66.9	7.2	16.4	4.3	3.0	25.8	55.0	5.0	256.9	871.4	5,006.6	-	5,006.6
Ethics & Anti-Corruption Commission	-	-	-	-	-	-	-	-	-	1,489.3	-	1,489.3	-	1,489.3
National Intelligence Service	-	-	-	-	-	-	-	-	-	17,857.3	-	17,857.3	1.8	17,855.5
Office of the Director of Public Prosecutions	620.3	10.9	3.7	0.9	22.4	9.9	12.1	2.0	0.2	-	124.3	806.8	-	806.8
Office of the Registrar of Political Parties	87.4	10.6	-	0.1	10.6	3.3	5.8	0.6	-	185.6	20.4	324.4	-	324.4
Witness Protection Agency	92.1	1.5	-	0.9	10.3	3.3	8.4	2.9	1.2	-	87.9	208.5	-	208.5
Kenya National Commission on Human Rights	109.3	3.0	1.8	1.2	24.5	1.2	1.3	2.6	0.1	31.7	29.4	206.0	-	206.0
National Lands Commission	344.9	40.5	7.0	8.1	13.2	2.4	24.6	3.8	-	-	90.6	535.1	-	535.1
Independent Electoral and Boundaries Commission	8,799.2	73.4	47.3	413.7	4,722.6	554.0	904.9	15.8	7.8	-	8,674.2	24,212.9	7.5	24,205.5
Parliamentary Service Commission	1,463.2	329.6	231.9	25.7	75.3	96.8	121.8	4.2	27.9	331.8	697.5	3,405.6	-	3,405.6
National Assembly	3,635.5	584.5	338.8	37.4	-	41.9	44.8	4.6	6.9	1,643.0	537.7	6,875.0	-	6,875.0
Judicial Service Commission	-	16.2	5.6	2.8	5.0	15.3	17.8	0.3	0.1	-	18.1	81.2	-	81.2
Commission on Revenue Allocation	36.3	2.0	-	1.1	21.0	1.4	4.1	1.9	-	-	34.9	102.6	-	102.6
Public Service Commission	286.5	37.6	1.4	16.9	2.6	18.4	29.9	2.6	3.5	1.0	264.7	665.1	-	665.1
Salaries & Remuneration Commission	120.9	10.2	-	2.7	7.6	3.0	61.2	1.4	0.7	-	62.3	270.0	-	270.0
Teachers Service Commission	106,524.8	81.7	1.2	1.9	8.0	12.3	12.8	27.4	4.3	-	310.0	106,984.5	268.5	106,716.0
National Police Service Commission	80.5	22.0	2.3	0.2	29.3	0.2	6.6	10.4	0.3	171.9	20.1	171.9	-	171.9
Auditor General	1,258.1	167.4	24.3	7.6	139.5	31.5	5.4	17.9	4.0	-	304.1	1,959.6	71.7	1,887.9
Controller of Budget	129.0	3.7	0.4	28.5	0.1	2.7	3.3	2.4	1.1	-	26.0	197.3	-	197.3
The Commission on Administrative Justice	92.0	2.3	0.6	0.6	25.7	1.2	0.7	0.2	0.6	-	35.3	159.1	-	159.1
National Gender & Equality Commission	70.2	11.8	2.1	3.4	20.2	6.4	2.3	1.6	0.1	-	54.8	172.8	-	172.8

MINISTRY/STATE DEPARTMENT	Personnel Emoluments	Domestic Travel	Foreign Travel	Printing and Advertis- ing	Rentals and Rates- Non Residential	Training	Hospitality	Maintenance Expenses- Motor Vehicles	Main- tenance Expenses- Other Assets	Current Transfers	Other Expenses	Gross Expenditure	AIA	Net Expenditure
Independent Policing Oversight Authority	111.9	17.0	1.2	0.3	20.5	0.7	12.5	0.7	0.1	-	41.5	206.4	-	206.4
Total	181,365.9	3,226.0	1,283.4	1,077.9	7,036.3	1,966.6	2,631.6	554.3	283.1	180,971.8	104,837.9	485,234.8	33,173.1	452,061.7

Source: MDAs and National Treasury IFMIS Directorate¹

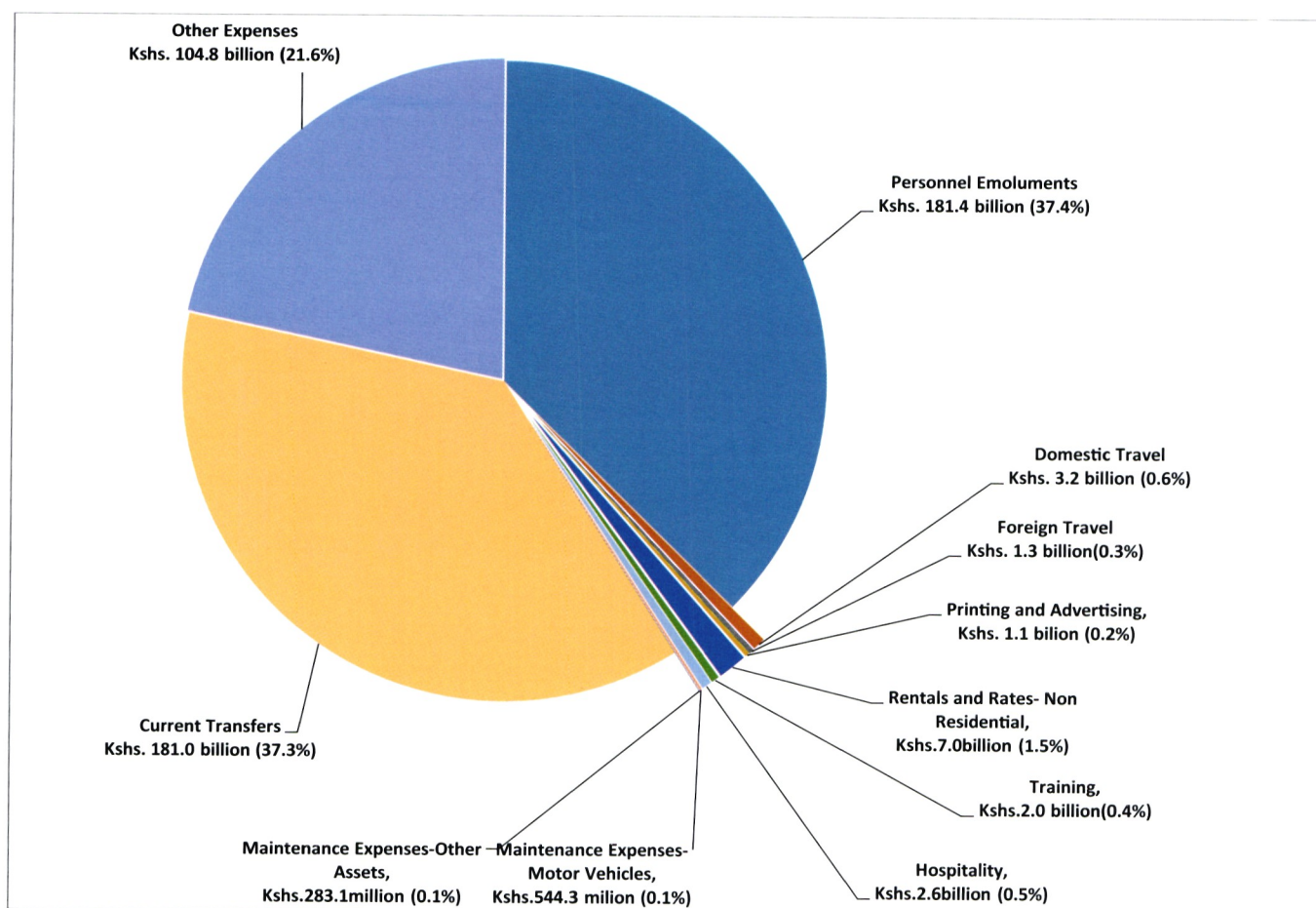
¹ Note: The breakdown analysis for MDAs is based on expenditure/financial reports and IFMIS data. Some MDAs reported on Appropriations-in-Aid (AIA) and spent to fund their budgets. Expenditure on PE does not include figures for the National Intelligence Service and partially for the Ministry of Defence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

The highest expenditure category on recurrent expenditure by MDAs in the first half of FY 2017/18 was Personnel Emoluments (PE) at Kshs.181.4 billion, representing 37.4 per cent of the gross recurrent expenditure. The second highest expenditure category was Current transfers to SAGAs at Kshs.181 billion, representing 37.3 per cent of the gross recurrent expenditure. Other economic items with significant expenditure included; Kshs.7 billion spent on Rentals and rates for non-residential buildings, Kshs.3.2 billion on Domestic Travel, Kshs.2.6 billion on Hospitality and Kshs.2 billion on Training.

The highest expenditure under the PE of Kshs.106.5 billion was incurred by TSC. The highest amount transferred to SAGAs was reported by Ministry of Defence at Kshs.49.4 billion representing 29.6 per cent of the total amount spent on Current Transfers category. Other notable categories of expenditure included; Kshs. 4.7 billion, Kshs.904.9 million and Kshs.554 million on Rentals and rates on non-residential, Hospitality and Training by Independent Electoral and Boundaries Commission respectively and Kshs.584.5 million by National Assembly on Domestic travel.

Figure 3.3 shows the composition of MDAs recurrent expenditure for the first half of FY 2017/18.

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



Source: MDAs and National Treasury

3.4.2 MDAs Development Expenditure Analysis

The initial gross allocation towards MDAs' development expenditure in FY 2017/18 was Kshs.642.4 billion. This amount was revised in the Supplementary Budget I to Kshs.605.5 billion, a decrease by 42.2 per cent compared to Kshs.861.2 billion allocated in the FY 2016/17.

In the first half of FY 2017/18, gross development expenditure was Kshs.185.3 billion representing an absorption rate of 30.6 per cent a slight decline compared to 32.3 per cent recorded in the first half of FY 2016/17.

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

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

MINISTRY/STATE DEPARTMENT	Maintenance of Motor Vehicles (Programmes/Projects)	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	-	-	-	-	25.2	-	-	-	-	205.8	230.9	-	230.9
State Department for Interior	0.4	18.1	1,722.6	217.1	9.0	-	41.4	6,489.5	-	506.7	9,004.9	-	9,004.9
State Department for Correctional Services	-	-	-	82.0	-	-	32.1	18.5	-	9.7	142.3	-	142.3
State Department for Devolution	-	-	331.9	-	-	-	-	-	-	-	331.9	-	331.9
State Department for Special Programmes	-	-	1,638.0	-	4.0	-	-	-	-	98.8	1,740.8	852.3	888.5
State Department for Planning & Statistics	-	-	8,306.8	-	335.8	-	-	-	175.2	0.5	8,818.2	-	8,818.2
Ministry of Defence	-	-	27.5	-	-	-	-	-	-	-	27.5	-	27.5
Ministry of Foreign Affairs	-	-	-	-	-	-	-	-	-	1.6	1.6	-	1.6
State Department for Basic Education	-	-	1,635.8	-	-	-	-	-	-	370.0	2,005.8	-	2,005.8
State Department for Vocational and Technical Training	-	-	1,175.1	55.5	-	-	-	-	-	10.3	1,240.9	-	1,240.9
State Department for University Education	-	-	809.4	1,211.4	-	-	-	-	-	165.7	2,186.5	1,377.1	809.4
The National Treasury	-	-	546.5	-	10.0	-	-	165.4	145.9	2,979.0	3,846.8	-	3,846.8
Ministry of Health	-	-	5,117.0	58.6	-	-	-	218.8	-	4,115.8	9,510.1	-	9,510.1
State Department for Infrastructure	-	-	49,866.8	48.9	17.7	-	175.0	-	159.2	624.8	50,892.2	17,134.2	33,758.0
State Department for Transport	-	-	4,415.3	-	15,998.1	-	-	-	-	69.3	20,482.6	-	20,482.6
State Department Housing and Urban Development	-	-	-	141.1	148.0	-	3,687.4	100.0	22.8	937.7	5,037.0	1,724.2	3,312.8
State Department of Public Works	-	-	-	77.2	-	-	14.6	-	0.4	-	92.2	-	92.2
State Department for Water Services	-	-	1,688.5	-	2,266.4	-	-	-	-	4,965.7	8,920.6	6,654.2	2,266.4
State Department for Irrigation	-	-	1,718.1	-	-	-	111.4	-	0.9	1,480.5	3,310.8	78.0	3,232.9

MINISTRY/STATE DEPARTMENT	Maintenance of Motor Vehicles (Programmes/Projects)	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 Environment	-	-	161.7	-	78.6	-	-	-	-	353.1	593.4	-	593.4
State Department for Natural Resources	-	-	767.1	-	-	-	-	-	-	124.8	891.9	-	891.9
Ministry of Lands and Physical Planning	-	-	-	6.3	0.3	-	-	-	367.1	816.7	1,190.3	-	1,190.3
State Department of Information Communications & Technology & Innovation	-	-	3,461.4	-	-	-	-	-	-	-	3,461.4	-	3,461.4
State Department of Broadcasting and Telecommunications	-	-	75.0	-	-	-	-	-	-	12.4	87.4	-	87.4
State Department for Sports Development	-	-	360.4	-	1,344.0	-	-	-	-	-	1,704.4	-	1,704.4
State Department for Arts and Culture	-	-	462.9	-	-	-	-	-	-	-	462.9	-	462.9
State Department for Energy	-	-	16,516.2	-	9,266.1	-	-	-	253.4	40.1	26,075.8	350.9	25,724.8
State Department of Petroleum	-	-	-	-	-	-	-	122.4	123.2	-	245.6	-	245.6
State Department for Agriculture	2.7	0.1	334.7	-	104.3	-	141.6	-	51.7	2,581.3	3,216.4	-	3,216.4
State Department for Livestock	-	-	-	-	297.5	-	-	-	-	919.5	1,217.0	-	1,217.0
State department for Fisheries and Blue Economy	-	-	-	-	-	-	2.0	6.3	5.5	2.3	16.0	-	16.0
State Department for Investment and Industry	-	-	-	-	-	-	-	59.8	18.8	869.7	948.2	-	948.2
State Department for Cooperatives	-	-	-	-	-	-	-	-	-	352.9	352.9	-	352.9
State Department for Trade	-	-	-	-	-	-	-	-	2.4	1.1	3.6	-	3.6
State Department for Labour	-	-	-	5.0	-	-	-	-	13.2	18.8	37.0	-	37.0
State Department for Social Protection	0.9	-	5,981.5	4.1	1.7	-	-	-	-	204.9	6,193.1	-	6,193.1
Ministry of Mining	-	-	6.0	0.1	-	-	-	-	3.4	60.5	70.0	22.3	47.7
Ministry of Tourism	-	-	-	-	-	-	-	-	77.8	-	77.8	-	77.8

MINISTRY/STATE DEPARTMENT	Maintenance of Motor Vehicles (Programmes/Projects)	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 Public Service and Youth Affairs	36.7	-	76.3	127.5	140.9	41.9	-	-	-	7,077.1	7,500.4	-	7,500.4
State Department for Gender	-	-	1,509.3	-	-	-	-	-	-	-	1,509.3	-	1,509.3
The Judiciary	-	-	-	79.1	37.0	-	-	-	-	805.3	921.4	-	921.4
National Land Commission	-	-	-	-	-	-	-	-	-	15.5	15.5	-	15.5
Parliamentary Service Commission	-	-	-	653.0	22.4	-	-	-	-	19.8	695.2	-	695.2
Commission on Revenue Allocation	-	-	-	-	-	-	-	-	-	4.7	4.7	-	4.7
Public Service Commission	-	-	-	-	4.7	-	-	-	-	10.2	14.9	-	14.9
Auditor General	-	-	-	12.5	-	-	-	-	-	-	12.5	-	12.5
Total	40.7	18.2	108,711.7	2,779.2	30,111.5	41.9	4,205.3	7,180.8	1,420.7	30,832.6	185,342.7	28,193.2	157,149.5

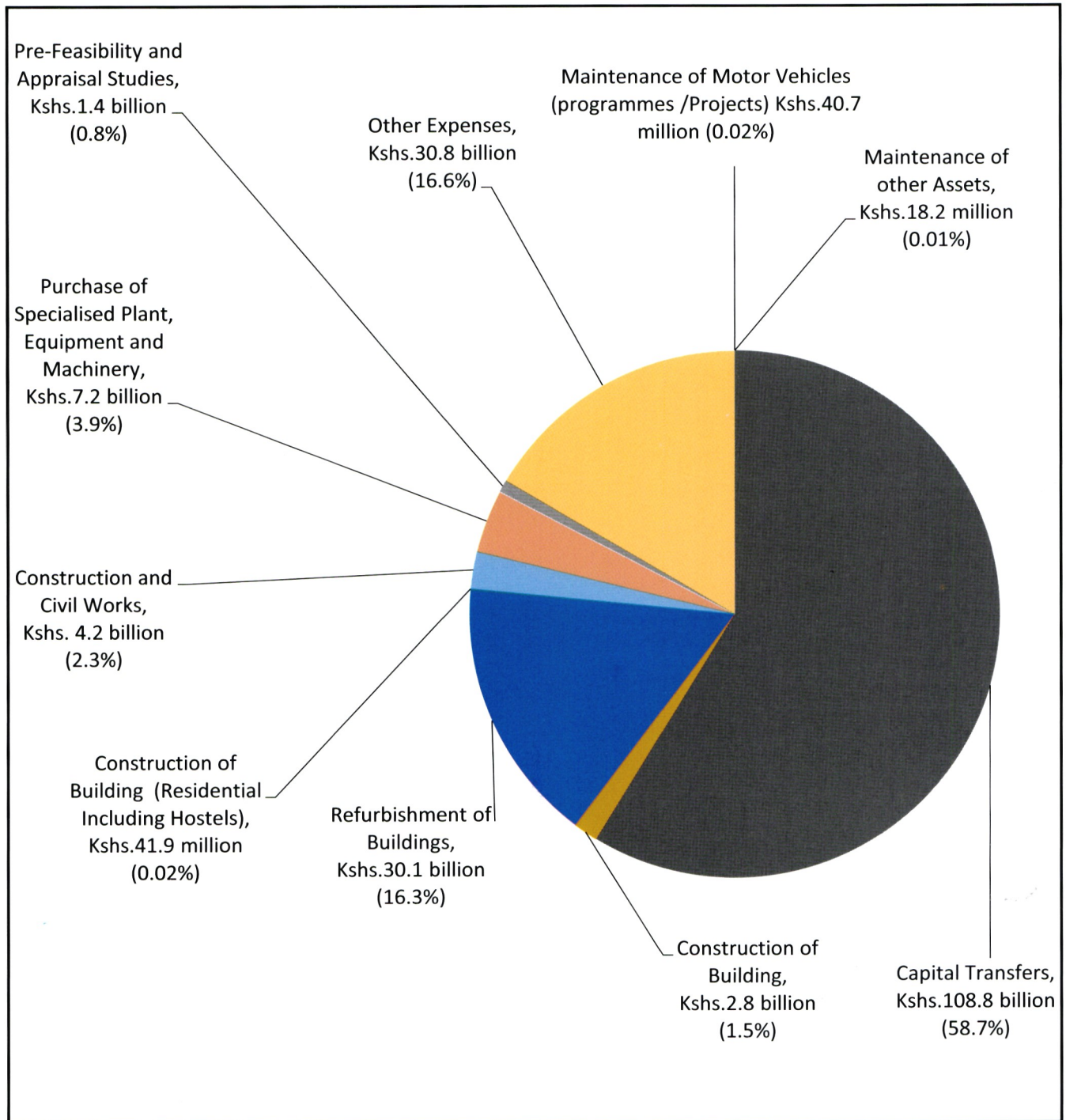
Source: MDAs and National Treasury IFMIS Directorate

During the first half of FY 2017/18, the highest development expenditure category was Capital Transfers to SAGAs at Kshs.108.7 billion, representing 58.7 per cent of the gross development expenditure. The second highest was on Refurbishment of Buildings/Infrastructure at Kshs.30.8 billion representing 16.3 per cent of the gross development expenditure. Other categories with high expenditure included; Purchase of Specialised Plant, Equipment and Machinery at Kshs.7.2 billion, Construction and Civil Works at Kshs.4.2 billion, Construction of Building (Non-residential) at Kshs.2.8 billion and Pre-Feasibility and Appraisal Studies at Kshs.1.4 billion.

Further analysis shows that State Department for Infrastructure had the highest capital transfers to its SAGAs at Kshs.49.9 billion, representing 45.8 per cent of the total capital transfers. This was followed by the State Department for Energy at Kshs.16.5 billion, which represented 15.2 per cent. The State Department for Transport incurred the highest expenditure on Refurbishment of Buildings/ infrastructure at Kshs.16 billion, translating into 53.1 per cent of the total expenditure on this category while the State Department of Housing and Urban Development spent Kshs.3.7 billion representing 87.7 per cent of the total expenditure on Construction and Civil Works.

Figure 3.4 shows the breakdown of MDAs development expenditure for the first half of FY 2017/18

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



Source: MDAs and National Treasury

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

4.1 Introduction

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

4.2 Agriculture, Rural and Urban Development (ARUD) Sector

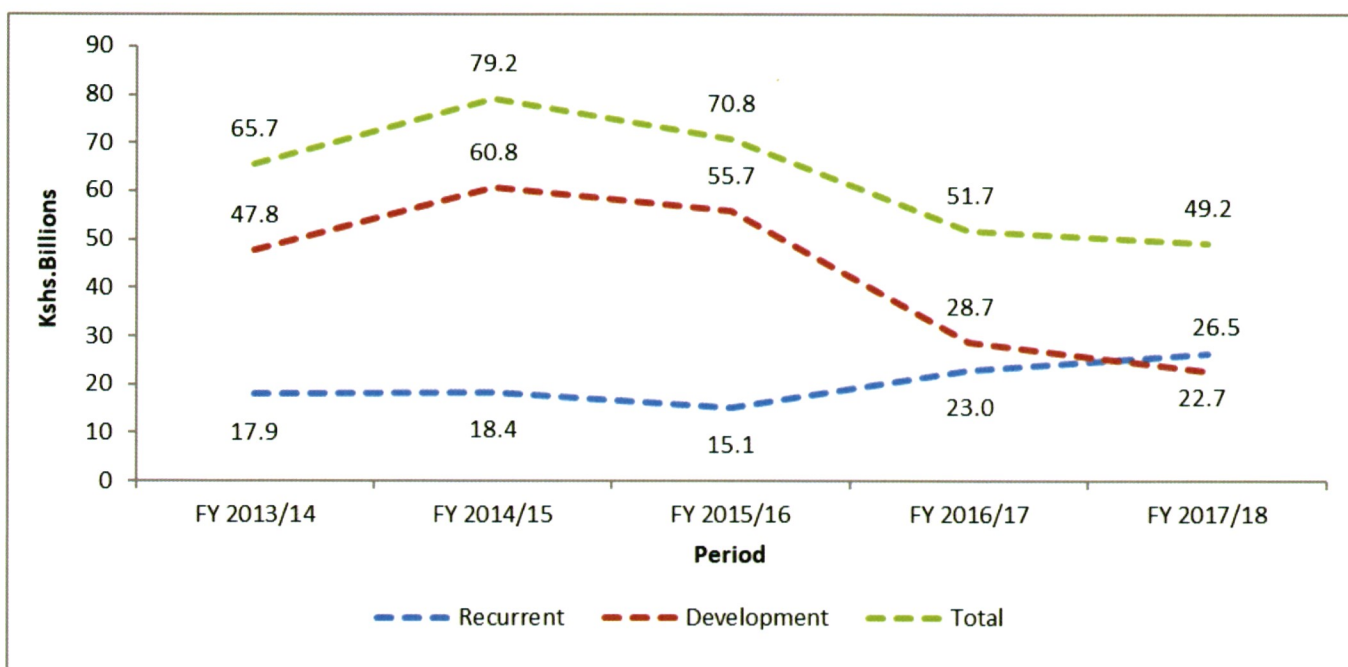
The Agriculture Rural and Urban Development (ARUD) Sector consists of five MDAs namely: the Ministry of Lands and Physical Planning (MoLPP); State Department for Agriculture; State Department for Livestock; State Department for Fisheries and the Blue Economy and the National Land Commission (NLC). The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

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

The original allocation to the Sector in FY 2017/18 was Kshs.38.1 billion. This amount was revised to Kshs.49.2 billion in Supplementary Budget I, representing 1.8 per cent of the gross national budget, a decline compared Kshs.51.7 billion allocated in FY 2016/17. The allocation comprised of Kshs.22.7 billion (46.2 per cent) for development activities and Kshs.26.5 billion (53.8 per cent) for recurrent expenditure. State Department for Agriculture received the highest budgetary allocation of Kshs.29.2 billion (59.3 per cent of the Sector's allocation), while NLC had the lowest budgetary allocation of Kshs.1.1 billion (2.2 per cent of the Sector's allocation).

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

Figure 4.1: Budgetary Allocation Trend for AR & UD Sector from FY 2013/14 to FY 2017/18



Source: National Treasury

In the first half of FY 2017/18, total exchequer issues to the sector amounted to Kshs.15.2 billion representing 32.6 per cent of the Sector's revised net estimate. This comprised of Kshs.4.1 billion for development expenditure, representing 20.3 per cent of the revised development net estimates and Kshs.11.1 billion for recurrent expenditure, representing 41.9 per cent of the revised recurrent net estimates.

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

Table 4.1: ARUD Sector-Analysis of Exchequer Issues and Expenditure for the period July to December 2017 (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 Lands and Physical Planning	3.6	3.6	0.6	1.2	16.2	33.4	2.3	2.3	1.1	1.1	48.2	46.1
State Department for Agriculture	15.0	13.3	1.8	3.2	13.4	21.4	14.1	14.1	5.8	7.9	41.3	55.8
State Department for Livestock	3.7	2.9	1.6	1.2	55.9	33.0	7.1	7.1	3.2	3.3	44.9	46.0
State department for Fisheries and Blue Economy	0.4	0.4	0.1	0.02	27.9	3.8	1.8	1.8	0.5	0.8	24.8	43.4
National Land Commission	-	-	-	-	-	-	1.1	1.1	0.5	0.5	46.8	48.9
Total	22.7	20.2	4.1	5.6	20.3	24.8	26.5	26.4	11.1	13.5	41.9	51.2

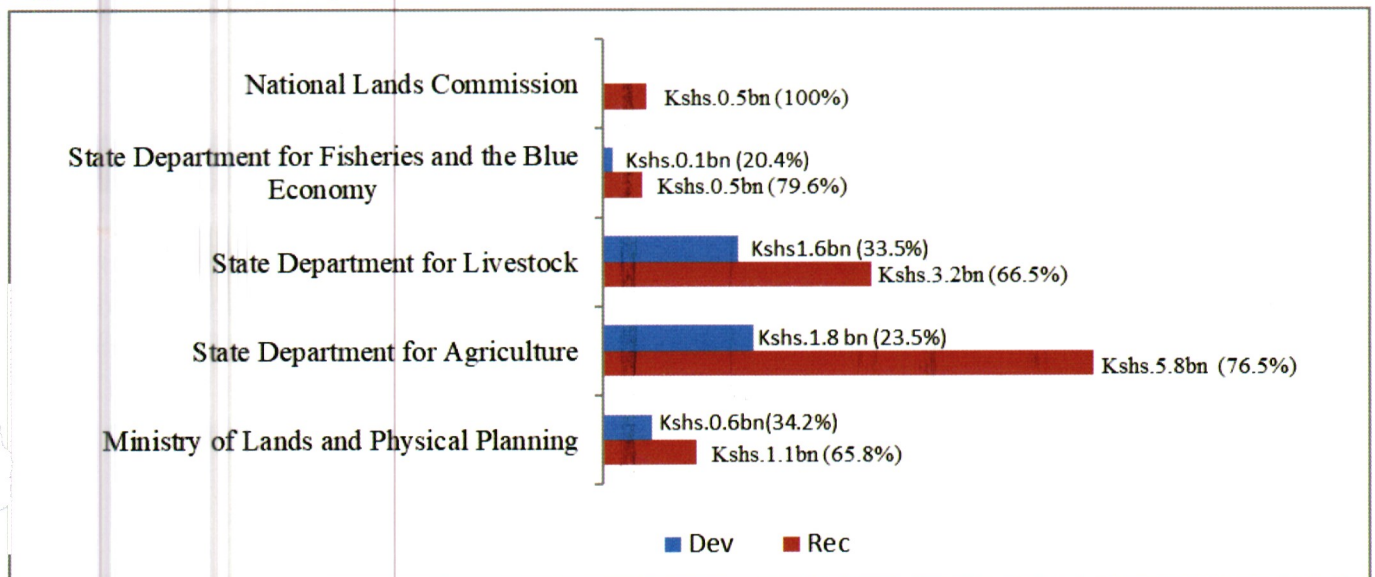
VOTE	Development						Recurrent					
	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
Total for the Sector							Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
Development							22.7	20.2	4.1	5.6	20.3	24.8
Recurrent							26.5	26.4	11.1	13.5	41.9	51.2
Total							49.2	46.6	15.2	19.2	32.6	39.0

Source: MDAs and National Treasury

In the first half of FY 2017/18, State Department for Livestock received the highest proportion of exchequer issues to revised net estimates for development expenditure at 55.9 per cent while the Ministry of Lands and Physical Planning received the highest for recurrent expenditure at 48.2 per cent. The State Department for Agriculture received the lowest proportion of development exchequer issues to the revised development net estimates at 13.4 per cent while State Department for Fisheries and Blue Economy received the lowest for recurrent expenditure at 24.8 per cent.

Figure 4.2 shows the exchequer issues to ARUD Sector in the first half of FY 2017/18.

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



Source: National Treasury

The total expenditure for the sector in the first half of FY 2017/18 amounted to Kshs.19.2 billion, representing 39 per cent of the revised gross estimate, an increase compared to 33.4 per cent recorded in a similar period of FY 2016/17. The expenditure comprised of Kshs.5.6 billion as development expenditure, representing an absorption rate of 24.8 per cent, a decline compared to 29.3 per cent

recorded in a similar period of FY 2016/17 and Kshs.13.5 billion as recurrent expenditure, representing 51.2 per cent of the revised recurrent estimates, an increase from 41.5 per cent recorded in a similar period of FY 2016/17.

Ministry of Lands and Physical Planning recorded the highest absorption on development expenditure at 33.4 per cent while State Department for Fisheries and Blue Economy recorded the lowest at 3.8 per cent. State Department for Agriculture recorded the highest percentage of recurrent expenditure to the revised recurrent estimates at 55.8 per cent while the State Department for Fisheries and the Blue Economy recorded the lowest at 43.4 per cent.

4.3 Education Sector

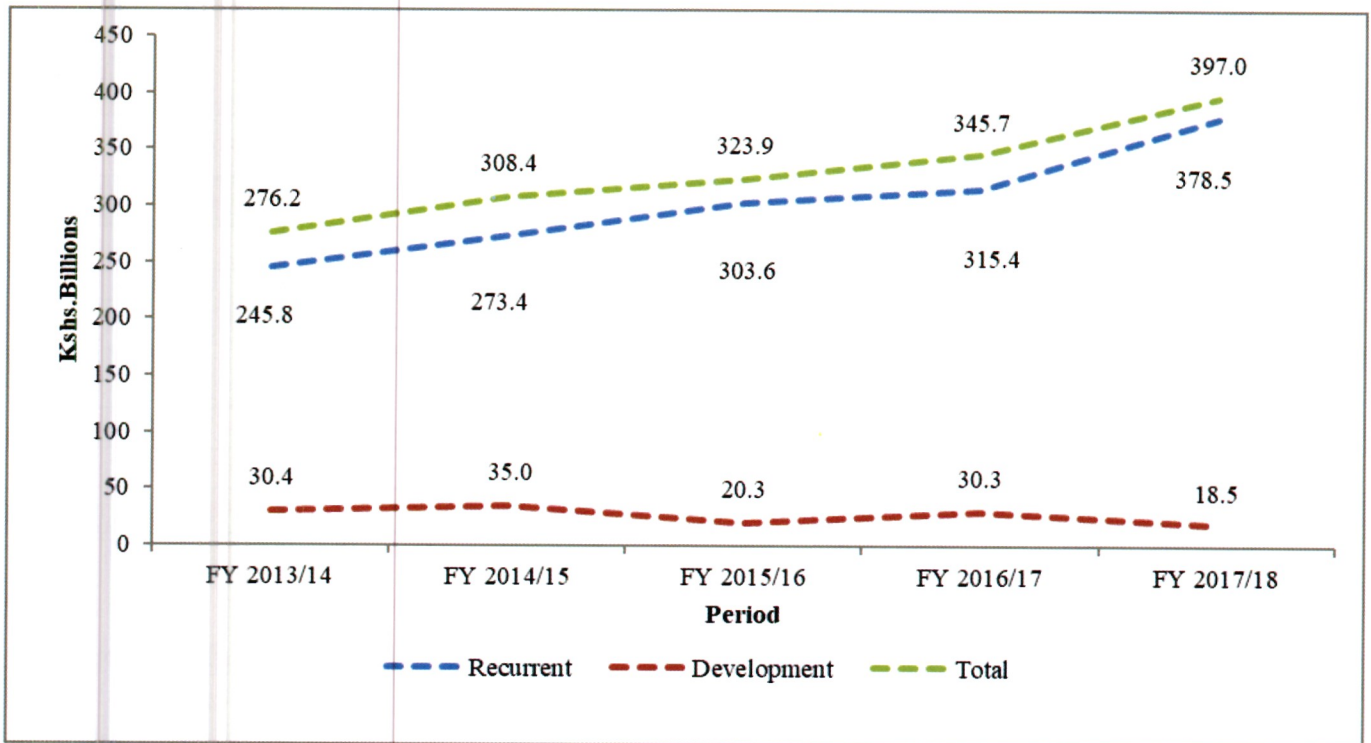
The Education Sector consists of four MDAs namely: State Department for Basic Education, State Department for University Education, State Department for Vocational and Technical Training and The Teachers Service Commission (TSC) together with their affiliated agencies and institutions.

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 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 original allocation to the sector in FY 2017/18 amounts to Kshs.375 billion. This amount was revised to Kshs.397 billion in the Supplementary Budget I, representing 14.7 per cent of revised gross national budget, an increase from Kshs.345.7 billion allocated in FY 2016/17. The allocation comprised of Kshs.18.5 billion (4.7 per cent) for development expenditure and Kshs.378.5 billion (95.3 per cent) for recurrent expenditure. The Teachers Service Commission received the highest budgetary allocation of Kshs.202 billion (50.9 per cent of the Sector's allocation), while State Department for Vocational and Technical Training had the lowest budgetary allocation of Kshs.8.3 billion (2.1 per cent of the Sector's allocation). Figure 4.3 shows budgetary allocation trend of the Education Sector for the period FY 2013/14 to FY 2017/18

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



Source: National Treasury

In the first half of FY 2017/18, the sector received exchequer issues amounting to Kshs.165.9 billion representing 47.1 per cent of the sector's revised net estimates which is an increase compared to Kshs.136 billion issued in a similar period of FY 2016/17. The exchequer issues comprised of Kshs.4.5 billion for development expenditure, representing 32.1 per cent of the revised development net estimates and Kshs.161.4 billion for recurrent expenditure, representing 47.8 per cent of revised recurrent net estimates.

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

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

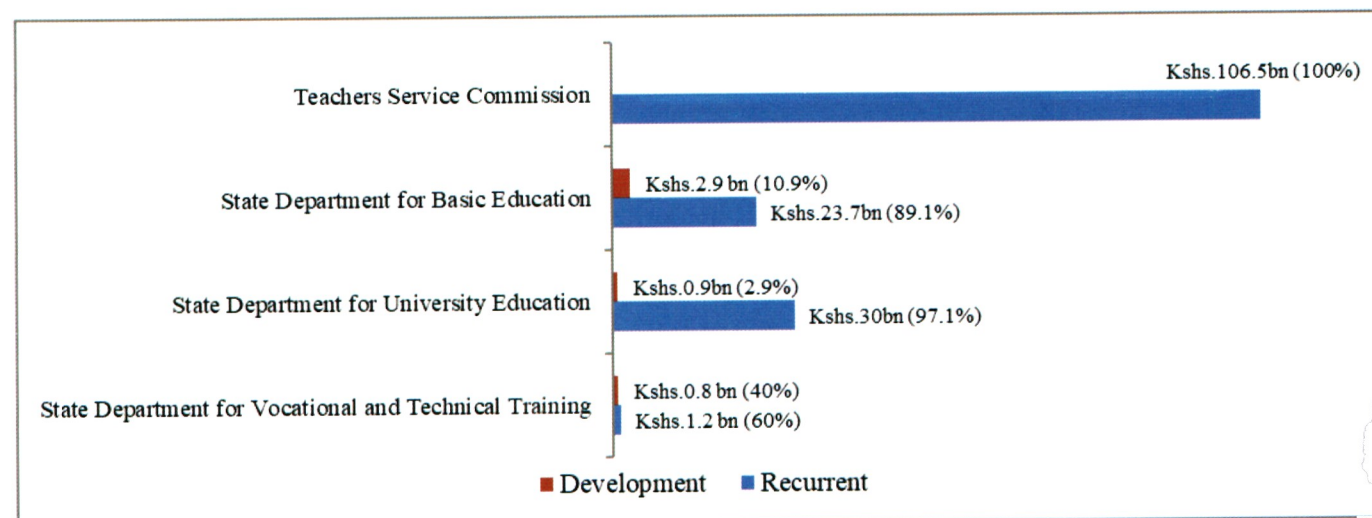
VOTE	Development						Recurrent					
	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
State Department for Basic Education	7.3	7.1	2.9	2.0	40.8	27.6	83.3	81.8	23.7	66.1	29.0	79.4
State Department for Vocational and Technical Training	5.7	4.4	0.8	1.2	17.1	21.6	2.5	2.5	1.2	1.2	47.5	46.5
State Department for University Education	5.4	2.5	0.9	2.2	35.7	40.2	90.8	52.1	30.0	34.1	57.5	37.6

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.
Teachers Service Commission	0.1	0.1	-	0.01	-	12.6	201.9	201.4	106.5	107.0	52.9	53.0
Total	18.5	14.2	4.5	5.4	32.1	29.4	378.5	337.9	161.4	208.4	47.8	55.1
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							18.5	14.2	4.5	5.4	32.1	29.4
Recurrent							378.5	337.9	161.4	208.4	47.8	55.1
Total							397.0	352.1	165.9	213.8	47.1	53.9

Source: MDAs and National Treasury

In the period under review, State Department for Basic Education received the highest proportion of development exchequer issues to the revised development net estimates at 40.8 per cent while the State Department for Vocational and Technical Training received the lowest at 17.1 per cent. State Department for University Education received the highest proportion of recurrent exchequer issues to the revised recurrent net estimates at 57.5 per cent while the State Department for Basic Education received the lowest at 29 per cent. Figure 4.4 shows the exchequer issues to the Education Sector in the first half of FY 2016/17.

Figure 4.4: Exchequer Issues to the Education Sector in the First Half of FY 2017/18



Source: National Treasury

The total expenditure for the sector during the first half of FY 2017/18 amounted to Kshs.213.8 billion, representing 53.9 per cent of the revised gross estimates, an increase compared to 40.3 per cent (Kshs.136.9 billion) recorded in a similar period of FY 2016/17. The expenditure comprised of Kshs.5.4 billion for development activities, representing an absorption rate of 29.4 per cent, and Kshs.208.4 billion for recurrent activities, representing 55.1 of the revised recurrent gross estimates.

State Department for University Education recorded the highest absorption of development budget at 40.2 per cent while the Teachers Service Commission had the lowest absorption of development budget at 12.6 per cent. State Department for Basic Education recorded the highest percentage of recurrent expenditure to the revised gross recurrent estimates at 79.4 per cent while State Department for University Education had the lowest at 37.6 per cent.

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

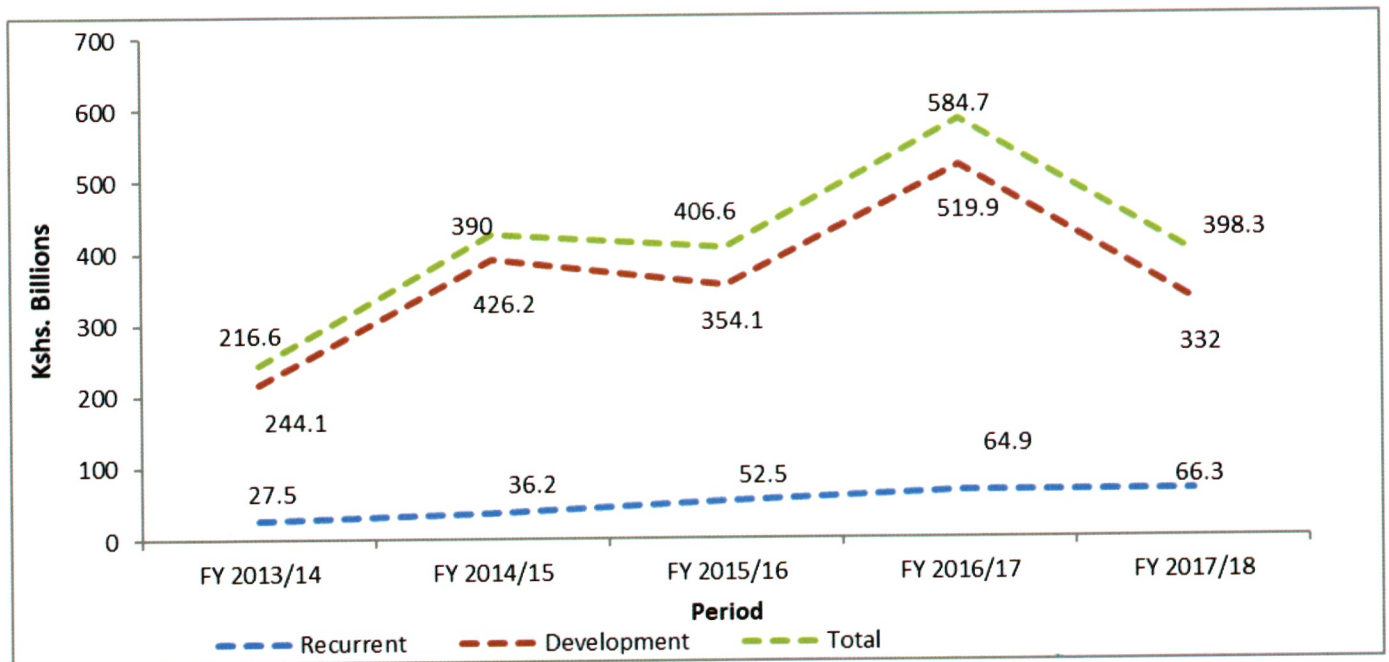
This sector comprises of 9 MDAs namely: State Department for Infrastructure, Transport, Maritime and Shipping Affairs, Housing and Urban Development, Public Works, Information Communications Technology and Innovation, Broadcasting and Telecommunication, Petroleum and Energy. The sector is identified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

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

The original annual allocation to the sector in FY 2017/18 was Kshs.415.7 billion. This amount was revised to Kshs.398.3 billion in Supplementary Budget I, representing 14.8 per cent of the gross national budget, a decrease from Kshs.584.7 billion (28.9 per cent) allocated in FY 2016/17. The allocation comprised of Kshs.332 billion (83.3 per cent) for development expenditure and Kshs.66.3 billion (16.7 per cent) for recurrent expenditure. State Department for Infrastructure received the highest allocation of Kshs.182.5 billion (45.8 per cent of the sector's allocation) while State Department for Maritime and Shipping Affairs had the lowest budgetary allocation of Kshs.0.2 billion of the sectors' allocation.

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

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



Source: National Treasury

In the first half of FY 2017/18, the total exchequer issues to the sector amounted to Kshs.45.6 billion representing 29.6 per cent of the revised net estimates. This comprised of Kshs.40.5 billion for development expenditure, representing 28.2 per cent of the revised development net estimates and Kshs.5.2 billion for recurrent expenditure representing 49 per cent of the revised recurrent net estimates.

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

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

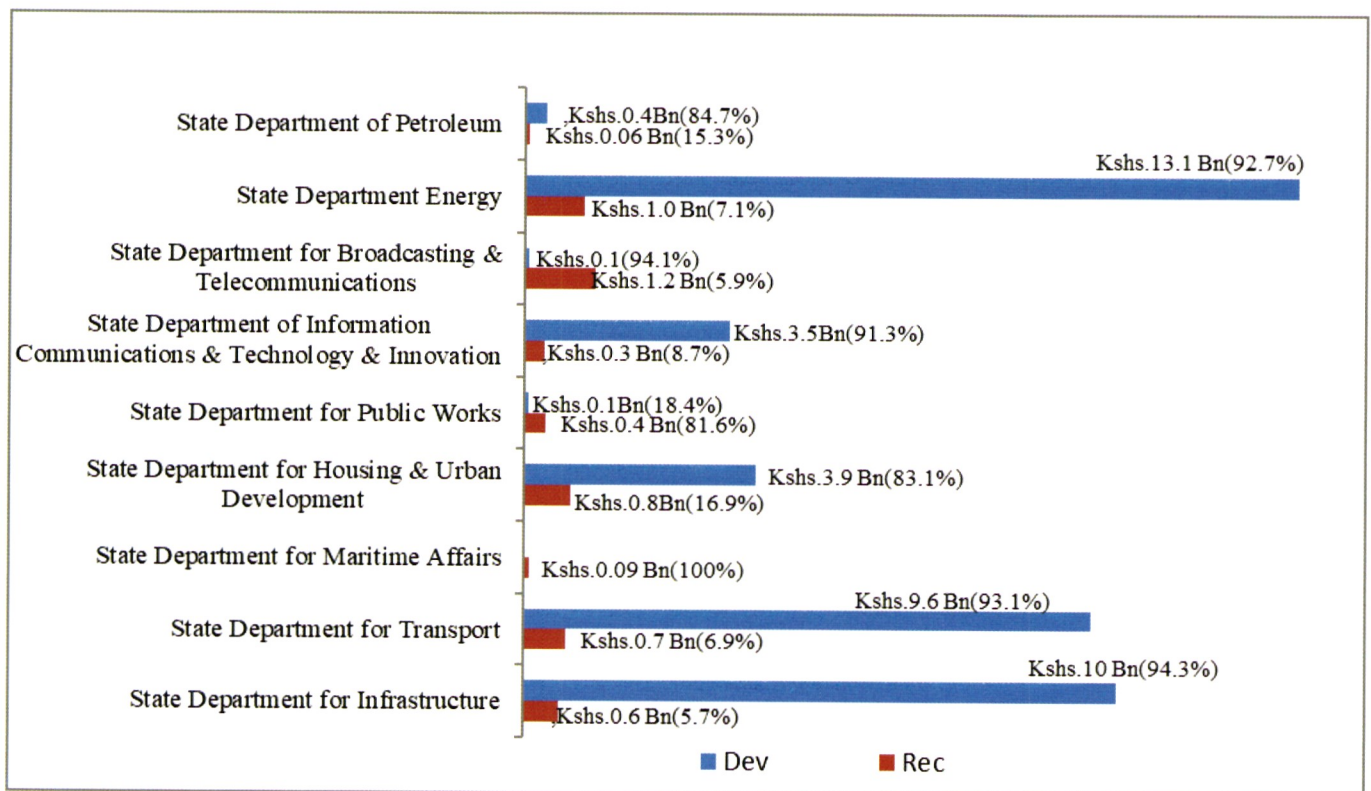
VOTE	Development						Recurrent					
	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
State Department for Infrastructure	130.0	76.9	10.0	50.9	13.0	39.2	52.5	1.7	0.6	22.5	35.0	42.8
State Department for Transport	89.0	7.8	9.6	20.5	123.1	23.0	6.0	1.4	0.7	3.6	49.9	59.4
State Department for Maritime & Shipping Affairs	-	-	-	-	-	-	0.2	0.2	0.09	0.1	42.7	46.6
State Department for Housing & Urban Development	13.3	8.3	3.9	5.0	47.0	37.8	1.6	1.6	0.8	0.8	49.4	48.2
State Department for Public Works	0.5	0.5	0.1	0.1	14.8	16.9	0.8	0.8	0.4	0.3	45.7	36.1
State Department of ICT & Innovation	11.9	8.9	3.5	3.5	38.9	29.0	1.0	1.0	0.3	0.3	33.5	34.9
State Department for Broadcasting & Telecommunications	0.2	0.2	0.1	0.1	39.3	45.8	2.0	1.8	1.2	1.3	67.2	65.0
State Department Energy	82.7	38.9	13.1	26.1	33.6	31.5	2.1	1.8	1.0	1.0	54.4	47.8
State Department of Petroleum	4.3	2.1	0.4	0.3	17.0	5.7	0.2	0.1	0.06	0.04	42.9	22.4
Total	332.0	143.5	40.5	106.4	28.2	32.0	66.3	10.5	5.2	29.8	49.0	45.0
Total for the Sector							Rev. Gross Estimates	Rev. Net Estimates	Rev. Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
Development							332.0	143.5	40.5	106.4	28.2	32.0
Recurrent							66.3	10.5	5.2	29.8	49.0	45.0
Total							398.3	154.0	45.6	136.2	29.6	34.2

Source: MDAs and National Treasury

In the first half of FY 2017/18, State Department for Transport received the highest proportion of exchequer issues to revised net estimates for development expenditure at 123.1 per cent while State Department for Infrastructure received the lowest at 13 per cent. State Department for Broadcasting and Telecommunication received the highest proportion of exchequer issues to revised net estimates for recurrent expenditure at 67.2 per cent while State Department of ICT and Innovation received the lowest at 33.5 per cent.

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

Figure 4.6: Exchequer Issues to the EI & ICT Sector for the First Half of FY 2017/18



Source: National Treasury

The total expenditure for the sector in the first half of FY 2017/18 amounted to Kshs.136.2 billion, representing 34.2 per cent of the revised gross estimate, a slight drop from 34.8 per cent recorded in a similar period of FY 2016/17. The expenditure comprised of Kshs.106.4 billion as development expenditure, recording an absorption rate of 32 per cent, a decline from 33.6 per cent recorded in a similar period of FY 2016/17 and Kshs.29.8 billion as recurrent expenditure, representing 45 per cent of the revised recurrent estimates, a decrease compared to 48.5 per cent recorded in a similar period of FY 2016/17.

State Department for Broadcasting and Telecommunication recorded the highest absorption on development budget and the highest percentage of recurrent expenditure to revised recurrent estimates at 45.8 per cent and 65 per cent respectively. State Department for Petroleum recorded the lowest absorption for both development and recurrent expenditure at 5.7 per cent and at 22.4 per cent respectively.

4.5 Environmental Protection, Water and Natural Resource Sector

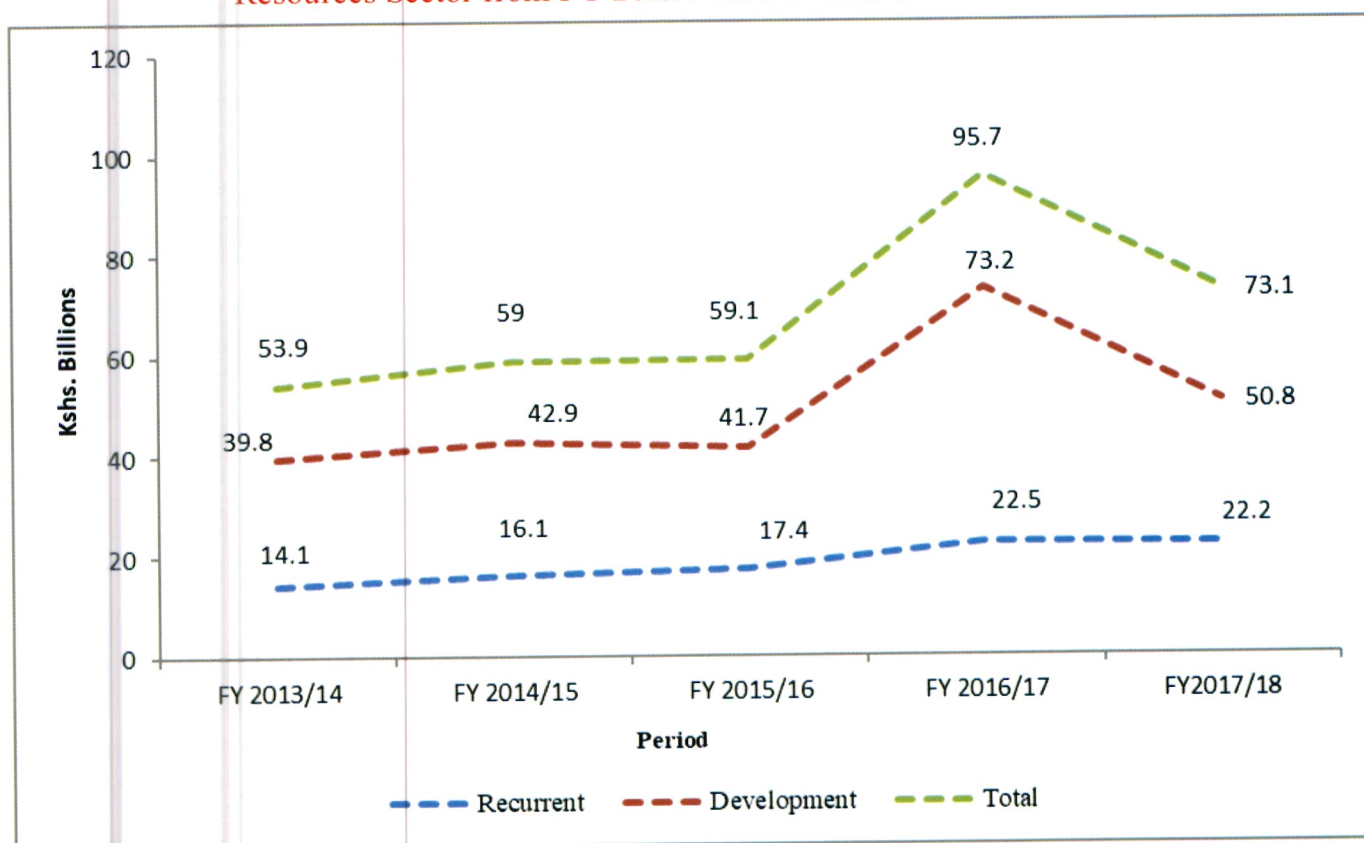
The Environmental Protection, Water and Natural Resources Sector comprises of five MDAs namely: The State Department for; Environment, Natural Resources, Water Services, Irrigation and Ministry of Mining with a total of 26 SAGAs.

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.

In FY 2017/18 the original allocation to the sector was Kshs.73.6 billion which was revised to Kshs.73.1 billion in the Supplementary Budget I, representing 2.7 per cent of gross national budget, a significant decrease compared to Kshs.95.7 billion allocated in the FY 2016/17. The allocation comprised of Kshs.50.8 billion (69.6 per cent) for development expenditure and Kshs.22.2 billion (30.4 per cent) for recurrent expenditure. State Department for Water Services received the highest allocation of Kshs.37 billion (50.6 per cent of the Sector's allocation), while the Ministry of Mining had the lowest allocation of Kshs.1.6 billion (2.2 per cent of the Sector's allocation). Figure 4.7 shows the budgetary allocation trend for the Environmental Protection, Water and Natural Resources Sector for the period FY 2013/14 to FY 2017/18.

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



Source: National Treasury

In the first half of FY 2017/18, total exchequer issue to the sector was Kshs.14.6 billion, representing 37.9 per cent of the sector's revised net estimates. This comprised of Kshs.9.1 billion for development expenditure representing 35.8 per cent of the revised development net estimates and Kshs.5.6 billion to recurrent expenditure representing 41.7 per cent of the revised recurrent net estimates.

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

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

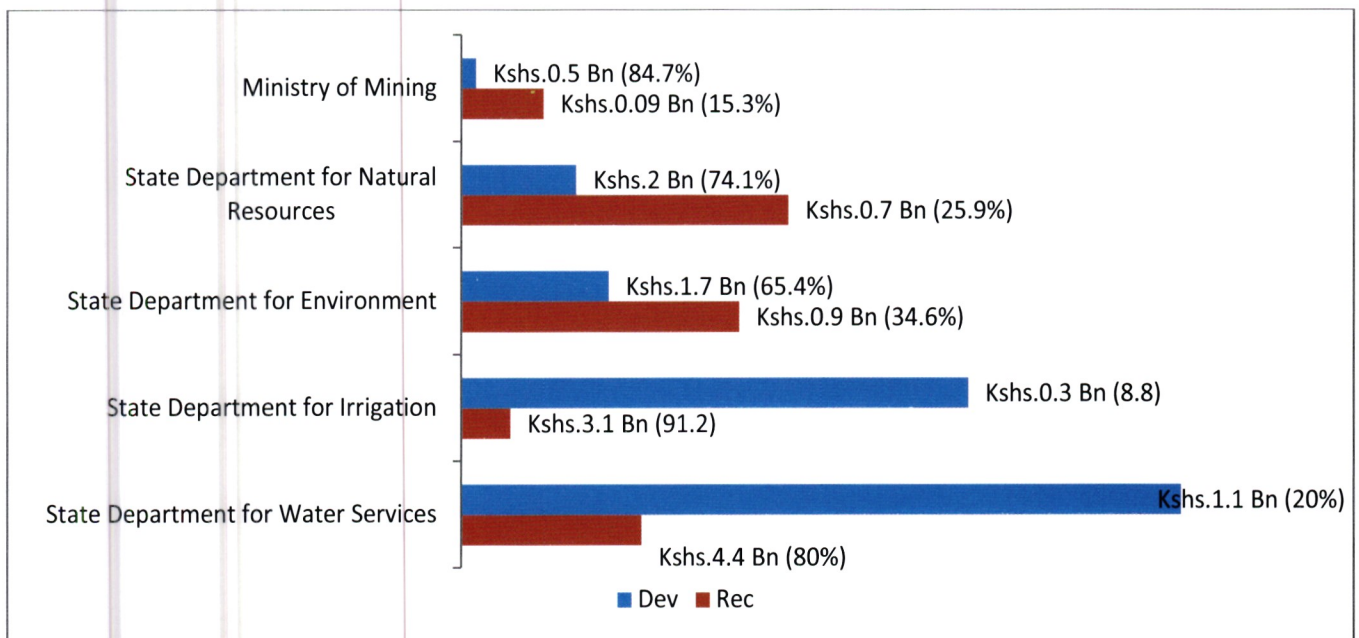
VOTE	Development						Recurrent					
	Rev. Gross Est.	Rev. Net Estimates	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.	Rev. Gross Est.	Rev. Net Estimates	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
State Department for Water Services	32.6	11.7	4.4	8.9	37.6	27.4	4.4	2.3	1.1	1.7	46.6	39.7
State Department for Irrigation	12.5	9.2	3.1	3.3	33.3	26.6	0.9	0.5	0.3	0.2	62.9	22.0
State Department for Environment	2.3	2.0	0.9	0.6	42.6	25.8	2.7	2.6	1.7	1.4	65.9	51.6
State Department for Natural Resources	3.2	2.1	0.7	0.9	31.2	28.2	12.9	6.7	2.0	3.3	29.4	25.9
Ministry of Mining	0.3	0.3	0.09	0.07	29.6	21.2	1.3	1.3	0.5	0.4	39.2	33.4
Total	50.8	25.4	9.1	13.8	35.8	27.1	22.2	13.3	5.6	7.1	41.7	32.1
Total for the Sector							Rev. Gross Est.	Rev. Net Estimates	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
Development							50.8	25.4	9.1	13.8	35.8	27.1
Recurrent							22.2	13.3	5.6	7.1	41.7	32.1
Total							73.1	38.7	14.6	20.9	37.9	28.6

Source: MDAs and National Treasury

In the first half of FY 2017/18, State Department for Environment received the highest proportion for exchequer issues to revised net estimates for both development and recurrent expenditure at 42.6 per cent and 65.9 per cent respectively. The Ministry of Mining received the lowest proportion for development exchequer issues to the revised net estimates at 29.6 per cent State Department for Natural Resources received the lowest for recurrent at 29.4 per cent.

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

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



Source: National Treasury

The total expenditure for the sector during the first half of First half of 2017/18 amounted to Kshs.20.9 billion, representing 28.6 per cent of the revised gross estimates, an increase from 23.4 per cent recorded in the same period of FY 2016/17. The expenditure comprised of Kshs.13.8 billion as development expenditure, representing an absorption rate of 27.1 per cent, a decline from 23.4 per cent recorded in a similar period of FY 2016/17 and Kshs.7.1 billion as recurrent expenditure, representing 32.1 per cent of the revised recurrent net estimates, an increase from 23.4 per cent recorded in the same period of FY 2016/17.

State Department for Natural Resources recorded the highest absorption on development budget at 28.2 per cent while the Ministry of Mining had the lowest at 21.2 per cent. State Department for Environment recorded the highest percentage of recurrent expenditure to revised recurrent gross estimates at 51.6 per cent while State Department for Irrigation had the lowest at 22 per cent.

4.6 General Economic and Commercial Affairs Sector (GECA)

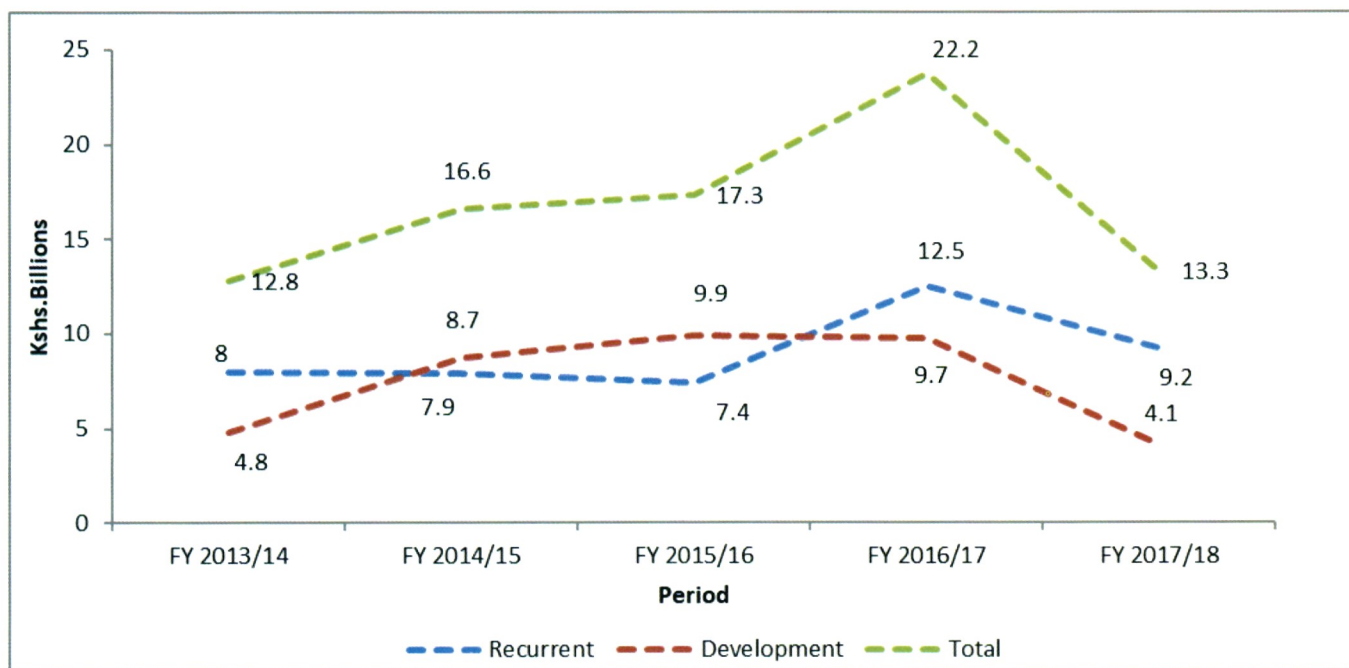
The General Economic and Commercial Affairs (GECA) Sector consists of five MDAs namely; State Department for Investment and Industry, Cooperatives Development, Trade, East African Integration and Ministry of Tourism. The Sector aims at promoting investments, increased manufacturing share to the GDP and 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 original allocation to the Sector in FY 2017/18 was Kshs.19.8 billion, which was revised to Kshs.13.3 billion in the Supplementary Budget I, representing 0.5 per cent of the gross national budget, a decline from Kshs.23.7 billion allocated in FY 2016/17. The allocation comprised of Kshs.4.1 billion (30.8 per cent) for development expenditure and Kshs.9.2 billion (69.2 per cent) for recurrent

expenditure. State Department for Investment and Industry received the highest budgetary allocation of Kshs.4.8 billion (36 per cent of the Sector's allocation), while State Department for Cooperatives had the lowest allocation at Kshs.1.1 billion (8.4 per cent of the Sector's allocation).

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

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



Source: National Treasury

In the first half of FY 2017/18, the Sector received exchequer issues amounting to Kshs.4.5 billion, representing 37.1 per cent of the Sector's revised net estimates. The exchequer issues comprised of Kshs.1.3 billion for development expenditure, representing 33.6 per cent of the revised development net estimates, and Kshs.3.1 billion for recurrent expenditure representing 38.8 per cent of the revised recurrent net estimates.

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

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

VOTE	Development						Recurrent					
	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
State Department for Investment and Industry	2.6	2.6	0.9	0.9	34.0	36.3	2.2	2.2	1.1	1.0	51.8	45.5

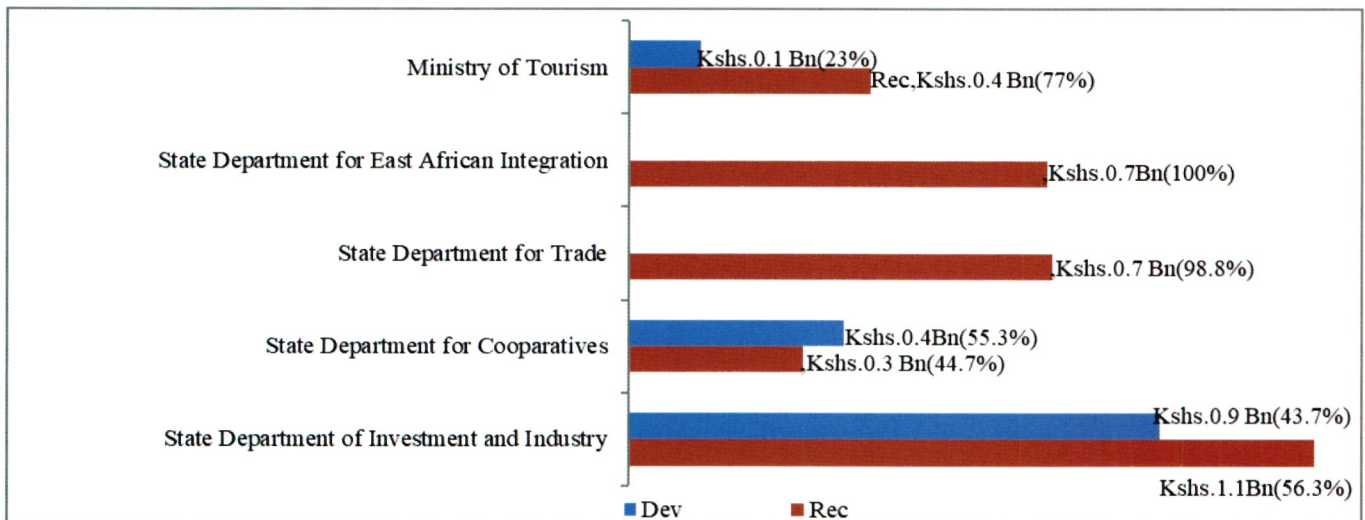
VOTE	Development						Recurrent					
	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
State Department for Cooperatives	0.4	0.4	0.4	0.4	91.7	91.7	0.7	0.7	0.3	0.3	39.0	37.2
State Department for Trade	0.1	0.1	0.001	0.004	1.6	5.0	2.2	2.1	0.7	0.7	32.3	34.1
State Department for East African Integration	0.1	-	-	-	-	-	1.4	1.4	0.7	0.7	50.5	50.9
Ministry of Tourism	1.0	1.0	0.1	0.1	12.0	7.9	2.8	1.8	0.4	0.7	22.0	24.3
Total	4.1	4.0	1.3	1.4	33.6	33.6	9.2	8.2	3.2	3.4	38.8	36.6
Total for the Sector							Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
Development							4.1	4.0	1.3	1.4	33.6	33.6
Recurrent							9.2	8.2	3.2	3.4	38.8	36.6
Total							13.3	12.2	4.5	4.8	37.1	35.7

Source: MDAs and National Treasury

In the first half of FY 2017/18, State Department for Cooperatives received the highest proportion of exchequer issues to revised net estimates for development expenditure at 91.7 per cent while State Department for Trade received the lowest at 1.6 per cent. State Department for Investment and Industry received the highest proportion of exchequer issues to revised net estimates for recurrent expenditure at 51.8 per cent while Ministry of Tourism received the lowest for recurrent expenditure at 22 per cent.

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

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



Source: National Treasury

The total expenditure for the sector in the first half of FY 2017/18 amounted to Kshs.4.8 billion representing 35.7 per cent of the revised gross estimate, an increase from 34.7 per cent recorded in a similar period of FY 2016/17. The expenditure comprised of Kshs.1.4 billion as development expenditure, representing an absorption rate of 33.6 per cent, a decline from 39.6 per cent recorded in the same period of FY 2016/17 and Kshs.3.4 billion as recurrent expenditure, representing 36.6 per cent of the revised gross recurrent estimates, an increase from 30.3 per cent recorded in a similar period of FY 2016/17.

State Department for Cooperatives recorded the highest absorption on development budget at 91.7 per cent while State Department for Trade recorded the lowest at 5 per cent. State Department for East African Integration recorded the highest percentage of recurrent expenditure to revised annual recurrent estimates at 50.9 per cent while Ministry of Tourism recorded the lowest at 24.3 per cent.

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

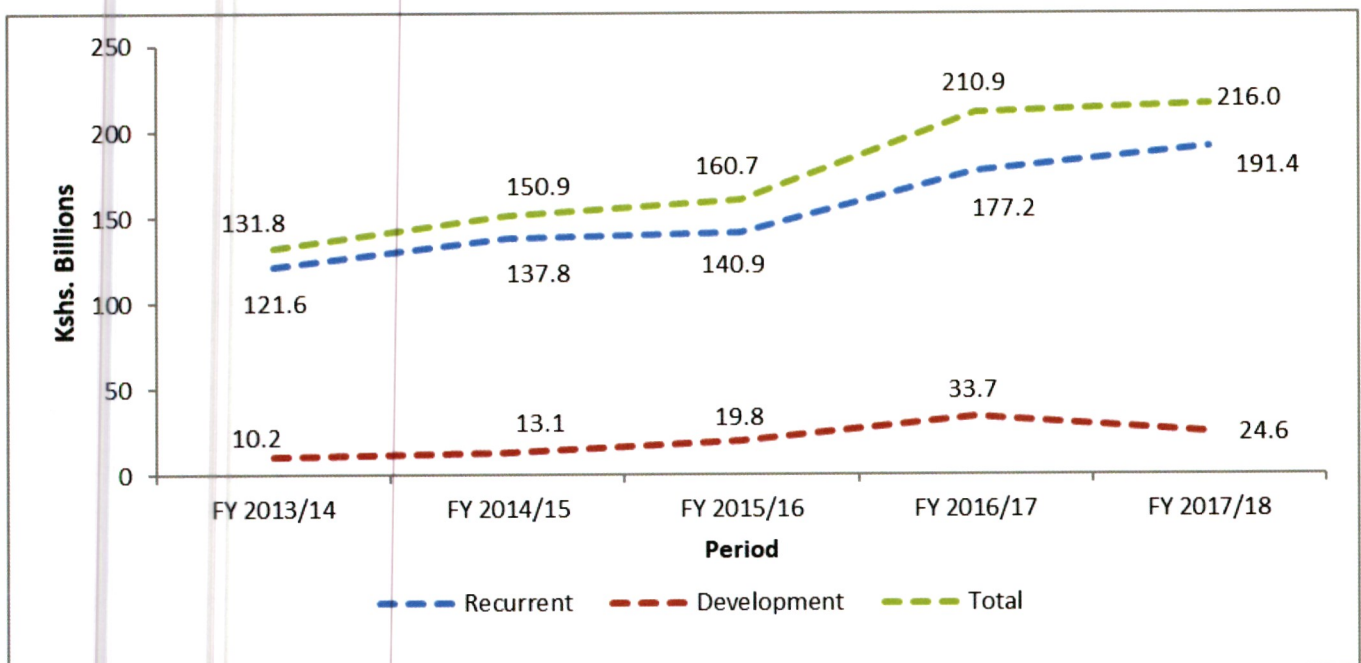
The GJLOS Sector consists of fourteen (14) MDAs, twenty (20) SAGAs and fifteen (15) Tribunals each with specific mandates. The 14 MDAs are: State Department for Interior, State Department for Correctional Services, State Law Office and Department of Justice, The Judiciary, Ethics and Anti-Corruption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

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

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

The original allocation to the sector was Kshs.202.3 billion in FY 2017/18. This was revised to Kshs.216 billion in the Supplementary Budget I representing 8 per cent of gross national budget, an increase from the Kshs.210.9 billion allocated in FY 2016/17. The allocation comprised of Kshs.24.6 billion (11.4 per cent) for development expenditure and Kshs.191.4 billion (88.6 per cent) for recurrent expenditure. State Department for Interior received the highest budgetary allocation of Kshs.130 billion (60.2 per cent of the sector's allocation), while Judicial Service Commission had the lowest at Kshs.0.2 billion (less than 1 per cent of the sector's allocation). Figure 4.11 shows the budgetary allocation trend for the GJLOS sector for the period FY 2013/14 to FY 2017/18.

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



Source: National Treasury

In the first half of FY 2017/18, the sector received exchequer issues amounting to Kshs.105.4 billion representing 49.3 per cent of the sector's annual net estimates. This comprised of Kshs.5.9 billion for development expenditure representing 25.5 per cent of the revised development net estimates and Kshs.99.5 billion to recurrent expenditure representing 52.2 per cent of the revised recurrent net estimates.

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

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

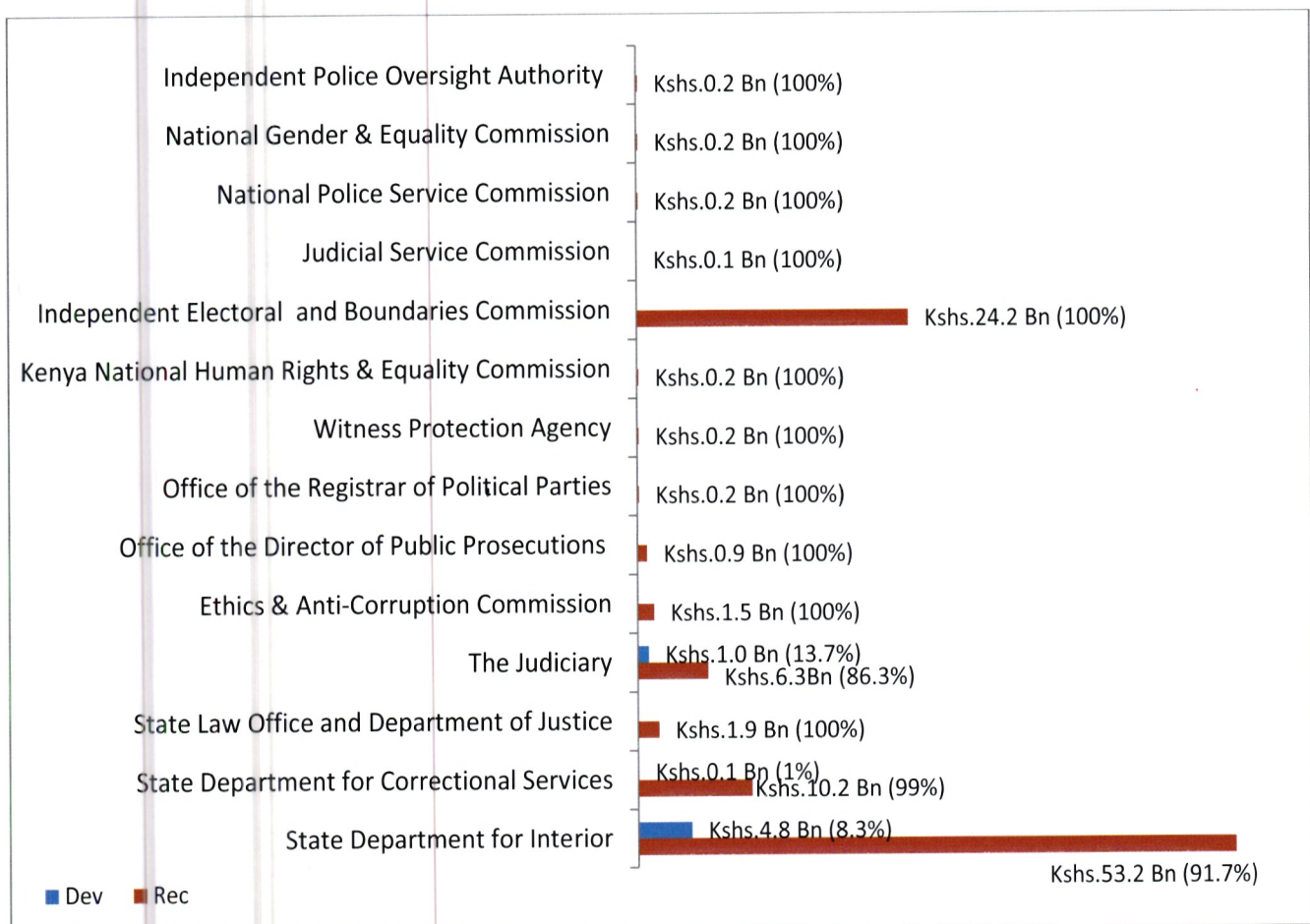
VOTE	Development						Recurrent					
	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
State Department for Interior	18.1	17.6	4.8	9.0	27.0	49.8	111.9	111.5	53.2	40.8	47.7	36.5
State Department for Correctional Services	0.9	0.9	0.1	0.1	10.3	15.8	21.5	21.5	10.2	9.0	47.6	41.8
State Law Office and Department of Justice	0.4	0.1	-	-	-	-	4.4	4.0	1.9	1.7	46.9	39.4
The Judiciary	3.2	3.2	1.0	0.9	31.7	28.4	12.4	12.4	6.3	5.0	50.7	40.5
Ethics & Anti-Corruption Commission	1.3	1.3	-	-	-	-	3.1	3.1	1.5	1.5	48.2	48.5
Office of the Director of Public Prosecutions	0.003	0.003	-	-	-	-	1.9	1.9	0.9	0.8	46.9	41.5
Office of the Registrar of Political Parties	-	-	-	-	-	-	0.8	0.8	0.2	0.3	22.8	40.6
Witness Protection Agency	-	-	-	-	-	-	0.4	0.4	0.2	0.2	51.2	47.1
Kenya National Commission on Human Rights	-	-	-	-	-	-	0.4	0.4	0.2	0.21	55.5	52.9
Independent Electoral and Boundaries Commission	0.7	-	-	-	-	-	32.9	32.9	24.2	24.2	73.7	73.7
Judicial Service Commission	-	-	-	-	-	-	0.2	0.2	0.1	0.08	66.0	44.3
National Police Service Commission	-	-	-	-	-	-	0.5	0.5	0.2	0.2	35.8	36.8
National Gender & Equality Commission	-	-	-	-	-	-	0.4	0.4	0.2	0.2	55.6	49.0
Independent Policing Oversight Authority	-	-	-	-	-	-	0.7	0.7	0.2	0.2	29.6	29.7
Total	24.6	23.1	5.9	10.1	25.5	40.9	191.4	190.6	99.5	84.4	52.2	44.1
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							24.6	23.1	5.9	10.1	25.5	40.9
Recurrent							191.4	190.6	99.5	84.4	52.2	44.1
Total							216.0	213.8	105.4	94.5	49.3	43.8

Source: MDAs and National Treasury

In the first half of FY 2017/18, the Judiciary received the highest proportion of development exchequer issues to revised net estimates at 31.7 per cent while the State Department for Correctional Services received the lowest at 10.3 per cent. Independent Electoral and Boundaries Commission received the highest proportion of recurrent exchequer issues to the revised recurrent net estimates at 73.7 per cent while Office of the Registrar of Political Parties received the lowest at 22.8 per cent.

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

Figure 4.12: Exchequer Issues to the GJLOS Sector for the First Half of FY 2017/18



Source: National Treasury

The total expenditure for the sector in the first half of FY 2017/18 amounted to Kshs.94.5 billion, representing 43.8 per cent of the revised gross estimates, an improvement compared to 35 per cent recorded in a similar period of FY 2016/17. The expenditure comprised of Kshs.10.1 billion as development expenditure, representing an absorption rate of 40.9 per cent, (an increase compared to 31.4 per cent recorded in first half of the FY 2016/17) and Kshs.84.4 billion as recurrent expenditure, representing 44.1 per cent of the revised recurrent estimates, an increase from 35.7 per cent recorded in a similar period of FY 2016/17.

State Department for Interior recorded the highest absorption rate for development expenditure at 49.8 per cent while State Department for Correctional Services recorded the lowest at 15.8 per cent. IEBC recorded the highest percentage of recurrent expenditure to the revised recurrent estimates at 73.7 per cent while the Independent Policing Oversight Authority recorded the lowest at 29.7 per cent.

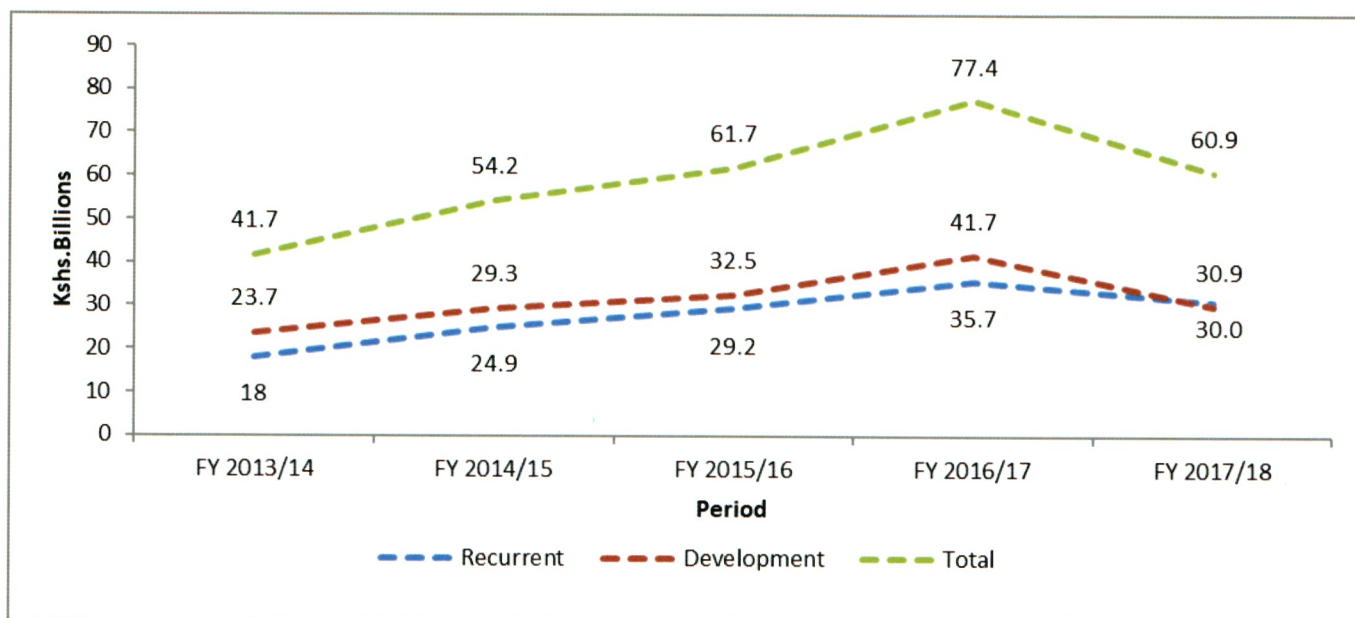
4.8 Health Sector

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

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

The original allocation to the sector in FY 2017/18 was Kshs.61.7 billion. This was reduced to Kshs.60.9 billion in Supplementary Budget I, representing 2.3 per cent of the gross national budget, a decrease compared to Kshs.77.4 billion allocated in FY 2016/17. The allocation comprised of Kshs.30 billion (49.3 per cent) for development expenditure and Kshs.30.9 billion (50.7 per cent) for recurrent expenditure. Figure 4.13 shows the budgetary allocation trend for the Health Sector for the period FY 2013/14 to FY 2017/18.

Figure 4.13: Budgetary Allocation Trend for the Health Sector from FY 2013/14 to FY 2017/18



Source: National Treasury

In the first half of FY 2017/18, the sector received exchequer issues of Kshs.21.7 billion, representing 47.5 per cent of the revised net estimates. This comprised of Kshs.8.8 billion for development expenditure, representing 47 per cent of the revised development net estimates and Kshs.12.9 billion for recurrent expenditure, representing 47.9 per cent of the revised net recurrent estimates.

Table 4.7 shows Health sector analysis of exchequer issues and expenditure in the first half of FY 2017/18.

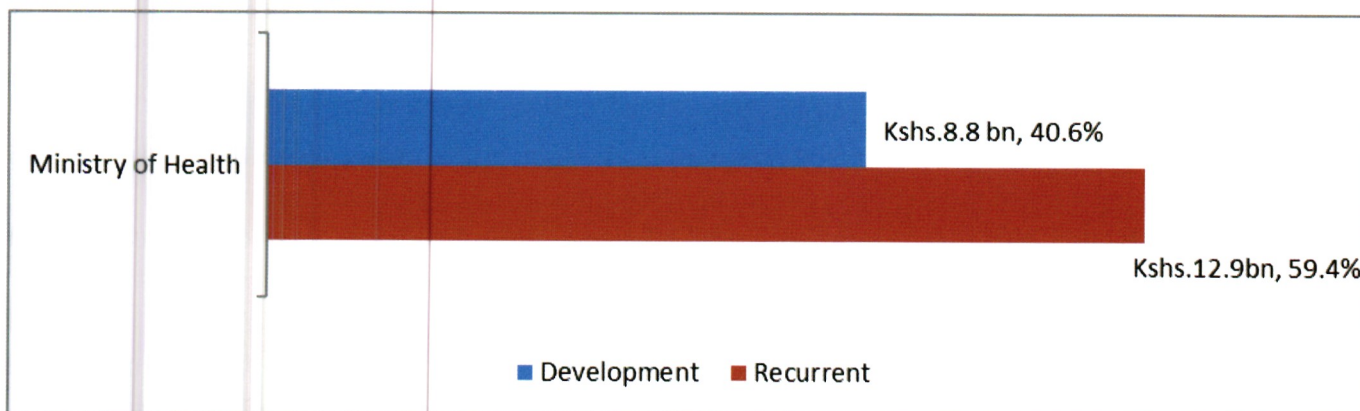
Table 4.7: Health Sector-Analysis of Exchequer Issues and Expenditure for the period July to December 2017 (Kshs. Billions)

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 Health	30.0	18.7	8.8	9.5	47.0	31.7	30.9	26.9	12.9	11.5	47.9	37.2
Total	30.0	18.7	8.8	9.5	47.0	31.7	30.9	26.9	12.9	11.5	47.9	37.2
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							30.0	18.7	8.8	9.5	47.0	31.7
Recurrent							30.9	26.9	12.9	11.5	47.9	37.2
Total							60.9	45.6	21.7	21.0	47.5	34.5

Source: MDAs and National Treasury

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

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



Source: National Treasury

The total expenditure for the sector in the first half of FY 2017/18 amounted to Kshs.21 billion, representing 34.5 per cent of the revised gross estimates, an increase compared to Kshs.19.1 billion spent in a similar period of FY 2016/17. The expenditure comprised of Kshs.9.5 billion for development expenditure, representing an absorption rate of 31.7 per cent, an increase from 26.6 per cent recorded in a similar period of FY 2016/17 and Kshs.11.5 billion spent on recurrent activities, representing 37.2 per cent of the revised recurrent gross estimates, similar to 37.2 per cent recorded in FY 2016/17.

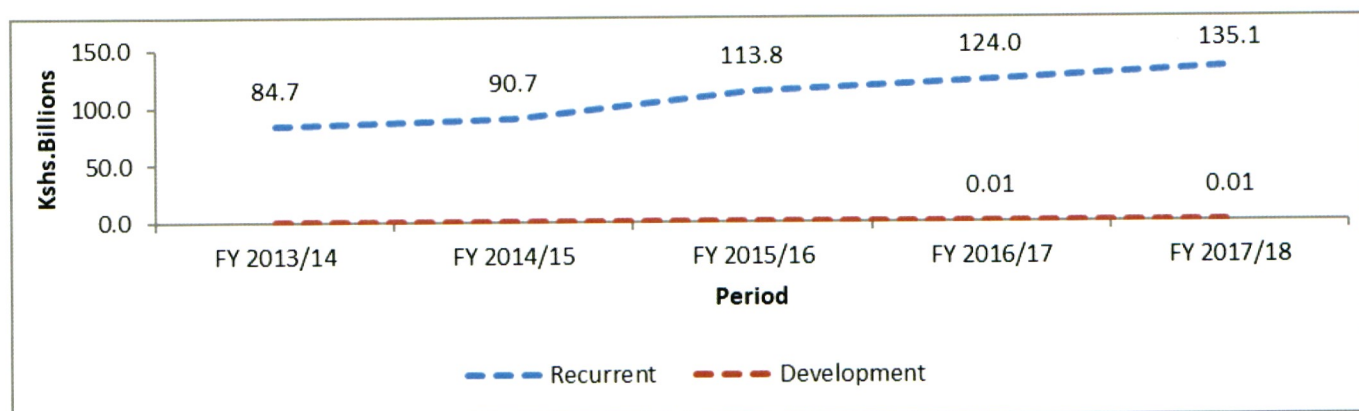
4.9 National Security Sector

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

The original allocation to the sector in FY 2017/18 was Kshs.130.2 billion. This was revised to Kshs.135.1 billion in Supplementary Budget I, representing 5 per cent of the revised gross national budget and an increase from Kshs.130.2 billion allocated in FY 2016/17. The allocation comprised of Kshs.45 million for development expenditure and Kshs.135 billion for recurrent expenditure. Ministry of Defence received the highest allocation of Kshs.105.3 billion (77.9 per cent of the sector’s allocation), while National Intelligence Service received Kshs.29.8 billion (22.1 per cent of the sector’s allocation).

Figure 4.15 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 first half of FY 2017/18, the sector received exchequer issues totalling to Kshs.64.1 billion, representing 47.5 per cent of the sector’s revised net estimates. Ministry of Defence received Kshs.45.7 billion and NIS Kshs.18.3 billion, representing 43.5 per cent and 61.6 per cent of the revised net estimates respectively.

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

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

VOTE	Development						Recurrent					
	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
Ministry of Defence	0.05	-	-	0.03	-	61.1	105.3	105.3	45.7	49.9	43.5	47.4
National Intelligence Service	-	-	-	-	-	-	29.8	29.8	18.3	17.9	61.6	60.0
Total	0.05	-	-	0.03	-	61.1	135.0	135.0	64.1	67.8	47.5	50.2
Total for the Sector							Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
Development							0.05	-	-	0.03	-	61.1
Recurrent							135.0	135.0	64.1	67.8	47.5	50.2
Total							135.1	135.0	64.1	67.8	47.5	50.2

Source: MDAs and National Treasury

The total expenditure for the sector in the first half of FY 2017/18 amounted to Kshs.67.8 billion, representing 50.2 per cent of the revised gross estimates, an increase from Kshs.53.6 billion spent in a similar period of FY 2016/17. Ministry of Defence spent Kshs.27.5 million on development activities, representing 61.1 per cent of the revised development gross estimates, and Kshs.49.9 billion on recurrent activities, representing 47.4 per cent of the revised gross recurrent estimates, an increase compared to 41.7 per cent (Kshs.41.2 billion) recorded in the first half of FY 2016/17. NIS expenditure amounted to Kshs.17.9 billion, representing 60 per cent of revised recurrent gross estimates, an increase compared to 49 per cent (Kshs.12.4 billion) recorded in a similar period of FY 2016/17.

4.10 Public Administration and International Relations (PAIR) Sector

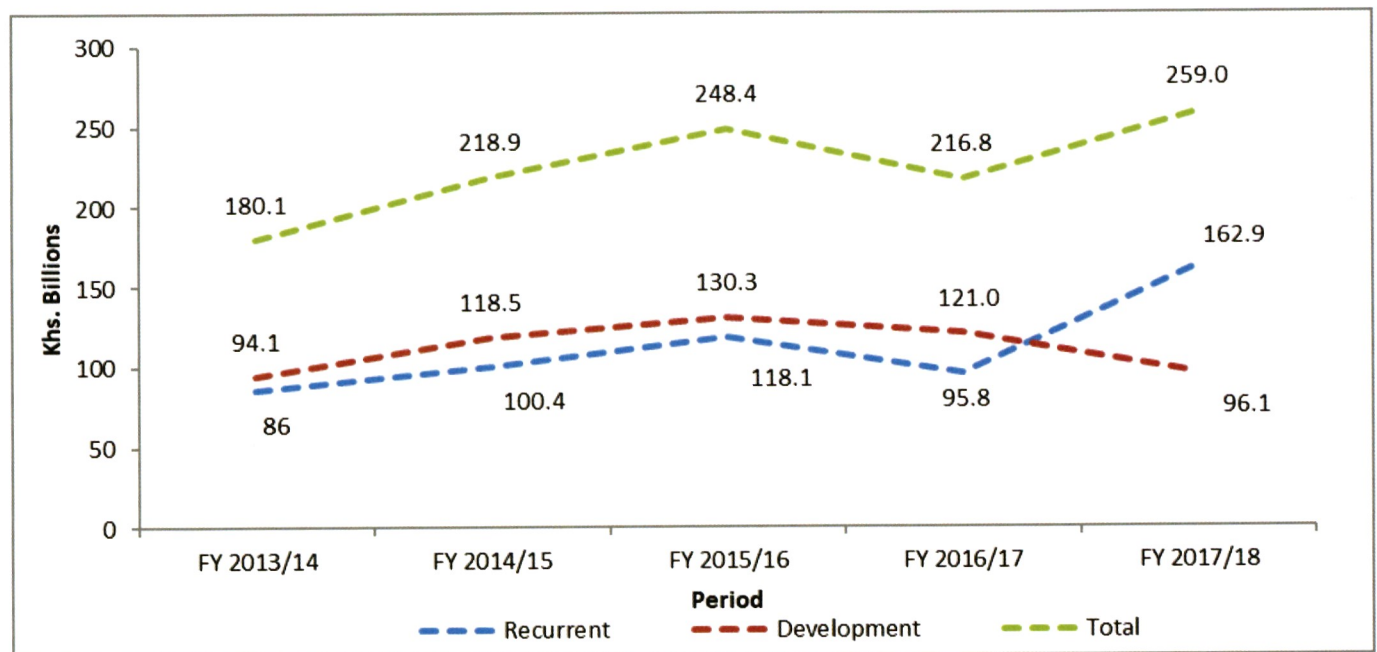
The Public Administration and International Relations Sector (PAIR) consists of 14 MDAs namely; The Presidency, State Department for Planning and Statistics, State Department for Devolution, Ministry of Foreign Affairs, National Treasury, State Department for Public Service and Youth Affairs, Parliamentary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

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

The original allocation to the sector in FY 2017/18 was Kshs.270.2 billion. This was revised to Kshs.259 billion in Supplementary Budget I, representing 9.6 per cent of gross national budget, an increase compared to Kshs.216.8 billion allocated in FY 2016/17. The allocation comprised of Kshs.96.1 billion (37.1 per cent) for development expenditure and Kshs.162.9 billion (62.9 per cent) for recurrent expenditure. The National Treasury received the highest budgetary allocation of Kshs.128.2 billion (49.5 per cent of the sector's allocation), while Commission on Revenue Allocation (CRA) had the lowest at Kshs.0.4 billion (less than 1 per cent of the sector's allocation).

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

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



Source: National Treasury

In the first half of FY 2017/18, the Sector received exchequer issues amounting to Kshs.54 billion, representing 22.6 per cent of the Sector's revised net estimates. The exchequer issues comprised of Kshs.11.8 billion for development expenditure, representing 15.3 per cent of the revised development net estimates, and Kshs.42.2 billion for recurrent expenditure representing 26.1 per cent of the revised recurrent net estimates. Table 4.9 shows PAIR Sector analysis of exchequer issues and expenditure for the first half of FY 2017/18.

Table 4.9: PAIR Sector-Analysis of Exchequer Issues and Expenditure for the period July to December 2017(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.
The Presidency	0.9	0.9		0.2	-	17.3	7.9	7.9	3.8	3.4	48.3	43.3
State Department for Devolution	3.5	2.5	0.2	0.3	6.7	9.4	1.0	1.0	0.3	0.3	33.4	31.7
State Department for Planning & Statistics	30.0	29.4	0.6	8.8	2.0	29.4	5.4	5.1	1.9	2.5	36.7	46.9
Ministry of Foreign Affairs and International Trade	0.2	0.2	0.01	0.002	5.7	0.7	14.6	14.2	5.1	6.1	35.7	41.7
The National Treasury	46.7	29.4	4.3	3.8	14.8	8.2	81.4	81.4	11.7	14.5	14.4	17.8
State Department for Public Service and Youth Affairs	11.9	11.9	5.9	7.5	49.6	63.1	14.5	14.3	7.0	7.5	49.3	52.2
Parliamentary Service Commission	2.6	2.6	0.2	0.7	6.2	26.4	10.2	10.2	3.1	3.4	30.6	33.2
National Assembly	-	-	-	-	-	-	19.6	19.6	6.1	6.9	31.0	35.1
Commission on Revenue Allocation	-	-	-	-	-	-	0.4	0.4	0.2	0.1	39.1	26.2
Public Service Commission	0.02	0.02	-	0.005	-	31.4	1.4	1.4	0.6	0.7	45.3	49.2
Salaries & Remuneration Commission	-	-	-	-	-	-	0.6	0.6	0.2	0.3	37.9	44.3
Auditor General	0.2	0.2	0.04	0.01	23.4	7.3	5.1	5.0	1.9	2.0	38.4	38.3
Controller of Budget	-	-	-	-	-	-	0.5	0.5	0.2	0.2	36.6	36.0
The Commission on Administrative Justice	-	-	-	-	-	-	0.4	0.4	0.2	0.2	40.3	38.2
Total	96.1	77.1	11.8	21.4	15.3	22.3	162.9	161.9	42.2	48.0	26.1	29.5
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							96.1	77.1	11.8	21.4	15.3	22.3
Recurrent							162.9	161.9	42.2	48.0	26.1	29.5
Total							259.0	239.0	54.0	69.5	22.6	26.8

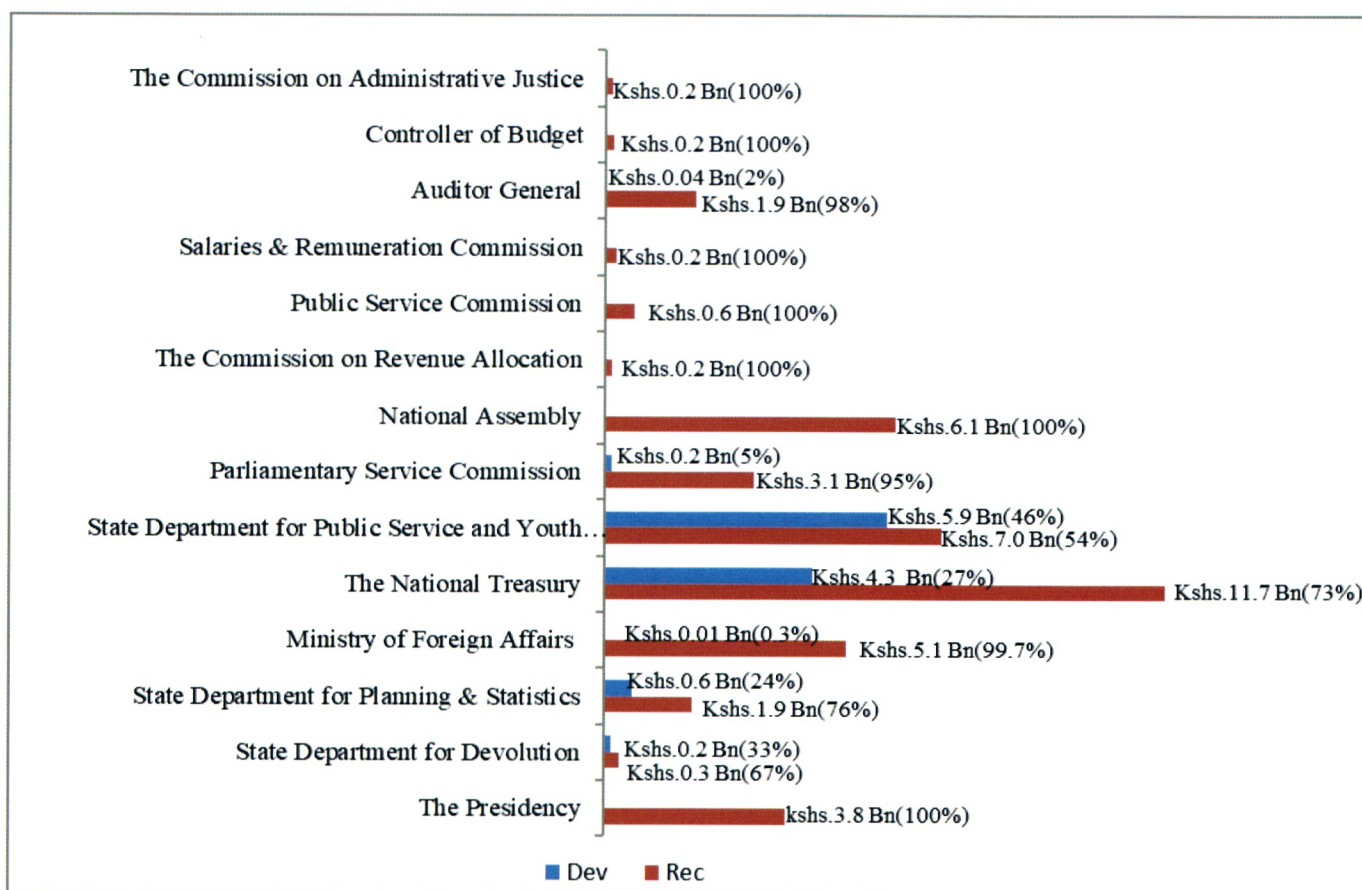
Source: MDAs and National Treasury

In the first half of FY 2017/18, State Department for Public Service and Youth Affairs received the highest proportion of exchequer issues to revised net estimates for both development and recurrent expenditure at 49.6 per cent and 49.3 per cent respectively. State Department for Planning and

Statistics received the lowest proportion of exchequer issues to revised development net estimates at 2 per cent while the National Treasury received the lowest proportion of exchequer issues to revised recurrent net estimates at 14.4 per cent.

Figure 4.17 shows the exchequer issues to the PAIR Sector in the first half of FY 2017/18.

Figure 4.17: Exchequer Issues to the PAIR Sector for the First Half of FY 2017/18



Source: National Treasury

The total expenditure for the sector in the first half of FY 2017/18 amounted to Kshs.69.5 billion representing 26.8 per cent of the revised gross estimate, a decline from 38.4 per cent recorded in a similar period of FY 2016/17. The expenditure comprised of Kshs.21.4 billion as development expenditure, representing an absorption rate of 22.3 per cent, a decline from 33.3 per cent recorded in a similar period of FY 2016/17 and Kshs.48 billion as recurrent expenditure, representing 29.5 per cent of the revised recurrent estimates and a decrease from 43.3 per cent recorded in a similar period of FY 2016/17.

State Department for Public Service and Youth Affairs recorded the highest absorption on development and recurrent budget at 63.1 per cent and 52.2 per cent. The Ministry of Foreign Affairs and International Trade recorded the lowest absorption on development expenditure at 0.7 per cent while National Treasury recorded the lowest absorption on recurrent expenditure at 17.8 per cent.

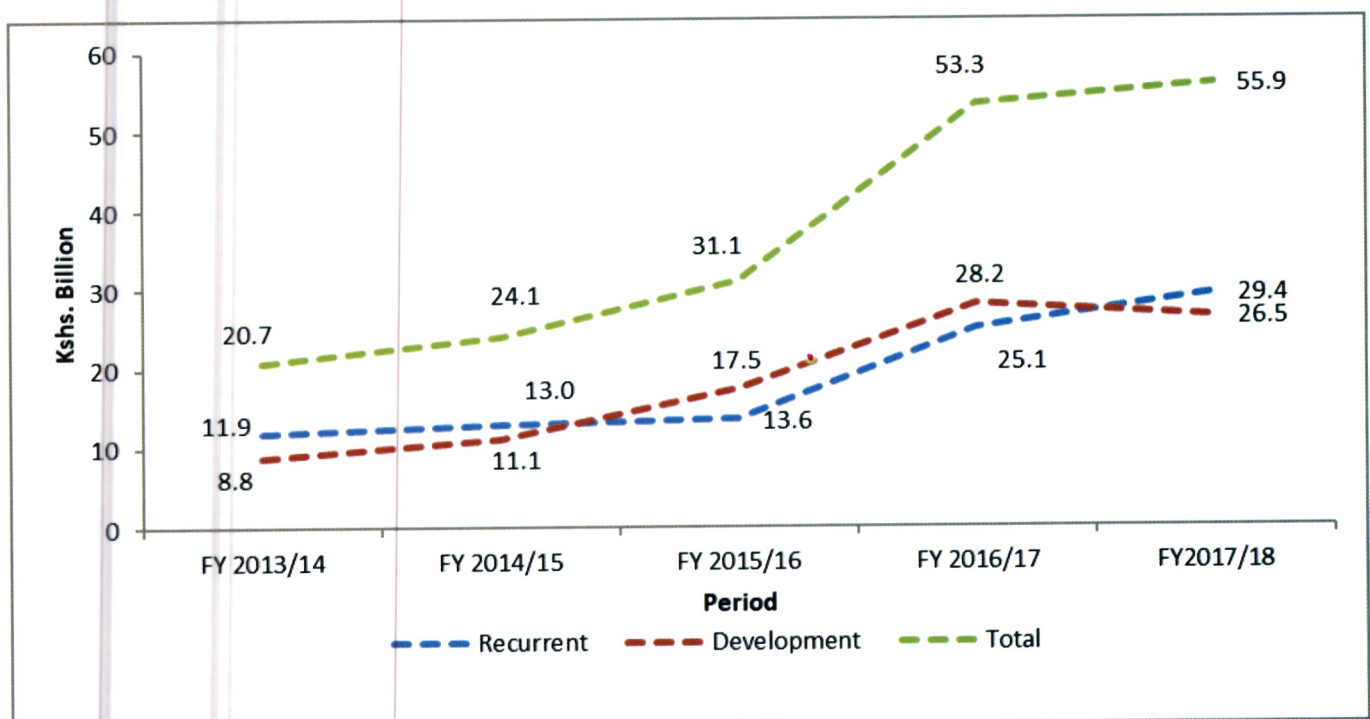
4.11 Social Protection, Culture and Recreation Sector

The Social Protection, Culture and Recreation Sector comprises 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.

In the original budget, the sector was allocated Kshs.46.2 billion in FY 2017/18. This was revised to Kshs.55.9 billion in the Supplementary Budget I representing 2.1 per cent of gross national budget, an increase from the Kshs.53.4 billion allocated in the FY 2016/17. The allocation comprised of Kshs.26.5 billion (47.4 per cent) for development expenditure and Kshs.29.4 billion (52.6 per cent) for recurrent expenditure. State Department for Social Protection received the highest allocation of Kshs.29.9 billion (53.5 per cent of the Sector's allocation), while State Department for Labour had the lowest budgetary allocation of Kshs.2.4 billion (4.3 per cent of the Sector's allocation).

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

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



Source: National Treasury

In the first half of FY 2017/18, the sector received exchequer issues amounting to Kshs.16.2 billion representing 29.9 per cent of the sector's revised net estimates. This comprised of Kshs.8.2 billion

for development expenditure representing 32.9 per cent of the revised development net estimates and Kshs.8 billion to recurrent expenditure representing 27.3 per cent of the revised recurrent net estimates.

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

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

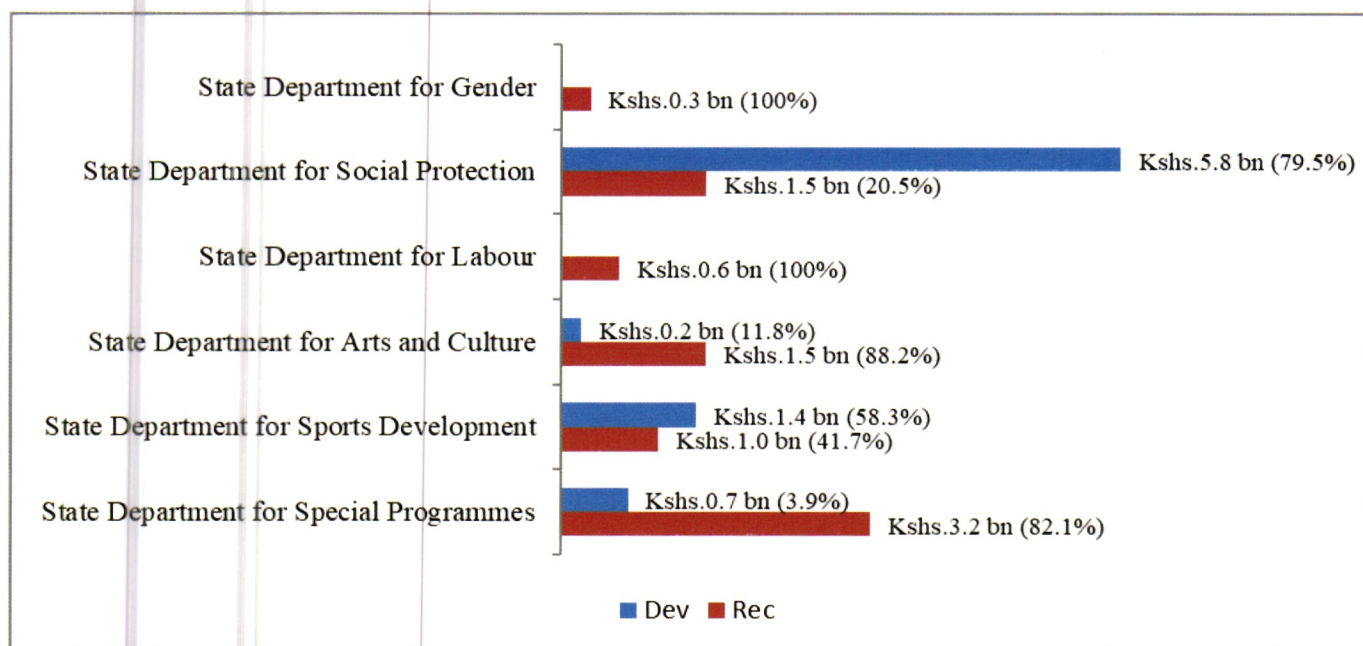
VOTE	Development						Recurrent					
	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.	Rev. Gross Est.	Rev. Net Estimates	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
State Department for Special Programmes	4.4	2.8	0.7	1.7	26.4	40.0	4.3	4.3	3.2	3.7	74.4	84.5
State Department for Sports Development	3.0	3.0	1.4	1.7	48.5	57.8	3.7	3.7	1.0	1.4	26.9	38.6
State Department for Arts and Culture	0.7	0.6	0.2	0.5	29.6	67.8	2.9	2.9	1.5	1.4	50.8	47.4
State Department for Labour	0.6	0.6	0.03	0.04	4.9	5.8	1.8	1.8	0.6	0.8	32.9	43.3
State Department for Social Protection	14.7	14.7	5.8	6.2	39.6	42.2	15.2	15.2	1.5	3.6	9.6	23.7
State Department for Gender	3.2	3.2	-	1.5	0.0	47.3	1.4	1.4	0.3	0.3	19.1	24.0
Total	26.5	24.9	8.2	11.6	32.9	44.0	29.4	29.3	8.0	11.2	27.3	38.2
Total for the Sector							Rev. Gross Est.	Rev. Net Estimates	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
Development							26.5	24.9	8.2	11.6	32.9	44.0
Recurrent							29.4	29.3	8.0	11.2	27.3	38.2
Total							55.9	54.2	16.2	22.9	29.9	41.0

Source: MDAs and National Treasury

In the first half of FY 2017/18, State Department for Sports Development received the highest proportion of development exchequer issues to revised development net estimates at 48.5 per cent while the State Department for Labour received the lowest at 4.9 per cent. State Department for Special Programmes received the highest proportion of recurrent exchequer issues to the revised recurrent net estimates at 74.4 per cent while State Department for Social Protection received the lowest at 9.6 per cent.

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

Figure 4.19: Exchequer Issues to the Social Protection, Culture Recreation Sector in the First Half of FY 2017/18



Source: National Treasury

The total expenditure for the sector in the first half of FY 2017/18 amounted to Kshs.22.9 billion, representing 41 per cent of the revised gross estimates, a decline compared to 43.6 per cent recorded in a similar period of FY 2016/17. This comprised of Kshs.11.6 billion as development expenditure, representing an absorption rate of 44 per cent, an improvement from 20 per cent recorded in FY 2016/17 and Kshs.11.2 billion as recurrent expenditure, representing 38.2 per cent of the revised recurrent estimates, a decline from 42.2 per cent recorded in a similar period of FY 2016/17.

State Department for Arts and Culture recorded the highest absorption on development expenditure at 67.8 per cent (Kshs.0.5 billion), while State Department for Labour recorded the lowest at 5.8 per cent (Kshs.37 million). State Department for Special Programmes recorded the highest percentage of recurrent expenditure to revised recurrent gross estimates at 84.5 per cent while State Department for Gender recorded the lowest at 24 per cent.

5 BUDGET PERFORMANCE BY PROGRAMMES FOR FY 2017/18

5.1 Introduction

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

5.2 Agriculture, Rural and Urban Development (ARUD) Sector

The revised allocation to the ARUD Sector in FY 2017/18 was Kshs.49.2 billion for implementing 12 programmes. This comprises of Kshs.22.7 billion (46.2 per cent) for development activities and Kshs.26.5 billion (53.8 per cent) for recurrent expenditure. The analysis of Sector programmes in the first half of FY 2017/18 is presented in table 5.1.

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

VOTE	Programme	Rev. Dev. Est.	Rev. Rec. Est.	Rev. Gross Est.	Dev. Exp.	Rec. Exp.	Total Exp.	Programme Implementation Rate (%)
Ministry of Lands and Physical Planning	Land Policy and Planning	3.6	2.3	5.9	1.2	1.1	2.3	38.4
State Department for Agriculture	General Administration Planning and Support Services	0.6	5.4	6.0	0.1	1.7	1.8	29.7
	Crop Development and Management	13.4	8.5	21.9	3.0	6.2	9.2	42.0
	Agribusiness and Information Management	1.1	0.2	1.3	0.07	0.05	0.1	9.1
State Department for Livestock	Livestock Resources Management and Development	3.7	7.1	10.8	1.2	3.3	4.5	41.6
State Department for Fisheries and the Blue Economy	Fisheries Development and Management	0.4	1.4	1.8	-	0.6	0.6	34.5
	General Administration Planning and Support Services	-	0.2	0.2	-	0.1	0.1	51.7
	Development and Coordination of Blue Economy	0.05	0.3	0.3	0.004	0.1	0.1	34.9
National Land Commission	Land Administration and Management	-	0.7	0.7	-	0.3	0.3	50.4
	General Administration Planning and Support Services	-	0.3	0.3	-	0.1	0.1	46.7
	Land Disputes and Conflict Resolutions	-	0.04	0.04	-	0.02	0.02	42.6
	National Land Information Management Systems	-	0.1	0.1	-	0.05	0.05	47.7
Total		22.7	26.5	49.2	5.6	13.5	19.2	39.0

Source: MDAs and National Treasury

Crop Development and Management programme under State Department for Agriculture received the highest allocation of Kshs.21.9 billion accounting for 44.5 per cent of the Sector's revised allocation while the Land Disputes and Conflict Resolutions under NLC received the lowest at Kshs.0.04 billion, which accounted for less than 1 per cent of the Sector's revised allocation.

The total expenditure for the programmes in the first half of FY 2017/18 amounted to Kshs.19.2 billion representing 39 per cent of the revised gross estimates. This expenditure comprised of Kshs.5.6 billion for development expenditure, representing an absorption rate of 24.8 per cent and Kshs.13.5 billion on recurrent expenditure, representing 51.2 per cent of the revised gross estimates for recurrent programmes.

Analysis by programme performance shows that the General Administration Planning and Support Services programme under State Department for Fisheries and the Blue Economy recorded the highest proportion of programme expenditure to its revised gross estimates at 51.7 per cent while the Agribusiness and Information Management programme under State Department for Agriculture recorded the lowest at 9.1 per cent.

5.3 Education Sector

The Education sector allocation in the revised budget for FY 2017/18 amounts to Kshs.397 billion for implementing 13 programmes. This comprises of Kshs.18.5 billion (4.7 per cent) for development programmes and Kshs.378.5 billion (95.3 per cent) for recurrent programmes. The analysis of Sector programmes for the first half of FY 2017/18 is presented in table 5.2.

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

VOTE	Programme	Rev. Dev. Est.	Rev. Rec. Est.	Rev. Gross Est.	Dev. Exp.	Rec. Exp.	Total Exp.	Programme Implementation Rate (%)
State Department for Education	Primary Education	4.5	17.0	21.4	1.3	10.1	11.4	53.0
	Secondary Education	2.7	57.8	60.5	0.7	51.5	52.2	86.3
	Quality Assurance and Standards	0.1	4.1	4.2	0.1	1.3	1.3	31.6
	General Administration, Planning and Support Services	0.1	4.4	4.4	-	3.2	3.2	72.9
State Department for Vocational Training and Technical Training	Technical Vocational Education and Training	3.7	2.7	6.4	1.2	1.1	2.3	35.4
	Youth Training and Development	2.0	0.1	2.0	0.1	0.02	0.1	4.6
	General Administration, Planning and Support Services	-	0.2	0.2	-	0.1	0.06	27.2
State Department for University Education	University Education	4.8	86.9	91.7	1.9	32.5	34.4	37.5
	Research, Science, Technology and Innovation	0.7	3.8	4.5	0.2	1.5	1.7	38.8
	General Administration, Planning and Support Services	-	0.5	0.5	-	0.1	0.1	27.6
Teachers Service Commission	Teacher Resource Management	-	195.0	195.0	-	104.5	104.5	42.0
	Governance and Standards	-	0.1	0.1	-	0.02	0.02	53.6
	General Administration, Planning and Support Services	0.1	5.9	6.0	0.01	2.5	2.5	41.4
Total		18.5	378.4	397.0	5.4	208.4	213.8	53.9

Source: MDAs and National Treasury

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

The total expenditure for the programmes in the Sector during the reporting period amounted to Kshs.213.8 billion representing 53.9 per cent of the revised gross estimates. This expenditure comprised of Kshs.5.4 billion as development expenditure, which represents an absorption rate of 29.4 per cent while recurrent expenditure amounted to Kshs.208.4 billion, accounting for 55.1 per cent of revised estimates for the Sector's recurrent programmes.

Analysis of the programme performance shows that the Secondary Education programme under the State Department for Basic Education recorded the highest proportion of programme expenditure to revised gross estimates at 86.3 per cent, while Youth Training and Development programme under State Department for Vocational Training and Technical Training recorded the lowest at 4.6 per cent.

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

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

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

VOTE	Programme	Rev. Dev. Est.	Rev. Rec. Est	Rev. Gross Est.	Dev. Exp.	Rec. Exp.	Total Exp.	Programme Implementation Rate (%)
State Department of Transport	General Administration, Planning and Support Services	0.8	0.7	1.5	0.1	0.1	0.2	13.8
	Rail Transport	75.3	-	75.3	15.9	-	15.9	21.1
	Marine Transport	6.8	0.6	7.4	2.7	0.3	3.0	40.3
	Air Transport	5.6	4.6	10.2	1.7	2.9	4.6	44.8
	Road Safety	0.3	0.44	0.7	0.2	0.2	0.4	49.9
State Department of Infrastructure	Road Transport	130.0	52.5	182.5	50.9	22.5	73.3	40.2
State Department for Maritime Affairs	Marine Transport	-	0.2	0.2	-	0.1	0.1	46.6
State Department for Public Works	Government Buildings	0.4	0.3	0.7	0.1	0.1	0.2	30.3
	Coastline Infrastructure and Pedestrian Access	0.1	0.1	0.2	0.02	0.04	0.1	25.3
	General Administration, Planning and Support Services	-	0.4	0.4	-	0.1	0.1	31.4

VOTE	Programme	Rev. Dev. Est.	Rev. Rec. Est	Rev. Gross Est.	Dev. Exp.	Rec. Exp.	Total Exp.	Programme Implementation Rate (%)
State Department for Housing & Urban Development	Housing Development and Human Settlement	5.7	0.4	6.1	2.4	0.2	2.6	41.9
	Urban and Metropolitan Development	7.5	0.3	7.8	2.7	0.1	2.8	35.7
	General Administration, Planning and Support Services	-	0.2	0.2	-	0.1	0.1	49.7
	Regulation and Development of the Construction Industry	-	0.7	0.7	0.02	0.4	0.4	51.0
State Department for Information Communications & Technology	General Administration Planning and Support Services	-	0.1	0.1	-	0.1	0.1	85.1
	ICT Infrastructure Development	-	0.3	0.3	-	0.1	0.1	57.5
	E-Government Services	5.6	0.3	5.9	3.5	0.1	3.6	60.4
State Department for Broadcasting & Telecommunication	General Administration Planning and Support Services	-	0.2	0.2	-	0.1	0.1	62.1
	Information and Communication Services	0.1	1.5	1.7	0.1	1.0	1.1	67.5
	Mass Media Skills Development	0.1	0.2	0.3	-	0.1	0.1	37.2
State Department for Energy	General Administration Planning and Support Services	14.6	0.8	15.3	2.8	0.3	3.2	20.7
	Power Generation	60.7	0.8	61.5	17.4	0.4	17.8	28.9
	Power Transmission and Distribution	13.6	0.1	13.8	5.7	0.02	5.8	41.9
	Alternative Energy Technologies	0.4	0.4	0.8	0.1	0.2	0.3	42.0
State Department for Petroleum	Exploration and Distribution of Oil and Gas	4.3	0.2	4.5	0.2	0.04	0.3	6.5
Total		332.0	66.3	398.3	106.4	29.8	136.2	34.2

Source: MDAs and National Treasury

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

The total expenditure for the sector programmes in the period under review amounted to Kshs.136.2 billion representing 34.2 per cent of the revised gross estimates. This comprised of Kshs.106.4 billion for development expenditure, representing an absorption rate of 32 per cent and Kshs.29.8 billion for recurrent expenditure representing 51.2 per cent of the revised recurrent gross estimates.

Analysis of the programme performance shows that General Administration Planning and Support Services programme under State Department for Information Communications & Technology recorded the highest absorption of programme expenditure to its' revised estimates at 85.1 per cent while Exploration and Distribution of Oil and Gas programme under State Department for Petroleum had the lowest programme implementation rate of 6.5 per cent.

5.5 Environmental Protection, Water and Natural Resources Sector

The revised allocation to the Sector in FY 2017/18 amounts to Kshs.73.1 billion for implementing 13 programmes. This comprise of Kshs.50.8 billion (69.6 per cent) for development programmes and

Kshs.22.2 billion (30.4 per cent) for recurrent expenditure. The analysis of Environmental Protection, Water and Natural Resources Sector programmes for the first half of FY 2017/18 is presented in Table 5.4.

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

VOTE	Programme	Rev. Dev. Est.	Rev. Rec. Est.	Rev. Gross Est.	Dev. Exp.	Rec. Exp.	Total Exp.	Programme Implementation Rate (%)
State Department for Water Services	General Administration, Planning and Support Services	0.4	0.6	1.0	0.1	0.2	0.3	31.0
	Water Resources Management	5.0	1.3	6.3	1.5	0.5	2.0	31.7
	Water and Sewerage Infrastructure Development	27.2	2.5	29.7	7.3	1.0	8.4	28.2
State Department for Irrigation	Irrigation and Land Reclamation	6.6	0.9	7.5	1.6	0.2	1.8	24.1
	Water Storage and Flood Control	5.8	-	5.8	1.7	-	1.7	29.1
	General Administration, Planning and Support Services	-	0.01	0.01	-	0.001	0.001	16.2
State Department for Environment	Meteorological Services	0.2	0.4	0.6	0.1	0.2	0.3	41.2
	Environment Management and Protection	1.2	1.3	2.4	0.3	0.7	1.0	39.9
	General Administration, Planning and Support Services	1.0	1.1	2.0	0.3	0.5	0.8	39.2
State Department for Natural Resources	Natural Resource Management	3.2	12.9	16.1	0.9	3.3	4.2	26.3
Ministry of Mining	General Administration Planning and Support Services	0.03	0.8	0.8	0.01	0.3	0.4	43.5
	Resources Surveys and Remote Sensing	0.1	0.2	0.3	0.003	0.05	0.1	19.2
	Mineral Resources Management	0.2	0.3	0.6	0.1	0.05	0.1	17.9
Total		50.8	22.2	73.1	13.8	7.1	20.9	28.6

Source: MDAs and National Treasury

From the analysis, Water and Sewerage Infrastructure Development programme under State Department for Water Services received the highest allocation at Kshs.29.7 billion (40.6 per cent of the Sector's revised allocation), while the General Administration, Planning and Support Services programme under the State Department for Irrigation received the lowest allocation at Kshs.5.3 million (less than 1 per cent of the Sector's revised allocation)

The total expenditure for the sectors' programmes in the period under review amounted to Kshs.20.9 billion representing 28.6 per cent of the revised gross estimates. This expenditure comprised of

Kshs.13.8 billion in development expenditure, representing an absorption rate of 27.1 per cent while recurrent expenditure was Kshs.7.1 billion, representing 32.1 per cent of revised recurrent gross estimates.

The General Administration, Planning and Support Services programme for both Ministry of Mining and State Department for Irrigation recorded the highest and the lowest proportion of programme expenditure to revised gross estimates at 43.5 per cent and at 16.2 per cent respectively.

5.6 General Economic and Commercial Affairs Sector (GECA)

The Sector's revised allocation in FY 2017/18 amounts to Kshs.13.3 billion for implementing 7 programmes. This comprises of Kshs.4.1 billion (30.8 per cent) for development programmes and Kshs.9.2 billion (69.2 per cent) for recurrent programmes. Analysis of GECA Sector programmes for the first half of FY 2017/18 is presented in Table 5.5.

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

VOTE	Programme	Rev. Dev. Est.	Rev. Rec. Est.	Rev. Gross Est.	Dev. Exp.	Rec. Exp.	Total Exp.	Programme Implementation Rate (%)
State Department for Investment and Industry	General Administration Planning and Support Services	0.7	1.2	1.9	0.2	0.5	0.7	38.2
	Industrial Development and Investments	1.3	0.6	1.9	0.6	0.3	0.9	46.1
	Standards and Business Incubation	0.6	0.4	1.0	0.1	0.2	0.3	34.4
State Department for Cooperatives	Cooperative Development and Management	0.4	0.7	1.1	0.4	0.3	0.6	55.9
State Department for Trade	Trade Development and Promotion	0.1	2.2	2.2	0.004	0.7	0.7	33.2
State Department for East African Integration	East African Affairs and Regional Integration	0.1	1.4	1.4	-	0.7	0.7	48.6
Ministry of Tourism	Tourism Development and Promotion	1.0	2.8	3.8	0.1	0.7	0.8	20.0
Total		4.1	9.2	13.3	1.4	3.4	4.8	35.7

Source: MDAs and National Treasury

The Tourism Development and Promotion programme under Ministry of Tourism received the highest allocation at Kshs.3.8 billion (28.6 per cent of the Sector's revised allocation), while the Standards and Business Incubation under State Department for Industry and Investment received the lowest allocation at Kshs.1 billion (7.5 per cent of the Sector's revised allocation).

The total expenditure for the Sector's programmes in the first half of FY 2017/18 amounted to Kshs.4.8 billion representing 35.7 per cent of the revised gross estimates. This expenditure comprised of Kshs.1.4 billion on development activities, representing an absorption rate of 33.6 per cent, while Kshs.3.4 billion was spent on recurrent activities, representing 36.6 per cent of the revised recurrent gross estimates.

The Cooperative Development and Management programme under State Department for Cooperatives recorded the highest proportion of programme expenditure to its revised estimates at 55.9 per cent while Tourism Development and Promotion programme under the Ministry of Tourism recorded the lowest at 20 per cent.

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

The Sector's revised allocation in FY 2017/18 amounts to Kshs.216 billion to implement 22 programmes. The allocation comprises of Kshs.24.6 billion (11.4 per cent) for development expenditure and Kshs.191.4 billion (88.6 per cent) for recurrent expenditure. Analysis of the GJLOS sector programmes for the first half of FY 2017/18 is presented in Table 5.6.

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

VOTE	Programme	Rev. Dev. Est.	Rev. Rec. Est	Rev. Gross Est.	Dev. Exp.	Rec. Exp.	Total Exp.	Programme Implementation Rate (%)
State Department for Interior	Policing services	12.3	81.6	93.8	5.9	29.6	35.5	37.8
	Planning, Policy Coordination and Support Services	4.1	23.2	27.3	2.5	8.4	10.9	39.8
	Government Printing Services	0.2	0.8	0.9	0.1	0.1	0.2	19.7
	Population Management Services	1.5	6.2	7.8	0.6	2.7	3.3	42.7
	NGO Regulatory Services	-	0.1	0.1	-	-	-	-
State Department for Correctional Services	Betting Control, Licensing and Regulation Services	-	0.1	0.1	-	0.05	0.05	38.4
	Correctional services	0.9	20.8	21.7	0.1	8.7	8.9	40.8
	General Administration, Planning and Support Services	0.05	0.6	0.6	-	0.2	0.2	39.4
State Law Office and Department of Justice	Legal Services	-	2.0	2.0	-	0.7	0.7	36.8
	Governance, Legal Training And Constitutional Affairs	0.4	1.7	2.1	-	0.7	0.7	34.1
	General Administration, Planning and Support Services	-	0.7	0.7	-	0.3	0.3	40.7
The Judiciary	Dispensation of Justice	3.2	12.4	15.6	0.9	5.0	5.9	38.0
Ethics and Anti-Corruption Commission	Ethics and Anti-Corruption	1.3	3.1	4.3	-	1.5	1.5	34.3
Office of Director of Public Prosecutions	Public Prosecution Services	0.003	1.9	1.9	-	0.8	0.8	41.4
Office of the Registrar of Political Parties	Registration, Regulation and Funding of Political Parties	-	0.8	0.8	-	0.3	0.3	40.6
Witness Protection Authority	Witness Protection	-	0.4	0.4	-	0.2	0.2	47.1
Kenya National Commission on Human Rights (KNCHR)	Protection and Promotion of Human Rights	-	0.4	0.4	-	0.2	0.2	52.9
Independent Electoral and Boundaries Commission	Management of Electoral Processes	0.7	32.9	33.6	-	24.2	24.2	72.1

VOTE	Programme	Rev. Dev. Est.	Rev. Rec. Est	Rev. Gross Est.	Dev. Exp.	Rec. Exp.	Total Exp.	Programme Implementation Rate (%)
Judicial Service Commission	Dispensation of Justice	-	0.2	0.2	-	0.1	0.1	44.3
National Police Service Commission	National Police Service Human Resource Management	-	0.5	0.5	-	0.2	0.2	36.8
National Gender and Equality Commission	Promotion of Gender Equality and Freedom from Discrimination	-	0.4	0.4	-	0.2	0.2	49.0
Independent Policing Oversight Authority	Policing Oversight Services	-	0.7	0.7	-	0.2	0.2	29.7
Total		24.6	191.4	216.0	10.1	84.4	94.5	43.8

Source: MDAs and National Treasury

From the analysis of the sector's programmes, Policing Services under State Department for Interior received the highest allocation of Kshs.93.8 billion (43.4 per cent of the Sector's revised allocation) while Betting Control, Licensing and Regulation Services under the State Department for Correctional Services received the lowest allocation of Kshs.119.9 million, which is less than 1 per cent.

The total expenditure for the sector programmes during the reporting period amounted to Kshs.94.5 billion representing 43.8 per cent of the sector's revised gross estimates. This comprised of Kshs.10.1 billion for development expenditure, representing an absorption rate of 40.9 per cent and Kshs.84.4 billion for recurrent expenditure representing 44.1 per cent of the revised recurrent gross estimates.

Analysis of the programme performance shows that, the Management of Electoral Processes programme under IEBC recorded the highest proportion of programme expenditure to its revised estimates at 72.1 per cent while the Government Printing Services programme under State Department for Interior had the lowest proportion of programme expenditure to its revised gross estimates at 19.7 per cent.

5.8 Health Sector

The Health sector's revised allocation in FY 2017/18 was Kshs.60.9 billion to fund 5 programmes. The allocation comprised of Kshs.30 billion (49.3 per cent) for development programmes and Kshs.30.9 billion (50.7 per cent) for recurrent programmes. Table 5.7 presents an analysis of the Health Sector programmes for the first six months of FY 2017/18.

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

VOTE	Programme	Rev. Dev. Est.	Rev. Rec. Est	Rev. Gross Est.	Dev. Exp.	Rec. Exp.	Total Exp	Programme Implementation Rate (%)
Ministry of Health	Preventive, Promotive & RMNCAH*	5.7	2.4	8.0	2.4	0.4	2.8	34.7
	National Referral & Specialized Services	14.4	13.0	27.4	3.8	5.8	9.6	35.1
	Health Research and Development	1.3	5.9	7.2	0.2	2.2	2.4	34.0
	General Administration, Planning & Support Services	1.3	7.3	8.6	0.2	2.4	2.6	30.4
	Health Policy, Standards and Regulations	7.4	2.3	9.6	2.9	0.6	3.5	36.5
Total		30.0	30.9	60.9	9.5	11.5	21.0	34.5

Source: MDAs and National Treasury

* Reproductive, Maternal Newborn Child and Adolescent Help

Analysis of the Health sector shows that, National Referral & Specialized Services programme received the highest allocation of Kshs.27.4 billion (45 per cent of the Sector's revised allocation), while the Health Research and Development programme had the lowest allocation at Kshs.7.2 billion (11.8 per cent of the Sector's revised allocation).

The total expenditure for the sector's programmes in the first half of FY 2017/18 amounted to Kshs.21 billion representing 34.5 per cent of the revised gross estimates. This comprised of Kshs.9.5 billion on development expenditure, representing an absorption rate of 31.7 per cent and Kshs.11.5 billion on recurrent expenditure, which accounted for 37.2 per cent of the revised estimates for recurrent programmes.

Analysis of programmes performance shows that Health Policy, Standards and Regulations programme recorded the highest proportion of programme expenditure to its revised estimates at 36.5 per cent while the General Administration, Planning & Support Services programme registered the lowest proportion of programme expenditure at 30.4 per cent.

5.9 National Security Sector

The National Security Sector revised allocation in FY 2017/18 amounts to Kshs.135.1 billion to fund its 2 programmes. This comprises of Kshs.45 million (less than 1 per cent) for development expenditure and Kshs.135 billion (99.9 per cent) for recurrent expenditure. The analysis of National Security sector programmes for the first half of FY 2017/18 is presented in Table 5.8.

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

VOTE	Programme	Rev. Dev. Est.	Rev. Rec. Est	Rev. Gross Est.	Dev. Exp.	Rec. Exp.	Total Exp.	Programme Implementation Rate (%)
Ministry of Defence	Defence	0.05	105.3	105.3	0.03	49.9	49.9	47.4
National Intelligence Service	National Security Intelligence	-	29.8	29.8	-	17.9	17.9	60.0
Total		0.05	135.0	135.1	0.03	67.8	67.8	50.2

Source: MDAs and National Treasury

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

The total recurrent expenditure for the sector programmes in the first half of FY 2017/18 amounted to Kshs.67.8 billion, representing 50.2 per cent of the revised gross estimates. Analysis of programme performance indicated that the National Security Intelligence programme under the National Intelligence Service recorded the highest proportion of programmes expenditure at 60 per cent while the Defence programme under the Ministry of Defence had 47.4 per cent.

5.10 Public Administration and International Relations (PAIR) Sector

The Public Administration and International Relations (PAIR) Sector's revised allocation in FY 2017/18 amounts to Kshs.259 billion to implement 33 programmes. This comprises of Kshs.96.1 billion (37.1 per cent) for development programmes and Kshs.162.9 billion (62.9 per cent) for recurrent programmes. Analysis of PAIR sector programmes for the first half of FY 2017/18 is presented in Table 5.9.

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

VOTE	Programme	Rev. Dev. Est.	Rev. Rec. Est	Rev. GrossEst.	Dev. Exp.	Rec. Exp.	Total Exp.	Programme Implementation Rate (%)
The Presidency	Cabinet Affairs	0.2	2.0	2.2	0.2	0.6	0.8	36.4
	Government Advisory Services	-	1.8	1.8	-	0.5	0.5	25.2
	State House Affairs	0.3	3.4	3.7	0.03	1.7	1.7	49.5
	Deputy President Services	0.4	1.9	2.3	-	0.7	0.7	30.4
State Department for Planning and Statistics	Economic Policy and National Planning	25.1	1.1	26.2	7.9	0.5	8.4	32.2
	National Statistical Information Services	1.5	2.3	3.8	0.4	1.1	1.5	39.4
	Monitoring and Evaluation Services	0.1	0.1	0.3	0.1	0.1	0.2	59.3
	General Administration Planning and Support Services	-	0.3	0.3	-	0.2	0.2	53.8
	Integrated Regional Development	1.3	1.5	2.8	0.5	0.6	1.1	38.8

VOTE	Programme	Rev. Dev. Est.	Rev. Rec. Est	Rev. GrossEst.	Dev. Exp.	Rec. Exp.	Total Exp.	Programme Implementation Rate (%)
State Department for Devolution	Devolution Services	3.5	0.8	4.3	0.3	0.2	0.6	13.2
	General Administration and Management	0.02	0.2	0.2	0.001	0.1	0.1	34.6
Ministry of Foreign Affairs	General Administration Planning and Support Services	0.1	2.8	2.9	0.002	0.7	0.7	22.8
	Foreign Relation and Diplomacy	0.2	11.6	11.7	-	5.3	5.3	45.4
	Economic and Commercial Diplomacy	-	0.04	0.04	-	0.01	0.01	31.6
	Foreign Policy Research, Capacity Development and Technical Cooperation	-	0.1	0.1	-	0.1	0.1	55.7
The National Treasury	General Administration, Planning and Support Services	6.2	71.2	77.5	2.2	9.8	12.0	15.5
	Public Financial Management	39.1	4.5	43.5	1.5	3.6	5.1	11.7
	Economic and Financial Policy Formulation and Management	1.4	5.3	6.7	0.2	0.9	1.1	16.3
	Market Competition	0.1	0.3	0.4	-	0.2	0.2	38.0
	Government Clearing Services	-	0.1	0.1	-	0.03	0.03	33.9
State Department for Public Service and Youth Affairs	General Administration, Planning and Support Services	9.6	7.7	17.3	6.9	3.4	10.3	59.6
	Youth Empowerment	2.3	6.7	9.0	0.6	4.2	4.7	52.4
Parliamentary Service Commission	Senate Affairs	-	5.3	5.3	-	1.9	1.9	35.6
	General Administration, Planning and Support Services	2.6	5.0	7.6	0.7	1.5	2.2	29.2
National Assembly	National Legislation, Representation and Oversight	-	19.6	19.6	-	6.9	6.9	35.1
Commission on Revenue Allocation	Inter-Governmental Revenue and Financial Matters	-	0.4	0.4	-	0.1	0.1	26.2
Public Service Commission	General Administration, Planning and Support Services	0.02	1.0	1.0	0.005	0.5	0.5	50.3
	Human Resource management and Development	-	0.2	0.2	-	0.1	0.1	46.3
	Governance and National Values	-	0.2	0.2	-	0.1	0.1	44.2
Salaries and Remuneration Commission	Salaries and Remuneration Management	-	0.6	0.6	-	0.3	0.3	44.3
Auditor General	Audit Services	0.2	5.1	5.3	0.01	2.0	2.0	37.3
Controller of Budget	Control and Management of Public finances	-	0.5	0.5	-	0.2	0.2	39.9
Commission on Administrative Justice	Promotion of Administrative Justice	-	0.4	0.4	-	0.2	0.2	38.2
Total		96.1	162.9	259.0	21.4	48.0	69.5	26.8

Source: MDAs and National Treasury

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

The total expenditure for the sector in the period under review amounted to Kshs.69.5 billion, representing 26.8 of the revised gross estimates. This comprises of Kshs.21.4 billion as development expenditure, representing an absorption rate of 22.3 per cent and Kshs.48 billion as recurrent expenditure, which represented 29.5 per cent for recurrent programmes.

Analysis of the programme performance indicated that General Administration, Planning and Support Services programme under State Department for Public Service and Youth Affairs recorded the highest proportion of programme expenditure to its revised gross estimates at 59.6 per cent while Public Financial Management programme under National Treasury had the lowest at 11.7 per cent.

5.11 Social Protection, Culture and Recreation Sector

The Social Protection, Culture and Recreation Sector's revised allocation in FY 2017/18 amounts to Kshs.55.9 billion to implement 17 programmes. The allocation comprises of Kshs.26.5 billion (47.4 per cent) for development programmes and Kshs.29.4 billion (52.6 per cent) for recurrent programmes.

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

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

VOTE	Programme	Rev. Dev. Est.	Rev. Rec. Est.	Rev. Gross Est.	Dev. Exp.	Rec. Exp.	Total Exp.	Programme Implementation Rate (%)
State Department for Special Programmes	Special Initiatives	4.4	0.7	5.1	1.7	0.4	2.1	41.7
	Accelerated ASAL Development	-	3.4	3.4	-	3.2	3.2	94.3
State Department for Sports Development	Sports	0.005	0.2	0.2	0.004	0.1	0.1	43.5
	General Administration, Planning and Support Services	3.0	3.7	6.7	1.7	1.4	3.2	47.0
State Department for Arts and Culture	Culture	0.1	1.4	1.5	0.05	0.7	0.7	50.1
	The Arts	0.02	0.7	0.7	0.01	0.3	0.4	51.7
	Library Services	0.6	0.7	1.2	0.4	0.3	0.8	60.3
	General Administration, Planning and Support Services	-	0.1	0.1	-	-	-	-
State Department for Labour	Promotion of the Best Labour Practice	-	0.4	0.4	-	0.2	0.19	47.1
	Manpower Development, Employment and Productivity Management	0.02	0.5	0.6	0.01	0.2	0.2	42.4
	General Administration, Planning and Support Services	0.6	0.9	1.5	0.03	0.4	0.4	26.4
State Department for Social Protection	Social Development and Children Services	0.9	3.0	3.9	0.4	0.8	1.2	31.0
	National Social Safety Net	13.7	12.1	25.8	5.8	2.8	8.6	33.1
	General Administration, Planning and Support Services	0.002	0.2	0.2	0.002	0.05	0.05	34.4
State Department for Gender	Community Development	2.3	-	2.3	1.1	-	1.1	47.3
	Gender Empowerment	0.9	0.7	1.6	0.4	0.3	0.7	43.8
	General Administration, Planning and Support Services	-	0.8	0.8	-	0.1	0.1	9.2
Total		26.5	29.4	55.9	11.6	11.2	22.9	41.0

Source: MDAs and National Treasury

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

The total expenditure for the sector's programmes in the first half of FY 2017/18 amounted to Kshs.22.9 billion representing 41 per cent of the revised gross estimates. This comprised of Kshs.11.6 billion for development expenditure representing an absorption rate of 44 per cent while Kshs.11.2 billion was spent as recurrent expenditure representing 38.2 per cent of the revised recurrent gross estimates.

Analysis of the programme performance shows that the Accelerated ASAL Development programme under the State Department for Special Programmes recorded the highest proportion of programme expenditure to its revised budget estimates at 94.3 per cent while the General Administration, Planning and Support Services programme under State Department for Gender recorded the lowest at 9.2 per cent.

6 KEY ISSUES AND RECOMMENDATIONS

6.1 Introduction

This chapter presents the key challenges that hampered budget implementation in the first half of FY 2017/18. It also presents recommendations aimed at addressing these challenges in order to improve budget implementation by the MDAs.

6.2 Key Issues and Recommendations

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

6.2.1 Low absorption of Development Funds

In the first half of FY 2017/18, development expenditure amounted to Kshs.185.3 billion representing an absorption rate of 30.6 per cent. This was a 30 per cent decline compared to Kshs.264.7 billion reported in a similar period FY 2016/17. The low absorption of development funds has partly been attributed to delay in release of development funds by the National Treasury and the slow start of activities due to the long electioneering period.

The Office recommends that the National Treasury should release funds to the MDAs on a timely basis based on their work plans and cash flow projections in the remaining period to enhance implementation of development projects.

6.2.2 Failure to align Budget Reallocation to Actual Performance

During the first half of FY 2017/18, the Government rationalised budgetary allocation to non-core activities in the FY 2017/18 Supplementary Budget 1 in order to release resources for implementation of key development activities. While the budget revision was necessary, it did not fully consider the expenditure incurred in respect to some budget items. This therefore, resulted in reduction of some budgeted amounts below the levels of expenditure already incurred. In some instances, budgetary allocations were reduced below the level of Exchequer issues already released.

We recommend that the affected MDAs should liaise with the National Treasury to correct these anomalies in the subsequent supplementary budget.

6.2.3 Delay in Submission of Quarterly Expenditure Reports to the OCOB

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 38 (9) of the PFM Act, 2012, requires the Controller of Budget to ensure that the public has access to information on budget implementation.

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

All MDAs should ensure that expenditure reports are submitted in time to facilitate timely preparation and publication of Budget Implementation Review Reports.

7 CONCLUSION

This Budget Implementation Review Report for the first half of FY 2017/18 provides information on budget implementation by the National Government. It has been prepared in fulfilment of the requirements of Article 228 (6) of the Constitution of Kenya, 2010 and Section 9 of the Controller of Budget Act, 2016.

In the first half of the year, budget performance was affected by the prolonged electioneering period in areas such as revenue collection and absorption of development expenditure. Receipts into the Consolidated Fund were 37.7 per cent of the revised estimates representing a marginal growth of 0.3 per cent, compared to the first half of FY 2016/17. The total exchequer issues to MDAs and County Governments amounted to Kshs.835.4 billion, representing 35.8 per cent of the revised net estimates, which was a decline from 40.8 per cent recorded in a similar period of FY 2016/17.

The total expenditure by the National Government was Kshs.915.2 billion, representing 38.2 per cent of the revised estimates, and a slight decline from 38.5 per cent recorded in a similar period of FY 2016/17. Recurrent expenditure stood at Kshs.729.9 billion while development expenditure was Kshs.185.3 billion. The Recurrent expenditure comprised of Kshs.485.2 billion spent on recurrent programmes by MDAs and Kshs.244.7 billion on CFS expenditure. The development expenditure of Kshs.185.3 billion, represented an absorption rate of 30.6 per cent, a decrease compared 32.3 per cent (Kshs.264.7 billion) recorded in a similar period FY 2017/18.

During the period under review, the Office observed a number of issues that affected budget implementation. These included; low absorption of development funds, failure to align budget reallocation to actual performance and delay in submission of quarterly expenditure reports by some Ministries, Departments and Agencies to the Office of the Controller of Budget, which affected timely reporting. The report provides recommendations to address the challenges to enhance budget execution.

It is our hope that, relevant stakeholders will address the challenges highlighted in this report in order to enhance delivery of services to the citizenry and the attainment of development goals.

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

VOTE	MINISTRY/STATE DEPARTMENT	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	Expenditure	% of Exchequer issues to Revised Net Estimates	Percentage of Expenditure to Revised Gross Estimates
D1011	The Presidency	893,500,000	893,500,000	555,611,760	230,927,355	62.2%	25.8%
D1021	State Department for Interior	18,082,496,889	17,646,500,000	4,769,892,739	9,004,878,159	27.0%	49.8%
D1023	State Department for Correctional Services	900,000,000	900,000,000	92,755,200	142,323,702	10.3%	15.8%
D1032	State Department for Devolution	3,539,300,000	2,539,300,000	168,916,600	331,861,882	6.7%	9.4%
D1033	State Department for Special Programmes	4,355,875,000	2,786,525,000	734,458,200	1,740,789,350	26.4%	40.0%
D1034	State Department for Planning & Statistics	29,977,673,156	29,360,573,156	599,818,749	8,818,171,897	2.0%	29.4%
D1041	Ministry of Defence	45,000,000	-	-	27,500,000	0.0%	61.1%
D1052	Ministry of Foreign Affairs	247,499,999	247,499,999	14,100,000	1,624,468	5.7%	0.7%
D1063	State Department for Basic Education	7,256,718,600	7,141,988,600	2,910,946,885	2,005,833,157	40.8%	27.6%
D1064	State Department for Vocational and Technical Training	5,735,000,000	4,435,000,000	756,336,000	1,240,895,493	17.1%	21.6%
D1065	State Department for University Education	5,435,849,998	2,460,499,998	877,256,547	2,186,526,406	35.7%	40.2%
D1071	The National Treasury	46,745,013,082	29,383,790,283	4,345,850,271	3,846,806,932	14.8%	8.2%
D1081	Ministry of Health	30,022,431,054	18,660,209,154	8,771,102,549	9,510,114,309	47.0%	31.7%
D1091	State Department for Infrastructure	129,987,591,571	76,859,000,000	9,993,919,954	50,892,238,008	13.0%	39.2%
D1092	State Department for Transport	88,969,432,000	7,775,000,000	9,572,334,294	20,482,645,849	123.1%	23.0%
D1094	State Department Housing and Urban Development	13,342,065,000	8,317,065,000	3,908,536,609	5,036,952,345	47.0%	37.8%
D1095	State Department of Public Works	544,022,500	544,022,500	80,731,100	92,171,835	14.8%	16.9%
D1103	State Department for Water Services	32,582,516,698	11,700,746,698	4,399,367,931	8,920,587,204	37.6%	27.4%
D1104	State Department for Irrigation	12,458,300,000	9,222,300,000	3,069,373,050	3,310,845,661	33.3%	26.6%
D1105	State Department for Environment	2,303,625,000	2,046,267,000	872,027,090	593,355,804	42.6%	25.8%
D1106	State Department for Natural Resources	3,164,070,990	2,099,750,000	654,750,000	891,862,498	31.2%	28.2%
D1112	Ministry of Lands and Physical Planning	3,563,375,000	3,563,375,000	576,202,050	1,190,262,381	16.2%	33.4%
D1122	State Department of Information Communications & Technology & Innovation	11,947,478,834	8,901,478,834	3,460,062,650	3,461,353,614	38.9%	29.0%
D1123	State Department of Broadcasting and Telecommunications	191,000,000	191,000,000	75,000,000	87,448,890	39.3%	45.8%
D1132	State Department for Sports Development	2,950,000,000	2,950,000,000	1,431,710,000	1,704,447,646	48.5%	57.8%
D1133	State Department for Arts and Culture	683,228,010	641,250,000	190,000,000	462,948,000	29.6%	67.8%
D1152	State Department for Energy	82,725,394,310	38,859,694,658	13,052,033,259	26,075,759,776	33.6%	31.5%
D1153	State Department of Petroleum	4,276,875,000	2,063,875,000	350,523,988	245,597,271	17.0%	5.7%

VOTE	MINISTRY/STATE DEPARTMENT	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	Expenditure	% of Exchequer issues to Revised Net Estimates	Percentage of Expenditure to Revised Gross Estimates
D1161	State Department for Agriculture	15,035,194,148	13,334,795,685	1,788,709,325	3,216,408,070	13.4%	21.4%
D1162	State Department for Livestock	3,693,332,750	2,876,017,750	1,606,826,007	1,217,017,912	55.9%	33.0%
D1164	State Department for Fisheries and Blue Economy	420,920,000	420,920,000	117,357,000	16,024,467	27.9%	3.8%
D1172	State Department for Investment and Industry	2,614,687,000	2,560,687,000	869,545,268	948,239,944	34.0%	36.3%
D1173	State Department for Cooperatives	385,000,000	385,000,000	352,949,000	352,948,320	91.7%	91.7%
D1174	State Department for Trade	71,250,000	71,250,000	1,163,100	3,567,600	1.6%	5.0%
D1183	State Department for East African Integration	65,000,000	-	-	-	0.0%	0.0%
D1184	State Department for Labour	636,024,999	636,024,999	31,459,149	37,025,822	4.9%	5.8%
D1185	State Department for Social Protection	14,663,955,283	14,663,955,283	5,802,359,000	6,193,119,091	39.6%	42.2%
D1191	Ministry of Mining	330,821,429	308,500,000	91,297,579	70,013,900	29.6%	21.2%
D1201	Ministry of Tourism	980,250,000	980,250,000	117,957,960	77,777,746	12.0%	7.9%
D1211	State Department for Public Service and Youth Affairs	11,891,899,727	11,891,899,727	5,903,825,261	7,500,408,711	49.6%	63.1%
D1212	State Department for Gender	3,187,500,000	3,187,750,000	-	1,509,250,000	-	47.3%
D1252	State Law Office and Department of Justice	388,178,571	79,250,000	-	-	-	-
D1261	The Judiciary	3,248,975,000	3,248,975,000	1,028,755,031	921,378,177	31.7%	28.4%
D1271	Ethics & Anti-Corruption Commission	1,268,000,000	1,268,000,000	-	-	0.0%	0.0%
D1291	Office of the Directorate of Public Prosecution	2,550,000	2,550,000	-	-	0.0%	0.0%
D2030	National Land Commission	-	-	15,544,800	15,544,742	-	-
D2031	Independent Electoral and Boundaries Commission	712,210,000	-	-	-	-	0.0%
D2041	Parliamentary Service Commission	2,637,500,000	2,637,500,000	162,583,000	695,166,216	6.2%	26.4%
D2071	Public Service Commission	15,000,000	15,000,000	-	4,708,700	-	31.4%
D2091	Teachers Service Commission	118,000,000	118,000,000	-	14,917,967	-	12.6%
D2111	Auditor General	171,250,000	171,250,000	40,000,000	12,492,121	23.4%	7.3%
TOTAL		605,462,831,598	351,047,786,324	94,213,948,955	185,342,739,398	26.8%	30.6

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

VOTE	MINISTRY/STATE DEPARTMENT	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	Expenditure	% of Exchequer issues to Revised Net Estimates	Percentage of Expenditure to Revised Gross Estimates
R1011	The Presidency	7,866,966,719	7,857,834,645	3,791,426,705	3,791,426,705	48.3%	43.3%
R1021	State Department for Interior	111,919,293,000	111,545,556,000	53,198,425,287	40,824,980,764	47.7%	36.5%
R1023	State Department for Correctional Services	21,535,369,313	21,535,369,313	10,245,111,032	9,003,958,320	47.6%	41.8%
R1032	State Department for Devolution	1,007,391,630	1,007,391,630	336,609,102	319,659,202	33.4%	31.7%
R1033	State Department for Special Programmes	4,338,445,872	4,338,445,872	3,227,332,616	3,664,481,096	74.4%	84.5%
R1034	State Department for Planning & Statistics	5,383,995,235	5,057,995,235	1,857,904,510	2,524,330,771	36.7%	46.9%
R1041	Ministry of Defence	105,261,384,819	105,261,384,819	45,743,395,653	49,906,129,358	43.5%	47.4%
R1052	Ministry of Foreign Affairs	14,570,071,499	14,163,860,598	5,050,824,246	6,079,585,570	35.7%	41.7%
R1063	State Department for Basic Education	83,269,399,585	81,836,799,585	23,701,121,862	66,114,074,396	29.0%	79.4%
R1064	State Department for Vocational and Technical Training	2,535,356,993	2,535,356,993	1,204,055,447	1,179,008,889	47.5%	46.5%
R1065	State Department for University Education	90,755,304,284	52,149,204,284	30,004,490,965	34,114,881,125	57.5%	37.6%
R1071	The National Treasury	81,434,454,275	81,434,454,275	11,689,755,703	14,532,863,858	14.4%	17.8%
R1081	Ministry of Health	30,877,376,247	26,899,499,770	12,879,563,390	11,479,110,050	47.9%	37.2%
R1091	State Department for Infrastructure	52,495,032,071	1,721,032,071	602,345,728	22,455,208,115	35.0%	42.8%
R1092	State Department for Transport	6,017,131,343	1,422,131,343	709,520,071	3,571,770,748	49.9%	59.4%
R1093	State Department for Maritime Affairs	218,589,618	218,589,618	93,350,793	101,937,570	42.7%	46.6%
R1094	State Department for Housing & Urban Development	1,608,768,601	1,608,768,601	795,355,310	775,054,542	49.4%	48.2%
R1095	State Department for Public Works	789,575,117	785,575,117	358,688,115	285,234,770	45.7%	36.1%
R1103	State Department for Water Services	4,404,068,971	2,263,310,732	1,054,943,578	1,749,472,934	46.6%	39.7%
R1104	State Department for Irrigation	901,423,540	501,423,540	315,465,480	198,703,536	62.9%	22.0%
R1105	State Department for Environment	2,743,441,011	2,634,541,011	1,735,931,581	1,415,199,500	65.9%	51.6%
R1106	State Department for Natural Resources	12,892,449,917	6,652,428,917	1,957,919,003	3,338,087,788	29.4%	25.9%
R1112	Ministry of Lands and Physical Planning	2,312,568,601	2,303,153,851	1,110,446,342	1,066,004,923	48.2%	46.1%
R1122	State Department of Information Communications & Technology & Innovation	985,318,078	985,318,078	330,324,048	344,331,730	33.5%	34.9%
R1123	State Department for Broadcasting & Telecommunications	1,957,173,235	1,777,173,235	1,194,778,857	1,271,235,061	67.2%	65.0%
R1132	State Department for Sports Development	3,748,333,817	3,747,933,817	1,009,023,183	1,445,843,106	26.9%	38.6%
R1133	State Department for Arts and Culture	2,865,775,296	2,855,175,296	1,451,240,685	1,392,655,210	50.8%	48.6%
R1152	State Department Energy	2,052,500,000	1,845,400,000	1,003,155,211	980,412,362	54.4%	47.8%

VOTE	MINISTRY/STATE DEPARTMENT	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	Expenditure	% of Exchequer issues to Revised Net Estimates	Percentage of Expenditure to Revised Gross Estimates
R1153	State Department of Petroleum	195,232,407	147,867,713	63,394,643	43,806,891	42.9%	22.4%
R1161	State Department for Agriculture	14,116,298,340	14,109,798,340	5,827,392,291	7,872,134,894	41.3%	55.8%
R1162	State Department for Livestock	7,114,150,771	7,093,038,271	3,186,716,491	3,275,564,705	44.9%	46.0%
R1163	State Department for Fisheries and the Blue Economy	1,844,465,848	1,844,465,848	456,831,453	799,904,738	24.8%	43.4%
R1172	State Department of Investment and Industry	2,189,243,808	2,166,743,808	1,122,284,459	996,393,247	51.8%	45.5%
R1173	State Department for Cooperatives	737,987,448	731,487,448	285,279,180	274,420,854	39.0%	37.2%
R1174	State Department for Trade	2,164,310,293	2,144,450,293	692,466,488	738,956,320	32.3%	34.1%
R1183	State Department for East African Integration	1,356,495,896	1,356,495,896	685,074,671	690,623,211	50.5%	50.9%
R1184	State Department for Labour	1,792,943,512	1,779,843,512	584,763,347	775,550,404	32.9%	43.3%
R1185	State Department for Social Protection	15,218,012,572	15,175,547,572	1,456,024,894	3,608,495,691	9.6%	23.7%
R1191	Ministry of Mining	1,287,594,267	1,273,594,267	498,653,450	430,192,590	39.2%	33.4%
R1201	Ministry of Tourism	2,777,458,614	1,798,458,614	394,922,924	675,442,161	22.0%	24.3%
R1211	State Department for Public Service and Youth Affairs	14,455,917,402	14,280,067,402	7,038,115,520	7,546,692,285	49.3%	52.2%
R1212	State Department for Gender	1,424,218,371	1,424,218,371	272,270,617	342,422,858	19.1%	24.0%
R1252	State Law Office and Department of Justice	4,383,634,769	3,989,134,769	1,869,126,010	1,728,614,201	46.9%	39.4%
R1261	The Judiciary	12,361,768,912	12,361,768,912	6,271,024,058	5,006,589,595	50.7%	40.5%
R1271	Ethics & Anti-Corruption Commission	3,068,540,000	3,068,540,000	1,478,005,324	1,489,310,840	48.2%	48.5%
R1281	National Intelligence Service	29,754,000,000	29,754,000,000	18,333,700,000	17,857,319,138	61.6%	60.0%
R1291	Office of the Director of Public Prosecutions	1,944,442,462	1,944,442,462	912,872,255	806,809,671	46.9%	41.5%
R1311	Office of the Registrar of Political Parties	798,527,310	798,527,310	182,030,936	324,409,051	22.8%	40.6%
R1321	Witness Protection Agency	442,380,483	442,380,483	226,600,000	208,506,600	51.2%	47.1%
R2011	Kenya National Commission on Human Rights	389,766,300	389,766,300	216,341,834	206,025,160	55.5%	52.9%
R2021	National Lands Commission	1,093,767,550	1,093,767,550	511,474,671	535,083,268	46.8%	48.9%
R2031	Independent Electoral and Boundaries Commission	32,860,477,459	32,855,477,459	24,199,236,142	24,212,936,970	73.7%	73.7%
R2041	Parliamentary Service Commission	10,243,068,157	10,243,068,157	3,135,018,273	3,405,615,291	30.6%	33.2%
R2042	National Assembly	19,591,048,577	19,591,048,577	6,071,181,470	6,875,009,408	31.0%	35.1%
R2051	Judicial Service Commission	183,537,700	183,537,700	121,150,068	81,224,928	66.0%	44.3%
R2061	The Commission on Revenue Allocation	391,711,063	391,711,063	153,032,610	102,620,080	39.1%	26.2%
R2071	Public Service Commission	1,351,425,000	1,350,925,000	611,567,785	665,104,761	45.3%	49.2%
R2081	Salaries & Remuneration Commission	609,634,499	609,634,499	231,104,480	270,033,133	37.9%	44.3%
R2091	Teachers Service Commission	201,893,457,400	201,418,457,400	106,485,821,698	106,984,458,705	52.9%	53.0%

VOTE	MINISTRY/STATE DEPARTMENT	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	Expenditure	% of Exchequer issues to Revised Net Estimates	Percentage of Expenditure to Revised Gross Estimates
R2101	National Police Service Commission	467,393,780	467,393,780	167,303,126	171,902,083	35.8	36.8
R2111	Auditor General	5,110,767,700	4,960,767,700	1,905,582,459	1,959,640,876	38.4	38.3
R2121	Controller of Budget	494,931,000	494,931,000	181,116,187	197,294,473	36.6	39.9
R2131	The Commission on Administrative Justice	416,789,402	416,789,402	167,936,068	159,127,148	40.3	38.2
R2141	National Gender & Equality Commission	352,824,207	352,824,207	196,060,217	172,844,628	55.6	49.0
R2151	Independent Policing Oversight Authority	695,860,000	695,860,000	205,667,600	206,350,645	29.6	29.7
TOTAL		1,052,321,041,966	940,145,939,331	413,049,648,202	485,234,791,283	43.9	46.1

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

Sector	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	Expenditure	% of Exchequer issues to Revised Net Estimates	Percentage of Expenditure to Revised Gross Estimates
Agriculture, Rural and Urban Development	22,712,821,898	20,195,108,435	4,104,639,182	5,639,712,830	20.3	24.8
Energy, Infrastructure and ICT	331,983,859,215	143,511,135,992	40,493,141,854	106,374,167,588	28.2	32.0
General Economics and Commercial Affairs (GECA)	4,116,187,000	3,997,187,000	1,341,615,328	1,382,533,610	33.6	33.6
Health	30,022,431,054	18,660,209,154	8,771,102,549	9,510,114,309	47.0	31.7
Education	18,545,568,598	14,155,488,598	4,544,539,432	5,448,173,023	32.1	29.4
Governance, Justice, Law and Order (GJLOS)	24,602,410,460	23,145,275,000	5,891,402,970	10,068,580,038	25.5	40.9
Public Administration and International Relations	96,118,635,964	77,140,313,165	11,790,705,641	21,442,168,282	15.3	22.3
National Security	45,000,000	-	-	27,500,000		61.1
Social Protection ,Culture and Recreation	26,476,583,292	24,865,505,282	8,189,986,349	11,647,579,909	32.9	44.0
Environment Protection, Water and Natural Resources	50,839,334,117	25,377,563,698	9,086,815,650	13,786,665,067	35.8	27.1
Total	605,462,831,598	351,047,786,324	94,213,948,955	185,327,194,656	26.8	30.6

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

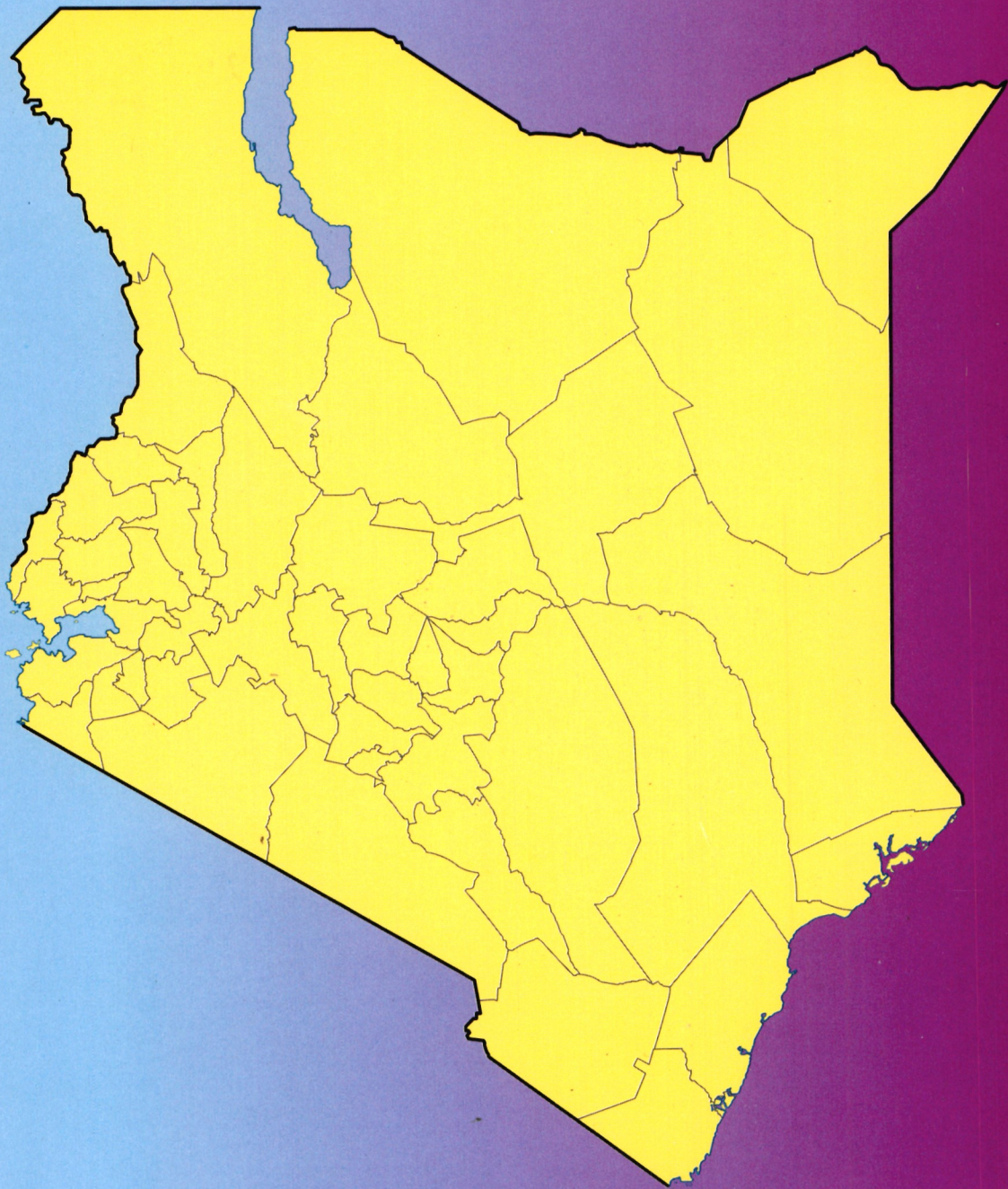
Sector	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	Expenditure	% of Exchequer issues to Revised Net Estimates	Percentage of Expenditure to Revised Gross Estimates
Agriculture, Rural and Urban Development	26,481,251,110	26,444,223,860	11,092,861,248	13,548,692,528	41.9	51.2
Energy, Infrastructure and ICT	66,319,320,470	10,511,855,776	5,150,912,776	29,828,991,789	49.0	45.0
General Economics and Commercial Affairs (GECA)	9,225,496,059	8,197,636,059	3,180,027,722	3,375,835,793	38.8	36.6
Health	30,877,376,247	26,899,499,770	12,879,563,390	11,479,110,050	47.9	37.2
Education	378,453,518,262	337,939,818,262	161,395,489,972	208,392,423,115	47.8	55.1
Governance, Justice, Law and Order (GJLOS)	191,403,815,695	190,630,578,695	99,488,953,889	84,444,463,456	52.2	44.1
Public Administration and International Relations	162,928,172,158	161,860,479,183	42,221,175,118	48,040,721,344	26.1	29.5
National Security	135,015,384,819	135,015,384,819	64,077,095,653	67,763,448,496	47.5	50.2
Social Protection, Culture and Recreation	29,387,729,440	29,321,164,440	8,000,655,342	11,229,448,365	27.3	38.2
Environment Protection, Water and Natural Resources	22,228,977,706	13,325,298,467	5,562,913,092	7,131,656,348	41.7	32.1
Total	1,052,321,041,966	940,145,939,331	413,049,648,202	485,234,791,283	43.9	46.1

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

Sector	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	Expenditure	% of Exchequer issues to Revised Net Estimates	Percentage of Expenditure to Revised Gross Estimates
Agriculture, Rural and Urban Development	49,194,073,008	46,639,332,295	15,197,500,430	19,188,405,358	32.6	39.0
Energy, Infrastructure and ICT	398,303,179,685	154,022,991,768	45,644,054,630	136,203,159,376	29.6	34.2
General Economics and Commercial Affairs (GECA)	13,341,683,059	12,194,823,059	4,521,043,050	4,758,369,403	37.1	35.7
Health	60,899,807,301	45,559,708,924	21,650,665,939	20,989,224,359	47.5	34.5
Education	396,999,086,860	352,095,306,860	165,940,029,404	213,840,596,138	47.1	53.9
Governance, Justice, Law and Order (GJLOS)	216,006,226,155	213,775,853,695	105,380,356,859	94,513,043,494	49.3	43.8
Public Administration and International Relations	259,046,808,122	239,000,792,348	54,011,880,759	69,482,889,626	22.6	26.8
National Security	135,060,384,819	135,015,384,819	64,077,095,653	67,790,948,496	47.5	50.2
Social Protection, Culture and Recreation	55,864,312,732	54,186,669,722	16,190,641,691	22,877,028,274	29.9	41.0
Environment Protection, Water and Natural Resources	73,068,311,823	38,702,862,165	14,649,728,742	20,918,321,415	37.9	28.6
Total	1,657,783,873,564	1,291,193,725,655	507,263,597,157	670,561,985,939	39.3	40.4







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