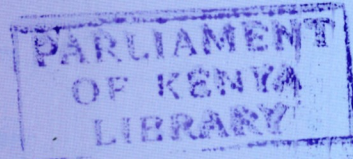




THE REPUBLIC OF KENYA

OFFICE OF THE CONTROLLER OF BUDGET



NATIONAL GOVERNMENT

BUDGET IMPLEMENTATION REVIEW REPORT

FIRST QUARTER

FINANCIAL YEAR 2018/19



18 DEC 2018

NOVEMBER, 2018



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 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 18 DEC 2018	
DAY: THURSDAY	
TABLED BY: NOVEMBER, 2018	LEADER OF THE MAJORITY PARTY
CLERK-AT THE-TABLE:	Mawah Kayikani

## FOREWORD

It is with great pleasure that I present to you the National Government Budget Implementation Review Report for the first quarter of the Financial Year (FY) 2018/19. This report is prepared in accordance with Article 228(6) of the Constitution of Kenya, 2010 and Section 9 (1) of the Controller of Budget Act, 2016, which require the Controller of Budget to submit to both Houses of Parliament quarterly budget implementation reports for both the National and County Governments.

This report provides valuable information on budget implementation by Government Ministries, Departments and Agencies for the period from 1<sup>st</sup> July to 30<sup>th</sup> September, 2018. The information contained in this report includes; annual budget allocations by sector and programmes, receipts into and withdrawals from the Consolidated Fund, and, expenditure. The expenditure is categorised into development and recurrent components and also summarised by major economic items.

In the report, budget performance is compared to a similar period of FY 2017/18. The report also contains the key issues that affected budget implementation during the reporting period and appropriate recommendations aimed at addressing these issues in order to enhance future budget implementation.

The production of this report would not have been possible without the support of Office of the Controller of Budget staff and staff from Government Ministries, Departments and Agencies who spent long hours to generate and analyse data from the Integrated Financial Management Information System. I am indeed, grateful to these staff.

I hope that readers of this report, including; policy makers, legislators, analysts, researchers and members of the public will find this report both informative and useful in making timely decisions on budget implementation and also provide a basis for interrogating utilization of public funds.



**Mrs. Agnes Odhiambo, CBS**  
**CONTROLLER OF BUDGET**

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## LIST OF ABBREVIATIONS AND ACRONYMS

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

<b>KMTC</b>	Kenya Medical Training College
<b>KNCHR</b>	Kenya National Commission on Human Rights
<b>KNH</b>	Kenyatta National Hospital
<b>Kshs.</b>	Kenya Shillings
<b>MDAs</b>	Ministries Departments and Agencies
<b>MoLPP</b>	Ministry of Lands and Physical Planning
<b>MTP</b>	Medium Term Plan
<b>MTRH</b>	Moi Teaching and Referral Hospital
<b>NACC</b>	National Aids Control Council
<b>NGEC</b>	National Gender and Equality Commission
<b>NHIF</b>	National Hospital Insurance Fund
<b>NIS</b>	National Intelligence Service
<b>NLC</b>	National Land Commission
<b>NPSC</b>	National Police Service Commission
<b>NT</b>	National Treasury
<b>OCOB</b>	Office of the Controller of Budget
<b>O&amp;M</b>	Operations and Maintenance
<b>PAIR</b>	Public Administration and International Relations
<b>PE</b>	Personal Emoluments
<b>PFM Act</b>	Public Finance Management Act
<b>PLWDs</b>	Persons Living with Disability
<b>Rec</b>	Recurrent
<b>RMNCAH</b>	Reproductive, Maternal Newborn Child and Adolescent Help
<b>Rev</b>	Revised
<b>SAGAs</b>	Semi-Autonomous Government Agencies
<b>SDGs</b>	Sustainable Development Goals
<b>TSC</b>	Teachers Service Commission
<b>WPA</b>	Witness Protection Agency

## EXECUTIVE SUMMARY

This is the first quarterly National Government Budget Implementation Review Report in FY 2018/19 and covers the period from 1<sup>st</sup> July to, 30<sup>th</sup> September, 2018. The report is prepared in line with Article 228 of the Constitution of Kenya 2010 and Section 9 of the Controller of Budget Act, 2016, which requires the Controller of Budget to submit to both Houses of Parliament quarterly budget implementation reports for the National and County Governments.

This report presents progress made in implementing the FY 2018/19 budget during the first three months and also identifies challenges that affected budget implementation. Receipts into the Consolidated Fund and expenditure performance are analysed and compared against targets in the FY 2018/19 Approved Budget and previous performance in a similar period of FY 2017/18.

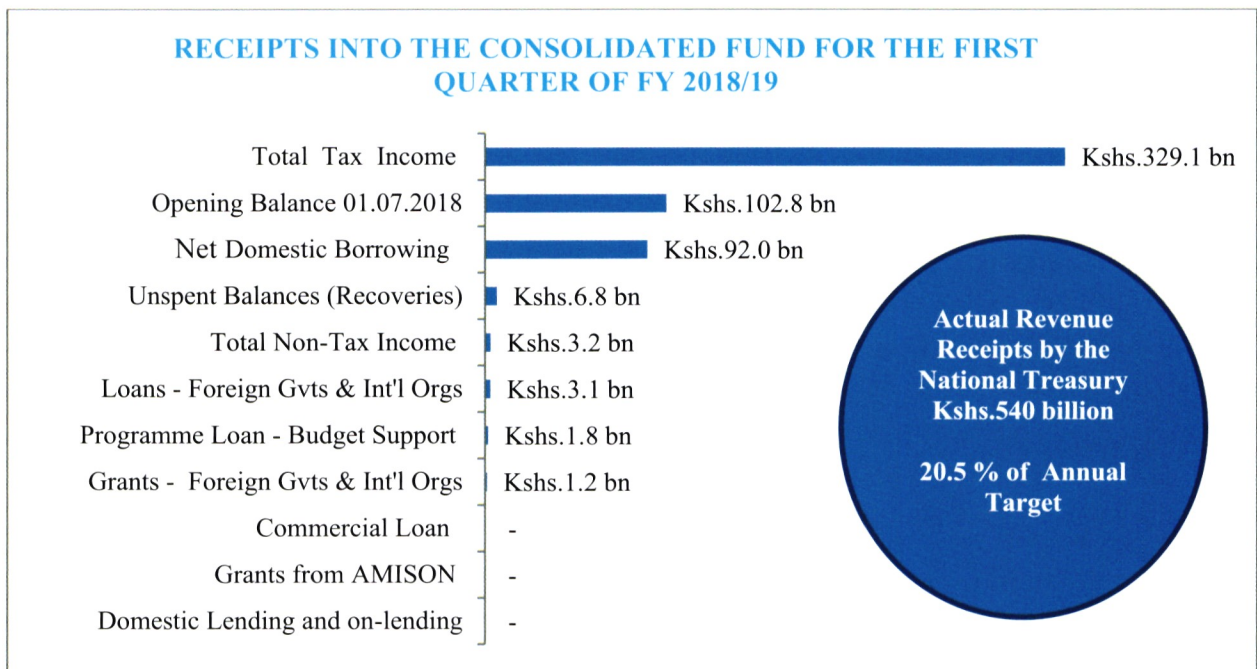
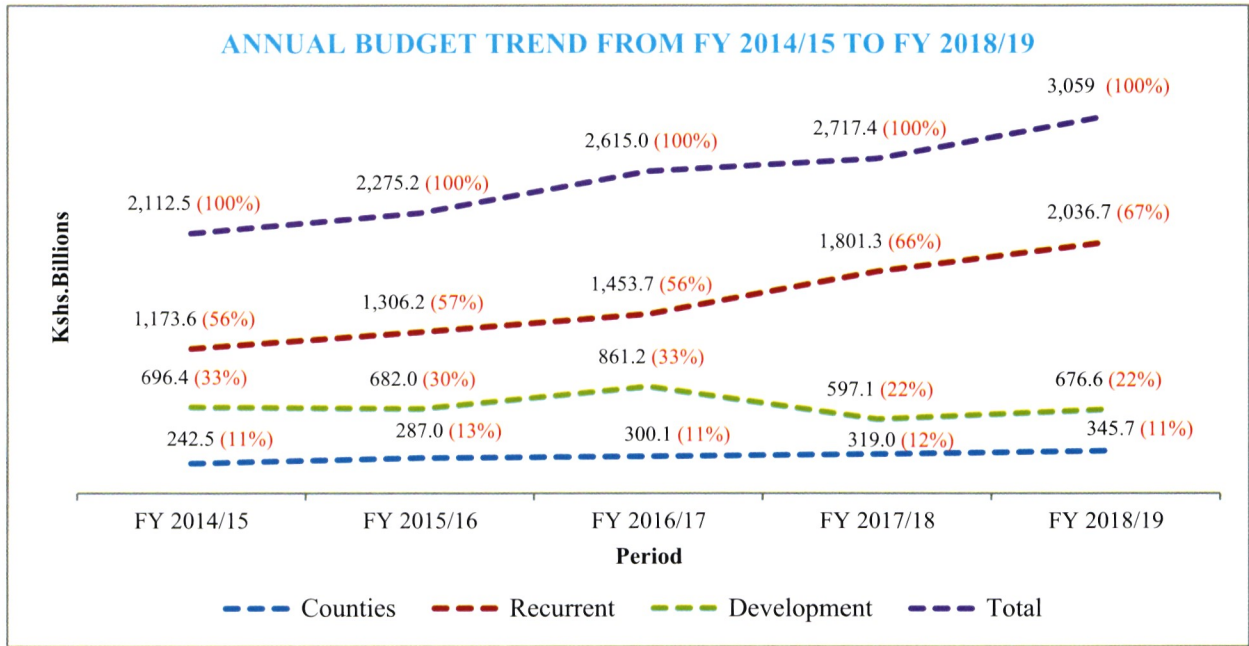
During the period, actual receipts into the Exchequer Account amounted to **Kshs.540 billion**, representing **20.5 per cent** of the annual target (Kshs.2.6 trillion). This represents a 32.3 per cent increase (Kshs.131.9 billion), over a similar period of FY 2017/18 when receipts stood at Kshs.408.1 billion. The total exchequer issues to MDAs and County Governments amounted to **Kshs.428.5 billion**, representing **16.3 per cent** of the annual net estimates and a 21.6 per cent increase (Kshs.76.1 billion) over a similar period of FY 2017/18 when exchequer issues stood at Kshs.352.4 billion. Exchequer issues consisted of Kshs.215.8 billion towards MDAs recurrent expenditure, Kshs.22.3 billion for development expenditure and Kshs.166.9 billion towards Consolidated Fund Services (CFS).

The total expenditure by the National Government in the first three months amounted to **Kshs.429.3 billion**, representing **16 per cent** of the annual gross estimates. This expenditure consisted of **Kshs.217.7 billion** on recurrent programmes by MDAs, representing **20.3 per cent** of the gross recurrent estimates, **Kshs.160.5 billion** on CFS, representing **16.7 per cent** of the annual gross estimates and **Kshs.51.1 billion** spent on development activities, representing an absorption rate of **7.6 per cent**.

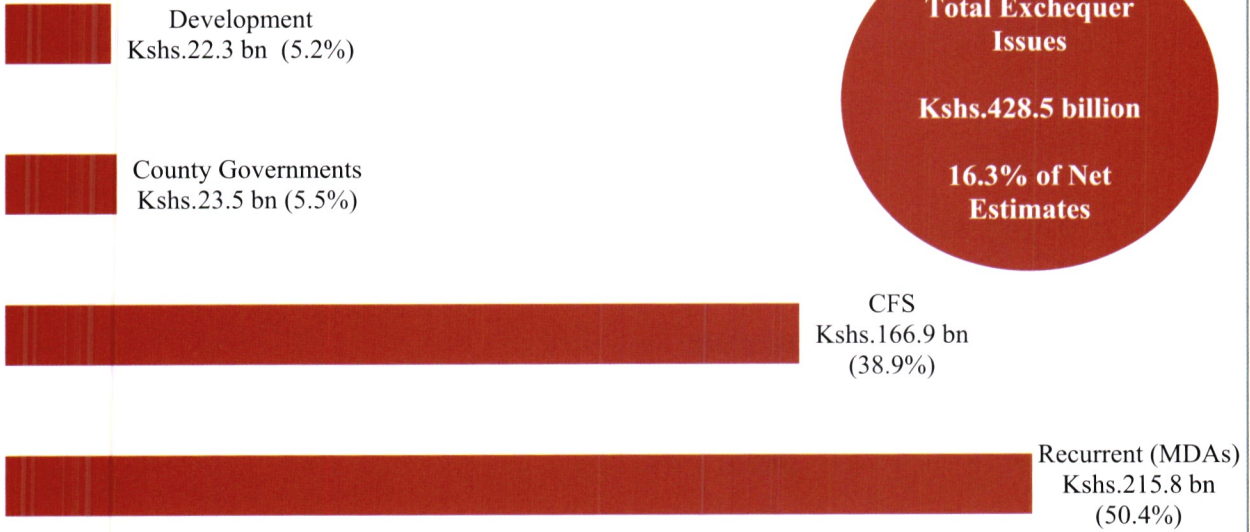
Analysis of the recurrent expenditure shows that Personnel Emoluments (PE) was the highest spending category at Kshs.88.6 billion and represented 40.7 per cent of the total recurrent expenditure by MDAs. The Teachers Service Commission (TSC) had the highest expenditure on Personnel Emoluments (PE) at Kshs.58.1 billion, which translated to 65.5 per cent of the total PE expenditure as reported by the MDAs. The second highest expenditure item was current transfers to Semi-Autonomous Government Agencies (SAGAs) at Kshs.55.5 billion, or 25.5 per cent of the total recurrent expenditure. Domestic Travel category was the third highest economic item at Kshs.1.7 billion followed by Rentals and Rates on Non Residential buildings at Kshs.1.1 billion.

In the period under review, budget implementation faced a number of challenges. These challenges included: delay in release of funds by the National Treasury, delay in uploading of procurement plans into IFMIS, and delay by MDAs to submit financial reports to the Controller of Budget. To overcome these challenges, the Office recommends timely release of funds to MDAs and prompt uploading of procurement plans by the National Treasury in order to enhance effective budget implementation. Lastly, Accounting Officers should ensure quarterly financial reports are submitted to COB on time to ensure prompt oversight on budget implementation.

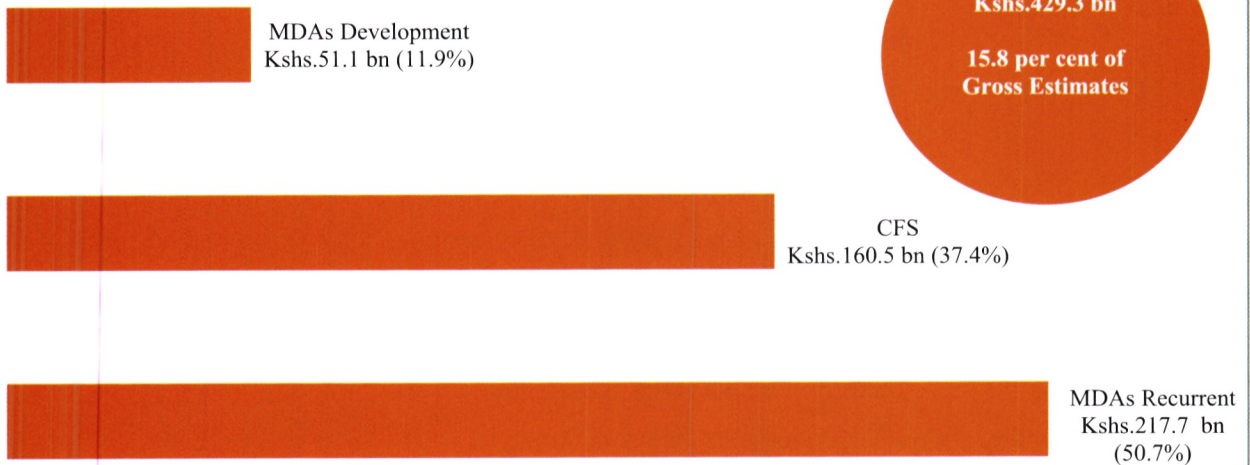
## KEY HIGHLIGHTS



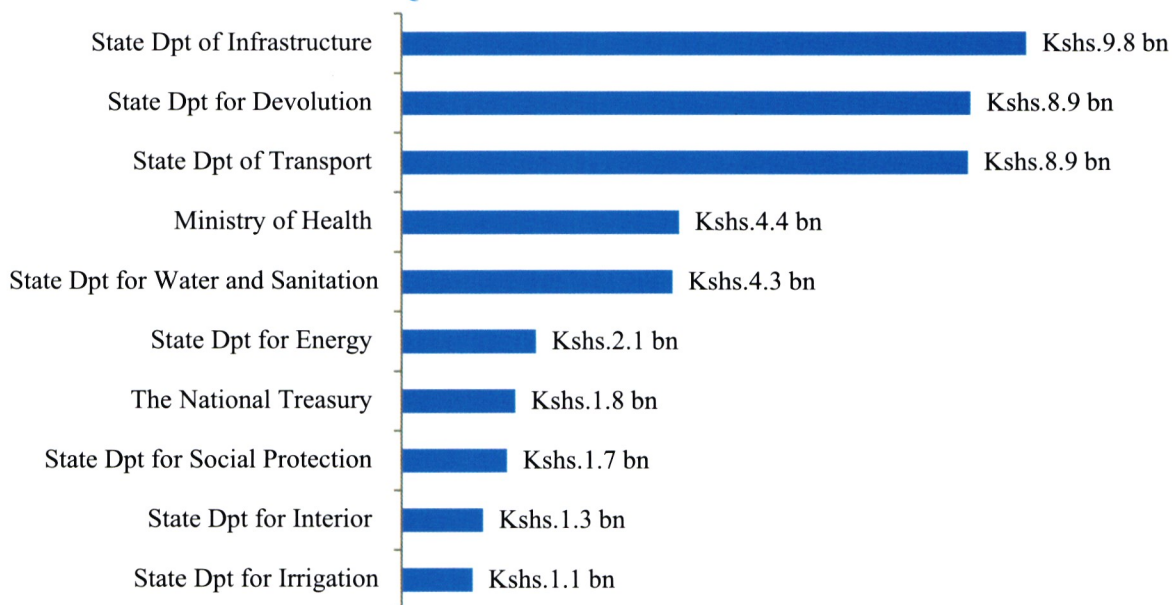
**EXCHEQUER ISSUES IN THE FIRST QUARTER OF FY 2018/19**



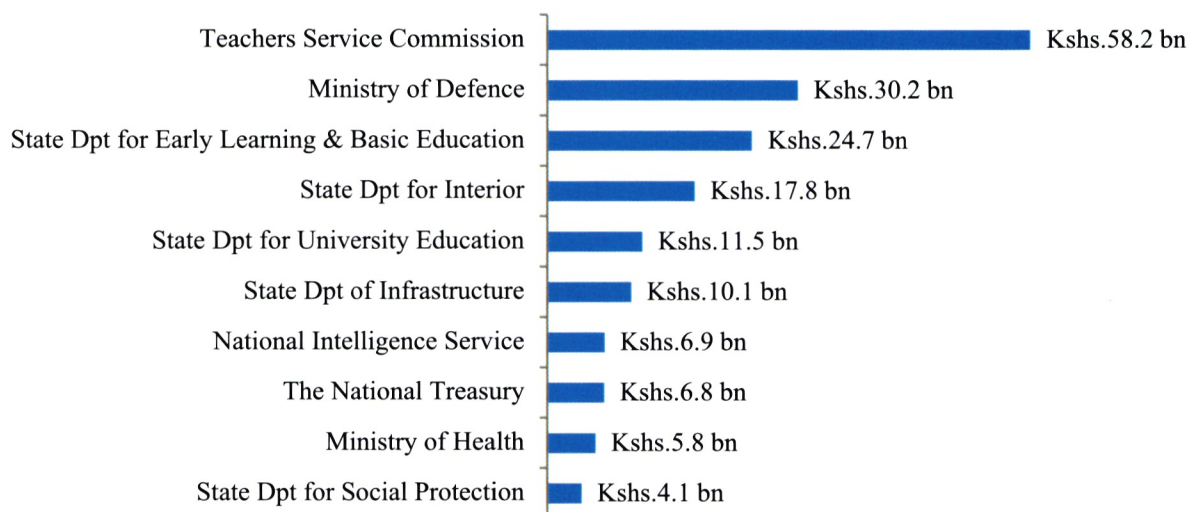
**EXPENDITURE IN THE FIRST QUARTER OF FY 2018/19**

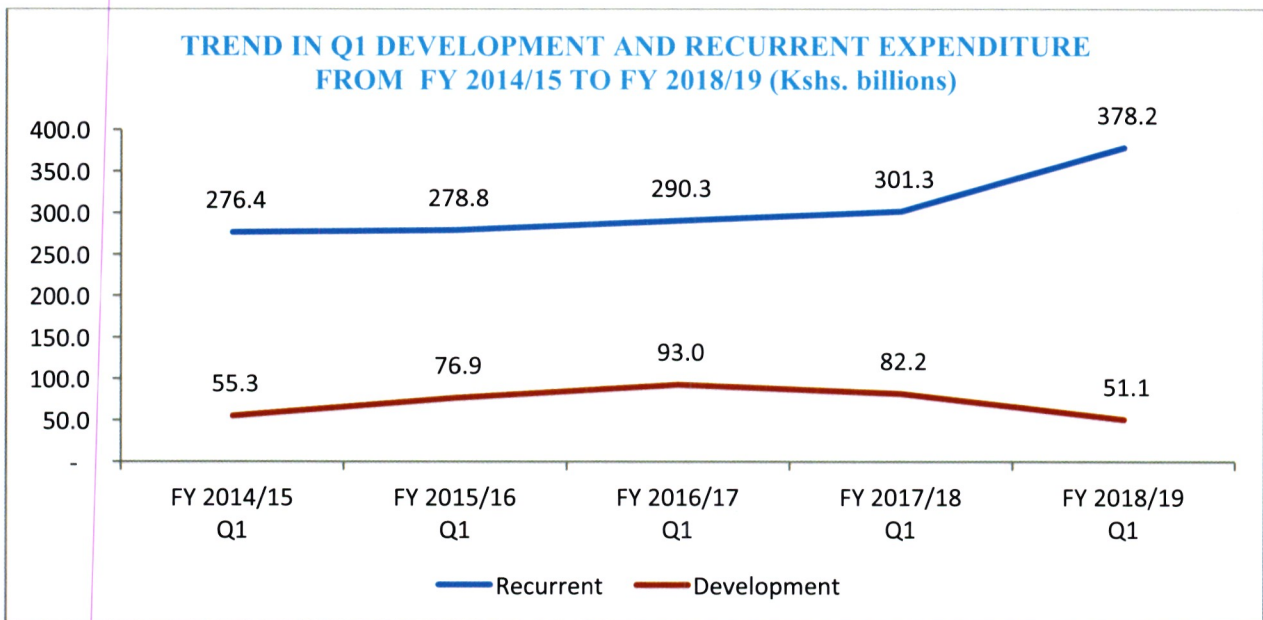
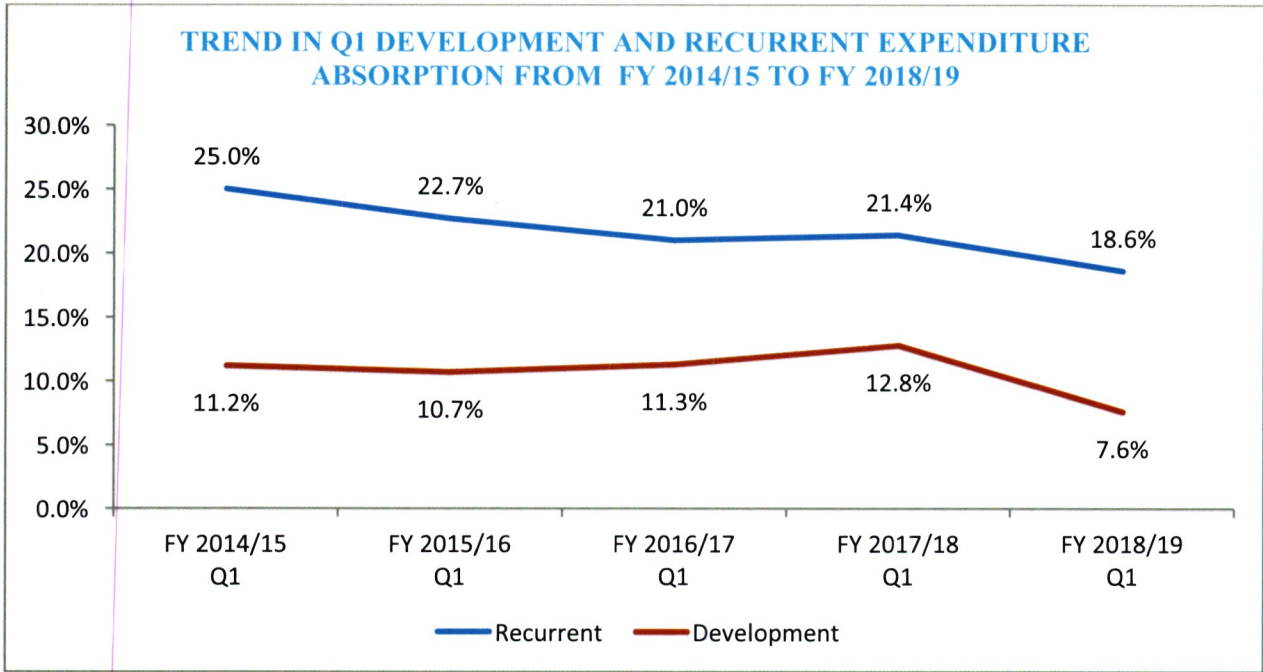


**TOP 10 SPENDING MDAs - DEVELOPMENT EXPENDITURE IN THE FIRST QUARTER OF FY 2018/19**



**TOP 10 SPENDING MDAs - RECURRENT EXPENDITURE IN THE FIRST QUARTER OF FY 2018/19**







# 1 INTRODUCTION

The Office of the Controller of Budget is established under Article 228 of the Constitution of Kenya (CoK), 2010 to among other functions, oversee and report on the implementation of the budgets for the National and County Governments.

This report has been prepared in compliance with Article 228(6) of the CoK, 2010 and Section 9 of the Controller of Budget Act, 2016 which require the Controller of Budget (COB) to submit to both Houses of Parliament quarterly budget implementation reports for both the National and County Governments. The report provides information on budget and budget performance by MDAs in the first three months of FY 2018/19. It presents information on national annual budget, budget allocation to MDAs, receipts into and withdrawals from the Consolidated Fund, expenditure by MDAs, both per sector and programme and the absorptive capacity of the funds.

The report is structured into seven chapters. Chapter one offers the introduction. Chapter two presents a summary of receipts into the Consolidated Fund, exchequer issues to MDAs, Consolidated Fund Services (CFS) and County Governments. Exchequer issues to MDAs are disaggregated into development and recurrent votes and clustered into Sector Working Groups which are formulated according to the Classification of Functions of Government (COFOG). Chapter three provides a summary of budget performance. This includes exchequer issues as a percentage of net estimates and the total expenditure expressed as a percentage of gross estimates. It further provides expenditure analysis by economic items for both recurrent and development expenditure. Recurrent expenditure is further analysed by major economic items of Personnel Emoluments and Operation and Maintenance (O&M). Expenditure under the Consolidated Fund Services is categorised as recurrent expenditure and is comprised of Public debt, payments for Pensions and gratuities, Salaries, allowances and miscellaneous, and Subscriptions to International Organisations.

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

Highlights of key challenges and recommendations that affected budget implementation during the first three months of the financial year are presented in Chapter six. Chapter seven provides the conclusion.

## 2 ANALYSIS OF RECEIPTS AND EXCHEQUER ISSUES

### 2.1 Introduction

This chapter provides a summary of receipts into the Consolidated Fund in the first three months of FY 2018/19. It also provides a breakdown on how funds received into the Consolidated Fund were released to MDAs for both development and recurrent expenditure, payment towards Consolidated Fund Services and to the forty seven counties.

### 2.2 Analysis of Revenue Estimates and Receipts into the Consolidated Fund

This section presents an overview of the revenue estimates and actual receipts into the Consolidated Fund in the first three months of FY 2018/19. It also presents the trend of receipts into the Consolidated Fund over similar periods in last five financial years.

#### 2.2.1 FY 2018/19 Revenue Estimates

The revenue estimates for FY 2018/19 amounted to Kshs.2.6 trillion an increase compared to 2.2 trillion in FY 2017/18. The National Treasury targeted various sources of income to finance the budget which includes: Tax income (Kshs.1.7 trillion), Non-tax income (Kshs.78.9 billion), Net domestic borrowing (Kshs.489 billion), Commercial Loan (Kshs.288 billion), Loans from Foreign Governments and International Organizations (Kshs.55.3 billion), and Grants from Foreign Governments and International Organizations (Kshs.12.9 billion).

Other sources of exchequer revenue in the FY 2018/19 include: Grants from the African Mission in Somalia (AMISOM) of Kshs.8.5 billion, Domestic Lending and on-lending of Kshs.3.9 billion, and Kshs.2.5 billion from Programme Loan-Budget Support.

#### 2.2.2 Receipts into the Consolidated Fund

In the first three months of FY 2018/19 total receipts into the Consolidated Fund amounted to Kshs.540 billion. This comprised of balance brought forward from the previous financial year (FY 2017/18), tax and non-tax income, domestic borrowing, loans and grants from foreign governments and international organisations and unspent balances recovered from MDAs from the 2017/18 financial year.

Table 2.1 presents statement of receipts into the Consolidated Fund in the first three months of FY 2018/19.

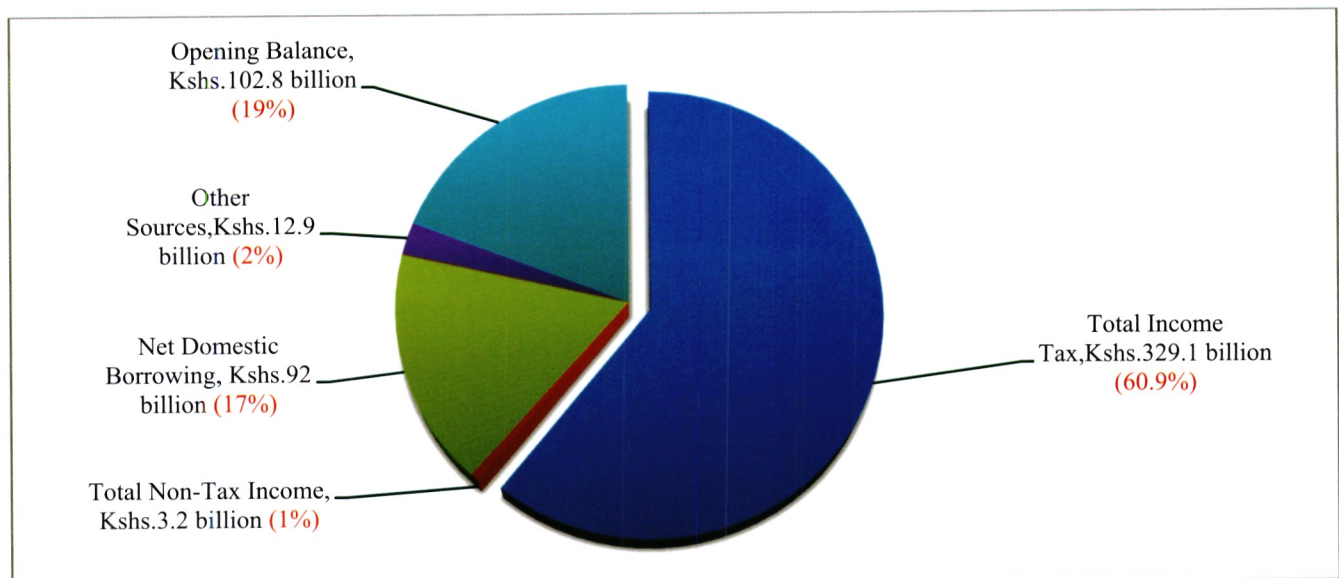
**Table 2.1: Statement of Receipts into the Consolidated Fund as at 30th September, 2018**  
(Kshs. Billions)

Receipts	Annual Estimates FY 2018/19 (Kshs.)	Actual Receipts (Kshs.)	Performance Against Annual Target (%)	Contribution by Category (%)	Actual Receipts Sept.2017 (Kshs.)	Increase/ Decrease in receipts over Sept. 2017 (Kshs.)	Percentage change (%)
Opening Balance 01.07.2018	-	102.8	-	19.0	30.9	71.9	>100
Total Tax Income	1,690.3	329.1	19.5	60.9	317.4	11.6	3.7
Total Non-Tax Income	78.9	3.2	4.1	0.6	3.5	(0.3)	(8.6)
Net Domestic Borrowing	489.0	92.0	18.8	17.0	46.8	45.2	96.6
Loans-Foreign Governments and International Organisations	55.3	3.1	5.6	0.6	7.4	(4.3)	(58.1)
Programme Loan- Budget Support	2.5	1.8	72	0.3	-	1.8	(100)
Domestic Lending and On-Lending	3.9	-	-	-	0.5	(0.5)	(100)
Grant-Foreign Governments and International Organisations	12.9	1.2	9.3	0.2	0.2	1.0	>100
Grants from AMISOM	8.5	-	-	-	0.1	(0.1)	(100)
Commercial Loans	287.9	-	-	-	-	-	-
Unspent Balances	-	6.8	-	1.3	1.3	5.5	>100
<b>Total Receipts</b>	<b>2,629.3</b>	<b>540.0</b>	<b>20.5</b>	<b>-</b>	<b>408.1</b>	<b>131.9</b>	<b>32.3</b>

Source: National Treasury

Figure 2.1 shows the composition of receipts into the Consolidated Fund for the period under review.

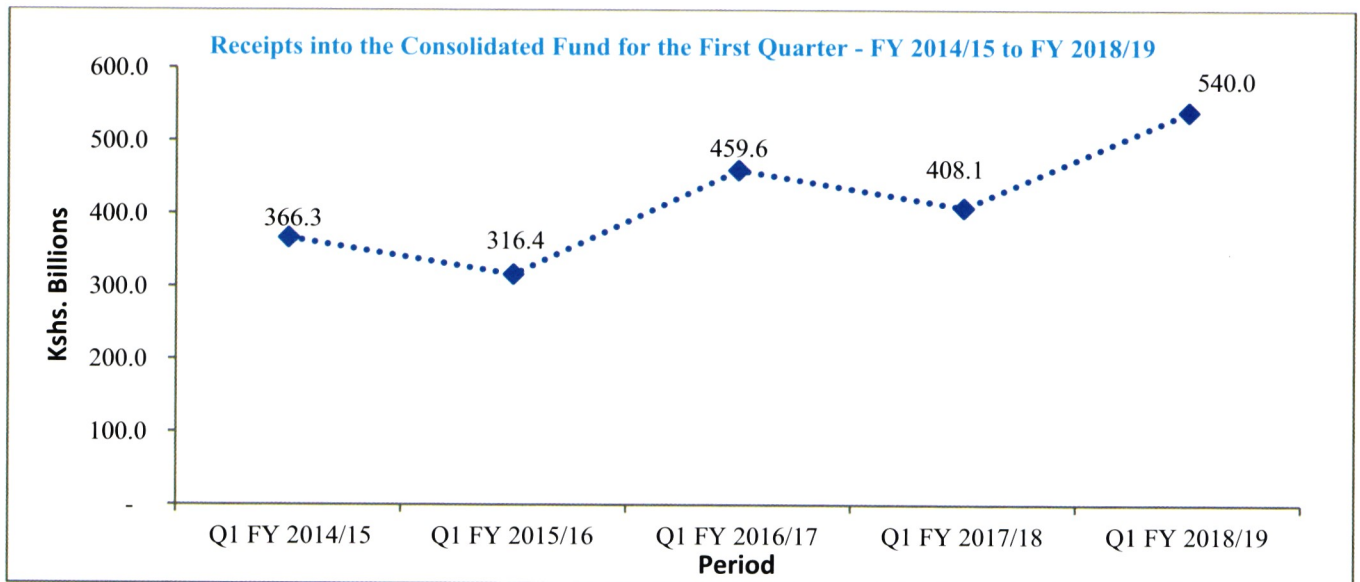
**Figure 2.1: Composition of Receipts into the Consolidated Fund**



Source: National Treasury

Figure 2.2 shows trend of receipts into the Consolidated Fund for the first three months for the period FY 2014/15 to FY 2018/19.

**Figure 2.2: Receipts into the Consolidated Fund in the First Quarter from FY 2014/15 to FY 2018/19**



Source: National Treasury

### 2.3 FY 2018/19 Overall Budget

The gross estimates for the FY 2018/19 amounted to Kshs.3.1 trillion comprising of Kshs.2 trillion for recurrent expenditure, Kshs.676.6 billion for development expenditures and Kshs.345.7 billion towards financing county governments. Gross estimates for recurrent and development expenditure includes Appropriation-in-Aid (AIA) while the net estimates exclude AIA. Gross estimates to the County governments comprise of equitable shareable revenue and conditional grants budgeted under National Government MDAs at Kshs.314 billion and Kshs31.7 billion respectively.

### 2.4 Exchequer Issues to the MDAs and County Governments

In the first three months of FY 2018/19, total exchequer issues to MDAs and County Governments amounted to Kshs.428.5 billion representing 16.3 per cent of the annual net estimates, a decrease compared to 21.1 per cent recorded in a similar period of FY 2017/18.

Table 2.1 presents a summary of the exchequer issues for the first three months of FY 2018/19 against annual net estimates.

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

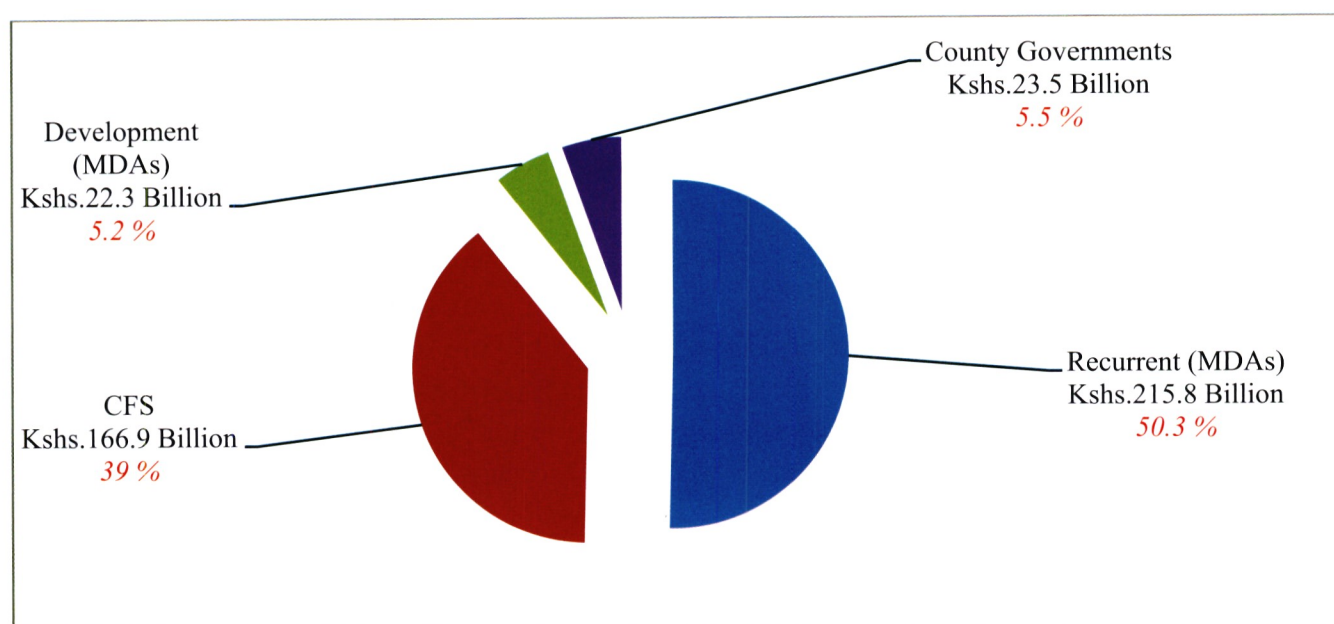
Vote	First Quarter, FY 2018/19					First Quarter, FY 2017/18				
	Gross Estimates	Net Estimates	Exchequer Issues	% of Exch. Issues to net Estimates	% of Exchequer issues to total Issues	Gross Estimates	Net Estimates	Exchequer Issues	% of Exch. Issues to net Estimates	% of Exchequer issues to total Issues
<b>Recurrent</b>	2,036.7	1,904.4	382.7	20.1	89.3	1,689.7	1,577.5	313.0	19.8	88.8
MDAs	1,073.0	940.7	215.8	22.9	50.3	990.5	878.3	227.4	25.9	64.5
CFS	963.7	963.7	166.9	17.3	38.9	699.2	699.2	85.6	12.2	24.3
<b>Development (MDAs)</b>	676.6	410.9	22.3	5.4	5.2	642.9	388.5	39.4	10.1	11.2
<b>County Governments</b>	345.7	314.0	23.5	7.5	5.5	306.2	306.2	-	-	-
<b>Total</b>	<b>3,059.0</b>	<b>2,629.3</b>	<b>428.5</b>	<b>16.3</b>		<b>2,638.8</b>	<b>2,272.2</b>	<b>352.4</b>	<b>15.5</b>	

Source: National Treasury & OCOB

From the analysis presented in Table 2.2, recurrent expenditure received the highest proportion of exchequer issues as a proportion of net estimates at 20.1 per cent while the development expenditure received the lowest at 5.4 per cent.

Figure 2.3 shows composition of exchequer issues in the first three months.

Figure 2.3: Composition on Exchequer Issued for the Period July to September, 2018



Source: National Treasury & OCOB

## 2.5 Analysis of Exchequer Issues to MDAs by Sector

In the budget making process, MDAs are grouped into Sector Working Groups according to the Classification of Functions of Government (COFOG). This helps MDAs in aligning their programmes to their respective mandates.

The ten sectors are; (i) Agriculture, Rural and Urban Development, (ii) Education, (iii) Energy, Infrastructure and Information Communications Technology, (iv) Environmental Protection, Water

and Natural Resources, (v) General Economic and Commercial Affairs (vi) Governance, Justice, Law and Order, (vii) Health, (viii) National Security, (ix) Public Administration and International Relations, and (x) Social Protection, Culture and Recreation.

Table 2.3 shows a breakdown of the annual estimates and exchequer issues by sectors for the period July to September, 2018.

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

Name of the Sector	First Quarter, FY 2018/19				First Quarter, FY 2017/18			
	Gross Estimates	Net Estimates	Exchequer Issues	% of Exchequer to Net Estimates	Gross Estimates	Net Estimates	Exchequer Issues	% of Exchequer to Net Estimates
Agriculture, Rural & Urban Development	53.0	47.0	4.6	9.8	38.1	35.5	5.2	14.5
Education	442.3	395.1	95.7	24.2	375.0	330.1	92.3	28.0
Energy, Infrastructure and Information Communications Technology (EI & ICT)	418.8	175.2	13.7	7.8	415.7	171.5	16.0	9.3
Environmental Protection, Water and Natural Resources	70.3	39.3	2.9	7.3	73.6	39.2	6.7	17.0
General Economic & Commercial Affairs (GECA)	38.8	24.0	2.7	11.2	19.8	18.6	1.5	8.0
Governance, Justice, Law and Order (GJLOS)	190.2	187.8	35.8	19.1	202.3	200.1	48.3	24.1
Health	90.0	65.9	10.7	16.3	61.7	46.4	7.6	16.3
National Security	142.3	131.3	35.2	26.8	130.2	130.2	35.5	27.3
Public Administration and International Relations	251.0	236.3	28.2	11.9	270.2	250.1	46.4	18.5
Social Protection, Culture and Recreation	52.9	49.8	8.4	17.0	46.2	44.5	7.5	16.8
<b>Total</b>	<b>1,749.6</b>	<b>1,351.7</b>	<b>238.0</b>	<b>17.6</b>	<b>1,632.9</b>	<b>1,266.3</b>	<b>266.8</b>	<b>21.1</b>

*Source: National Treasury & OCOB*

The total exchequer issues to sectors amounted to Kshs.238 billion, representing 17.6 per cent of the annual net estimates, a decrease compared to 21.1 per cent recorded in the first three months of FY 2017/18. The National Security Sector received the highest proportion of exchequer issues to annual net estimates at 26.8 per cent while the Environmental Protection, Water and Natural Resources Sector received the lowest at 7.3 per cent.

### 2.5.1 Recurrent Exchequer Issues by Sector

In FY 2018/19, the gross recurrent estimate to MDAs was Kshs.1.1 trillion a slight increase compared to Kshs.1 trillion allocated in the FY 2017/18. Total recurrent exchequer issues to MDAs in the first three months of FY 2018/19 was Kshs.215.8 billion representing 22.9 per cent of the annual recurrent net estimates, a decrease compared to 25.9 per cent (Kshs.227.4 billion) recorded in a similar period of FY 2017/18.

Table 2.4 shows sectoral recurrent estimates and exchequer issues for the first three months of FY 2018/19

Table.2.4: Recurrent Annual Estimates and Exchequer issues by Sector (Kshs. Billions)

Name of the Sector	First Quarter, FY 2018/19				First Quarter, FY 2017/18			
	Gross Estimates	Net Estimates	Exchequer Issues	% of Exch. To Net Estimates	Gross Estimates	Net Estimates	Exchequer Issues	% of Exchequer To Net Estimates
Agriculture, Rural & Urban Development (ARUD)	15.8	15.4	3.6	23.3	17.3	17.3	2.9	17.1
Education	410.1	369.5	95.0	25.7	350.1	309.6	90.0	29.1
Energy, Infrastructure and Information Communications Technology (EI & ICT)	80.8	12.3	2.4	19.5	67.2	11.4	2.0	17.6
Environmental Protection, Water and Natural Resources	15.2	11.3	2.3	20.7	22.8	13.9	2.2	16.0
General Economic and Commercial Affairs (GECA)	17.0	11.6	2.4	21.0	9.6	8.6	1.3	15.1
Governance, Justice, Law and Order (GJLOS)	167.8	167.4	35.7	21.3	176.1	175.4	43.7	24.9
Health	49.1	37.6	6.3	16.8	30.7	26.7	4.8	18.1
National Security	127.3	127.3	35.2	27.7	130.2	130.2	35.5	27.3
Public Administration and International Relations (PAIR)	161.3	160.3	26.3	16.4	165.7	164.7	41.4	25.1
Social Protection, Culture and Recreation	28.5	28.0	6.5	23.2	20.6	20.6	3.4	16.7
<b>Total</b>	<b>1,073.0</b>	<b>940.7</b>	<b>215.8</b>	<b>22.9</b>	<b>990.5</b>	<b>878.3</b>	<b>227.4</b>	<b>25.9</b>

Source: National Treasury & OCOB

A review of recurrent exchequer issues in the first three months of FY 2018/19 shows that the National Security Sector received the highest percentage of exchequer issues to annual net estimates at 27.7 per cent while the Public Administration and International Relations (PAIR) sector received the lowest proportion at 16.4 per cent.

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

Table 2.5: Recurrent Exchequer Issues to MDAs by Sectors

Recurrent Vote				
Name of the sector	Gross Estimates (Kshs.)	Net Estimates (Kshs.)	Exchequer Issues (Kshs.)	% Exch. Issues to Net Est.
<b>Agriculture, Rural and Urban Development</b>				
Ministry of Lands and Physical Planning	2,690,474,000	2,681,474,000	550,625,200	20.5
State Department for Livestock.	1,976,791,619	1,955,791,619	457,145,820	23.4
State Department for Crop Development	3,352,967,333	3,345,967,333	817,441,895	24.4
State Department for Fisheries, Aquaculture and the Blue Economy	607,161,651	607,161,651	95,989,255	15.8
State Department for Irrigation	823,228,745	423,228,745	102,610,000	24.2
State Department for Agricultural Research	5,085,872,824	5,085,872,824	1,263,856,210	24.9
National Lands Commission	1,260,451,513	1,260,451,513	293,386,600	23.3
<b>Total</b>	<b>15,796,947,685</b>	<b>15,359,947,685</b>	<b>3,581,054,980</b>	<b>23.3</b>
<b>Energy, Infrastructure and ICT</b>				
State Department of Infrastructure	58,364,000,000	1,872,000,000	366,894,150	19.6
State Department of Transport	10,304,195,400	1,094,195,400	265,000,000	24.2
State Department for Shipping and Maritime.	1,668,659,873	268,659,873	46,170,507	17.2

<b>Recurrent Vote</b>				
<b>Name of the sector</b>	<b>Gross Estimates (Kshs.)</b>	<b>Net Estimates (Kshs.)</b>	<b>Exchequer Issues (Kshs.)</b>	<b>% Exch. Issues to Net Est.</b>
State Department for Housing, Urban Development and Public Works	3,142,021,961	3,138,021,961	704,746,920	22.5
State Department of Information Communications & Technology & Innovation	1,738,675,839	1,738,675,839	252,527,500	14.5
State Department for Broadcasting & Telecommunications	3,115,708,000	2,015,708,000	338,322,000	16.8
State Department Energy	2,188,000,000	1,981,000,000	389,341,555	19.7
State Department of Petroleum	271,500,000	224,182,805	42,294,390	18.9
<b>Total</b>	<b>80,792,761,073</b>	<b>12,332,443,878</b>	<b>2,405,297,022</b>	<b>19.5</b>
<b>General Economics and Commercial Affairs (GECA)</b>				
State Department for Cooperatives	530,599,580	321,299,580	76,380,500	23.8
State Department for Trade	1,596,904,459	1,579,044,459	323,169,600	20.5
State Department for Industrialization	2,733,578,998	2,233,478,998	493,132,935	22.1
State Department for East African Community	553,084,969	553,084,969	103,707,870	18.8
State Department for Regional and Northern Corridor Development	1,995,526,284	1,740,526,284	412,022,830	23.7
Ministry of Tourism and Wildlife	9,630,210,198	5,152,343,198	1,020,700,000	19.8
<b>Total</b>	<b>17,039,904,488</b>	<b>11,579,777,488</b>	<b>2,429,113,735</b>	<b>21.0</b>
<b>Health</b>				
Ministry of Health	49,100,820,808	37,635,814,178	6,327,116,765	16.8
<b>Total</b>	<b>49,100,820,808</b>	<b>37,635,814,178</b>	<b>6,327,116,765</b>	<b>16.8</b>
<b>Education</b>				
State Department for Vocational and Technical Training	7,672,156,413	7,662,156,413	597,421,850	7.8
State Department for University Education	87,150,793,769	48,544,693,769	11,127,365,335	22.9
State Department for Early Learning & Basic Education	88,678,455,306	87,245,855,306	25,074,631,350	28.7
State Department for Post Training and Skills Development	45,455,000	45,455,000	1,000,000	2.2
Teachers Service Commission	226,550,753,422	226,033,753,422	58,186,850,880	25.7
<b>Total</b>	<b>410,097,613,910</b>	<b>369,531,913,910</b>	<b>94,987,269,415</b>	<b>25.7</b>
<b>Governance, Justice, Law and Order (GJLOS)</b>				
State Department for Interior	109,039,280,963	108,989,374,116	22,968,955,530	21.1
State Department for Correctional Services	26,049,050,342	26,049,050,342	5,001,049,377	19.2
State Department for Immigration and Citizen Services	1,884,968,823	1,884,968,823	316,730,065	16.8
State Law Office and Department of Justice	4,238,049,000	3,842,547,000	781,973,200	20.4
The Judiciary	12,907,500,000	12,907,500,000	3,856,659,345	29.9
Ethics & Anti-Corruption Commission	2,801,540,000	2,801,540,000	832,932,600	29.7
Office of the Director of Public Prosecutions	2,812,276,000	2,812,276,000	428,066,400	15.2
Office of the Registrar of Political Parties	822,232,095	822,232,095	186,182,900	22.6
Witness Protection Agency	483,086,280	483,086,280	135,698,300	28.1
Kenya National Human Rights & Equality Commission	395,443,114	395,443,114	82,106,900	20.8
Independent Electoral and Boundaries Commission	4,190,624,477	4,185,624,477	538,000,000	12.9
Judicial Service Commission	364,000,000	364,000,000	45,100,000	12.4
National Police Service Commission	630,556,818	630,556,818	203,929,300	32.3
National Gender & Equality Commission	374,965,388	374,965,388	63,970,500	17.1
Independent Police Oversight Authority	817,002,200	817,002,200	230,557,285	28.2
<b>Total</b>	<b>167,810,575,500</b>	<b>167,360,166,653</b>	<b>35,671,911,702</b>	<b>21.3</b>
<b>Public Administration and International Relations</b>				
The Presidency	8,035,990,223	8,025,858,149	1,518,704,090	18.9
State Department for Devolution	2,913,476,749	2,913,476,749	1,629,102,279	55.9
State Department for Planning	10,381,760,002	10,310,760,002	2,461,278,060	23.9
Ministry of Foreign Affairs	15,170,174,901	14,616,600,000	3,673,124,230	25.1
The National Treasury	68,755,400,000	68,755,400,000	7,446,564,600	10.8
State Department for Public Service and Youth Affairs	13,442,533,200	13,261,483,200	1,446,040,670	10.9
Parliamentary Service Commission	12,274,000,000	12,230,000,000	2,165,500,965	17.7
National Assembly	21,855,000,000	21,855,000,000	4,189,057,985	19.2

<b>Recurrent Vote</b>				
<b>Name of the sector</b>	<b>Gross Estimates (Kshs.)</b>	<b>Net Estimates (Kshs.)</b>	<b>Exchequer Issues (Kshs.)</b>	<b>% Exch. Issues to Net Est.</b>
The Commission on Revenue Allocation	434,556,341	434,556,341	69,724,920	16.0
Public Service Commission	1,160,220,000	1,159,700,000	216,000,000	18.6
Salaries & Remuneration Commission	564,170,000	564,170,000	63,556,780	11.3
Auditor General	5,236,687,300	5,086,687,300	1,218,189,000	23.9
Controller of Budget	618,470,000	618,470,000	97,548,100	15.8
The Commission on Administrative Justice	499,389,200	499,389,200	112,695,530	22.6
<b>Total</b>	<b>161,341,827,916</b>	<b>160,331,550,941</b>	<b>26,307,087,209</b>	<b>16.4</b>
<b>National Security</b>				
Ministry of Defence	96,079,397,700	96,079,397,700	28,068,053,035	29.2
National Intelligence Service	31,211,000,000	31,211,000,000	7,144,433,895	22.9
<b>Total</b>	<b>127,290,397,700</b>	<b>127,290,397,700</b>	<b>35,212,486,930</b>	<b>27.7</b>
<b>Social Protection, Culture and Recreation</b>				
State Department for Development for the ASAL	1,034,530,922	1,034,530,922	225,866,715	21.8
State Department for Sports	1,502,040,337	1,501,640,337	387,419,500	25.8
State Department for Heritage	3,057,463,521	3,046,463,521	658,750,765	21.6
State Department for Labour	2,537,159,574	2,099,939,574	465,952,250	22.2
State Department for Social Protection	18,811,704,440	18,770,039,440	4,431,960,060	23.6
State Department for Gender	1,557,079,282	1,557,079,282	334,399,900	21.5
<b>Total</b>	<b>28,499,978,076</b>	<b>28,009,693,076</b>	<b>6,504,349,190</b>	<b>23.2</b>
<b>Environment Protection, Water and Natural Resources</b>				
State Department for Water and Sanitation	4,143,124,948	3,572,124,948	888,669,844	24.9
State Department for Environment and Forestry	10,096,857,759	6,779,957,759	1,303,294,350	19.2
Ministry of Mining	971,216,695	959,216,695	152,043,700	15.9
<b>Total</b>	<b>15,211,199,402</b>	<b>11,311,299,402</b>	<b>2,344,007,894</b>	<b>20.7</b>
<b>Grand Total</b>	<b>1,072,982,026,558</b>	<b>940,743,004,911</b>	<b>215,769,694,842</b>	<b>22.9</b>

Source: National Treasury & OCOB

## 2.5.2 Exchequer Issues to Consolidated Fund Services (CFS)

The total allocation to CFS in FY 2018/19 amounted to Kshs.963.8 billion, representing 32 per cent of the gross national budget.

Table 2.6 shows the annual allocation and exchequer issues for CFS in the period July to September 2018.

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

Consolidated Fund Services (CFS)	First Quarter FY 2018/19			First Quarter FY 2017/18		
	Net Estimates	Exchequer Issues	% to Net Estimates	Net Estimates	Exchequer Issues	% to Net Estimates
Public Debt	870,616.0	153,620.1	17.6	621,764.1	75,389.8	12.1
Pensions and Gratuities	90,573.1	12,498.9	13.8	71,895.1	9,317.9	13.0
Salaries, Allowances & Miscellaneous	2,482.6	781.7	31.5	5,564.9	904.4	16.3
Subscriptions to International Organizations	0.5	-	-	0.5	-	-
<b>Total</b>	<b>963,672.1</b>	<b>166,900.7</b>	<b>17.3</b>	<b>699,224.6</b>	<b>85,612.2</b>	<b>12.2</b>

*Source: National Treasury and OCOB*

In the first three months of FY 2018/19, the total exchequer issues to CFS amounted to Kshs.166.9 billion, representing 17.3 per cent of the annual net estimates, an increase compared to 12.2 per cent reported in a similar period of FY 2017/18. The Salaries, Allowances & Miscellaneous category received the highest proportion of exchequer issues to annual net estimates at 31.5 per cent while Pension and Gratuities received the lowest at 13.8 per cent.

### 2.5.3 Development Exchequer Issues by Sector

In FY 2018/19, the gross allocation to development expenditure was Kshs.676.6 billion. Total exchequer issues in the reporting period was Kshs.22.3 billion representing 5.4 per cent of the annual development net estimates, a decrease compared to 10.2 per cent (Kshs.39.4 billion) recorded in a similar period, FY 2017/18.

Table 2.7 shows development annual estimates by sector and exchequer issues for the period July to September, 2018.

Table 2.7: Development Annual Estimates and Exchequer Issues by Sector (Kshs. Billions)

Name of the Sector	First Quarter FY 2018/19				First Quarter FY 2017/18			
	Gross Estimates	Net Estimates	Exch. Issues	% of Exch. to Net Estimates	Gross Estimates	Net Estimates	Exch. Issues	% of Exch. to Net Estimates
Agriculture, Rural & Urban Development	37.2	31.6	1.0	3.3	20.8	18.3	2.2	12.1
Education	32.2	25.6	0.7	2.7	24.8	20.4	2.3	11.2
Energy, Infrastructure and Information Communications Technology (EI & ICT)	338.0	162.8	11.3	7.0	348.5	160.0	14.0	8.7
Environmental Protection, Water and Natural Resources	55.1	28.0	0.5	1.8	50.8	25.3	4.4	17.5
General Economic and Commercial Affairs (GECA)	21.8	12.4	0.3	2.2	10.2	10.1	0.2	2.0
The Governance, Justice, Law and Order (GJLOS)	22.3	20.5	0.2	0.8	26.2	24.7	4.6	18.5
Health	40.9	28.2	4.4	15.6	31.0	19.6	2.7	13.8
National Security	15.0	4.0	-	-	0.05	-	-	-
Public Administration and International Relations (PAIR)	89.7	76.0	1.9	2.5	104.5	85.5	5.0	5.8
Social Protection, Culture and Recreation	24.4	21.8	1.9	8.9	25.6	23.9	4.0	16.8
<b>Total</b>	<b>676.6</b>	<b>410.9</b>	<b>22.3</b>	<b>5.4</b>	<b>642.4</b>	<b>388.0</b>	<b>39.4</b>	<b>10.2</b>

Source: National Treasury & OCOB

An analysis of development exchequer issues to MDAs in the first three months of FY 2018/19 shows that the Health Sector received the highest development exchequer issues to annual net estimates at 15.6 per cent, an improvement from 13.8 percent received in the same period of FY 2017/18. On the other hand, the Governance, Justice, Law and Order (GJLOS) sector received the lowest exchequer issues to annual net estimates at 0.8 per cent, a significant decline from 18.5 per cent recorded in a similar period, FY 2017/18.

Table 2.8 shows development exchequer issues to the MDAs in each of the ten sectors.

Table 2.8: Development Exchequer Issues to MDAs by Sectors

Development Vote				
Name of the Sector	Gross Estimates (Kshs)	Net Estimates (Kshs)	Exchequer Issues (Kshs)	% Exch. Issues to Net Est.
<b>Agriculture, Rural and Urban Development</b>				
Ministry of Lands and Physical Planning	3,345,214,997	3,345,214,997	-	-
State Department for Livestock.	4,281,740,920	2,963,740,920	546,554,285	18.4
State Department for Crop Development	20,215,429,236	16,886,987,656	443,230,983	2.6
State Department for Fisheries, Aquaculture and the Blue Economy	2,184,000,000	2,184,000,000	26,000,000	1.2
State Department for Irrigation	6,659,000,000	5,790,000,000	16,299,910	0.3
State Department for Agricultural Research	475,899,330	475,899,330	-	-
<b>Total</b>	<b>37,161,284,483</b>	<b>31,645,842,903</b>	<b>1,032,085,178</b>	<b>3.3</b>
<b>Energy, Infrastructure and ICT</b>				
State Department of Infrastructure	121,685,380,000	81,052,548,000	567,210,288	0.7
State Department of Transport	90,424,591,835	12,493,000,000	8,891,616,220	71.2
State Department for Housing, Urban Development and Public Works	29,101,373,965	24,549,373,965	264,207,460	1.1
State Department of Information Communications & Technology & Innovation	26,958,614,114	16,697,614,114	-	-
State Department for Broadcasting & Telecommunications	688,000,000	688,000,000	-	-
State Department Energy	64,386,827,489	24,932,000,000	1,456,027,904	5.8
State Department of Petroleum	4,758,500,000	2,413,000,000	147,031,485	6.1
<b>Total</b>	<b>338,003,287,403</b>	<b>162,825,536,079</b>	<b>11,326,093,357</b>	<b>7.0</b>
<b>General Economics and Commercial Affairs (GECA)</b>				
State Department for Cooperatives	840,000,000	840,000,000	-	-
State Department for Trade	312,000,000	312,000,000	-	-
State Department for Industrialization	4,298,000,000	3,694,000,000	-	-
State Department for East African Community	65,000,000	-	-	-
State Department for Regional and Northern Corridor Development	12,636,950,000	4,178,942,863	270,500,000	6.5
Ministry of Tourism and Wildlife	3,645,516,000	3,400,500,000	-	-
<b>Total</b>	<b>21,797,466,000</b>	<b>12,425,442,863</b>	<b>270,500,000</b>	<b>2.2</b>
<b>Health</b>				
Ministry of Health	40,906,449,648	28,216,398,313	4,398,687,855	15.6
<b>Total</b>	<b>40,906,449,648</b>	<b>28,216,398,313</b>	<b>4,398,687,855</b>	<b>15.6</b>
<b>Education</b>				
State Department for Vocational and Technical Training	8,338,000,000	5,038,000,000	-	-
State Department for University Education	13,338,000,000	10,538,000,000	-	-
State Department for Early Learning & Basic Education	10,418,830,978	9,848,830,978	696,157,765	7.1
Teachers Service Commission	136,000,000	136,000,000	-	-
<b>Total</b>	<b>32,230,830,978</b>	<b>25,560,830,978</b>	<b>696,157,765</b>	<b>2.7</b>
<b>Governance, Justice, Law and Order (GJLOS)</b>				
State Department for Interior	17,308,702,000	16,944,700,000	157,600,000	0.9
State Department for Correctional Services	1,812,600,000	1,812,600,000	-	-
State Department for Immigration and Citizen Services	690,300,000	690,300,000	-	-
State Law Office and Department of Justice	714,000,000	714,000,000	-	-
The Judiciary	1,549,000,000	50,000,000	-	-
Ethics & Anti-Corruption Commission	125,000,000	125,000,000	-	-
Office of the Director of Public Prosecutions	100,000,000	100,000,000	-	-

## Development Vote

Name of the Sector	Gross Estimates (Kshs)	Net Estimates (Kshs)	Exchequer Issues (Kshs)	% Exch. Issues to Net Est.
Independent Electoral and Boundaries Commission	43,000,000	43,000,000	-	-
<b>Total</b>	<b>22,342,602,000</b>	<b>20,479,600,000</b>	<b>157,600,000</b>	<b>0.8</b>
<b>Public Administration and International Relations</b>				
The Presidency	1,108,830,000	1,108,830,000	37,702,000	3.4
State Department for Devolution	37,959,566,000	36,736,566,000	5,000,000	0.01
State Department for Planning	2,602,424,000	2,484,324,000	-	-
Ministry of Foreign Affairs	1,937,740,000	1,937,740,000	-	-
The National Treasury	38,577,476,758	26,173,935,007	1,779,119,923	6.8
State Department for Public Service and Youth Affairs	4,068,334,400	4,068,334,400	103,841,945	2.6
Parliamentary Service Commission	2,700,000,000	2,700,000,000	-	-
Public Service Commission	59,290,000	59,290,000	-	-
Auditor General	682,230,000	682,230,000	-	-
<b>Total</b>	<b>89,695,891,158</b>	<b>75,951,249,407</b>	<b>1,925,663,868</b>	<b>2.5</b>
<b>National Security</b>				
Ministry of Defence	14,974,349,680	4,000,000,000	-	-
<b>Total</b>	<b>14,974,349,680</b>	<b>4,000,000,000</b>	<b>-</b>	<b>-</b>
<b>Social Protection, Culture and Recreation</b>				
State Department for Development for the ASAL	5,358,000,000	2,820,000,000	362,000,000	12.8
State Department for Sports	675,000,000	675,000,000	-	-
State Department for Heritage	881,600,000	881,600,000	-	-
State Department for Labour	1,549,400,000	1,549,400,000	137,864,297	8.9
State Department for Social Protection	12,491,090,000	12,491,090,000	1,444,700,000	11.6
State Department for Gender	3,413,000,000	3,413,000,000	-	-
<b>Total</b>	<b>24,368,090,000</b>	<b>21,830,090,000</b>	<b>1,944,564,297</b>	<b>8.9</b>
<b>Environment Protection, Water and Natural Resources</b>				
State Department for Water and Sanitation	48,771,390,000	23,577,640,000	432,673,325	1.8
State Department for Environment and Forestry	6,003,000,000	4,076,000,000	80,004,120	2.0
Ministry of Mining	325,000,000	325,000,000	-	-
<b>Total</b>	<b>55,099,390,000</b>	<b>27,978,640,000</b>	<b>512,677,445</b>	<b>1.8</b>
<b>Grand Total</b>	<b>676,579,641,350</b>	<b>410,913,630,543</b>	<b>22,264,029,765</b>	<b>5.4</b>

Source: National Treasury & OCOB

### 3 NATIONAL GOVERNMENT OVERALL EXPENDITURE ANALYSIS

#### 3.1 Introduction

This chapter presents expenditure analysis for the first three months of FY 2018/19 for both development and recurrent expenditure by the national government Ministries, Departments and Agencies. The Consolidated Fund Services is discussed under recurrent expenditure and provides information on Public debt; Pensions and gratuity; and Salaries and allowances to Constitutional Office holders and Miscellaneous Services. The chapter also presents expenditure by economic classifications by the government entities, for development and recurrent votes respectively.

#### 3.2 Overall Government Budget Performance

In the FY 2018/19, the aggregate budget for the government was Kshs.3.1 trillion, as presented in table 3.1. This includes the budget estimates for the national government entities and allocation to county governments, and is compared to FY 2017/18.

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

VOTE	First Quarter, FY 2018/19						First Quarter, FY 2017/18					
	Gross Estimates	Net Estimates	Cumulative Exchequer Issues	Cumulative Expenditure	% of Exchequer to Net Estimates	Absorption Rate (%)	Gross Estimates	Net Estimates	Exchequer Issues	Expenditure	% Exchequer to Net Estimates	Absorption rate (%)
<b>Recurrent</b>	2,036.7	1,904.4	382.7	378.2	20.1	18.6	1,689.7	1,577.5	313.0	301.3	19.8	17.8
<i>MDAs</i>	1,073.0	940.7	215.8	217.7	22.9	20.3	990.5	878.3	227.4	212.4	25.9	21.4
<i>CFS</i>	963.7	963.7	166.9	160.5	17.3	16.7	699.2	699.2	85.6	88.9	12.2	12.0
<b>Development</b>	676.6	410.9	22.3	51.1	5.4	7.6	642.9	388.5	39.4	82.2	10.1	12.8
<b>County Governments</b>	345.7	314.0	23.5*	50.2**	7.5	11.2	306.2	306.2	-	35.4*	-	9.5
<b>Total</b>	<b>3,059.0</b>	<b>2,629.3</b>	<b>428.5</b>	<b>479.5</b>	<b>16.3</b>	<b>15.1</b>	<b>2,638.8</b>	<b>2,272.2</b>	<b>352.4</b>	<b>418.9</b>	<b>15.5</b>	<b>15.9</b>

Source: NT, OCOB, MDAs & County Treasuries

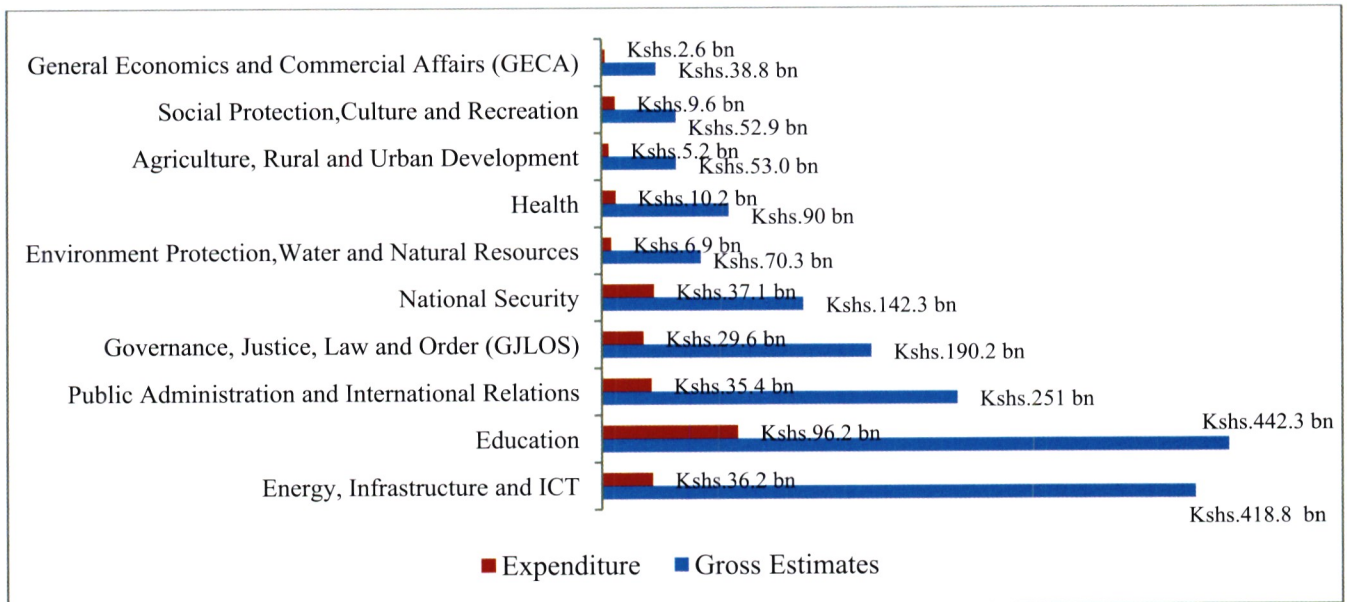
\*Refers to shareable revenue exchequer issues.

\*\* The difference between the Exchequer Issues of Kshs.23.5 billion and expenditure of Kshs.50.2 billion was financed by revenue from local sources and opening cash balance brought forward from FY 2017/18.

The total funding by the National Government through exchequer issues in the first three months of FY 2018/19 amounted to Kshs.428.5 billion, representing 16.3 per cent of the annual net estimates, an increase from 15.5 per cent recorded in a similar period of FY 2017/18. The exchequer issues comprised of Kshs.382.7 billion for recurrent expenditure, Kshs.22.3 billion for development expenditure and Kshs.23.5 billion as to Counties as the shareable revenue. Overall expenditure for both the National and County Governments was Kshs.479.5 billion (Kshs.378.2 billion on recurrent, Kshs.51.1 billion on development, and Kshs.50.2 billion by County Governments), representing an overall absorption rate of 15.1 per cent.

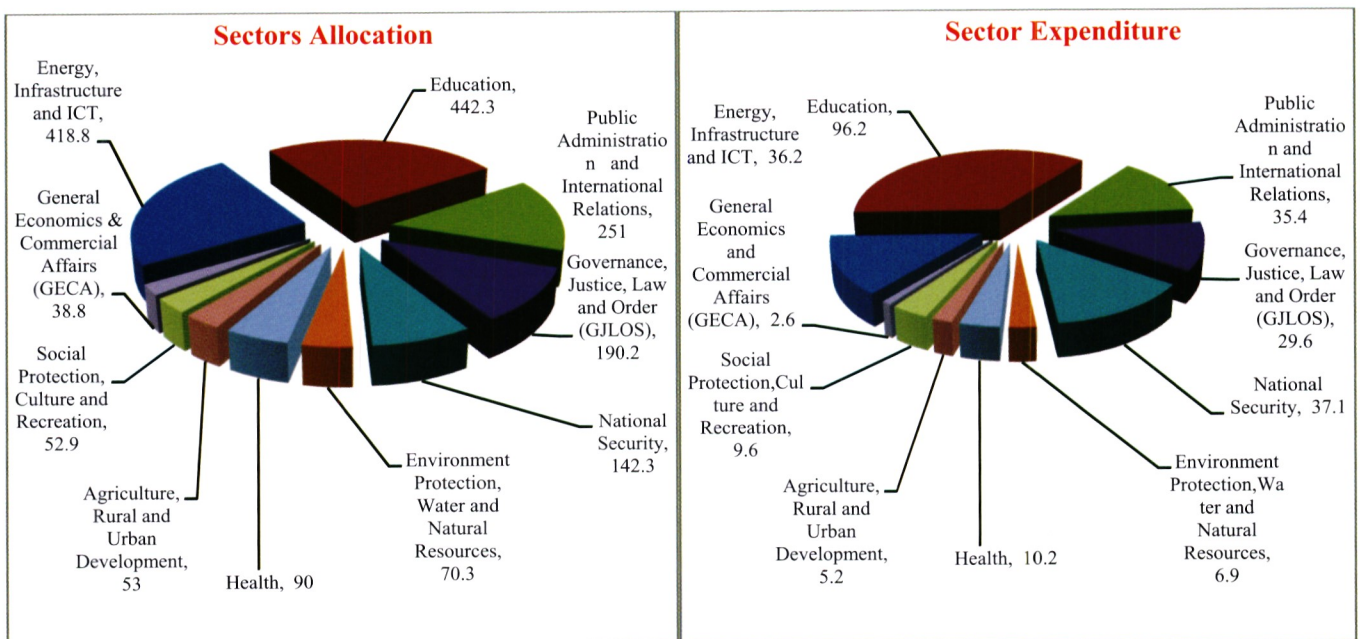
Figure 3.1 and 3.2 shows comparison of sectors annual budget allocation and total expenditure in the first three months of FY 2018/19.

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



Source: MDAs & National Treasury

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



Source: MDAs & National Treasury

### 3.3 Consolidated Fund Services (CFS)

The Consolidated Fund Services 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 three months of FY 2018/19.

**Table 3.2: Annual Budget and Cumulative Expenditure for CFS (Kshs. Billions)**

Consolidated Fund Services (CFS)	Gross Estimates	Exchequer Releases	Cumulative Expenditure	Expenditure as a % of Estimates
Public Debt	870.6	153.6	147.4	16.9
Pensions and Gratuities	90.6	12.5	12.5	13.8
Salaries, Allowances and Miscellaneous Services	2.5	0.8	0.6	24.0
Subscriptions to International Organizations	0.0005	-	-	-
<b>Total</b>	<b>963.7</b>	<b>166.9</b>	<b>160.5</b>	<b>16.7</b>

Source: National Treasury & OCOB

The allocation for CFS in the FY 2018/19 amounted to Kshs.963.7 billion representing 32 per cent of the gross national budget.

### 3.3.1 Public Debt

The allocation towards public debt in the FY 2018/19 amounted to Kshs.870.6 billion. This comprised of Kshs.400 billion towards interest payment and Kshs.470.6 billion for redemption. Exchequer issues towards repayment of public debt amounted to Kshs.153.6 billion representing 17.6 per cent while the total expenditure was Kshs.147.4 representing 16.9 per cent of the gross estimates.

### 3.3.2 Salaries, Allowances and Miscellaneous Services

In FY 2018/19, Kshs.2.5 billion was allocated for payment of Salaries, Allowances and Miscellaneous Services. Total exchequer issues amounted to Kshs.781.7 million representing 31.5 per cent of the gross estimates and total expenditure amounted to Kshs.628.3 million, representing 24 per cent of the gross estimates.

### 3.3.3 Pensions and Gratuities

The annual estimates for Pensions and Gratuities in FY 2018/19 amounted to Kshs.90.6 billion, an increase compared to Kshs.71.9 billion in FY 2017/18. Exchequer issues to towards payment amounted to Kshs.12.5 billion, representing 13.8 per cent of the gross estimates. Total expenditure amounted to Kshs.12.5 billion, representing 13.8 per cent of the gross estimates.

## 3.4 MDAs Expenditure Analysis

This section presents a breakdown of MDAs expenditure for both development and recurrent activities received in the first three months of FY 2018/19. Recurrent expenditure is disaggregated into two categories namely; Personnel Emoluments (PE) and Operation and Maintenance (O&M).

Development expenditure is disaggregated into various economic items, which include; Maintenance of motor vehicles and other assets for programmes/projects, Capital transfers to SAGAs, civil works and construction of residential buildings, refurbishment of buildings/infrastructure, Purchase of specialized plants, equipment and machinery, pre-feasibility studies and other development expenditures.

### 3.4.1 MDAs Recurrent Expenditure Analysis

In the FY 2018/19, the allocation to MDAs for recurrent expenditure amounted to Kshs.1.1 trillion a slight increase compared to Kshs.1 trillion allocated in the FY 2017/18. In the first three months of FY 2018/2019, actual expenditure on recurrent activities by the MDAs amounted to Kshs.217.7 billion representing 20.3 per cent of the annual recurrent gross estimates.

The breakdown of the MDAs total recurrent expenditure for the first three months is presented in table 3.3.

Table 3.3 Breakdown of Recurrent Expenditure by MDAs for the period July to September of FY 2018/19 (Kshs. Millions)

MINISTRY/STATE DEPARTMENT	PERSONNEL EMOLUMENT (PE)	OPERATIONS & MAINTENANCE (O&M)										Current Transfers	Gross Expenditure	Appropriation in Aid (A-I-A)	Net Expenditure
		Domestic Travel	Foreign Travel	Printing and Advertising	Rentals and Rates- Non Residential	Training	Hospitality	Maintenance Expenses- Motor Vehicles	Maintenance Expenses- Other Assets	Legal Fees	Other Expenses				
The Presidency	461.7	95.1	16.8	0.5	16.6	5.0	155.8	13.3	2.4	-	407.6	-	1,174.8	1.1	1,173.7
State Department for Interior	10,172.3	288.8	9.5	0.1	165.6	186.5	111.9	199.8	34.1	194.5	6,419.2	-	17,782.4	12.5	17,769.9
State Department for Correctional Services	3,735.2	4.7	-	-	15.5	0.1	7.4	0.2	0.0	-	41.9	85.1	3,890.1	-	3,890.1
State Department for Immigration and Citizen Services	184.6	4.1	0.6	0.1	-	-	3.9	0.1	0.0	-	12.0	-	205.5	-	205.5
State Department for Devolution	51.6	2.0	-	-	15.0	0.7	2.0	0.7	0.0	-	16.0	139.3	227.3	-	227.3
State Department for Development for the ASAL	37.1	0.1	0.9	0.1	-	1.9	0.4	-	0.1	-	0.5	148.5	189.6	-	189.6
Ministry of Defence	228.6	4.6	1.5	0.0	-	1.2	2.7	0.7	0.1	-	29,193.2*	754.2	30,186.9	2,414.0	27,772.8
Ministry of Foreign Affairs	1,815.1	57.2	409.3	15.1	636.0	9.9	118.8	24.2	44.7	-	436.0	27.6	3,594.0	134.6	3,459.4
State Department for Vocational and Technical Training	38.0	11.5	0.6	0.5	-	60.9	1.1	0.1	0.0	-	208.2	686.7	1,007.6	-	1,007.6
State Department for University Education	0.2	1.5	0.1	0.1	-	1.9	3.5	0.4	-	-	1,834.6	9,622.7	11,465.1	2.2	11,462.9
State Department for Early Learning & Basic Education	877.6	10.9	0.6	0.0	-	0.4	1.6	-	0.2	-	19,046.4	4,722.7	24,660.5	-	24,660.5
State Department for Post Training and Skills Development	-	-	-	-	-	-	0.1	-	-	-	-	-	0.1	-	0.1
The National Treasury	185.8	6.1	4.6	0.1	13.2	6.7	35.9	0.1	0.1	-	1,249.5	5,342.0	6,843.9	-	6,843.9
State Department of Planning	87.2	13.4	8.5	-	0.1	14.0	11.0	0.0	-	-	5.9	2,317.0	2,457.2	-	2,457.2
Ministry of Health	1,645.5	5.8	1.3	0.2	0.2	37.4	1.3	3.0	3.5	-	4,095.9	-	5,794.1	-	5,794.1
State Department of Infrastructure	299.4	9.4	0.7	0.5	-	1.1	4.6	2.5	8.3	1.5	33.6	9,765.6	10,127.1	9.5	10,117.6
State Department of Transport	47.6	1.8	0.1	0.0	0.7	0.4	0.6	0.7	0.0	-	4.0	2,642.4	2,698.4	2,447.4	250.9
State Department for Shipping and Maritime Affairs.	14.5	1.0	0.8	0.0	6.1	0.2	0.6	0.9	-	-	8.7	11.4	44.1	-	44.1
State Department for Housing, Urban Development and Public Works	305.8	7.1	0.9	0.1	15.8	0.2	0.4	0.3	0.1	-	2.2	3.8	336.5	-	336.5
State Department for Water and Sanitation	157.1	9.8	1.8	1.1	-	2.9	1.4	2.5	1.1	0.3	26.3	698.7	903.0	571.0	332.0
State Department for Environment and Forestry	287.1	1.7	0.6	0.1	-	0.2	0.3	0.3	0.1	-	5.8	1,261.8	1,558.1	-	1,558.1
Ministry of Lands and Physical Planning	517.4	3.5	0.4	0.1	0.0	1.1	0.5	1.2	0.3	0.1	16.3	-	541.0	-	541.0
State Department for Information Communications and Technology & Innovation	42.6	5.1	1.7	-	12.4	3.7	0.6	-	0.0	-	2.2	170.4	238.7	-	238.7

MINISTRY/STATE DEPARTMENT	PERSONNEL EMOLUMENT (PE)	OPERATIONS & MAINTENANCE (O&M)										Current Transfers	Gross Expenditure	Appropriation in Aid (A-I-A)	Net Expenditure
		Domestic Travel	Foreign Travel	Printing and Advertising	Rentals and Rates- Non Residential	Training	Hospitality	Maintenance Expenses- Motor Vehicles	Maintenance Expenses- Other Assets	Legal Fees	Other Expenses				
State Department for Broadcasting & Telecommunications	87.4	5.1	2.0	-	11.6	0.5	2.0	-	-	-	6.1	231.4	346.2	-	346.2
State Department for Sports	35.4	4.6	70.8	-	6.1	1.2	8.5	1.3	0.0	-	12.2	167.2	307.2	-	307.2
State Department for Heritage	67.3	3.0	0.4	0.5	-	-	3.4	0.1	-	-	3.2	562.9	640.7	-	640.7
State Department for Energy	63.5	4.7	0.5	-	-	0.2	1.6	0.1	-	-	-	354.4	424.9	0.6	424.3
State Department for Livestock.	327.7	1.2	0.3	-	6.2	0.9	0.7	0.2	-	-	2.1	22.4	361.8	1.7	724.8
State Department for Crop Development	222.4	5.7	1.0	0.4	8.5	2.0	0.5	1.4	0.3	0.5	22.7	530.3	795.7	-	795.7
State Department for Fisheries, Aquaculture and the Blue Economy	22.7	15.8	2.3	0.4	2.6	3.9	7.0	2.6	1.3	-	18.9	7.4	85.0	-	85.0
State Department for Irrigation	30.9	0.5	-	-	-	-	0.2	-	-	-	0.4	61.3	93.2	-	93.2
State Department for Agricultural Research	-	0.7	0.9	0.1	-	-	0.9	0.0	-	-	0.2	1,259.6	1,262.5	-	1,262.5
State Department for Cooperatives	48.6	2.2	0.7	0.4	-	0.9	0.4	0.1	0.0	-	0.7	10.5	64.6	2.9	64.6
State Department for Trade	60.5	14.4	14.2	0.6	0.9	1.1	4.0	0.6	0.7	-	1.9	169.2	268.2	0.5	267.7
State Department for Industrialization	104.1	4.9	2.0	0.5	-	1.3	1.2	-	-	-	1.0	353.1	468.1	-	468.1
State Department for Labour	95.0	4.8	1.0	0.1	45.8	0.5	3.6	1.5	0.3	-	11.9	127.3	291.8	0.7	291.2
State Department for Social Protection	196.3	11.2	5.2	0.4	-	0.7	8.5	0.0	0.6	-	77.5	3,825.8	4,126.2	9.8	8,260.8
State Department for Mining	86.9	0.9	0.7	1.4	-	0.4	0.4	0.3	0.0	-	29.5	-	120.5	-	120.5
State Department for Petroleum	34.4	0.6	-	-	-	1.0	-	0.0	-	-	2.4	-	38.4	-	38.4
Ministry of Tourism and Wildlife	62.7	5.6	7.8	0.0	13.6	1.4	35.9	0.3	0.1	65.0	5.2	790.3	987.9	-	987.9
State Department for Public Service and Youth	451.9	11.2	4.4	0.8	23.2	58.4	11.0	1.0	4.6	-	1,116.7	203.2	1,886.4	3.9	1,882.5
State Department for Gender	51.5	10.4	3.0	1.5	6.1	3.4	4.7	0.5	0.1	-	129.8	120.6	331.4	-	331.4
State Department for East African Community	58.9	5.4	10.2	0.3	11.3	1.1	3.1	0.1	0.1	-	1.0	-	91.5	-	91.5
State Department for Regional and Northern Corridor Development	-	0.4	0.7	-	-	-	0.0	-	-	-	0.0	406.1	407.2	-	407.2
State Law Office and Department of Justice	255.1	19.8	6.3	1.2	16.0	1.0	7.7	1.2	2.1	-	30.8	462.3	803.6	98.9	803.6
The Judiciary	2,016.4	22.1	5.6	0.6	2.0	1.1	8.7	-	-	-	313.8	242.1	2,612.3	209.0	2,403.3
Ethics and Anti-Corruption Commission	443.2	-	-	-	-	-	-	-	-	-	-	214.0	657.2	-	657.2
National Intelligence Service	-	-	-	-	-	-	-	-	-	-	-	6,897.6	6,897.6	-	6,897.6
Office of the Director of Public Prosecutions	307.3	24.8	5.6	0.8	33.4	4.1	11.6	3.2	1.8	-	62.9	-	455.3	-	455.3

MINISTRY/STATE DEPARTMENT	PERSONNEL EMOLUMENT (PE)	OPERATIONS & MAINTENANCE (O&M)										Current Transfers	Gross Expenditure	Appropriation in Aid (A-I-A)	Net Expenditure
		Domestic Travel	Foreign Travel	Printing and Advertising	Rentals and Rates, Non Residential	Training	Hospitality	Maintenance Expenses- Motor Vehicles	Maintenance Expenses-Other Assets	Legal Fees	Other Expenses				
Office of the Registrar of Political Parties	32.9	3.9	0.2	0.0	5.3	2.3	1.4	-	-	25.8	92.8	164.7	0.6	164.1	
Witness Protection Agency	48.3	1.8	-	1.0	7.0	4.0	2.5	2.2	0.2	54.7	-	121.7	-	121.7	
Kenya National Commission on Human Rights	56.4	2.4	1.1	0.0	13.0	0.2	0.5	1.0	0.2	9.8	4.0	88.7	-	88.7	
National Land Commission	156.7	12.0	1.6	1.4	5.6	1.6	4.9	1.8	-	10.1	-	195.7	-	195.7	
Independent Electoral and Boundaries Commission	365.8	25.7	0.9	3.5	30.3	4.0	12.8	10.3	0.7	60.6	-	514.5	0.5	514.0	
Parliamentary Service Commission	877.4	213.9	184.6	0.0	111.1	55.4	32.1	4.5	-	473.8	0.4	1,953.3	-	1,953.3	
National Assembly	1,272.1	669.9	324.0	12.6	-	25.0	11.2	2.7	0.3	1,138.1	5.1	3,461.1	-	3,461.1	
Judicial Service Commission	-	5.6	11.9	2.0	1.5	6.6	16.1	-	0.1	16.4	-	60.3	-	60.3	
Commission on Revenue Allocation	43.2	0.4	0.8	0.2	11.8	0.3	1.1	0.8	0.0	8.4	-	67.0	-	67.0	
Public Service Commission	147.5	15.8	0.6	6.0	0.4	11.0	13.7	1.0	0.4	70.2	-	266.6	-	266.6	
Salaries and Remuneration Commission	55.0	4.0	-	0.3	-	2.4	2.3	0.2	0.0	3.3	-	67.5	-	67.5	
Teachers Service Commission	58,096.5	34.7	1.1	3.4	4.2	8.7	11.1	15.1	1.8	68.8	-	58,248.6	145.4	58,103.2	
National Police Service Commission	77.4	7.2	0.1	0.9	14.7	1.8	10.5	4.4	0.8	29.1	-	146.9	-	146.9	
Auditor General	810.0	16.1	7.4	1.5	52.6	4.9	2.1	0.4	0.1	252.0	-	1,147.1	28.6	1,118.6	
Controller of Budget	73.7	1.7	-	0.1	-	1.1	1.5	0.0	0.0	9.3	-	87.4	-	87.4	
The Commission on Administrative Justice	56.1	0.5	0.4	0.3	12.5	0.5	0.7	0.5	0.2	13.3	-	85.0	-	85.0	
National Gender and Equality Commission	37.0	3.6	2.6	0.6	11.0	1.9	1.1	0.9	0.0	10.7	-	69.5	-	69.5	
Independent Policing Oversight Authority	133.8	4.3	0.0	0.4	23.4	0.6	1.3	1.3	0.0	71.2	-	236.3	-	236.3	
<b>Total</b>	<b>88,661.8</b>	<b>1,749.1</b>	<b>1,144.2</b>	<b>63.2</b>	<b>1,388.7</b>	<b>553.8</b>	<b>718.9</b>	<b>312.6</b>	<b>112.4</b>	<b>265.0</b>	<b>55,520.7</b>	<b>217,733.1</b>	<b>6,095.3</b>	<b>211,637.8</b>	

Source: MDAs and National Treasury IFMIS Data

Note: Based on expenditure reports from IFMIS and financial reports from the MDAs, some MDAs generated and utilised Appropriations-in-Aid (A-I-A). Expenditure on PE does not include amount for the National Intelligence Service and partially for the Ministry of Defence. Employee compensation for Judicial Service Commission is captured under Judiciary as allowances.

\*The amount includes Kshs.29.2 billion as Military payments. .

MDAs recurrent expenditure analysis is disaggregated into compensation to employees (Personnel Emoluments), operations and maintenance and current transfers to SAGAs.

### 3.4.1.1 Compensation to Employees

The Personnel Emoluments include: 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 total amount spent under this category was Kshs.88.7 billion. This excludes PE for National Intelligence Service and partially, the Ministry of Defence. Teachers Service Commission incurred the highest PE expenditure at Kshs.58.1 billion representing 65.5 per cent of the gross PE and a growth by 11.4 per cent (Kshs.5.2 billion) compared to a similar period in FY 2017/18.

### 3.4.1.2 Operations and Maintenance (O&M)

The O&M category includes; Domestic and foreign travel, Printing and advertising, Rentals and rates for non-residential buildings, Training, Hospitality, Legal fees, Maintenance expenses for motor vehicles and other assets among other expenses.

Under this category, travelling expenses recorded the highest amount at Kshs.2.9 billion, followed by rents and rates on non-residential buildings at Kshs.1.4 billion and Kshs.718.9 million spent on Hospitality, Conferences and Catering. travelling expenditure consisted of Kshs.1.7 billion and Kshs.1.1 billion for domestic and foreign travel respectively.

The highest expenditure by MDAs in other categories included Kshs.669.9 million on domestic travel by the National Assembly, Kshs.409.3 million by Ministry of Foreign Affairs on foreign travel, Kshs.15.1 million on printing and advertising by Ministry of Foreign Affairs, Kshs.636 million on rentals and rates for non-residential buildings by the Ministry of Foreign Affairs, Kshs.186.5 million on training by the State Department for Interior, Kshs.199.8 million on maintenance of motor vehicles by the State Department for Interior, Kshs.44.7 million on maintenance of other assets by the Ministry of Foreign Affairs and Kshs.194.5 million on Legal fees by the State Department for Interior.

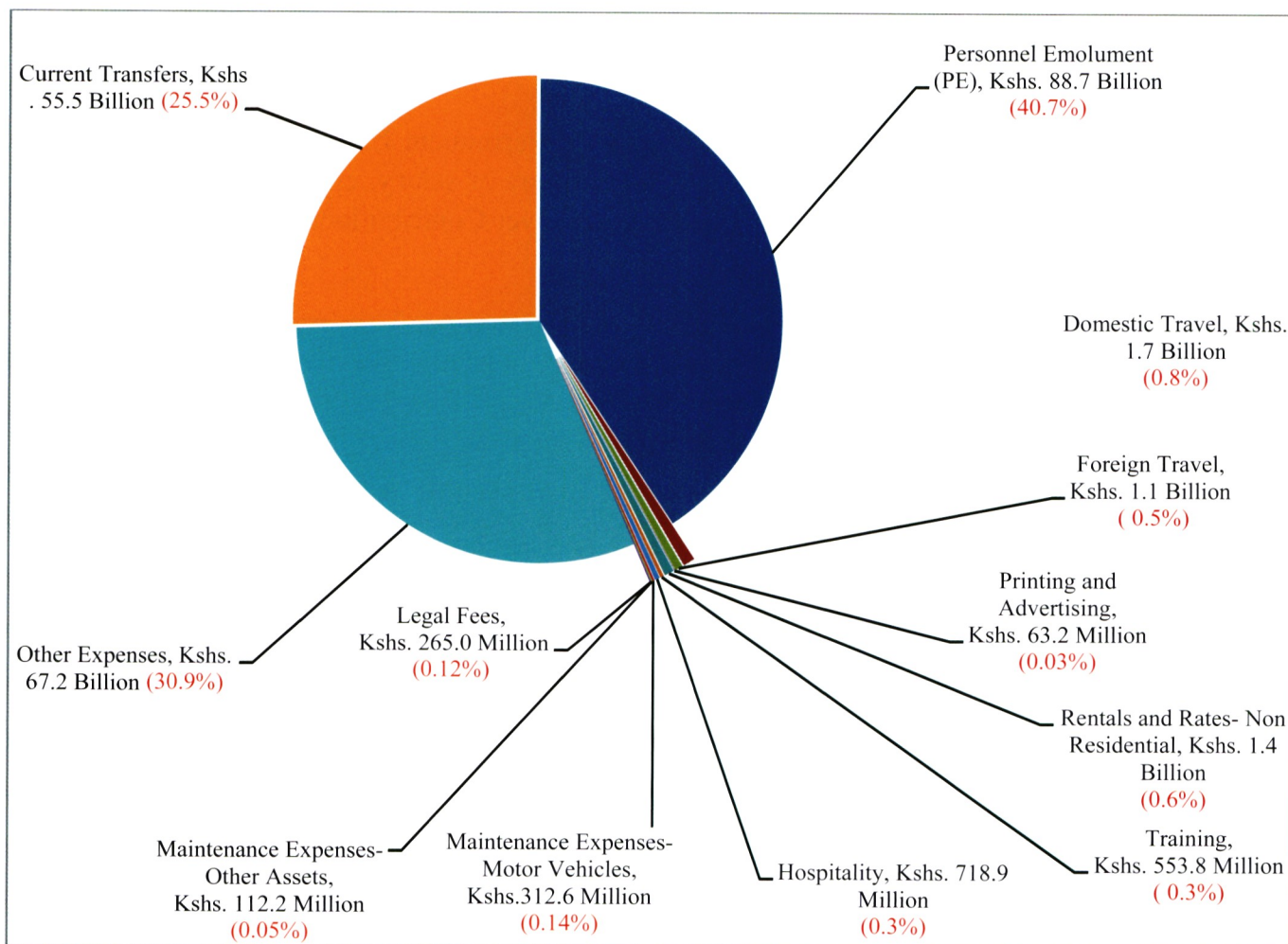
The other category of expenses consists of various O&M expenses which have not been disaggregated to specific MDAs, amounting to Kshs.67.2 billion and accounts for 30.9 per cent of total recurrent expenditure.

### 3.4.1.3 Transfers to Semi-Autonomous Government Agencies

Transfers to SAGAs by MDAs are meant to complement activities and mandates executed by the SAGAs on behalf of the parent ministries. In the first three months of FY 2018/19, current transfer to SAGAs amounted to Kshs.55.5 billion and were above one third of the total recurrent expenditure. The highest transfer to SAGAs was incurred by State Department for Infrastructure at Kshs.9.8 billion.

Figure 3.3 shows the composition of MDAs recurrent expenditure for the first three months of FY 2018/19.

Figure 3.3: Summary of Recurrent Expenditures to MDAs



Source: MDAs and National Treasury

### 3.4.2 MDAs Development Expenditure Analysis

In FY 2018/19, the gross allocation towards MDAs development expenditure was Kshs.676.6 billion, an increase compared to Kshs.597.3 billion allocated in FY 2017/18. The government budgeted to fund development activities through A-I-A (Kshs.265.7 billion) and by exchequer revenue Kshs.410.9 billion.

In the first three months of FY 2018/19, gross development expenditure was Kshs.51.1 billion translating into an absorption rate of 7.6 per cent, a decrease compared to 12.8 per cent achieved in the same period of FY 2017/18.

Table 3.4 shows breakdown of development expenditures by MDAs for the first three months of FY 2018/19.

Table 3.4: Breakdown of Development Expenditure by MDAs for the First Quarter of FY 2018/19 (Kshs.Millions)

MINISTRY/STATE DEPARTMENT	Maintenance of Motor Vehicles (Projects)	Maintenance of Other Assets	Capital Transfers	Construction of Building	Refurbishment of Buildings/ Infrastructure	Residential (Including Hostels.)	Construction and Civil Works	Purchase of Specialized Plant, Equipment and Machinery	Pre-Feasibility and Appraisal Studies	Other Expenses	Gross Expenditure	(AIA)	Net Expenditure
State Department for Interior	-	-	205.4	59.7	-	-	-	414.0	-	595.0	1,274.1	182.0	1,092.1
State Department for Devolution	-	-	8,939.6	-	-	-	-	-	-	8.3	8,947.9	-	8,947.9
State Department for Development for the ASAL	-	-	724.0	-	-	-	-	-	-	-	724.0	-	724.0
Ministry of Foreign Affairs	-	-	10.0	281.9	-	-	-	-	-	-	291.9	-	291.9
State Department for Vocational and Technical Training	-	-	284.9	57.6	-	-	-	-	-	85.9	428.4	-	428.4
State Department for Early Learning & Basic Education	-	-	348.9	-	-	-	-	-	-	7.0	355.9	-	355.9
The National Treasury	-	-	1,243.9	-	-	-	-	-	0.1	537.0	1,781.0	118.7	1,662.3
State Department of Planning	-	-	394.3	-	-	-	-	-	0.5	-	394.7	-	394.7
Ministry of Health	-	-	2,816.6	-	-	-	-	-	-	1,545.2	4,361.9	46.4	4,315.5
State Department of Infrastructure	-	-	6,224.4	18.5	4.5	-	-	-	12.2	3,560.7	9,820.3	2,463.5	7,356.8
State Department of Transport	-	-	8,909.1	-	-	-	-	-	-	0.1	8,909.2	-	8,909.2
State Department for Housing, Urban Development and Public Works	-	-	375.0	31.7	79.0	-	524.2	-	-	-	1,009.8	79.0	930.8
State Department for Water and Sanitation	-	-	4,260.0	-	-	-	-	-	-	-	4,260.0	2,545.0	1,715.0
State Department for Environment and Forestry	-	-	66.4	-	-	-	-	-	-	-	66.4	-	66.4
Ministry of Lands and Physical Planning	-	-	-	-	-	-	-	-	51.4	196.4	247.8	-	247.8
State Department for Heritage	-	-	347.5	-	-	-	20.0	-	-	-	367.5	-	367.5
State Department for Energy	-	-	2,098.0	-	-	-	-	-	8.5	-	2,106.5	-	2,106.5
State Department for Livestock.	0.03	-	40.0	-	-	-	-	-	-	12.8	52.8	-	52.8
State Department for Crop Development	0.2	-	11.2	-	243.6	-	-	-	3.1	168.9	427.0	-	427.0
State Department for Fisheries, Aquaculture and the Blue Economy	-	-	-	2.8	-	-	-	-	-	0.1	2.8	-	2.8
State Department for Irrigation	-	-	1,110.0	-	-	-	-	-	-	-	1,110.0	-	1,110.0
State Department for Labour	-	-	-	15.0	-	-	-	-	1.8	139.1	155.9	-	155.9
State Department for Social Protection	-	-	1,625.2	-	-	-	-	-	-	26.1	1,651.2	0.6	1,650.7

MINISTRY/STATE DEPARTMENT	Maintenance of Motor Vehicles (Projects)	Maintenance of Other Assets	Capital Transfers	Construction of Building	Refurbishment of Buildings/ Infrastructure	Residential (Including Hostels.)	Construction and Civil Works	Purchase of Specialized Plant, Equipment and Machinery	Pre-Feasibility and Appraisal Studies	Other Expenses	Gross Expenditure	(ALA)	Net Expenditure
State Department for Petroleum	-	-	-	-	-	-	-	-	48.5	3.9	52.4	-	52.4
State Department for Public Service and Youth	-	67.7	-	-	69.9	-	108.6	-	-	344.4	590.6	-	590.6
State Department for Gender	-	-	853.3	-	-	-	-	-	-	-	853.3	-	853.3
State Department for Regional and Northern Corridor Development	-	-	270.5	-	-	-	-	-	-	-	270.5	-	270.5
State Law Office and Department of Justice	-	-	30.0	-	9.9	-	-	-	-	-	39.9	-	39.9
The Judiciary	-	-	6.6	-	-	-	-	-	-	508.6	515.3	-	515.3
Teachers Service Commission	-	-	-	7.6	-	-	-	-	-	-	7.6	-	7.6
Auditor General	-	-	-	33.0	-	-	-	-	-	-	33.0	-	33.0
<b>Total</b>	<b>0.2</b>	<b>67.7</b>	<b>40,989.4</b>	<b>368.7</b>	<b>751.3</b>	<b>-</b>	<b>652.8</b>	<b>414.0</b>	<b>126.0</b>	<b>7,739.6</b>	<b>51,109.6</b>	<b>5,435.2</b>	<b>45,674.3</b>

Source: MDAs and National Treasury IFMIS Data

Note: Based on expenditure reports from IFMIS and financial reports from the MDAs, some MDAs generated and utilised Appropriations-in-Aid (A-I-A). Expenditure on PE does not include amount for the National Intelligence Service and partially for the Ministry of Defence. Employee compensation for Judicial Service commission is captured under Judiciary as allowances.

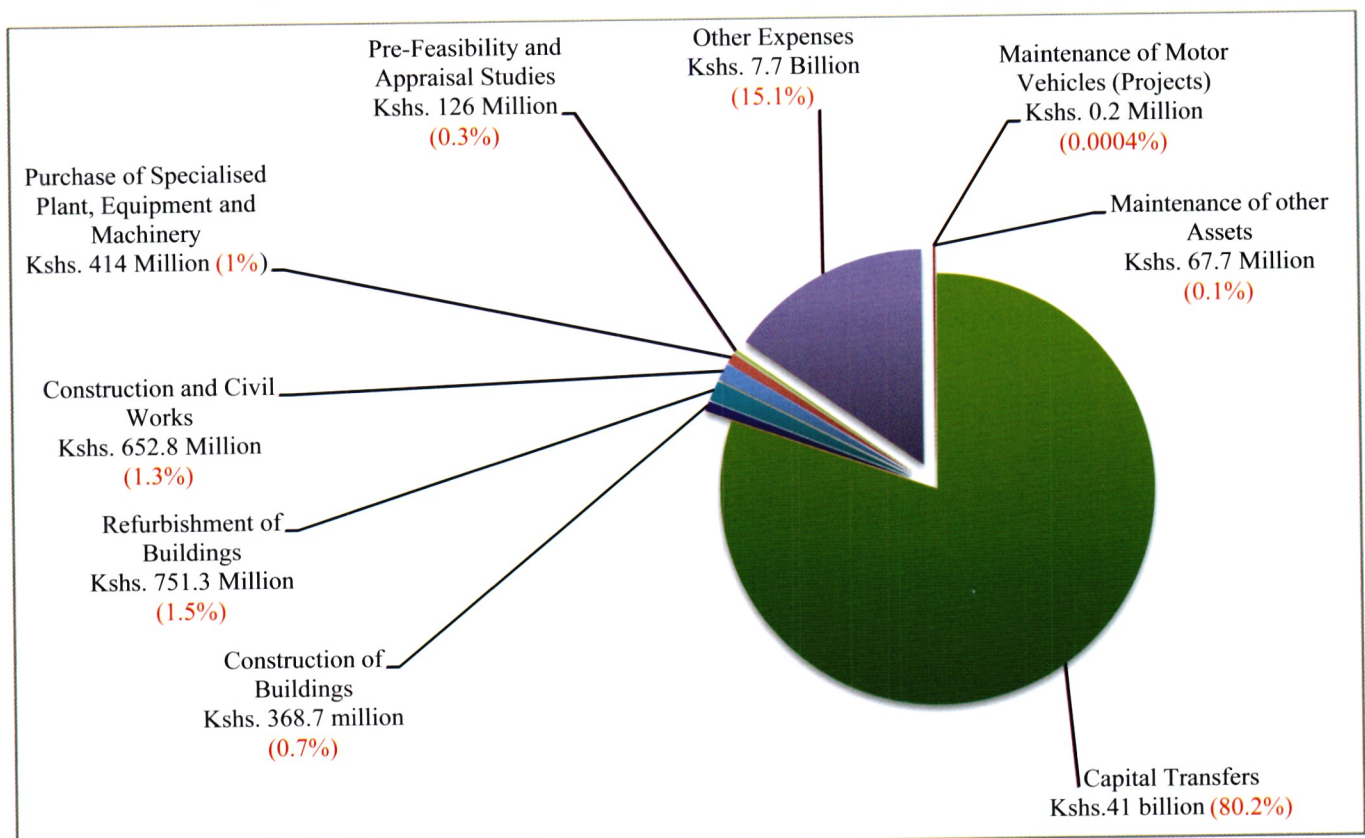
\*The amount includes Kshs. 29.2 billion as Military payment

Analysis of MDAs development expenditure by economic items shows that, the highest expenditure by category was on Capital Transfers to SAGAs at Kshs.41 billion or equivalent to 80.2 per cent of the gross development expenditure. The second highest category was Refurbishment of Buildings/Infrastructure at Kshs.751.3 million, representing 1.5 per cent of the gross development expenditure. Other categories with notable expenditure amounts included; Construction and Civil Works Kshs.652.8 million, Purchase of Specialised Plant, Equipment and Machinery at Kshs.414 million, and Pre-Feasibility and Appraisal Studies at Kshs.126 million.

A review of the development expenditure by MDAs during the period under review shows that, the State Department for Devolution had the highest capital transfers to its SAGAs at Kshs.8.9 billion corresponding to 21.8 per cent of the total Capital transfers. The second highest transfers to SAGAs was by the State Department for Transport at Kshs.8.9 billion which translated to 21.7 per cent of the total Capital transfers by the MDAs.

During the period July to September 2018, seven MDAs reported A-I-A amounting to Kshs.5.4 billion whereas Kshs.7.7 billion was spent on other development activities. Figure 3.4 shows the composition of development expenditure by MDAs for the first three months of FY 2018/19.

**Figure 3.4: Summary Analysis of MDAs' Development Expenditure in the period July to September 2018**



Source; MDAs and National Treasury

## 4 DEVELOPMENT AND RECURRENT EXPENDITURE ANALYSIS BY SECTOR

### 4.1 Introduction

This chapter presents an analysis of Sectoral performance for both development and recurrent expenditure in the first three months of FY 2018/19. 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); General Economic and Commercial Affairs (GECA); Governance, Justice, Law and Order (GJLOS); Health, Public Administration and International Relations (PAIR); National Security; and Social Protection, Culture and Recreation Sector.

### 4.2 Agriculture, Rural and Urban Development (ARUD) Sector

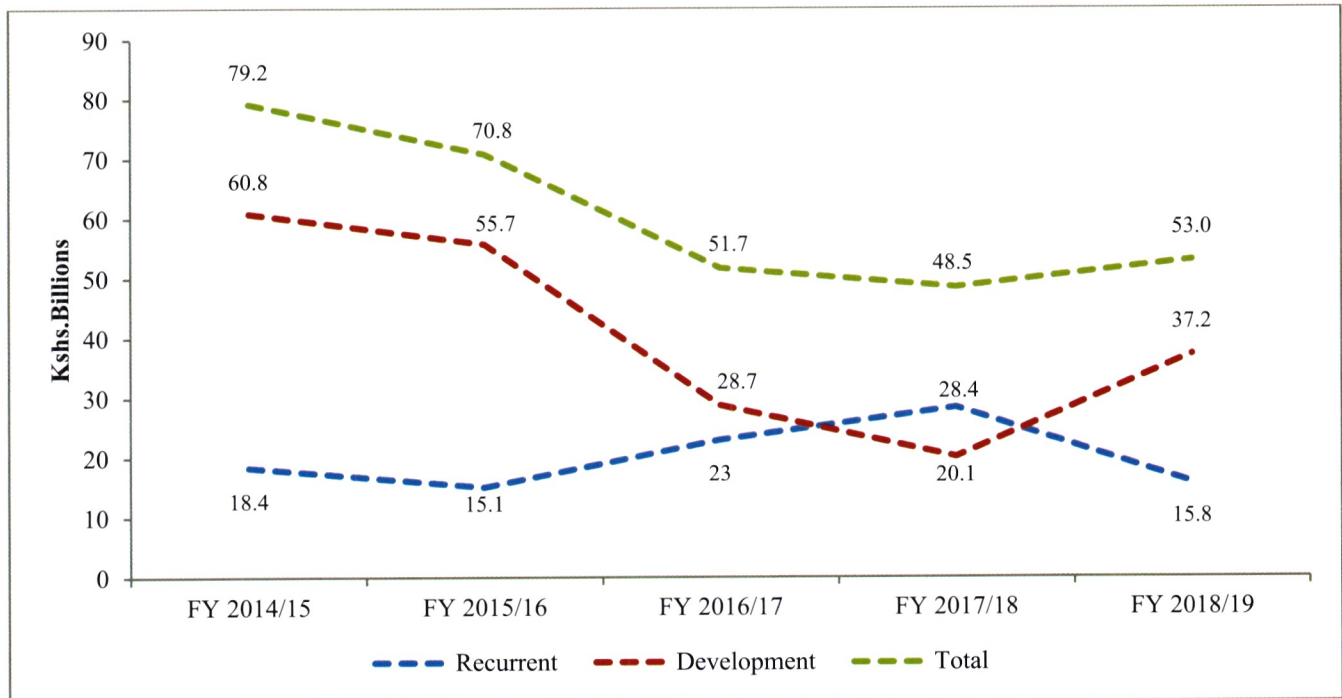
The Agriculture Rural and Urban Development (ARUD) Sector consists of seven MDAs namely: Ministry of Lands and Physical Planning (MoLPP); State Department for Crop Development; State Department for Irrigation; State Department for Agricultural Research; State Department for Livestock; State Department for Fisheries, Aquaculture and the Blue Economy and the National Land Commission (NLC), together with affiliated SAGAs and Training Institutions.

The overall goal of the sector is to attain national food security and sustainable management of land and the Blue Economy. ARUD Sector is identified as one of the sectors aimed at delivering the 10 per cent economic growth rate under the vision 2030 and the Sustainable Development Goals (SDGs). The objectives of the sector are to: increase productivity and outputs in the sector, improve market access and trade; enhance national food security, sustainably exploit the Blue Economy, 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 and land resource data and information.

The budgetary allocation to the Sector in FY 2018/19 amounted to Kshs.53 billion representing 2 per cent of the gross national budget, a decrease from Kshs.48.5 billion of allocation in FY 2017/18. The allocation comprised of Kshs.37.2 billion (70 per cent) for development budget and Kshs.15.8 billion (30 per cent) for recurrent expenditure. State Department for Crop Development received the highest budgetary allocation of Kshs.23.6 billion (44.5 per cent of the sector's allocation), while National Land Commission had the lowest budgetary allocation of Kshs.1.3 billion (2.5 per cent).

Figure 4.1 shows the budgetary allocation trend for the ARUD sector for the period FY 2014/15 to FY 2018/19

Figure 4.1: Budgetary Allocation Trend for ARUD Sector (Kshs. billion)



Source: National Treasury

Total exchequer issues to the sector amounted to Kshs.4.6 billion representing 9.8 per cent of the sector's net estimate. This comprised of Kshs.1 billion for development expenditure, representing 3.3 per cent of the development net estimates and Kshs.3.6 billion for recurrent expenditure, representing 23.3 per cent of the recurrent net estimates.

Table 4.1 shows ARUD Sector analysis of exchequer issues and expenditure in the first three months of FY 2018/19.

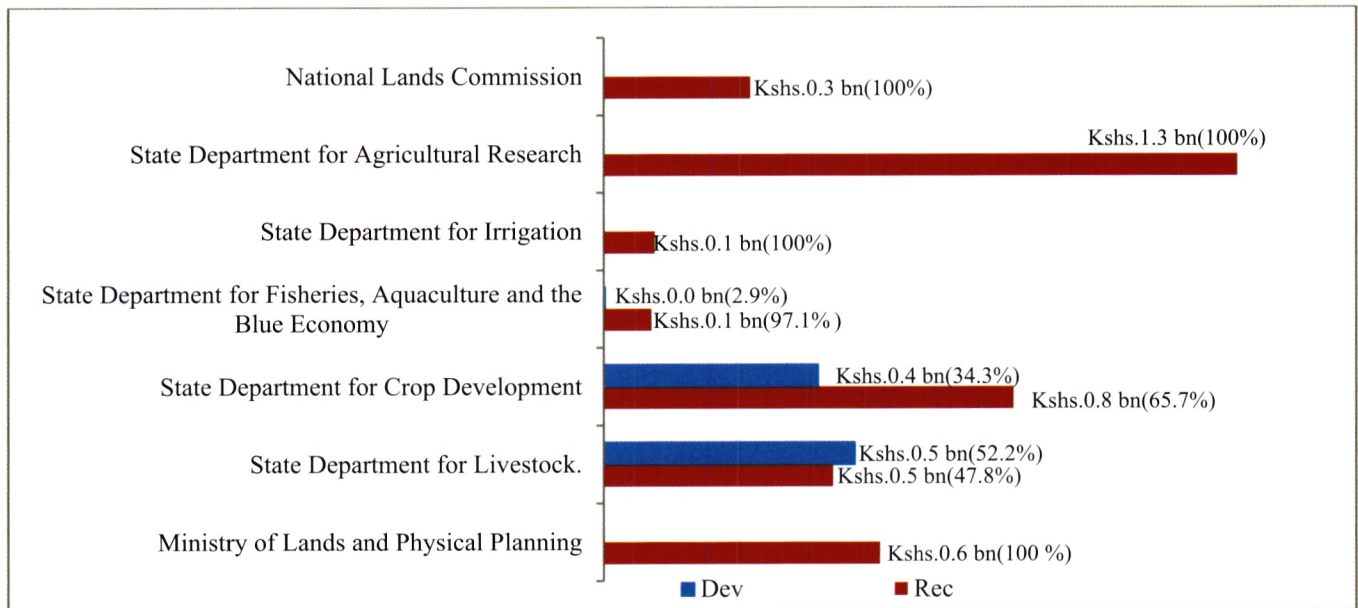
Table 4.1: ARUD Sector-Analysis of Exchequer Issues and Expenditure (Kshs. Billions)

VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.
Ministry of Lands and Physical Planning	3.3	3.3	-	0.2	-	7.4	2.7	2.7	0.6	0.5	20.5	20.1
State Department for Crop Development	20.2	16.9	0.4	0.4	2.6	2.1	3.4	3.3	0.8	0.8	24.4	23.7
State Department for Livestock	4.3	3.0	0.5	0.1	18.4	1.2	2.0	2.0	0.5	0.4	23.4	18.3
State Department for Irrigation	6.7	5.8	0.02	1.1	0.3	16.7	0.8	0.4	0.1	0.1	24.2	11.3
State Department for Agricultural Research.	0.5	0.5	-	-	-	-	5.1	5.1	1.3	1.3	24.9	24.8
State department for Fisheries, Aquaculture and Blue Economy	2.2	2.2	0.03	0.003	1.2	0.1	0.6	0.6	0.1	0.02	15.8	3.8
National Land Commission	-	-	-	-	-	-	1.3	1.3	0.3	0.2	23.3	15.5
<b>Total</b>	<b>37.2</b>	<b>31.6</b>	<b>1.0</b>	<b>1.8</b>	<b>3.3</b>	<b>5.0</b>	<b>15.8</b>	<b>15.4</b>	<b>3.6</b>	<b>3.3</b>	<b>23.3</b>	<b>20.7</b>
<b>Total for the Sector</b>							<b>Gross Est.</b>	<b>Net Est.</b>	<b>Exch. Issues</b>	<b>Exp.</b>	<b>% of Exch. to Net Est.</b>	<b>% of Exp. to Gross Est.</b>
<b>Development</b>							37.2	31.6	1.0	1.8	3.3	5.0
<b>Recurrent</b>							15.8	15.4	3.6	3.3	23.3	20.7
<b>Total</b>							<b>53.0</b>	<b>47.0</b>	<b>4.6</b>	<b>5.1</b>	<b>9.8</b>	<b>9.7</b>

Source: MDAs and National Treasury

In the first three months of FY 2018/19, State Department for Livestock received the highest proportion of development exchequer issues to net estimates at 18.4 per cent while the State Department for Irrigation received the lowest percentage at 0.3 per cent. The State Department for Agricultural Research received the highest proportion of recurrent exchequer issues to net estimates at 24.9 per cent, while the State Department for Fisheries, Aquaculture and Blue Economy received the lowest at percentage 15.8 per cent.

Figure 4.2 shows the exchequer issues to ARUD Sector in the first three months of FY 2018/19.

**Figure 4.2: Exchequer Issues to ARUD Sector**

Source: National Treasury

The total expenditure for the sector in the first three months of FY 2018/19 amounted to Kshs.5.1 billion, representing 9.7 per cent of the gross estimate, a decrease compared to 15.4 per cent recorded in the same period in FY 2017/18. The expenditure comprised of Kshs.1.8 billion as development expenditure, representing an absorption rate of 5 per cent (a decrease from 13.1 per cent) and Kshs.3.3 billion as recurrent expenditure, representing 20.7 per cent of gross recurrent estimates (an increase from 18.2 per cent), recorded in a similar period of 2017/18.

State Department for Irrigation recorded the highest absorption on development budget at 16.7 per cent while the State Department for Fisheries, Aquaculture and Blue Economy recorded the lowest, less than 1 per cent. State Department for Agricultural Research recorded the highest percentage of recurrent expenditure to gross recurrent estimates at 24.8 per cent while the State Department for Fisheries, Aquaculture and Blue Economy recorded the lowest at 3.8 per cent.

### 4.3 Education Sector

The Education Sector consists of five MDAs namely: State Department for Early Learning and Basic Education; State Department for University Education; State Department for Vocational and Technical Training; State Department for Post Training and Skills Development and Teachers Service Commission together with their affiliated agencies and institutions.

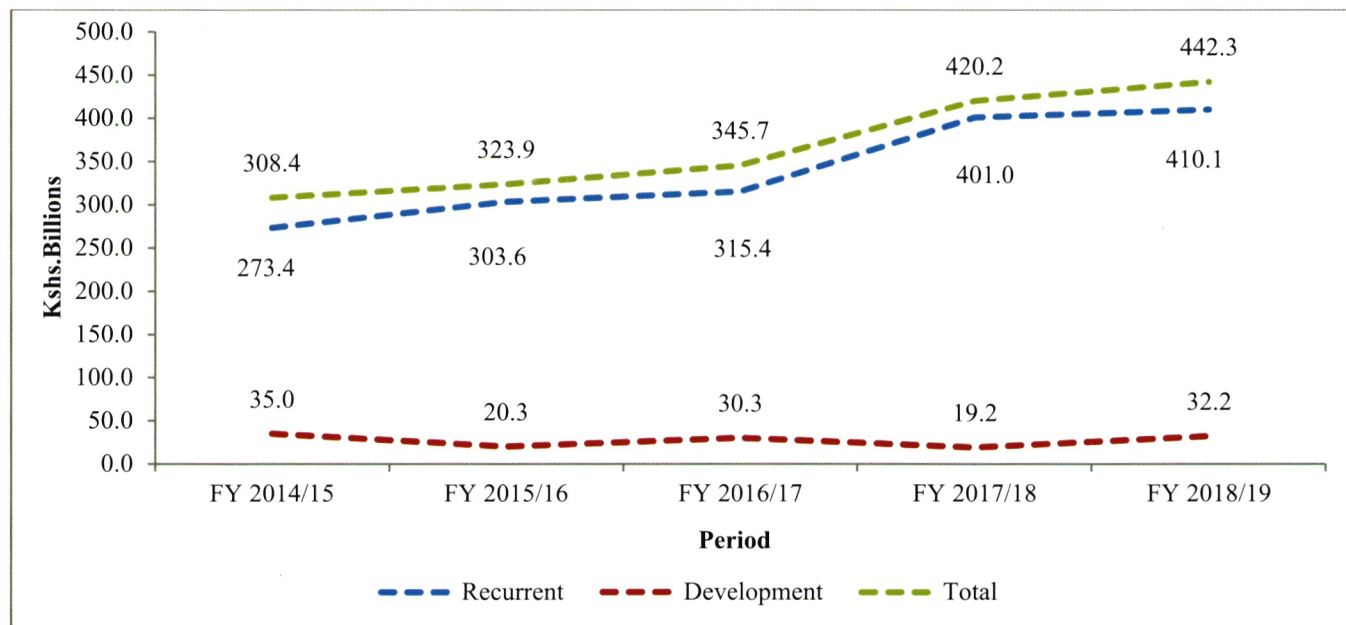
The sector envisions a globally competitive education, training, research and innovation for sustainable development. In order to realize this, the sector undertakes to provide, promote and coordinate quality education for sustainable development. The sector's overall goal is to increase access to education 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 budgetary allocation to the Sector in FY 2018/19 amounts Kshs.442.3 billion representing 15 per cent of the gross national budget, an increase compared to Kshs.420.2 billion allocated in FY 2017/18. The allocation comprised of Kshs.32.2 billion (7 per cent) for development budget and Kshs.410.1 billion (93 per cent) for recurrent expenditure. Teachers Service Commission received the highest

allocation of Kshs.226.7 billion (51 per cent of the sector's allocation), while the State Department for Post Training and Skills Development had the lowest allocation of Kshs.45 million, less than 1 per cent of the sector allocation.

Figure 4.3 shows budgetary allocation trend for the Education Sector from FY 2014/15 to FY 2018/19.

**Figure 4.3: Budgetary Allocation Trend for the Education Sector (Kshs. Billion)**



*Source: National Treasury*

Total exchequer issues to the sector amounted to Kshs.95.7 billion representing 24.2 per cent of the sector's net estimate. This comprised of Kshs.0.7 billion for development expenditure, representing 2.7 per cent of the development net estimates and Kshs.95 billion for recurrent expenditure, representing 25.7 per cent of the recurrent net estimates.

Table 4.2 shows Education sector analysis of exchequer issues and expenditure in the first three months of FY 2018/19.

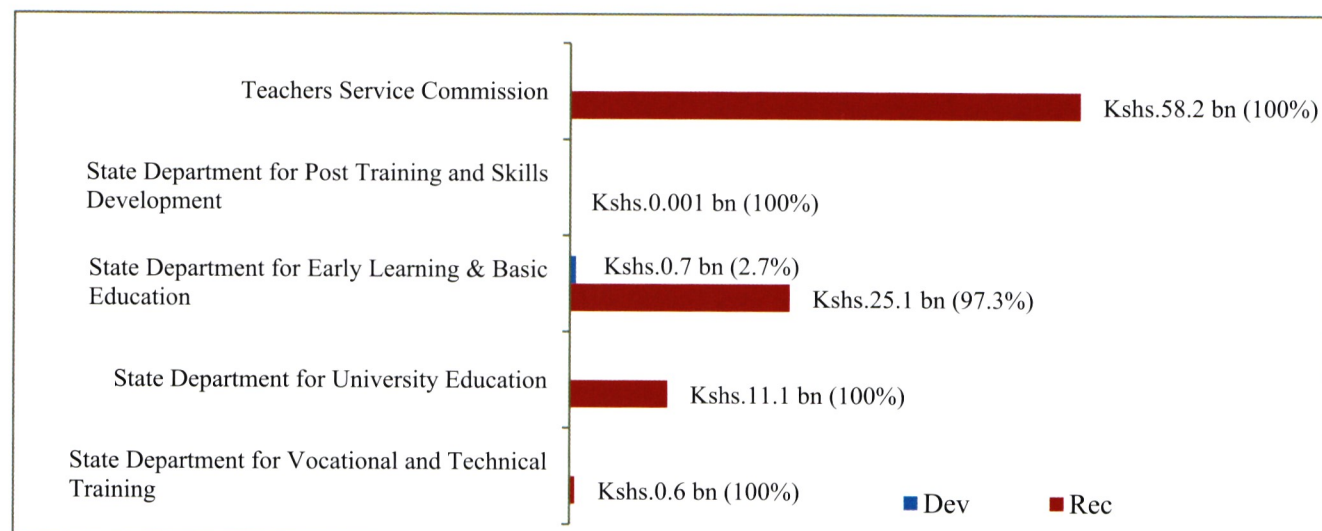
Table 4.2: Education Sector-Analysis of Exchequer Issues and Expenditure (Kshs. Billions)

VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.
State Department for Early Learning and Basic Education	10.4	9.8	0.7	0.3	7.1	3.3	88.7	87.2	25.1	24.7	28.7	27.8
State Department for Vocational and Technical Training	8.3	5.0	-	0.4	-	5.1	7.7	7.7	0.6	1.0	7.8	13.1
State Department for University Education	13.3	10.5	-	-	-	-	87.2	48.5	11.1	11.5	22.9	13.2
Teachers Service Commission	0.1	0.1	-	0.01	-	5.6	226.6	226.0	58.2	58.2	25.7	25.7
State Department for Post Training and Skills Development	-	-	-	-	-	-	0.05	0.05	0.001	0.0001	2.2	0.2
<b>Total</b>	<b>32.2</b>	<b>25.6</b>	<b>0.7</b>	<b>0.8</b>	<b>2.7</b>	<b>2.4</b>	<b>410.1</b>	<b>369.5</b>	<b>95.0</b>	<b>95.4</b>	<b>25.7</b>	<b>23.3</b>
<b>Total for the Sector</b>							<b>Gross Est.</b>	<b>Net Est.</b>	<b>Exch. Issues</b>	<b>Exp.</b>	<b>% of Exch. to Net Est.</b>	<b>% of Exp. to Gross Est.</b>
<b>Development</b>							32.2	25.6	0.7	0.8	2.7	2.4
<b>Recurrent</b>							410.1	369.5	95.0	95.4	25.7	23.3
<b>Total</b>							<b>442.3</b>	<b>395.1</b>	<b>95.7</b>	<b>96.2</b>	<b>24.2</b>	<b>21.7</b>

Source: MDAs and National Treasury

Only the State Department for Early Learning and Basic Education received development exchequer issues of 7.1 per cent of the net development estimates and also recorded the highest proportion for recurrent exchequer issues at 28.7 per cent. The State Department for Post Training and Skills Development received the lowest recurrent exchequer issues to net estimates of 2.2 per cent.

Figure 4.4 shows the exchequer issues to the Education Sector in the first three months of FY 2018/19.

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

*Source: National Treasury*

The total expenditure for the sector amounted to Kshs.96.2 billion, representing 21.7 per cent of the gross estimate, a decrease compared to 24.9 per cent recorded in a similar period of FY 2017/18. The expenditure comprised of Kshs.0.8 billion for development expenditure, representing an absorption rate of 2.4 per cent (a decrease from 10.8 per cent) and Kshs.95.4 billion as recurrent expenditure, representing 23.3 per cent of gross recurrent estimates (a decline from 25.9 per cent), recorded in a similar period for 2017/18

TSC recorded the highest absorption on development budget at 5.6 per cent while the State Department for Early Learning and Basic Education recorded the lowest at 3.3 per cent amongst MDAs that incurred expenditure on development budget. State Department for Early Learning and Basic Education recorded the highest percentage of recurrent expenditure to gross recurrent estimates at 27.8 per cent while the State Department for Post Training and Skills Development recorded the lowest, which was below 1 per cent.

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

This sector comprises of eight MDAs namely: State Department for:- Infrastructure, Transport, Maritime and Shipping Affairs, Housing and Urban Development and Public Works, Information Communications Technology and Innovation, Broadcasting and Telecommunication, Petroleum and Energy.

This sector is crucial for Kenya's economic transformation and essential for sustained economic growth, development and poverty reduction. In the medium term, the sector aims at sustaining and expanding infrastructural facilities to support a rapidly-growing economy in line with the priorities in the Third Medium-Term Plan (MTP III) and the Constitution of Kenya, 2010 and Kenya's Vision 2030.

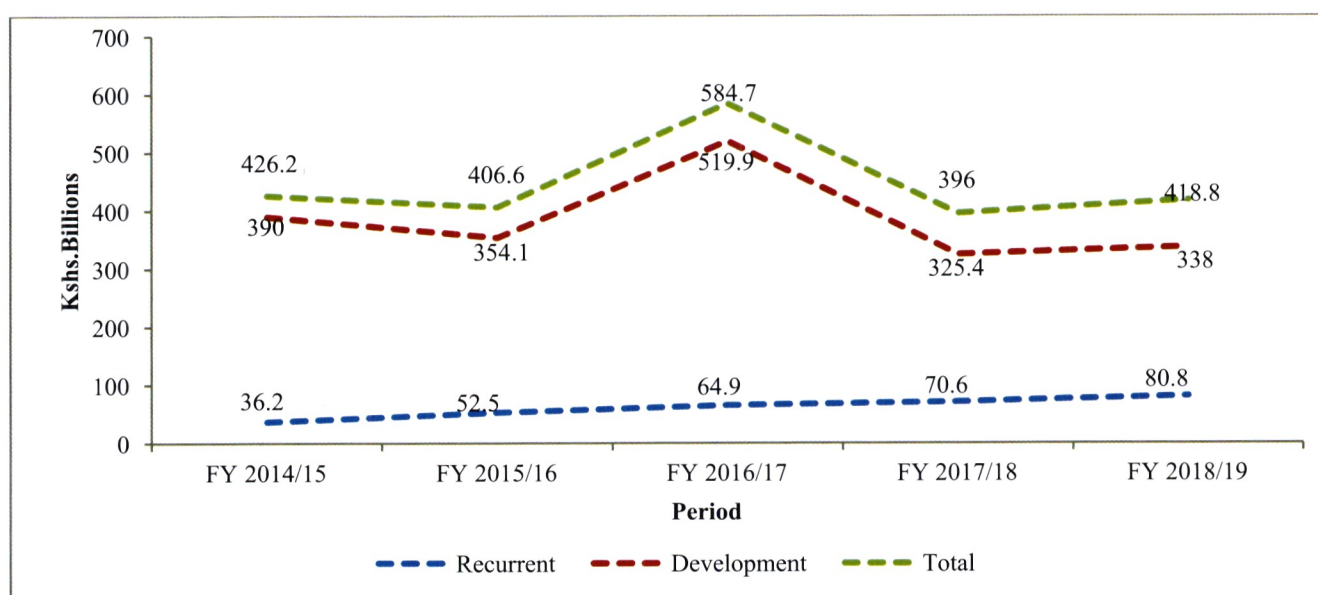
Key strategic goals of the sector are to develop and maintain sustainable services to facilitate efficient movement of goods and People, develop and sustain access to opportunities in the shipping and maritime industry, improve universal access to information technology enabled services, improve access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

programmes and projects outlined for implementation are aligned to the Government’s Manifesto and aims at supporting and implementing the four pillars of our country’s transformation i.e “The Big 4 Agenda”

The allocation to the Sector in FY 2018/19 amounted to Kshs.418.8 billion representing 15 per cent of the gross national budget, an increase from Kshs.396 billion allocated in FY 2017/18. The allocation comprised of Kshs.338 billion (81 per cent) for development budget and Kshs.80.8 billion (19 per cent) for recurrent expenditure. State Department for Infrastructure received the highest budgetary allocation of Kshs.180 billion (43 per cent of the sector’s allocation), while State Department for Shipping and Maritime Affairs had the lowest budgetary allocation of Kshs.1.7 billion (0.4 per cent).

Figure 4.5 shows the budgetary allocation trend for the EI & ICT Sector for the period FY 2014/15 to FY 2018/19.

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



*Source: National Treasury*

In the first three months of FY 2018/19, the total exchequer issues to the sector amounted to Kshs.13.7 billion representing 7.8 per cent of the sector’s net estimate. This comprised of Kshs.11.3 billion for development expenditure, representing 6.5 per cent of the development net estimates and Kshs.2.4 billion for recurrent expenditure, representing 17.6 per cent of the recurrent net estimates.

Table 4.3 shows EI&ICT sector analysis of exchequer issues and expenditure in the first three months of FY 2018/19.

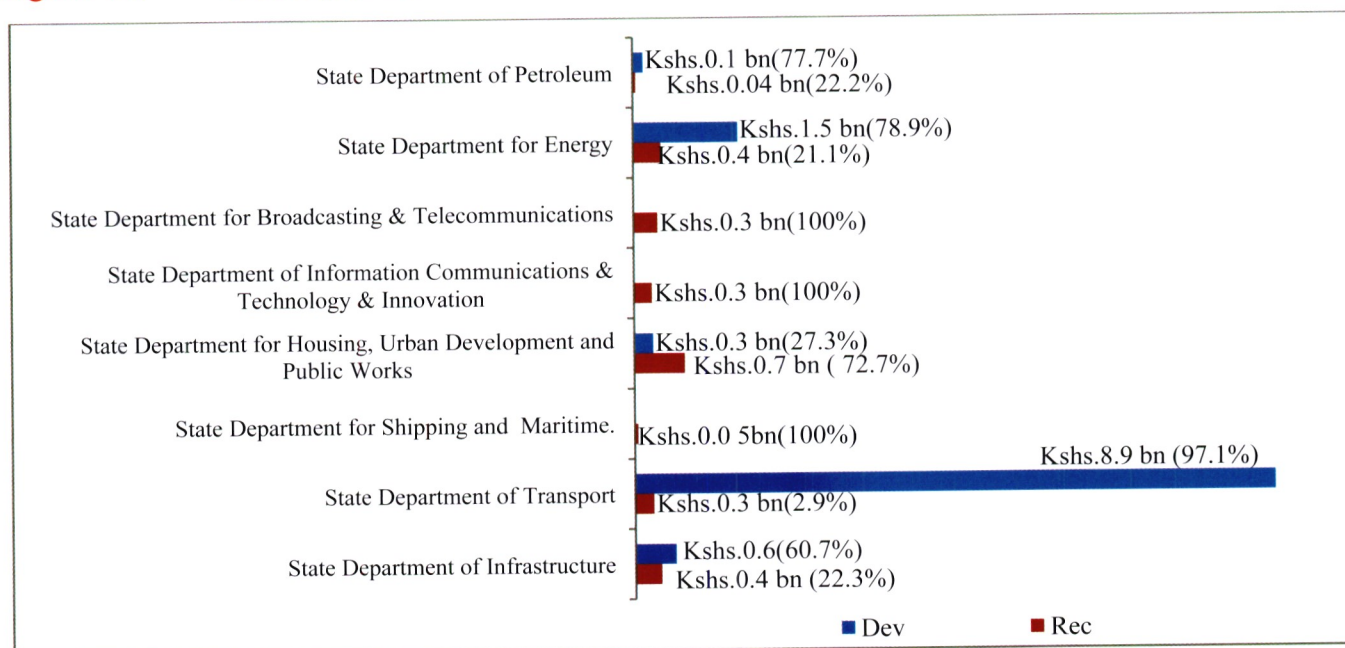
Table 4.3: EI &amp; ICT-Analysis of Exchequer Issues and Expenditure (Kshs. Billions)

VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.
State Department of Infrastructure	121.7	81.1	0.6	9.8	0.7	8.1	58.4	1.9	0.4	10.1	19.6	17.4
State Department of Transport	90.4	12.5	8.9	8.9	71.2	9.9	10.3	1.1	0.3	2.7	24.2	26.2
State Department for Shipping and Maritime.	-	-	-	-	-	-	1.7	0.3	0.05	0.04	17.2	2.6
State Department for Housing, Urban Development and Public Works	29.1	24.5	0.3	1.0	1.1	3.5	3.1	3.1	0.7	0.3	22.5	10.7
State Department of Information Communications & Technology & Innovation	27.0	16.7	-	-	-	-	1.7	1.7	0.3	0.2	14.5	13.7
State Department for Broadcasting & Telecommunications	0.7	0.7	-	-	-	-	3.1	2.0	0.3	0.3	16.8	11.1
State Department for Energy	64.4	24.9	1.5	2.1	5.8	3.3	2.2	2.0	0.4	0.4	19.7	19.4
State Department for Petroleum	4.8	2.4	0.1	0.1	6.1	1.1	0.3	0.2	0.04	0.04	18.9	14.1
<b>Total</b>	<b>338.0</b>	<b>162.8</b>	<b>11.3</b>	<b>21.9</b>	<b>7.0</b>	<b>6.5</b>	<b>80.8</b>	<b>12.3</b>	<b>2.4</b>	<b>14.3</b>	<b>19.5</b>	<b>17.6</b>
<b>Total for the Sector</b>							<b>Gross Estimates</b>	<b>Net Estimates</b>	<b>Exch. Issues</b>	<b>Exp.</b>	<b>% of Exch. to Net Est.</b>	<b>% of Exp. to Gross Est.</b>
<b>Development</b>							338.0	162.8	11.3	21.9	7.0	6.5
<b>Recurrent</b>							80.8	12.3	2.4	14.3	19.5	17.6
<b>Total</b>							<b>418.8</b>	<b>175.1</b>	<b>13.7</b>	<b>36.2</b>	<b>7.8</b>	<b>8.6</b>

Source: MDAs and National Treasury

In the first three months of FY 2018/19, State Department for Transport received the highest proportion of exchequer issues to the net estimates for both development and recurrent budgets at 71.2 per cent and 24.2 per cent respectively. The State Department for Infrastructure received the lowest proportion of exchequer issues to the net estimate for development expenditure at 0.7 per cent while State Department for Information Communication and Technology and Innovation received the lowest for recurrent expenditure at 14.5 per cent.

Figure 4.6 shows the exchequer issues to the EI & ICT Sector in the first three months of FY 2018/19.

**Figure 4.6: Exchequer Issues to the EI & ICT Sector**

Source: National Treasury

The total expenditure for this sector in the first three months of FY 2018/19 amounted to Kshs.36.2 billion, representing 8.6 per cent of the gross estimate, a decrease compared to 15.1 per cent recorded in a similar period of FY 2017/18. The expenditure comprised of Kshs.21.9 billion as development expenditure, representing an absorption rate of 6.5 per cent (a decrease from 12.9 per cent) and Kshs.14.3 billion as recurrent expenditure, representing 17.6 per cent of gross recurrent estimates (an increase from 26.5 per cent).

The State Department of Transport recorded the highest absorption on development and recurrent budget at 9.9 per cent and 26.2 per cent respectively. The State Department for Petroleum recorded the lowest absorption rate for development at 1.1 per cent, while the State Department for Shipping and Maritime recorded the lowest at 2.6 per cent for recurrent budget.

#### 4.5 Environmental Protection, Water and Natural Resource Sector

The Environmental Protection, Water and Natural Resources Sector consists of three MDAs namely: Ministry of Environment and Forestry, Ministry of Water and Sanitation and the State Department for Mining.

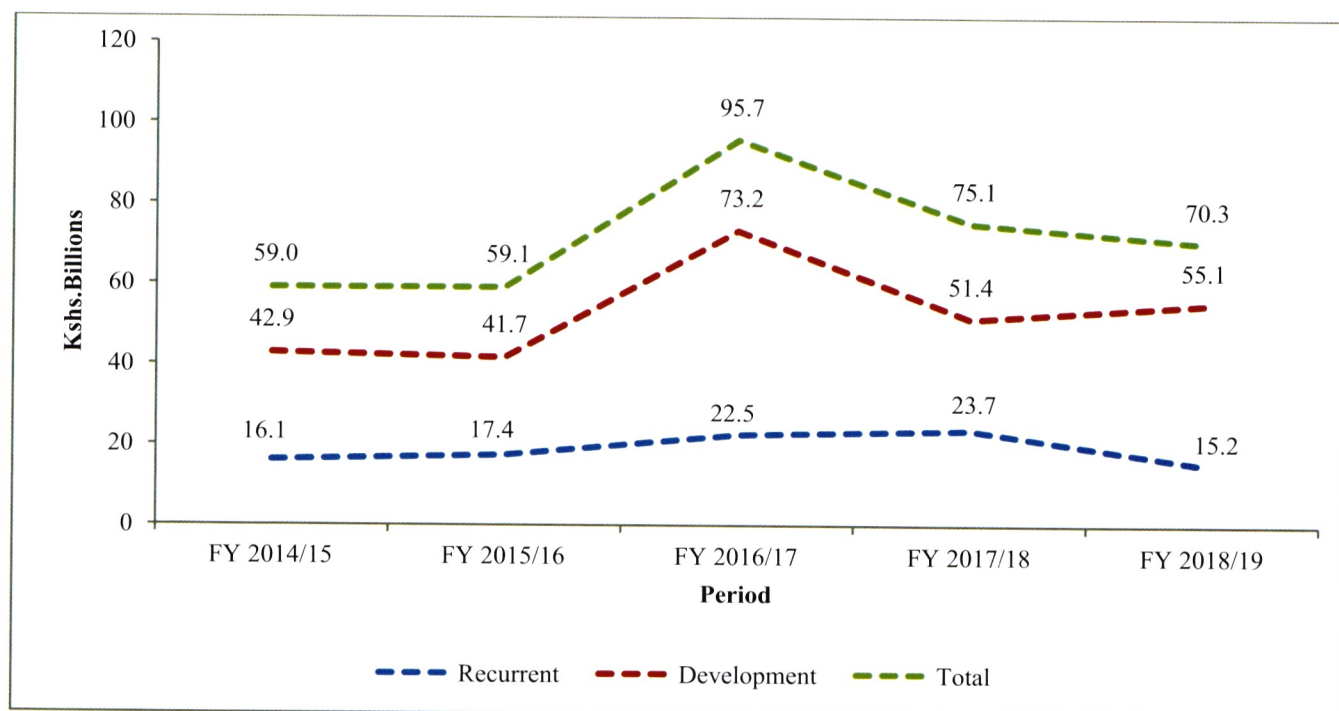
The overall goal of the sector is to ensure sustainable development in a clean and secure environment. The specific objectives are to: enhance sustainable management of environment, water, irrigation and natural resources; ensure access to water and natural resources benefits for socio-economic development 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, protect and reclaim the environment in order to establish a durable and sustainable system of development and resilience to climate change.

The budgetary allocation to the Sector in FY 2018/19 amounts Kshs.70.3 billion representing 2 per cent of the gross national budget, a decrease from Kshs.75.1 billion of allocation in FY 2017/18. The allocation comprised of Kshs.55.1 billion (78 per cent) for development budget and Kshs.15.2 billion (22

per cent) for recurrent expenditure. Ministry of Water and Sanitation received the highest budgetary allocation of Kshs.52.9 billion (75 per cent of the sector's allocation), while the State Department for Mining had the lowest budgetary allocation of Kshs.1.3 billion (2 per cent).

Figure 4.7 shows the budgetary allocation trend for the Environmental Protection, Water and Natural Resources Sector for the period FY 2014/15 to FY 2018/19.

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



*Source: National Treasury*

In the first three months of FY 2018/19, the total exchequer issues to the sector amounted to Kshs.2.9 billion representing 7.3 per cent of the sector's net estimate. This comprised of Kshs.512.7 million for development expenditure, representing 1.8 per cent of the development net estimates and Kshs.2.3 billion for recurrent expenditure, representing 20.7 per cent of the recurrent net estimates.

Table 4.4 shows Environmental Protection, Water and Natural Resources sector analysis of exchequer issues and expenditure in the first three months of FY 2018/19.

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

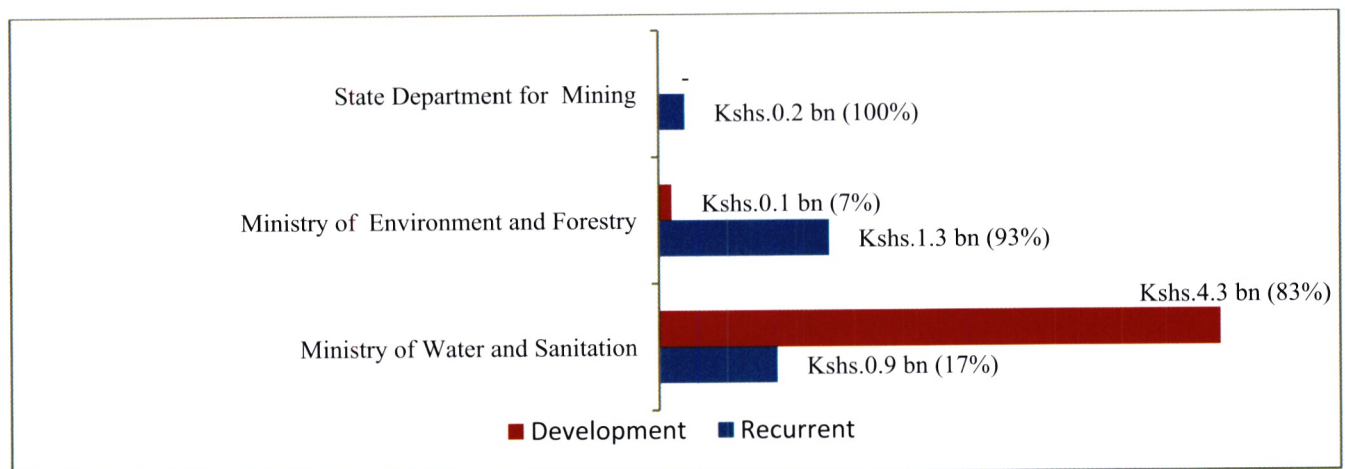
VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.
Ministry of Water and Sanitation	48.8	23.6	0.4	4.3	1.8	8.7	4.1	3.6	0.9	0.9	24.9	21.8
Ministry of Environment and Forestry	6.0	4.1	0.1	0.1	2.0	1.1	10.1	6.8	1.3	1.6	19.2	15.4
State Department for Mining	0.3	0.3	-	-	-	-	1.0	1.0	0.2	0.1	15.9	12.4
VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.
<b>Total for the Sector</b>							<b>Gross Est.</b>	<b>Net Est.</b>	<b>Exch. Issues</b>	<b>Exp.</b>	<b>% of Exch. to Net Est.</b>	<b>% of Exp. to Gross Est.</b>
<b>Development</b>							55.1	28.0	0.5	4.3	1.8	7.9
<b>Recurrent</b>							15.2	11.3	2.3	2.6	20.7	17.0
<b>Total</b>							70.3	39.3	2.9	6.9	7.3	9.8

Source: MDAs and National Treasury

The Ministry of Environment and Forestry received the highest proportion of exchequer issues to net estimates for development at 2 per cent while the Ministry of Water and Sanitation received the lowest proportion of development exchequer issues to development net estimates at 1.8 per cent. The Ministry of Water and Sanitation received the highest for recurrent expenditure and 24.9 per cent while the State Department for Mining received the lowest at 15.9 per cent.

Figure 4.8 shows the exchequer issues to the Environmental Protection, Water and Natural Resources sector in the first three months of FY 2018/19.

**Figure 4.8: Exchequer Issues to Environmental Protection, Water and Natural Resources Sector**



Source: National Treasury

The total expenditure for the sector amounted to Kshs.6.9 billion, representing 9.8 per cent of the gross estimate, a decrease compared to 11.3 per cent recorded in a similar period FY 2017/18. The expenditure comprised of Kshs.4.3 billion as development expenditure, representing an absorption rate of 7.9 per cent (a decrease from 10.4 per cent) recorded in the same period of FY 2017/18 and Kshs.2.6 billion as recurrent expenditure, representing 17 per cent of gross recurrent estimates a growth from 13.3 per cent) recorded in a similar period for FY 2017/18.

The Ministry of Water and Sanitation recorded the highest absorption on development and recurrent budget at 8.7 per cent and 21.8 per cent respectively. Ministry of Environment and Forestry recorded the lowest absorption for development budget at 1.1 per cent while the State Department for Mining recorded the lowest for the recurrent at 12.4 per cent. (State Department of Mining did not report any development expenditure).

#### 4.6 General Economic and Commercial Affairs (GECA) Sector

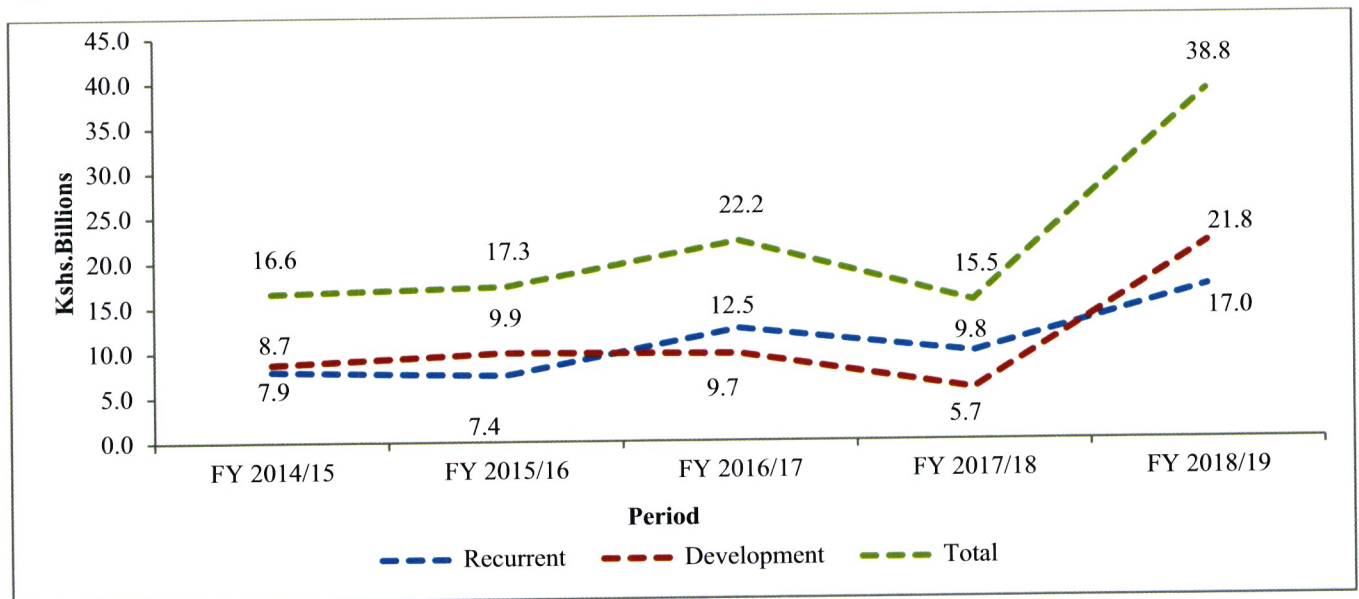
The General Economic and Commercial Affairs (GECA) sector consists of six MDAs namely: State Department for Industrialization, Cooperatives, Trade, East African Community, Regional and Northern Corridor Development and Ministry of Tourism.

The Sector aims at creating employment opportunities and wealth creation for poverty reduction, fast tracking of the regional integration initiatives and promotion of equity among the Kenyan citizens. This is expected to be achieved through: creating an enabling environment for business, mobilization of resources for investments and industrial development, promotion of exports, promotion of sustainable tourism and deepening of the East Africa Community Integration.

The budgetary allocation to the Sector in FY 2018/19 amounts Kshs.38.8 billion representing 1.3 per cent of the gross national budget, an increase from Kshs.15.5 billion of allocation in FY 2017/18. The allocation comprised of Kshs.21.8 billion (56 per cent) for development expenditure and Kshs.17 billion (44 per cent) for recurrent expenditure. State Department for Regional and Northern Corridor Development received the highest budgetary allocation of Kshs.14.6 billion (38 per cent of the sector's allocation), while the State Department for East African Community had the lowest budgetary allocation of Kshs.0.6 billion (2 per cent).

Figure 4.9 shows the budgetary allocation trend for the GECA Sector from FY 2014/15 to FY 2018/19.

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



Source: National Treasury

Total exchequer issues to the sector amounted to Kshs.2.7 billion representing 11.2 per cent of the sector's net estimate. This comprised of Kshs.270.5 million for development expenditure, representing 2.2 per cent of the development net estimates and Kshs.2.4 billion for recurrent expenditure, representing 21 per cent of the recurrent net estimates.

Table 4.5 presents analysis of exchequer issues to GECA Sector and expenditure in the first three months of FY 2018/19.

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

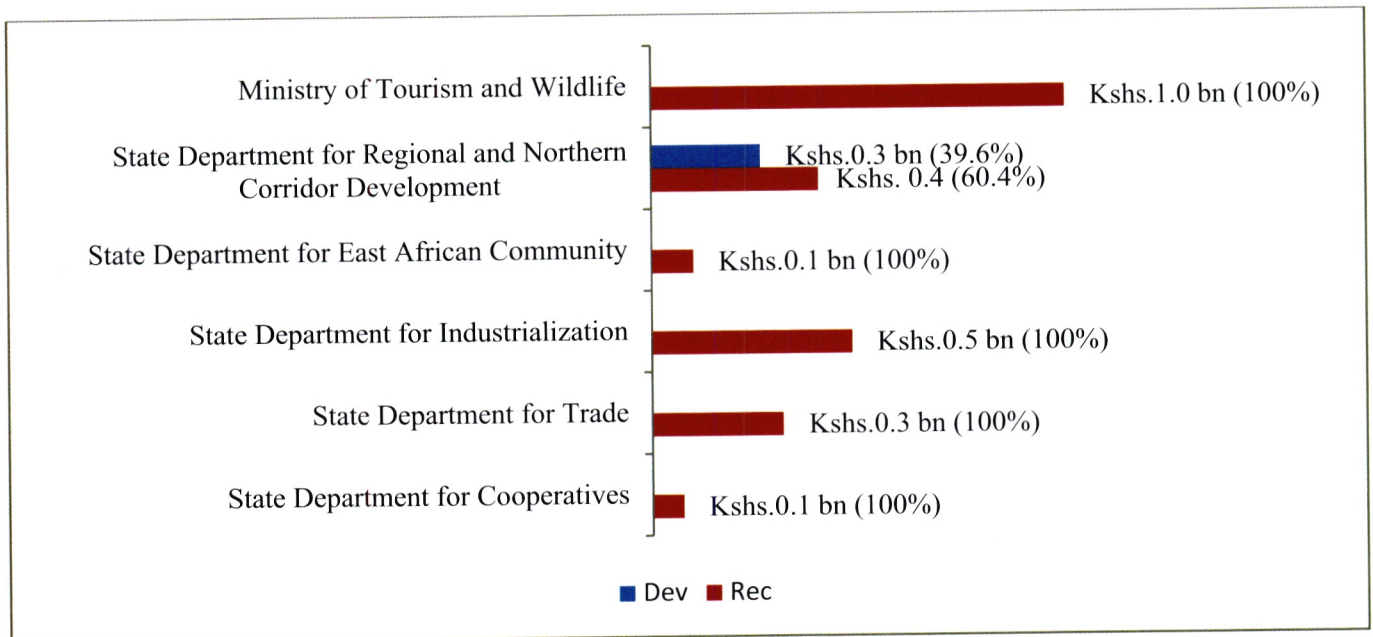
VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.
State Department for Cooperatives	0.8	0.8	-	-	-	-	0.5	0.3	0.1	0.1	23.8	12.2
State Department for Trade	0.3	0.3	-	-	-	-	1.6	1.6	0.3	0.3	20.5	16.8
State Department for Industrialization	4.3	3.7	-	-	-	-	2.7	2.2	0.5	0.5	22.1	17.1
State Department for East African Community	0.1	-	-	-	-	-	0.6	0.6	0.1	0.1	18.8	16.5
State Department for Regional and Northern Corridor Development	12.6	4.2	0.3	0.3	6.5	2.1	2.0	1.7	0.4	0.4	23.7	20.4
Ministry of Tourism and Wildlife	3.6	3.4	-	-	-	-	9.6	5.2	1.0	1.0	19.8	10.3
<b>Total</b>	<b>21.8</b>	<b>12.4</b>	<b>0.3</b>	<b>0.3</b>	<b>2.2</b>	<b>1.2</b>	<b>17.0</b>	<b>11.6</b>	<b>2.4</b>	<b>2.3</b>	<b>21.0</b>	<b>13.4</b>
<b>Total for the Sector</b>							<b>Gross Est.</b>	<b>Net Est.</b>	<b>Exch. Issues</b>	<b>Exp.</b>	<b>% of Exch. to Net Est.</b>	<b>% of Exp. to Gross Est.</b>
<b>Development</b>							21.8	12.4	0.3	0.3	2.2	1.2
<b>Recurrent</b>							17.0	11.6	2.4	2.3	21.0	13.4
<b>Total</b>							<b>38.8</b>	<b>24.0</b>	<b>2.7</b>	<b>2.6</b>	<b>11.2</b>	<b>6.6</b>

Source: MDAs and National Treasury

The State Department for Regional and Northern Corridor Development is the only department which received development exchequer issues only at 6.5 per cent. The State Department for Cooperatives received the highest proportion of recurrent exchequer issues to the net estimates at 23.8 per cent, while the State Department for East African Community received the lowest at 18.8 per cent.

Figure 4.10 shows the exchequer issues to GECA Sector in the first three months of FY 2018/19.

Figure 4.10: Exchequer Issues to the GECA Sector



Source: National Treasury

The total expenditure for the sector amounted to Kshs.2.6 billion, representing 6.6 per cent of the gross estimate, a decrease compared to 15.1 per cent recorded in a similar period of FY 2017/18. The expenditure comprised of Kshs.0.3 billion as development expenditure, representing an absorption rate of 1.2 per cent (a decrease from 16.9 per cent) and Kshs.2.3 billion as recurrent expenditure, representing 13.4 per cent of gross recurrent estimates (a marginal increase from 13.1 per cent).

The State Department for Regional and Northern Corridor Development recorded the highest absorption for both development and recurrent budget at 2.1 per cent and 20.4 per cent respectively while the Ministry of Tourism and Wildlife recorded the lowest for recurrent budget at 10.3 per cent.

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

The GJLOS sector consists of fifteen MDAs which include: State Department for Interior, State Department for Correctional Services, State Department for Immigration and Citizen Services, State Law Office and Department of Justice, The Judiciary, Ethics and Anti-Corruption Commission (EACC), Office of the Director of Public Prosecutions, Office of the Registrar of Political Parties, Witness Protection Agency (WPA), Kenya National Commission on Human Rights (KNCHR), Independent Electoral and Boundaries Commission (IEBC), Judicial Service Commission (JSC), National Police Service Commission (NPSC), National Gender and Equality Commission (NGEC), and the Independent Policing Oversight Authority (IPOA).

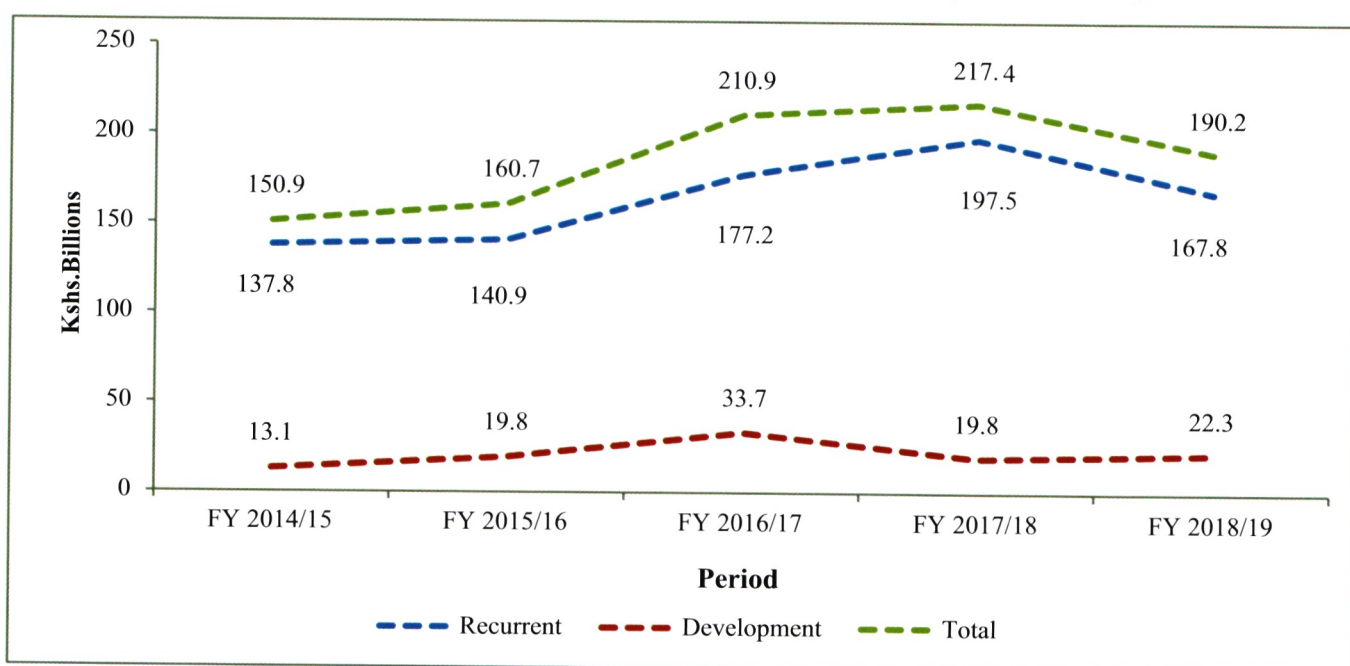
The sector implements the following functions; provision of security, correctional services, legal advisory services to government agencies and administration of justice. It also plays a major role in promoting integrity and the fight against corruption, provision of prosecution services, regulating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

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

The budgetary allocation to the sector in FY 2018/19 was Kshs.190.2 billion representing 6 per cent of gross national budget, a decrease compared to Kshs.217.4 billion allocated in FY 2017/18. The allocation comprised of Kshs.22.3 billion (12 per cent) for development expenditure and Kshs.167.8 billion (88 per cent) for recurrent expenditure. The State Department for Interior received the highest budgetary allocation of Kshs.126.3 billion (66 per cent of the sector's allocation), while the Judicial Service Commission had the lowest at Kshs.364 million (less than 1 per cent of the sector's allocation).

Figure 4.11 shows the budgetary allocation trend for the GJLOS for the period FY 2014/15 to FY 2018/19.

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



Source: National Treasury

In the first three months of FY 2018/19, the total exchequer issues to the sector amounted to Kshs.35.8 billion representing 19.1 per cent of the sector's net estimate. This comprised of Kshs.0.2 billion for development expenditure, representing 0.8 per cent of the development net estimates and Kshs.35.7 billion for recurrent expenditure, representing 21.3 per cent of the recurrent net estimates.

Table 4.6 shows the GJLO Sector's analysis of exchequer issues and expenditure in the first three months of FY 2018/19.

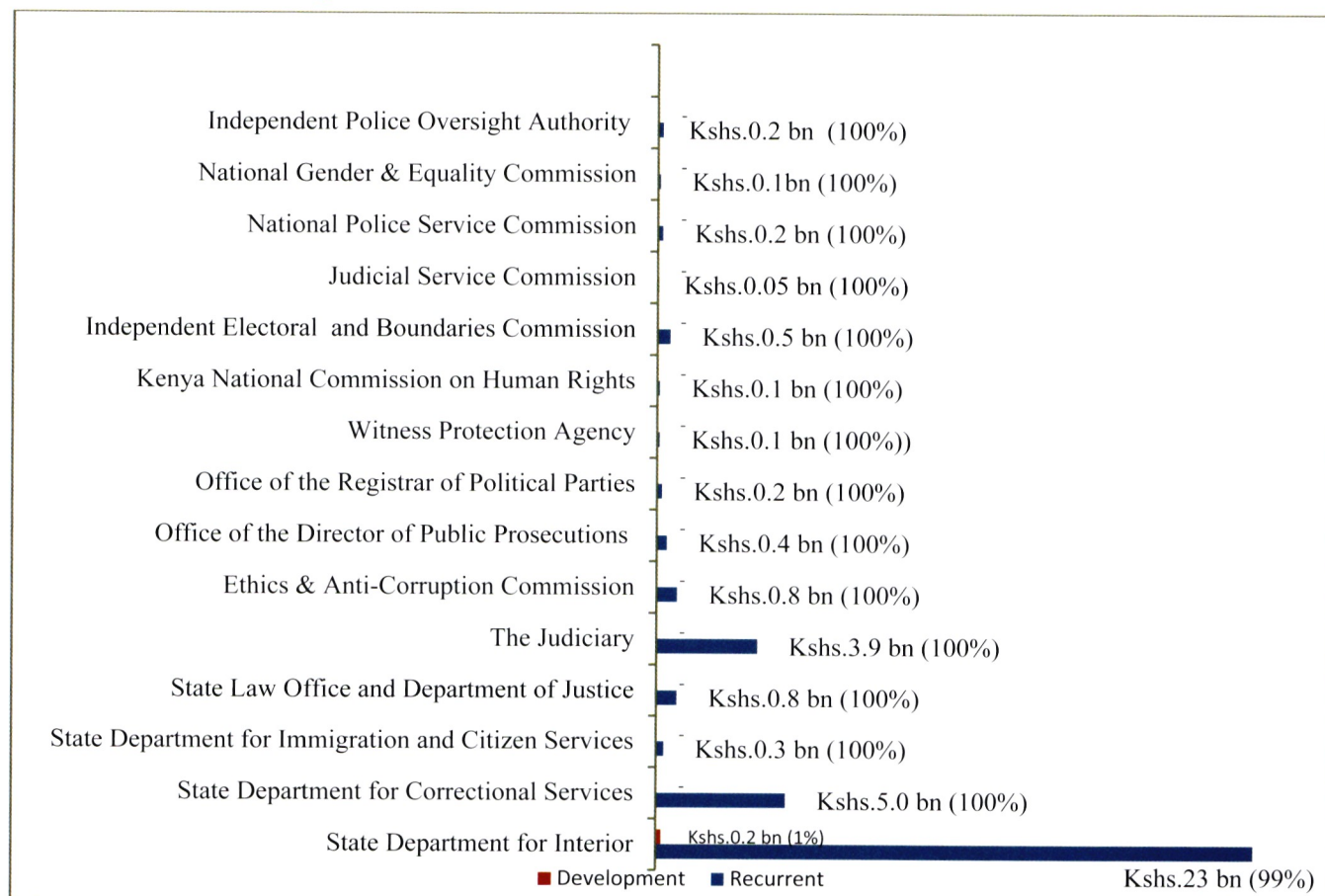
Table 4.6: GJLOS Sector-Analysis of Exchequer Issues and Expenditure (Kshs. Billions)

VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.
State Department for Interior	17.3	16.9	0.2	1.3	0.9	7.4	109.0	109.0	23.0	17.8	21.1	16.3
State Department for Correctional Services	1.8	1.8	-	-	-	-	26.0	26.0	5.0	3.9	19.2	14.9
State Department for Immigration and Citizen Services	0.7	0.7	-	-	-	-	1.9	1.9	0.3	0.2	16.8	10.9
State Law Office and Department of Justice	0.7	0.7	-	0.04	-	5.6	4.2	3.8	0.8	0.8	20.4	19.0
The Judiciary	1.5	0.1	-	0.5	-	33.3	12.9	12.9	3.9	2.6	29.9	20.2
Ethics & Anti-Corruption Commission	0.1	0.1	-	-	-	-	2.8	2.8	0.8	0.7	29.7	23.5
Office of the Director of Public Prosecutions	0.1	0.1	-	-	-	-	2.8	2.8	0.4	0.5	15.2	16.2
Office of the Registrar of Political Parties	-	-	-	-	-	-	0.8	0.8	0.2	0.2	22.6	20.0
Witness Protection Agency	-	-	-	-	-	-	0.5	0.5	0.1	0.1	28.1	25.2
Kenya National Commission on Human Rights	-	-	-	-	-	-	0.4	0.4	0.1	0.1	20.8	22.4
Independent Electoral and Boundaries Commission	-	-	-	-	-	-	4.2	4.2	0.5	0.5	12.9	12.3
Judicial Service Commission	-	-	-	-	-	-	0.4	0.4	0.05	0.1	12.4	16.6
National Police Service Commission	-	-	-	-	-	-	0.6	0.6	0.2	0.1	32.3	23.3
National Gender & Equality Commission	-	-	-	-	-	-	0.4	0.4	0.1	0.1	17.1	18.5
Independent Policing Oversight Authority	-	-	-	-	-	-	0.8	0.8	0.2	0.2	28.2	28.9
<b>Total</b>	<b>22.3</b>	<b>20.5</b>	<b>0.2</b>	<b>1.8</b>	<b>0.8</b>	<b>8.2</b>	<b>167.8</b>	<b>167.4</b>	<b>35.7</b>	<b>27.8</b>	<b>21.3</b>	<b>16.6</b>
<b>Total for the Sector</b>							<b>Gross Est.</b>	<b>Net Est.</b>	<b>Exch. Issues</b>	<b>Exp.</b>	<b>% of Exch. to Net Est.</b>	<b>% of Exp. to Gross Est.</b>
<b>Development</b>							22.3	20.5	0.2	1.8	0.8	8.2
<b>Recurrent</b>							167.8	167.4	35.7	27.8	21.3	16.6
<b>Total</b>							<b>190.2</b>	<b>187.8</b>	<b>35.8</b>	<b>29.6</b>	<b>19.1</b>	<b>15.6</b>

Source: MDAs and National Treasury

Under this sector, only the State Department for Interior received development exchequer issues recording less than 1 per cent of the net development estimates. The Judiciary received the highest proportion of recurrent exchequer issues to the net estimates at 29.9 per cent while Judicial Service Commission received the lowest at 12.4 per cent.

Figure 4.12 shows the exchequer issues to the GJLOS Sector in the first three months of FY 2018/19.

**Figure 4.12: Exchequer Issues to the GJLOS Sector**

Source: National Treasury

The total expenditure for the sector in the first three months of FY 2018/19 amounted to Kshs.29.6 billion, representing 15.6 per cent of the gross estimate, a slight decrease compared to 17.8 per cent recorded in a similar period, FY 2017/18. The expenditure comprised of Kshs.1.8 billion as development expenditure, representing an absorption rate of 8.2 per cent (a decline from 9.2 per cent), and Kshs.27.8 billion as recurrent expenditure, representing 16.6 per cent of gross recurrent estimates (a decrease from 19 per cent) recorded in the same period, FY 2017/18.

The Judiciary recorded the highest absorption for development budget at 33.3 per cent while the State Law Office and Department of Justice recorded the lowest absorption rate of development budget at 5.6 per cent amongst those MDAs that incurred development expenditure Witness Protection Agency recorded the highest percentage of recurrent expenditure to gross estimates at 25.2 percentage while the Judicial Service Commission recorded the lowest percentage of recurrent expenditure to gross recurrent estimates at 12.4 per cent.

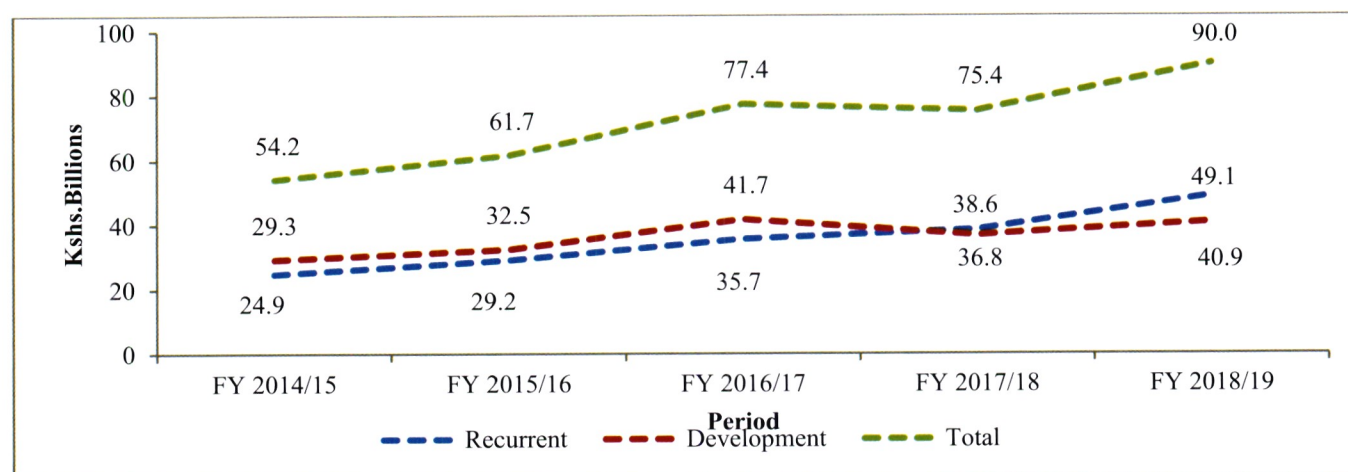
#### 4.8 Health Sector

The Health Sector is responsible for the provision and coordination of the health policy formulation, ensuring quality service delivery and regulation and control of health care. The Sector consists of Ministry of Health and seven SAGAs namely; Kenyatta National Hospital (KNH), Moi Teaching and Referral Hospital (MTRH), Kenya Medical Research Institute (KEMRI), Kenya Medical Supplies Authority (KEMSA), Kenya Medical Training College (KEMTC), National AIDS Control Council (NACC), and the National Health Insurance Fund (NHIF).

The budgetary allocation to the sector in FY 2018/19 amounts to Kshs.90 billion representing 3 per cent of the gross national budget, an increase from Kshs.75.4 billion allocated in FY 2017/18. The allocation comprised of Kshs.40.9 billion (45 per cent) for development budget and Kshs.49.1 billion (55 per cent) for recurrent expenditure.

Figure 4.13 shows the budgetary allocation trend for the sector from FY 2014/15 to FY 2018/19.

**Figure 4.13: Budgetary Allocation Trend for the Health Sector (Kshs. Billion)**



Source: National Treasury

In the first three months of FY 2018/19, the total exchequer issues to the sector amounted to Kshs.10.7 billion representing 16.3 per cent of the sector's net estimate. This comprised of Kshs.4.4 billion for development expenditure, representing 15.6 per cent of the development net estimates and Kshs.6.3 billion for recurrent expenditure, representing 16.8 per cent of the recurrent net estimates.

Table 4.7 shows Health sector analysis of exchequer issues and expenditure in the first three months of FY 2018/19.

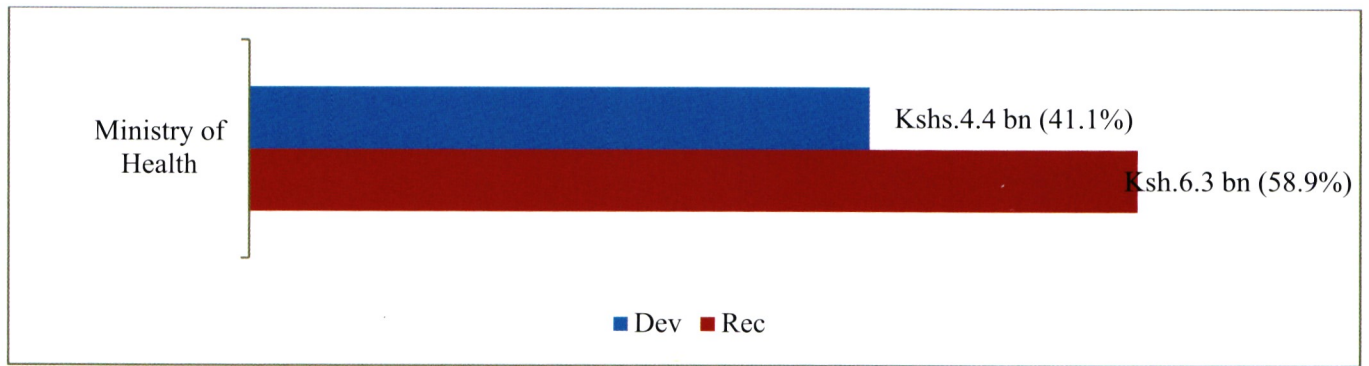
**Table 4.7: Health Sector-Analysis of Exchequer Issues and Expenditure (Kshs. Billions)**

VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.
Ministry of Health	40.9	28.2	4.4	4.4	15.6	10.7	49.1	37.6	6.3	5.8	16.8	11.8
<b>Total</b>	<b>40.9</b>	<b>28.2</b>	<b>4.4</b>	<b>4.4</b>	<b>15.6</b>	<b>10.7</b>	<b>49.1</b>	<b>37.6</b>	<b>6.3</b>	<b>5.8</b>	<b>16.8</b>	<b>11.8</b>
<b>Total for the Sector</b>							<b>Gross Est.</b>	<b>Net Est.</b>	<b>Exch. Issues</b>	<b>Exp.</b>	<b>% of Exch. to Net Est.</b>	<b>% of Exp. to Gross Est.</b>
<b>Development</b>							40.9	28.2	4.4	4.4	15.6	10.7
<b>Recurrent</b>							49.1	37.6	6.3	5.8	16.8	11.8
<b>Total</b>							<b>90.0</b>	<b>65.9</b>	<b>10.7</b>	<b>10.2</b>	<b>16.3</b>	<b>11.3</b>

Source: MDAs and National Treasury

Figure 4.14 shows the amount of exchequer issues towards development and recurrent expenditure in the Health sector for the first three months of FY 2018/19.

**Figure 4.14: Exchequer Issues to the Health Sector**



Source: National Treasury

The total expenditure for this sector amounted to Kshs.10.2 billion, representing 11.3 per cent of the gross estimate, a slight decrease compared to 12.3 per cent recorded in a similar period of FY 2017/18. The expenditure comprised of Kshs.4.4 billion as development expenditure, representing an absorption rate of 10.7 per cent (an increase from 7.6 per cent) and Kshs.5.8 billion as recurrent expenditure, representing 11.8 per cent of gross recurrent estimates (a decline compared to 17 per cent) recorded in a similar period for 2017/18.

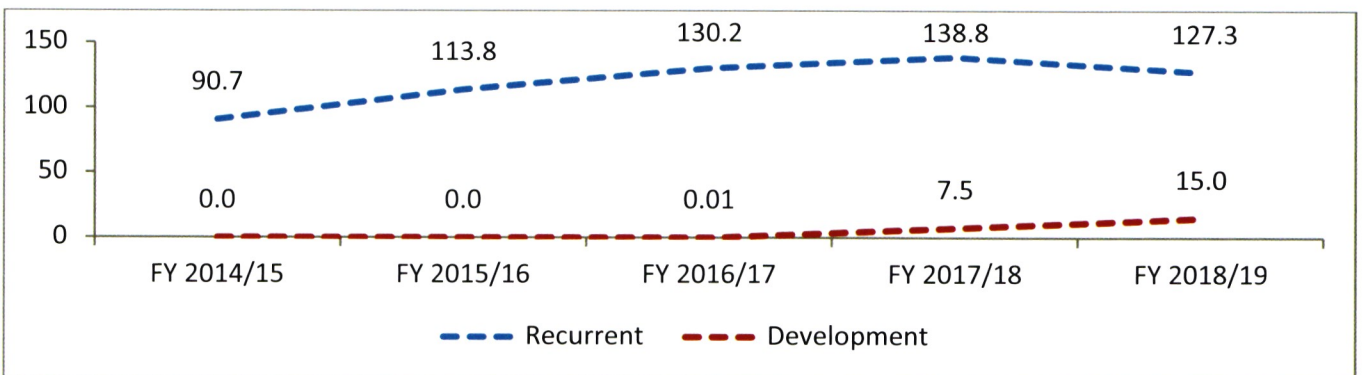
### 4.9 National Security Sector

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 budgetary allocation to the sector in FY 2018/19 amounts to Kshs.142.3 billion representing 5 per cent of the gross national budget, an increase from Kshs.138.8 billion of allocation in FY 2017/18. The allocation comprised of Kshs.15 billion (11 per cent) for development budget and Kshs.127.3 billion (89 per cent) for recurrent expenditure. Allocation to the Ministry of Defence was Kshs.111.1 billion (78 per cent of the sector’s allocation) and Kshs.31.2 billion (22 per cent) to the National Intelligence Service.

Figure 4.15 below shows the budgetary allocation trend for the National Security Sector for the period FY 2014/15 to FY 2018/19.

**Figure 4.15: Budgetary Allocation Trend for the National Security Sector (Kshs. Billion)**



Source: National Treasury

Total exchequer issues to the sector amounted to Kshs.35.2 billion representing 26.8 per cent of the sector's net estimate, all for recurrent expenditure. The Ministry of Defence received Kshs.28.1 billion while the NIS received Kshs.7.1 billion, representing 29.2 per cent and 22.9 per cent of the recurrent net estimates respectively.

Table 4.8 shows the National Security sector analysis of exchequer issues and expenditure in the first three months of FY 2018/19.

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

VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.
Ministry of Defence	15.0	4.0	-	-	-	-	96.1	96.1	28.1	30.2	29.2	31.4
National Intelligence Service	-	-	-	-	-	-	31.2	31.2	7.1	6.9	22.9	22.1
<b>Total</b>	<b>15.0</b>	<b>4.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>127.3</b>	<b>127.3</b>	<b>35.2</b>	<b>37.1</b>	<b>27.7</b>	<b>29.1</b>
<b>Total for the Sector</b>							<b>Gross Est.</b>	<b>Net Est.</b>	<b>Exch. Issues</b>	<b>Exp.</b>	<b>% of Exch. to Net Est.</b>	<b>% of Exp. to Gross Est.</b>
<b>Development</b>							15.0	4.0	-	-	-	-
<b>Recurrent</b>							127.3	127.3	35.2	37.1	27.7	29.1
<b>Total</b>							<b>142.3</b>	<b>131.3</b>	<b>35.2</b>	<b>37.1</b>	<b>26.8</b>	<b>26.1</b>

Source: MDAs and National Treasury

The total expenditure amounted to Kshs.37.1 billion, representing 26.1 per cent of the gross estimate, a slight decrease compared to 26.6 per cent recorded in the same period in FY 2017/18. The Ministry of Defence spent Kshs.30.2 billion while the NIS spent 6.9 billion on recurrent activities, representing 31.4 per cent and 22.1 per cent of the gross recurrent estimates respectively.

#### 4.10 Public Administration and International Relations (PAIR) Sector

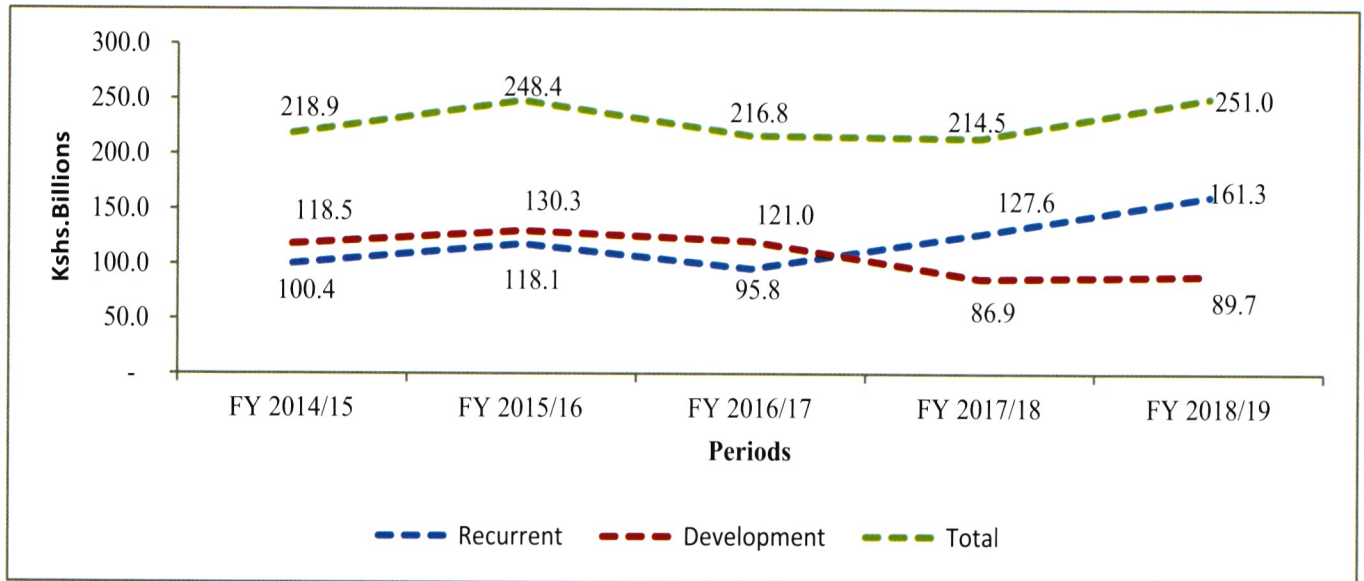
The Public Administration and International Relations Sector (PAIR) consists of fourteen MDAs namely; The Presidency, State Department for Planning and Statistics, State Department for Devolution, Ministry of Foreign Affairs, National Treasury, State Department for Public Service and Youth Affairs, Parliamentary 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 direction and leadership to the country, oversees national legislation as well as the human resource function in the public service. It further coordinates national policy formulation, implementation, monitoring and evaluation, resource mobilization and management, devolution oversight, implementation of Kenya foreign policy, and oversight on use of public resources and service delivery.

The budgetary allocation to the Sector in FY 2018/19 amounts to Kshs.251 billion representing 8 per cent of the gross national budget, an increase from Kshs.214.6 billion of allocation in FY 2017/18. The allocation comprised of Kshs.89.7 billion (36 per cent) for development budget and Kshs.161.3 billion (64 per cent) for recurrent expenditure. The National Treasury received the highest budgetary allocation of Kshs.107.3 billion (43 per cent of the sector's allocation), while the Commission on Administrative Justice had the lowest budgetary allocation of Kshs.499.5 million (less than 1 per cent).

Figure 4.16 shows the budgetary allocation trend for the PAIR Sector for the period FY 2014/15 to FY 2018/19

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



*Source: National Treasury*

In the first three months of FY 2018/19, the total exchequer issues to the sector amounted to Kshs.28.2 billion representing 11.9 per cent of the sector's net estimate. This comprised of Kshs.1.9 billion for development expenditure, representing 2.5 per cent of the development net estimates and Kshs.26.3 billion for recurrent expenditure, representing 16.4 per cent of the recurrent net estimates.

Table 4.9 shows PAIR Sector analysis of exchequer issues and expenditure in the first. three months of FY 2018/19.

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

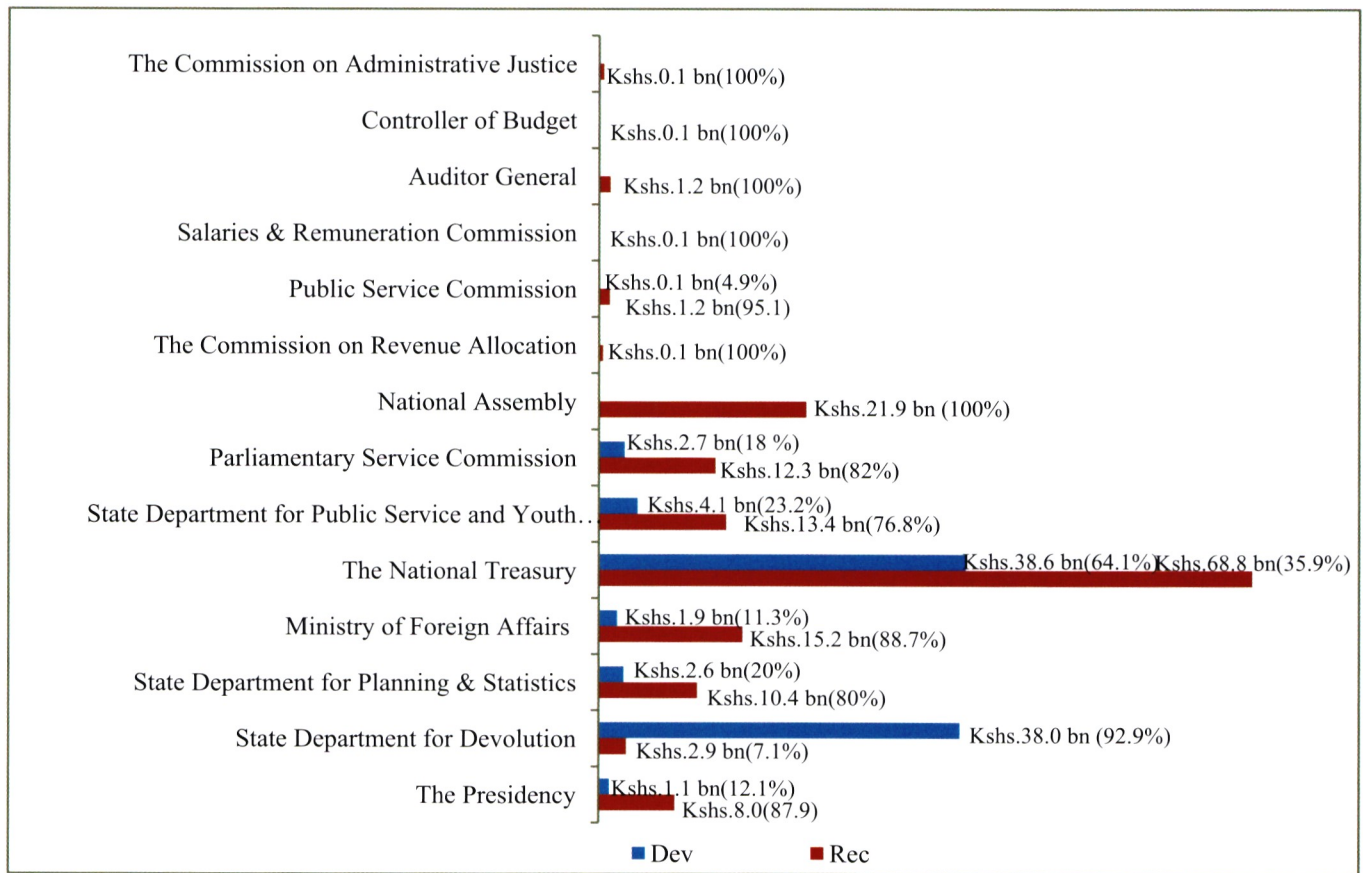
VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.
The Presidency	1.1	1.1	0.04	-	3.4	-	8.0	8.0	1.5	1.2	18.9	14.6
State Department for Devolution	38.0	36.7	0.01	8.9	0.01	23.6	2.9	2.9	1.6	0.2	55.9	7.8
State Department for Planning & Statistics	2.6	2.5	-	0.4	-	15.2	10.4	10.3	2.5	2.5	23.9	23.7
Ministry of Foreign Affairs and International Trade	1.9	1.9	-	0.3	-	15.1	15.2	14.6	3.7	3.6	25.1	23.7
The National Treasury	38.6	26.2	1.8	1.8	6.8	4.6	68.8	68.8	7.4	6.8	10.8	10.0
State Department for Public Service and Youth Affairs	4.1	4.1	0.1	0.6	2.6	14.5	13.4	13.3	1.4	1.9	10.9	14.0
Parliamentary Service Commission	2.7	2.7	-	-	-	-	12.3	12.2	2.2	2.0	17.7	15.9
National Assembly	-	-	-	-	-	-	21.9	21.9	4.2	3.5	19.2	15.8
Commission on Revenue Allocation	-	-	-	-	-	-	0.4	0.4	0.1	0.1	16.0	15.4
Public Service Commission	0.1	0.1	-	-	-	-	1.2	1.2	0.2	0.3	18.6	23.0
Salaries & Remuneration Commission	-	-	-	-	-	-	0.6	0.6	0.1	0.1	11.3	12.0
Auditor General	0.7	0.7	-	-	-	4.8	5.2	5.1	1.2	1.1	23.9	21.9
Controller of Budget	-	-	-	-	-	-	0.6	0.6	0.1	0.1	15.8	14.1
The Commission on Administrative Justice	-	-	-	-	-	-	0.5	0.5	0.1	0.1	22.6	17.0
<b>Total</b>	<b>89.7</b>	<b>76.0</b>	<b>1.9</b>	<b>12.0</b>	<b>2.5</b>	<b>13.4</b>	<b>161.3</b>	<b>160.3</b>	<b>26.3</b>	<b>23.3</b>	<b>16.4</b>	<b>14.5</b>
<b>Total for the Sector</b>							<b>Gross Est.</b>	<b>Net Est.</b>	<b>Exch. Issues</b>	<b>Exp.</b>	<b>% of Exch. to Net Est.</b>	<b>% of Exp. to Gross Est.</b>
<b>Development</b>							89.7	76.0	1.9	12.0	2.5	13.4
<b>Recurrent</b>							161.3	160.3	26.3	23.3	16.4	14.5
<b>Total</b>							<b>251.0</b>	<b>236.3</b>	<b>28.2</b>	<b>35.3</b>	<b>11.9</b>	<b>14.1</b>

Source: MDAs and National Treasury

The National Treasury received the highest proportion of development exchequer issues to the net estimates at 6.8 per cent, while the State Department for Devolution received the lowest proportion of development exchequer issues to development net estimates at 0.01 per cent. The State Department for Devolution received the highest proportion for recurrent expenditure at 55.9 per cent. while the National Treasury received the lowest for recurrent expenditure at 10.8 per cent.

Figure 4.17 shows the exchequer issues to the PAIR Sector in the first three months of FY 2018/19.

Figure 4.17: Exchequer Issues to the PAIR Sector



Source: National Treasury

The total expenditure for the sector in the first three months of FY 2018/19 amounted to Kshs.35.3 billion, representing 14.1 per cent of the gross estimate, a decrease compared to 12.6 per cent recorded in the same period in FY 2017/18. The expenditure comprised of Kshs.12 billion as development expenditure, representing an absorption rate of 13.4 per cent (a decrease from 14.4 per cent) recorded in the same period of FY 2017/18 and Kshs.23.3 billion as recurrent expenditure, representing 14.5 per cent of gross recurrent estimates (an increase from 11.5 per cent) recorded in the same period, FY 2017/18.

The State Department for devolution recorded the highest absorption on development budget at 23.6 per cent, while the National Treasury recorded the lowest at 4.6 per cent. The State Department for Planning and Statistics, and the Ministry of Foreign Affairs and International Relations recorded the highest percentage of recurrent expenditure to recurrent estimates at 23.7 per cent, while the State Department for Devolution recorded the lowest at 7.8 per cent.

#### 4.11 Social Protection, Culture and Recreation Sector

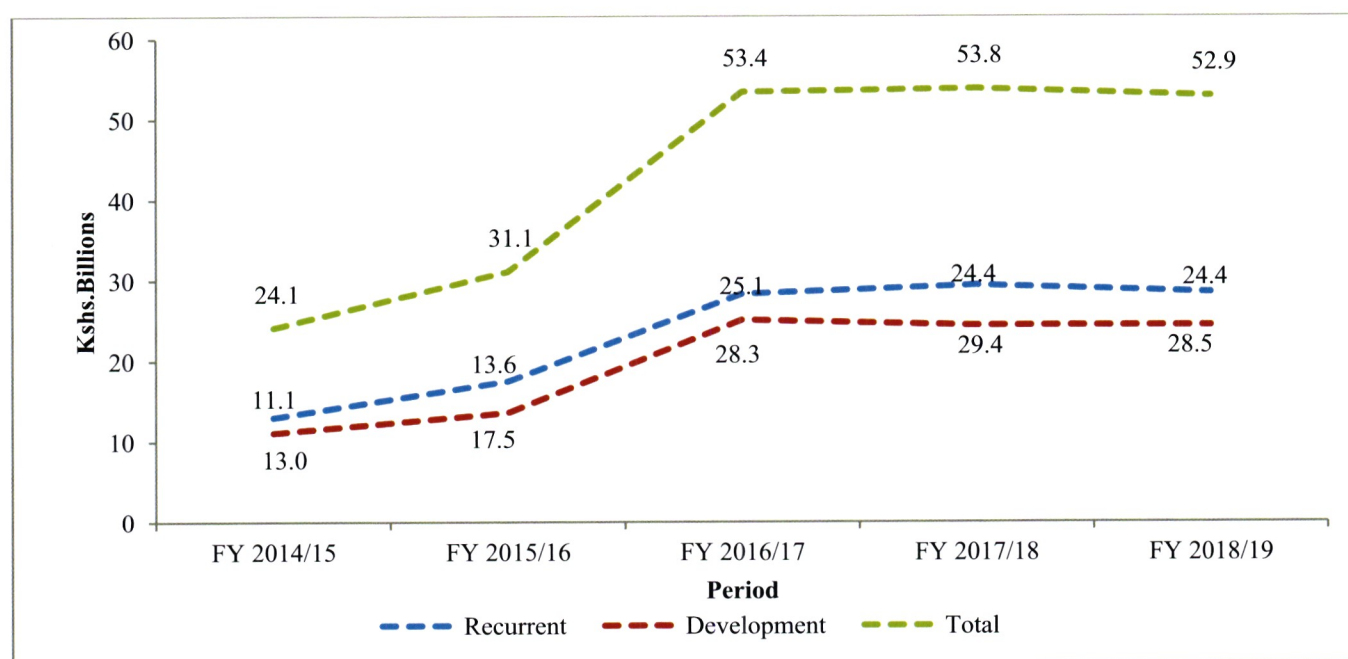
The Social Protection, Culture and Recreation Sector comprises of six State Departments namely: Sports Development, Heritage, Labour, Social Protection, Development of Arid and Semi-Arid Lands (ASAL) and Gender Affairs. The sector plays a major role in the country's transformation by promoting and exploiting Kenya's diverse culture and arts; enhancing Kenya's reading culture; regulation, development and promotion of sports, 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, vocational training for Persons Living with Disability (PLWDs) and development of community groups. The sector also promotes a gender equal society by ensuring gender equity in power and resource distribution.

The budgetary allocation to the Sector in FY 2018/19 amounts to Kshs.52.9 billion representing 2 per cent of the gross national budget, a decrease from Kshs.53.8 billion of allocation in FY 2017/18. The allocation comprised of Kshs.24.4 billion (46 per cent) for development expenditure and Kshs.28.5 billion (54 per cent) for recurrent expenditure. The State Department for Social Protection received the highest budgetary allocation of Kshs.31.3 billion (59 per cent of the sector's allocation), while the State Department for Sport had the lowest budgetary allocation of Kshs.2.2 billion (4 per cent).

Figure 4.18 shows the budgetary allocation trend for the Social Protection, Culture Recreation Sector for the period FY 2014/15 to FY 2018/19.

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



Source: National Treasury

The total exchequer issues to the sector amounted to Kshs.8.4 billion representing 17 per cent of the sector's net estimate. This comprised of Kshs.1.9 billion for development expenditure, representing 8.9 per cent of the development net estimates and Kshs.6.5 billion for recurrent expenditure, representing 23.2 per cent of the recurrent net estimates.

Table 4.10 shows an analysis of exchequer issues and expenditure incurred by the Social Protection, Culture Recreation Sector in the first three months of FY 2018/19.

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

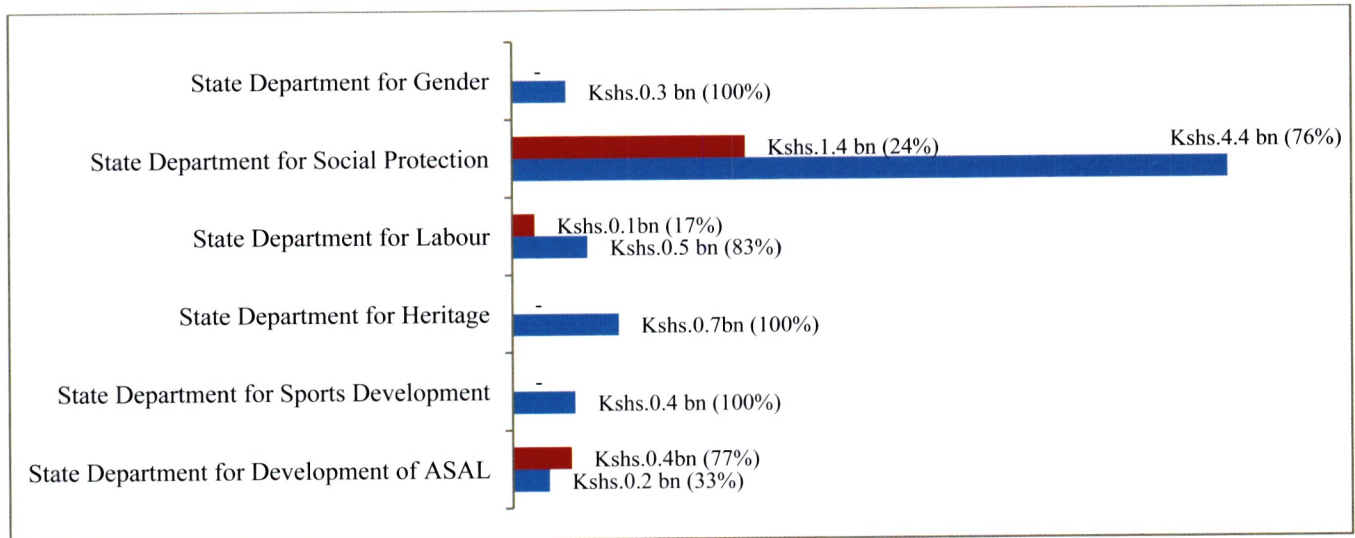
VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.
State Department for Development for ASAL	5.4	2.8	0.4	0.7	12.8	13.5	1.0	1.0	0.2	0.2	21.8	18.3
State Department for Sports Development	0.7	0.7	-	-	-	-	1.5	1.5	0.4	0.3	25.8	20.5
State Department for Heritage	0.9	0.9	-	0.4	-	41.7	3.1	3.0	0.7	0.6	21.6	21.0
State Department for Labour	1.5	1.5	0.1	0.2	8.9	10.1	2.5	2.1	0.5	0.3	22.2	11.5
State Department for Social Protection	12.5	12.5	1.4	1.7	11.6	13.2	18.8	18.8	4.4	4.1	23.6	21.9
State Department for Gender	3.4	3.4	-	0.9	-	25.0	1.6	1.6	0.3	0.3	21.5	21.3
<b>Total</b>	<b>24.4</b>	<b>21.8</b>	<b>1.9</b>	<b>3.8</b>	<b>8.9</b>	<b>15.4</b>	<b>28.5</b>	<b>28.0</b>	<b>6.5</b>	<b>5.9</b>	<b>23.2</b>	<b>20.7</b>
<b>Total for the Sector</b>							<b>Gross Est.</b>	<b>Net Est.</b>	<b>Exch. Issues</b>	<b>Exp.</b>	<b>% of Exch. to Net Est.</b>	<b>% of Exp. to Gross Est.</b>
<b>Development</b>							24.4	21.8	1.9	3.8	8.9	15.4
<b>Recurrent</b>							28.5	28.0	6.5	5.9	23.2	20.7
<b>Total</b>							<b>52.9</b>	<b>49.8</b>	<b>8.4</b>	<b>9.6</b>	<b>17.0</b>	<b>18.2</b>

Source: MDAs and National Treasury

The State Department for Development of ASAL received the highest proportion of development exchequer issues to the net estimates at 12.8 per cent, while the State Department for Sports Development received the highest for recurrent expenditure at 25.8 per cent. The State Department for Labour received the lowest proportion of development exchequer issues to development net estimates at 8.9 per cent among the departments which received development exchequer issues, while the State Department for Gender received the lowest for recurrent expenditure at 21.5 per cent.

Figure 4.19 shows the exchequer issues to the Social Protection, Culture Recreation Sector in the first three months of FY 2018/19.

Figure 4.19: Exchequer Issues to the Social Protection, Culture Recreation Sector



Source: National Treasury

The total expenditure for the sector amounted to Kshs.9.6 billion, representing 18.2 per cent of the gross estimate, a decrease compared to 19.7 per cent recorded in a similar period, FY 2017/18. The expenditure comprised of Kshs.3.8 billion as development expenditure, representing an absorption rate of 15.4 per cent (a decrease from 20 per cent) and Kshs.5.9 billion as recurrent expenditure, representing 20.7 per cent of gross recurrent estimates (a marginal increase from 19.3 per cent) recorded in the same period, FY 2017/18.

The State Department for Heritage recorded the highest absorption on development budget at 41.7 per cent while the State Department for Labour recorded the lowest at 10.1 per cent. (The State Department for Sports Development did not record any development expenditure). The State Department for Social Protection recorded the highest percentage of recurrent expenditure to recurrent estimates at 21.9 per cent while the State Department for Labour recorded the lowest at 11.5 per cent.

## 5 BUDGET PERFORMANCE BY PROGRAMMES FOR FY 2018/19

### 5.1 Introduction

This chapter presents an analysis of MDAs programmes to be implemented in the first three months FY 2018/19 and provides information on allocation to the various programmes for both development and recurrent activities. It also presents expenditure by programmes and their implementation rate in the first three months of the FY 2018/19. The Sectors are presented in an alphabetical order.

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

The Sector's allocation in FY 2018/19 amounts to Kshs.53 billion for implementing eleven programmes. This comprises of Kshs.37.2 billion (70 per cent) for development programmes and Kshs.15.8 billion (30 per cent) for recurrent programmes. Analysis of ARUD Sector programmes performance in the first three months of FY 2018/19 is presented in table 5.1.

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

VOTE	Programme	Estimates			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
Ministry of Lands and Physical Planning	Land Policy and Planning	3.3	2.7	6.0	0.2	0.5	0.8	13.1
State Department for Crop Development	General Administration Planning and Support Services	2.4	1.9	4.2	-	0.5	0.6	13.0
	Crop Development and Management	10.0	0.7	10.7	0.3	0.2	0.4	4.2
	Agribusiness and Information Management	5.6	0.8	6.4	0.1	0.1	0.2	3.5
State Department for Livestock	Livestock Resources Management and Development	4.3	2.0	6.3	0.1	0.4	0.4	6.6
State Department for Fisheries and the Blue Economy	Fisheries Development and Management	2.3	0.3	2.7	0.003	0.04	0.04	1.5
	General Administration Planning and Support Services	-	0.2	0.2	-	0.02	0.02	14.7
	Development and Coordination of Blue Economy	2.0	0.1	2.2	-	0.02	0.02	1.1
State Department for Irrigation	Irrigation and Land Reclamation	6.7	0.8	7.5	1.1	0.1	1.2	16.1
State Department for Agricultural Research	Agricultural Research & Development	0.5	5.1	5.6	-	1.3	1.3	22.7
National Land Commission	Land Administration and Management	-	1.3	1.3	-	0.2	0.2	15.5
<b>Total</b>		<b>37.2</b>	<b>15.8</b>	<b>53.0</b>	<b>1.8</b>	<b>3.3</b>	<b>5.1</b>	<b>9.7</b>

Source: MDAs and National Treasury

Crop Development and Management programme under State Department for Crop Development received the highest allocation at Kshs.10.7 billion (20.3 per cent of the annual estimates for the sector), while General Administration Planning and Support Services programme under the State Department for Fisheries and the Blue Economy received the lowest allocation at Kshs.0.2 billion, (less than 1 per cent).

The total expenditure for the sector programmes amounted to Kshs.5.1 billion representing an absorption rate of 9.7 per cent. This comprised of Kshs.1.8 billion for development activities, an absorption rate of 5 per cent and Kshs.3.3 billion incurred on recurrent activities representing 21.1 per cent of the annual recurrent estimates.

Analysis by programme performance shows that, the Agricultural Research and Development programme under State Department for Agricultural Research recorded the highest proportion of programme expenditure to its annual estimates at 22.7 per cent, while Development and Coordination of Blue Economy programme under State Department for Fisheries and the Blue Economy recorded the lowest at 1.1 per cent.

### 5.3 Education Sector

The Sector's allocation in FY 2018/19 amounts to Kshs.442.3 billion for implementing fourteen programmes. This comprises of Kshs.32.2 billion (7 per cent) for development programmes and Kshs.410.1 billion (93 per cent) for recurrent programmes. The analysis of Sector programmes performance in the first three months of FY 2018/19 is presented in table 5.2.

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

VOTE	Programme	Estimates			Expenditure			Implementa-tion Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
State Department for Early Learning & Basic Education	Primary Education	4.1	16.6	20.7	0.2	4.1	4.3	20.8
	Secondary Education	5.9	63.9	69.9	0.1	19.2	19.3	27.7
	Quality Assurance and Standards	0.3	4.0	4.2	0.1	0.5	0.5	12.7
	General Administration, Planning and Support Services	0.1	4.7	4.8	-	0.8	0.8	17.0
State Department for Vocational Training and Technical Training	Technical Vocational Education and Training	1.6	2.6	4.2	0.0	0.3	0.3	7.7
	Youth Training and Development	3.8	3.4	7.2	0.3	0.41	0.7	9.6
	General Administration, Planning and Support Services	3.0	1.6	4.6	0.1	0.3	0.42	9.2
State Department for University Education	University Education	6.6	21.6	28.2	-	2.2	2.2	7.6
	Research, Science, Technology and Innovation	3.9	35.2	39.1	-	6.6	6.6	16.8
	General Administration, Planning and Support Services	2.8	30.4	33.2	-	2.7	2.7	8.2
State Department for Post Training and Skills Development	General Administration, Planning and Support Services	-	0.05	0.05	-	0.0001	0.0001	0.2
Teachers Service Commission	Teacher Resource Management	-	219.7	219.7	-	56.7	56.7	25.8
	Governance and Standards	-	0.03	0.03	-	0.01	0.01	19.1
	General Administration, Planning and Support Services	0.1	6.3	6.4	0.01	1.52	1.52	23.6
<b>Total</b>		<b>32.2</b>	<b>410.1</b>	<b>442.3</b>	<b>0.8</b>	<b>95.4</b>	<b>96.2</b>	<b>21.7</b>

Source: MDAs and National Treasury

The Teacher Resource Management programme under Teachers Service Commission received the highest allocation at Kshs.219.7 billion (49.7 per cent of the annual estimates for the sector) while its' Governance and Standards programme received the lowest allocation at Kshs.30.7 million, which is less than 1 per cent of the sector's annual estimates.

The total expenditure for the sector programmes amounted to Kshs.96.2 billion representing an absorption rate of 21.7 per cent. This comprised of Kshs.0.8 billion for development activities, an absorption rate of 2.4 per cent of the annual estimates and Kshs.95.4 billion incurred on recurrent activities representing 23.3 per cent of the recurrent estimates.

Analysis by programme performance shows that the Secondary Education programme under the State Department for Early Learning and Basic Education recorded the highest proportion of programme expenditure to its annual estimates at 27.7 per cent, while General Administration, Planning and Support Services programme under the State Department for Post Training and Skills Development recorded the lowest, which is less than 1 per cent.

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

The EI & ICT sector's allocation in FY 2018/19 amounts to Kshs.418.8 billion for implementing twenty four programmes. This comprises of Kshs.338 billion (81 per cent) for development programmes and Kshs.80.8 billion (19 per cent) for recurrent programmes. The analysis of the EI&ICT Sector's programmes performance in the first three months of FY 2018/19 is presented in Table 5.3.

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

VOTE	Programme	Estimate			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
State Department of Transport	General Administration, Planning and Support Services	1.1	0.3	1.4	0.04	0.1	0.1	6.8
	Rail Transport	74.8	-	74.8	0.0	-	-	-
	Marine Transport	12.2	0.8	13.0	8.9	0.2	9.1	69.6
	Air Transport	2.0	7.2	9.3	0.0	1.1	1.1	11.5
	Road Safety	0.3	1.96	2.3	0.0	0.5	0.5	23.9
State Department of Infrastructure	Road Transport	121.7	58.4	180.0	9.8	9.6	19.4	10.8
State Department for Maritime Affairs	Marine Transport	-	1.7	1.7	-	0.04	0.04	2.6
State Department for Housing & Urban Development	Housing Development and Human Settlement	7.6	0.5	8.0	1.1	-	1.1	13.9
	Government Buildings	1.6	0.5	2.0	0.03	0.1	0.1	6.9
	Coastline Infrastructure and Pedestrian Access	0.3	0.1	0.4	-	0.02	0.02	5.4
	Urban and Metropolitan Development	19.4	0.2	19.7	1.6	0.02	1.6	8.0
	General Administration, Planning and Support Services	0.1	0.6	0.7	0.01	0.1	0.1	16.3
	Regulation and Development of the Construction Industry	0.1	1.3	1.4	0.02	0.04	0.1	4.1
State Department for Information Communications & Technology	General Administration Planning and Support Services	-	0.2	0.2	-	0.05	0.05	21.1
	ICT Infrastructure Development	24	0.4	24.8	-	0.1	0.1	0.3
	E-Government Services	2.6	1.1	3.7	0.0	0.1	0.1	3.3
State Department for Broadcasting & Telecommunication	General Administration Planning and Support Services	-	0.2	0.2	-	0.0	0.0	20.5
	Information and Communication Services	0.4	2.7	3.1	0.0	0.3	0.3	8.0
	Mass Media Skills Development	0.3	0.2	0.5	-	0.05	0.05	10.7
State Department for Energy	General Administration Planning and Support Services	0.1	0.3	0.5	0.4	1.8	2.2	3.3
	Power Generation	12.3	0.9	13.2	0.4	1.8	2.2	3.3*
	Power Transmission and Distribution	50.8	0.8	51.6				
	Alternative Energy Technologies	1.2	0.1	1.4				
State Department for Petroleum	Exploration and Distribution of Oil and Gas	4.8	0.3	5.0	0.1	0.04	0.1	1.8
<b>Total</b>		<b>338.0</b>	<b>80.8</b>	<b>418.8</b>	<b>21.9</b>	<b>14.3</b>	<b>36.2</b>	<b>8.6</b>

Source: MDAs and National Treasury

\*Disaggregated expenditure breakdown by programme not available

The Road Transport programme under State Department of Infrastructure received the highest allocation at Kshs.180 billion (43 per cent of the annual estimates for the sector), while General Administration Planning and Support Services programme under the State Department for Information Communications & Technology received the lowest allocation at Kshs.214.7 million, translating to less than 1 per cent.

The total expenditure for the sector programmes amounted to Kshs.36.2 billion representing an absorption rate of 8.6 per cent. This comprised of Kshs.21.9 billion for development activities, an absorption rate of 6.5 per cent of the annual estimates and Kshs.14.3 billion incurred on recurrent activities representing 17.6 per cent of the annual recurrent estimates.

Analysis by programme performance shows that, the Marine Transport programme under the State Department of Transport recorded the highest proportion of programme expenditure to its annual estimates at 69.6 per cent, while ICT Infrastructure Development programme under State Department State Department for Information Communications & Technology recorded the lowest at 0.3 per cent.

## 5.5 Environmental Protection, Water and Natural Resources Sector

The Sector's allocation in FY 2018/19 amounts to Kshs.70.3 billion for implementing eleven programmes. This comprises of Kshs.55.1 billion (78 per cent) for development programmes and Kshs.15.2 billion (22 per cent) for recurrent programmes. The analysis of Environmental Protection, Water and Natural Resources Sector programmes performance in the first three months of FY 2018/19 is presented in Table 5.4.

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

VOTE	Programme	Estimate			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
Ministry of Water and Sanitation	General Administration, Planning and Support Services	-	0.4	0.4	-	0.1	0.1	27.7
	Water Resources Management	5.8	1.2	7.0	0.7	0.2	0.8	12.1
	Water and Sewerage Infrastructure Development	32.6	2.5	35.0	3.6	0.6	4.2	11.9
	Water Storage and Flood Control	10.4	0.1	10.5	-	0.02	0.02	0.2
Ministry of Environment and Forestry	Environment Management and Protection	1.7	1.5	3.2	-	0.4	0.4	12.8
	General Administration, Planning and Support Services	-	0.3	0.3	-	0.05	0.05	14.4
	Meteorological Services	1.1	1.1	2.2	-	0.3	0.3	12.5
	Forests and Water Towers Conservation	3.0	7.1	10.1	0.1	0.8	0.9	8.6
	Resources Surveys and Remote Sensing	0.2	0.1	0.3	-	0.03	0.03	8.4
State Department for Mining	General Administration Planning and Support Services	0.03	0.7	0.7	-	0.1	0.1	9.4
	Mineral Resources Management	0.3	0.3	0.6	-	0.1	0.1	9.2
<b>Total</b>		<b>55.1</b>	<b>15.2</b>	<b>70.3</b>	<b>4.3</b>	<b>2.6</b>	<b>6.9</b>	<b>9.8</b>

Source: MDAs and National Treasury

The Water and Sewerage Infrastructure Development programme under Ministry of Water and Sanitation received the highest allocation at Kshs.35 billion (49.8 per cent of the annual estimates

for the sector), while Resources Surveys and Remote Sensing programme under the Ministry of Environment and Forestry received the lowest allocation at Kshs.0.3 billion, translating to less than 1 per cent.

The total expenditure for the sector programmes amounted to Kshs.6.9 billion representing implementation rate of 9.8 per cent. This comprised of Kshs.4.3 billion for development activities, an absorption rate of 7.9 per cent and Kshs.2.6 billion on recurrent activities representing 17 per cent of the annual recurrent estimates.

Analysis by programme performance shows, the General Administration, Planning and Support Services programme under the Ministry of Water and Sanitation recorded the highest proportion of programme expenditure to its annual estimates at 27.7 per cent, while Water Storage and Flood Control programme under the same Ministry recorded the lowest, less than 1 per cent.

## 5.6 General Economic and Commercial Affairs Sector (GECA)

The Sector's allocation in FY 2018/19 amounts to Kshs.38.8 billion for implementing nine programmes. This comprises of Kshs.21.8 billion (56 per cent) for development programmes and Kshs.17 billion (44 per cent) for recurrent programmes. Analysis of GECA Sector programmes performance in the first three months of FY 2018/19 is presented in Table 5.5.

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

VOTE	Programme	Estimates			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
State Department for Industrialization	General Administration Planning and Support Services	0.2	1.0	1.1	-	0.2	0.2	14.0
	Industrial Development and Investments	2.5	1.0	3.4	-	0.2	0.2	5.2
	Standards and Business Incubation	1.7	0.8	2.5	-	0.1	0.1	5.4
State Department for Cooperatives	Cooperative Development and Management	0.8	0.5	1.4	-	0.1	0.1	4.7
State Department for Trade	Trade Development and Promotion	0.3	1.6	1.9	-	0.3	0.3	14.0
State Department for East African Community	East African Affairs and Regional Integration	0.1	0.6	0.6	-	0.1	0.1	14.8
State Department for Regional and Northern Corridor Development	Integrated Regional Development	12.6	2.0	14.6	0.3	0.4	0.7	4.6
Ministry of Tourism and Wildlife	Tourism Development and Promotion	2.1	7.6	9.7	-	0.7	0.7	7.1
	Wildlife Management and Conservation	1.5	2.0	3.6	-	0.3	0.3	8.3
<b>Total</b>		<b>21.8</b>	<b>17.0</b>	<b>38.8</b>	<b>0.3</b>	<b>2.3</b>	<b>2.6</b>	<b>6.6</b>

Source: MDAs and National Treasury

The Integrated Regional Development programme under the State Department for Regional and Northern Corridor Development received the highest budget allocation at Kshs.14.6 billion (37.7 per cent of the total budget allocation for the sector), while the East African Affairs and Regional Integration programme under the State Department for East African Community received the lowest allocation at Kshs.0.6 billion (1.6 per cent of the total budget allocation for the sector).

The total expenditure for the sector programmes amounted to Kshs.2.6 billion representing implementation rate of 6.6 per cent. This comprised of Kshs.0.3 billion for development activities, implementation rate of 1.2 per cent of the annual estimates and Kshs.2.3 billion incurred on recurrent activities representing 13.4 per cent of the annual recurrent estimates.

Analysis by programme performance shows, the East African Affairs and Regional Integration programme under the State Department for East African Community recorded the highest proportion of programme expenditure to its annual estimates at 14.8 per cent while Integrated Regional Development programme under the State Department for Regional and Northern Corridor Development recorded the lowest at 4.6 per cent.

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

The sector's budgetary allocation in FY 2018/19 was Kshs.190.2 billion to fund twenty two programmes. The allocation comprised of Kshs.22.3 billion (11.7 per cent) for development programmes and Kshs.167.8 billion (88.3 per cent) for recurrent programmes. Analysis of the GJLOS sector programmes performance in the first three months of FY 2018/19 is presented in Table 5.6.

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

VOTE	Programme	Estimate			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
State Department for Interior	Policing services	9.9	85.7	95.5	0.7	12.9	13.5	14.2
	Planning, Policy Coordination and Support Services	4.2	18.1	22.3	0.2	4.4	4.6	20.6
	Government Printing Services	0.2	0.7	0.9	-	0.1	0.1	10.2
	Population Management Services	3.1	4.6	7.7	0.4	0.4	0.8	10.0
State Department for Correctional Services	Betting Control, Licensing and Regulation Services	-	0.3	0.3	-	0.1	0.1	19.1
	Correctional services	1.7	25.3	27.0	-	3.8	3.8	14.1
	General Administration, Planning and Support Services	0.1	0.5	0.5	-	0.1	0.1	17.2
State Department for Immigration and Citizen Services	Population Management Services	0.7	1.9	2.6	-	0.2	0.2	8.0
State Law Office and Department of Justice	Legal Services	-	1.8	1.8	-	0.4	0.4	20.8
	Governance, Legal Training and Constitutional Affairs	0.6	1.8	2.4	0.0	0.3	0.3	13.6
	General Administration, Planning and Support Services	0.1	0.6	0.7	0.0	0.1	0.1	19.2
The Judiciary	Dispensation of Justice	1.5	12.9	14.5	0.5	2.6	3.1	21.6
Ethics and Anti-Corruption Commission	Ethics and Anti-Corruption	0.1	2.8	2.9	-	0.7	0.7	22.5
Office of Director of Public Prosecutions	Public Prosecution Services	0.1	2.8	2.9	-	0.5	0.5	15.6
Office of the Registrar of Political Parties	Registration, Regulation and Funding of Political Parties	-	0.8	0.8	-	0.2	0.2	20.0

VOTE	Programme	Estimate			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
Witness Protection Agency	Witness Protection	-	0.5	0.5	-	0.1	0.1	25.2
Kenya National Commission of Human Rights	Protection and Promotion of Human Rights	-	0.4	0.4	-	0.1	0.1	22.4
Independent Electoral and Boundaries Commission	Management of Electoral Processes	0.0	4.2	4.2	-	0.5	0.5	12.2
Judicial Service Commission	Dispensation of Justice	-	0.4	0.4	-	0.1	0.1	16.6
National Police Service Commission	National Police Service Human Resource Management	-	0.6	0.6	-	0.1	0.1	23.3
National Gender and Equality Commission	Promotion of Gender Equality and Freedom from Discrimination	-	0.4	0.4	-	0.1	0.1	18.5
Independent Policing Oversight Authority	Policing Oversight Services	-	0.8	0.8	-	0.2	0.2	28.9
<b>Total</b>		<b>22.3</b>	<b>167.8</b>	<b>190.2</b>	<b>1.8</b>	<b>27.8</b>	<b>29.6</b>	<b>15.6</b>

Source: MDAs and National Treasury

The Policing services programme under State Department for Interior received the highest allocation at Kshs.95.5 billion (50.2 per cent of the annual estimates for the sector) while Betting Control, Licensing and Regulation Services programme under the State Department for Correctional Services received the lowest allocation at Kshs.340.3 million, translating to less than 1 per cent.

The total expenditure for the sector programmes amounted to Kshs.29.6 billion representing implementation rate of 15.6 per cent. This comprised of Kshs.1.8 billion for development activities, at a rate of 8.2 per cent of the annual estimates and Kshs.27.8 billion incurred on recurrent activities representing 16.6 per cent of the annual recurrent estimates.

Analysis by programme performance shows the Policing Oversight Services programme under the Independent Policing Oversight Authority recorded the highest proportion of programme expenditure to its annual estimates at 28.9 per cent while Population Management Services programme under State Department for Immigration and Citizen Services recorded the lowest at 8 per cent.

## 5.8 Health Sector

The Health sector budgetary allocation in FY 2018/19 was Kshs.90. billion to fund five programmes. The allocation comprised of Kshs.40.9 billion (45. per cent) for development programmes and Kshs.49.1 billion (55 per cent) for recurrent programmes. Table 5.7 presents an analysis of the Health sector programmes performance in the first three months of FY 2018/19.

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

VOTE	Programme	Estimate			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
Ministry of Health	Preventive, Promotive & RMNCAH*	8.5	9.4	17.9	0.2	0.2	0.5	2.6
	National Referral & Specialized Services	14.6	15.0	29.6	1.6	2.8	4.4	14.9
	Health Research and Development	8.3	9.1	17.4	0.0	1.1	1.2	6.7
	General Administration, Planning & Support Services	3.9	5.8	9.7	0.0	1.5	1.5	15.8
	Health Policy, Standards and Regulations	5.7	9.8	15.5	2.5	0.1	2.6	16.8
<b>Total</b>		<b>40.9</b>	<b>49.1</b>	<b>90.0</b>	<b>4.4</b>	<b>5.8</b>	<b>10.2</b>	<b>11.3</b>

Source: MDAs and National Treasury

RMNCAH\*-Reproductive, Maternal, Newborn Child and Adolescent Help

Analysis of the Health sector shows that, National Referral & Specialized Services programme received the highest budgetary allocation of Kshs.29.6 billion (33 per cent of the total annual allocation for the sector), while the General Administration, Planning & Support Services programme had the lowest allocation at Kshs.9.7 billion (10.8 per cent of the Sector's total annual allocation).

The total expenditure for the sector's programmes in the period under review amounted to Kshs.10.2 billion, implementation rate of 11.3 per cent of the annual gross budget estimates. This comprised of Kshs.4.4 billion on development expenditure, with an implementation rate of 10.7 per and Kshs.5.8 billion for recurrent expenditure, which accounted for 11.8 per cent of the annual recurrent estimates.

Analysis of programmes performance shows that Health Policy, Standards and Regulations programme recorded the highest proportion of programme expenditure to its annual estimates at 16.8 per cent, while the Preventive, Promotive and RMNCAH programme registered the lowest at 2.6 per cent.

## 5.9 National Security Sector

The National Security budgetary allocation in FY 2018/19 was Kshs.142.3 billion to fund its two programmes. This comprises of Kshs.15 billion (11 per cent) for development expenditure and Kshs.127.3 billion (89 per cent) for recurrent expenditure. The analysis of National Security sector programmes performance in the first three months of FY 2018/19 is presented in Table 5.8.

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

VOTE	Programme	Estimate			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
Ministry of Defence	Defence	15.0	96.1	111.1	-	30.2	30.2	27.2
National Intelligence Service	National Security Intelligence	-	31.2	31.2	-	6.9	6.9	22.1
<b>Total</b>		<b>15.0</b>	<b>127.3</b>	<b>142.3</b>	<b>-</b>	<b>37.1</b>	<b>37.1</b>	<b>26.1</b>

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 an allocation of Kshs.111.1 billion (78 per cent of the total allocation for the sector), while National Security Intelligence under National Intelligence Service received Kshs.31.2 billion (22 per cent of the total allocation for the sector) respectively.

The total recurrent expenditure for the sector programmes in the reporting period amounted to Kshs.37.1 billion, which represented 26.1 per cent of the annual estimates. Analysis of programme performance shows that, Defence programme recorded implementation rate of 27.2 per cent while the National Security Intelligence programme recorded 22.1 per cent.

## 5.10 Public Administration and International Relations (PAIR) Sector

The Public Administration and International Relations (PAIR) Sector's allocation in FY 2018/19 amounts to Kshs.251 billion for implementing thirty three programmes. This comprises of Kshs.89.7 billion (36 per cent) for development programmes and Kshs.161.3 billion (64 per cent) for recurrent programmes. The analysis of PAIR Sector programmes performance in the first three months of FY 2018/19 is presented in Table 5.9.

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

VOTE	Programme	Estimate			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
The Presidency	Cabinet Affairs	0.7	1.8	2.5	-	0.3	0.3	11.1
	Government Advisory Services	-	0.8	0.8	-	0.1	0.1	7.8
	State House Affairs	0.3	3.3	3.6	-	0.4	0.4	12.1
	Deputy President Services	0.1	2.2	2.3	-	0.4	0.4	17.6
State Department for Planning and Statistics	Economic Policy and National Planning	1.1	1.5	2.6	0.04	0.3	0.4	14.4
	National Statistical Information Services	1.4	8.3	9.8	0.4	2.1	2.4	24.8
	Monitoring and Evaluation Services	0.1	0.1	0.2	-	0.01	0.0	3.4
	General Administration Planning and Support Services	-	0.4	0.4	-	0.1	0.1	13.0
State Department for Devolution	Devolution Services	36.8	0.8	37.6	8.7	0.1	8.7	23.2
	General Administration Planning and Support Services	1.2	0.3	1.5	0.3	0.1	0.3	21.0
	Special Initiatives	-	1.7	1.7	-	0.1	0.1	6.7
Ministry of Foreign Affairs	General Administration Planning and Support Services	0.1	1.4	1.5	0.04	0.3	0.3	22.8
	Foreign Relation and Diplomacy	1.6	13.5	15.2	0.2	3.2	3.5	22.9
	Economic and Commercial Diplomacy	-	0.1	0.1	-	0.02	0.02	21.9
	Foreign Policy Research, Capacity Development and Technical Cooperation	0.2	0.1	0.3	0.01	0.03	0.04	12.2
The National Treasury	General Administration, Planning and Support Services	3.4	62.7	66.1	-	3.8	3.8	5.8
	Public Financial Management	34.2	4.3	38.5	1.7	2.7	4.4	11.4
	Economic and Financial Policy Formulation and Management	0.9	1.3	2.2	0.06	0.3	0.3	15.6
	Market Competition	0.1	0.3	0.4	0.003	0.1	0.1	14.0
	Government Clearing Services	-	0.1	0.1	-	0.01	0.01	9.6
State Department for Public Service and Youth Affairs	Public Service Transformation	1.4	6.0	7.4	0.2	0.8	1.0	13.5
	Youth Empowerment	2.7	7.4	10.1	0.4	1.1	1.5	14.6
Parliamentary Service Commission	Senate Affairs	-	6.4	6.4	-	1.0	1.0	15.6
	General Administration, Planning and Support Services	2.7	5.9	8.6	-	1.0	1.0	11.2

VOTE	Programme	Estimate			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
National Assembly	National Legislation, Representation and Oversight	-	21.9	21.9	-	3.5	3.5	15.8
Commission on Revenue Allocation	Inter-Governmental Revenue and Financial Matters	-	0.4	0.4	-	0.1	0.1	15.4
Public Service Commission	General Administration, Planning and Support Services	0.1	0.8	0.9	-	0.2	0.2	20.9
	Human Resource Management and Development	-	0.2	0.2	-	0.05	0.05	24.0
	Governance and National Values	-	0.2	0.2	-	0.04	0.04	24.6
Salaries and Remuneration Commission	Salaries and Remuneration Management	-	0.6	0.6	-	0.1	0.1	12.0
Auditor General	Audit Services	0.7	5.2	5.9	0.03	1.1	1.2	19.9
Controller of Budget	Control and Management of Public Finances	-	0.6	0.6	-	0.1	0.1	14.1
Commission on Administrative Justice	Promotion of Administrative Justice	-	0.5	0.5	-	0.1	0.1	17.0
<b>Total</b>		<b>89.7</b>	<b>161.3</b>	<b>251.0</b>	<b>12.0</b>	<b>23.3</b>	<b>35.3</b>	<b>14.1</b>

Source: MDAs and National Treasury

The General Administration, Planning and Support Services programme and Government Clearing Services programme both under the National Treasury received the highest allocation at Kshs.66.1 billion (26.3 per cent of the annual estimates for the sector), and the lowest at Kshs.75.6 million, (translating to less than 1 per cent for the sector), respectively.

The total expenditure for the sector's programmes amounted to Kshs.35.3 billion representing implementation rate of 14.1 per cent. This comprised of Kshs.12 billion for development activities, a rate of 13.4 per cent of the annual estimates and Kshs.23.3 billion on recurrent activities representing 14.5 per cent of annual the recurrent estimates.

Analysis by programme performance shows, National Statistical Information Services programme under State Department for Planning and Statistics recorded the highest proportion of programme expenditure to its annual estimates at 24.8 per cent while its Monitoring and Evaluation Services programme recorded the lowest at 3.4 per cent.

### 5.11 Social Protection, Culture and Recreation Sector

The Sector's allocation in FY 2018/19 amounts to Kshs.52.9 billion for implementing fifteen programmes. This comprises of Kshs.24.4 billion (46 per cent) for development programmes and Kshs.28.5 billion (54 per cent) for recurrent programmes. Table 5.10 presents an analysis of the Social Protection, Culture and Recreation sector's programme performance in the first three months of FY 2018/19.

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

VOTE	Programme	Estimate			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
State Department for Development of the ASAL	Accelerated ASAL Development	5.4	1.0	6.4	0.72	0.2	0.9	14.3
State Department for Sports	Sports	0.7	1.5	2.2	-	0.3	0.3	14.1
State Department for Heritage	Culture	0.5	1.4	1.9	0.21	0.3	0.5	26.7
	The Arts	0.08	0.8	0.8	0.03	0.2	0.2	23.8
	Library Services	0.3	0.7	1.0	0.1	0.1	0.2	25.2
	General Administration, Planning and Support Services	-	0.2	0.2	-	0.05	0.05	24.2
State Department for Labour	General Administration, Planning and Support Services	-	0.7	0.7	-	0.08	0.08	11.6
	Promotion of the Best Labour Practice	0.2	0.7	0.8	0.05	0.04	0.1	11.1
	Manpower Development, Employment and Productivity Management	1.4	1.2	2.6	0.10	0.2	0.3	10.7
State Department for Social Protection	Social Development and Children Services	1.2	3.3	4.5	0.2	0.7	0.9	19.8
	National Social Safety Net	11.3	15.2	26.5	1.5	3.4	4.8	18.2
	General Administration, Planning and Support Services	-	0.3	0.3	-	0.06	0.06	20.8
State Department for Gender	Community Development	2.7	-	2.7	0.7	-	0.7	25.0
	Gender Empowerment	0.7	1.3	2.0	0.2	0.29	0.5	23.2
	General Administration, Planning and Support Services	-	0.3	0.3	-	0.04	0.04	16.7
<b>Total</b>		<b>24.4</b>	<b>28.5</b>	<b>52.9</b>	<b>3.8</b>	<b>5.9</b>	<b>9.6</b>	<b>18.2</b>

Source: MDAs and National Treasury

The National Social Safety Net programme under State Department for Social Protection received the highest allocation at Kshs.26.5 billion (50.2 per cent of the annual estimates for the sector), while General Administration Planning and Support Services programme under the State Department for Heritage received the lowest allocation at Kshs.0.2 billion, translating to less than 1 per cent.

The total expenditure for the sector programmes amounted to Kshs.9.6 billion representing an absorption rate of 18.2 per cent. This comprised of Kshs.3.8 billion for development activities, implementation rate of 15.4 per cent of the annual estimates and Kshs.5.9 billion on recurrent activities representing 20.7 per cent of the annual recurrent estimates.

Analysis by programme performance shows that the Culture programme under the State Department for Heritage recorded the highest proportion of programme expenditure to its annual estimates at 26.7 per cent while Manpower Development, Employment and Productivity Management programme under the State Department for Labour recorded the lowest at 10.7 per cent.

## 6 KEY ISSUES AND RECOMMENDATIONS

### 6.1 Introduction

This section highlights issues that affected budget implementation by MDAs in the first three months of FY 2018/19. It also provides recommendations aimed at improving budget implementation in the subsequent period in order to achieve effective budget implementation.

### 6.2 Key Issues and Recommendations

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

#### 6.2.1 Delay in Release of Funds by the National Treasury

During the period under review, the National Treasury released a total of Kshs.428.5 billion to MDAs to finance both development and recurrent expenditure, Consolidated Fund Services and County Governments. This amount represented 16.3 per cent of the annual net estimates and was below the projected target of 25 per cent of the annual allocations by end of the first three months. Development expenditure received 5.4 per cent, recurrent activities received 20.1 per cent, while County Governments received 7.5 per cent of exchequer issues to the annual net estimates.

Delay in release of Funds hampers execution of planned activities. Therefore, the National Treasury should release funds to MDAs and County Governments in a timely manner based on their work plans and cash flow projections to ensure effective implementation of planned activities.

#### 6.2.2 Delay in Uploading of Procurement Plans into IFMIS

In the first three months of FY 2018/19, the Office noted some delay in release of funds to Ministries, Departments and Agencies. Exchequer issues towards development activities amounted to Kshs.22.3 billion, representing 5.4 per cent of the annual net estimates while gross expenditure (including Appropriations-in-Aid) was Kshs.51.1 billion translating to an absorption rate of 7.6 per cent.

From analysis of the reports submitted by some MDAs, the low level of expenditure was attributed to delay in uploading of procurement plans into IFMIS at the beginning of the financial year, which in turn, affected execution of the development budget.

The Office recommends timely uploading of procurement plans into IFMIS to facilitate prompt procurement for budgeted activities by MDAs.

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

Article 228 (6) of the Constitution of Kenya, 2010, requires the Controller of Budget to submit to each House of Parliament a report on the implementation of budgets of the national and county governments every four months. Further, Section 39 (8) of the PFM Act, 2012, requires the Controller of Budget to ensure that members of the public are given information on budget implementation.

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

The Office recommends that all Accounting Officers should ensure that expenditure reports are submitted promptly to allow timely preparation and publication of Budget Implementation Reports.

## 7 CONCLUSION

This report has been prepared in fulfilment of Article 228 (6) of the Constitution of Kenya, 2010 and Section 9 of the Controller of Budget Act, 2016. It provides information on budget execution and also highlights the challenges faced by the National Government Ministries, Departments and Agencies in budget implementation during the first three months of FY 2018/19.

In the reporting period, receipts into the Consolidated Fund amounted to Kshs.540 billion, representing 20.5 per cent of the annual target, an increase compared to Kshs.408.1 billion (32.3 per cent recorded in the first three months of FY 2017/18). Exchequer issues from the consolidated fund were Kshs.428.5 billion representing 16.3 per cent of the annual net estimates, which was a slight increase compared to Kshs.418.9 billion recorded in a similar period of FY 2017/18 (15.5 per cent of the net estimates).

Expenditure amounted to Kshs.429.3 billion, representing an absorption rate of 16 per cent, which was an increase compared to Kshs.383.5 billion recorded in a similar period of FY 2017/18. This expenditure comprised of MDAs' recurrent expenditure at Kshs.217.7 billion, representing 20.3 per cent of the gross estimates, a marginal increase by 2.5 per cent from Kshs.212.4 billion spent in a similar period of FY 2017/18. Expenditure on Consolidated Fund Services amounted to Kshs.160.5 billion, representing 16.7 per cent of the gross estimates and an increase of 87.7 per cent from Kshs.88.9 billion spent in a similar period of FY 2017/18. MDAs' development expenditure amounted to Kshs.51.1 billion, representing an absorption rate of 7.6 per cent and a decline of 34.2 per cent from Kshs.82.2 billion (absorption rate of 12.8 per cent) recorded in a similar period of FY 2017/18.

In the period under review, the Office identified some challenges that affected budget implementation. They included: delay in release of funds by the National Treasury, delay in uploading of procurement plans into IFMIS, and, delay by MDAs in submitting financial reports to the Controller of Budget. To enhance budget execution the National Treasury should ensure exchequer issues are released to MDAs according to the approved cash flow projections and procurement plans. Further, in order to ensure timely publication of Budget Implementation Review Reports by the Controller of Budget, all Accounting Officers should ensure financial reports are submitted promptly in line with the law.

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

**ANNEX I: MDAs Development Expenditure for the First Three Months of FY 2018/19 (Kshs)**

NAME OF THE MINISTRY/STATE DEPARTMENT	Gross Estimates	Net Estimates	Exchequer Issues	Expenditure	% of Exchequer Issues to Net Estimates	% of Expenditure to Gross Estimates
The Presidency	1,108,830,000	1,108,830,000	37,702,000	-	3.4	-
State Department for Interior	17,308,702,000	16,944,700,000	157,600,000	1,274,092,876	0.9	7.4
State Department for Correctional Services	1,812,600,000	1,812,600,000	-	-	-	-
State Department for Immigration and Citizen Services	690,300,000	690,300,000	-	-	-	-
State Department for Devolution	37,959,566,000	36,736,566,000	5,000,000	8,947,915,432	-	23.6
State Department for Development for the ASAL	5,358,000,000	2,820,000,000	362,000,000	724,000,000	12.8	13.5
Ministry of Defence	14,974,349,680	4,000,000,000	-	-	-	-
Ministry of Foreign Affairs	1,937,740,000	1,937,740,000	-	291,894,007	-	15.1
State Department for Vocational and Technical Training	8,338,000,000	5,038,000,000	-	428,372,008	-	5.1
State Department for University Education	13,338,000,000	10,538,000,000	-	-	-	-
State Department for Early Learning & Basic Education	10,418,830,978	9,848,830,978	696,157,765	355,855,218	7.1	3.4
The National Treasury	38,577,476,758	26,173,935,007	1,779,119,923	1,781,024,647	6.8	4.6
State Department of Planning	2,602,424,000	2,484,324,000	-	394,709,000	-	15.2
Ministry of Health	40,906,449,648	28,216,398,313	4,398,687,855	4,361,870,148	-	10.7
State Department of Infrastructure	121,685,380,000	81,052,548,000	567,210,288	9,820,319,318	0.7	8.1
State Department of Transport	90,424,591,835	12,493,000,000	8,891,616,220	8,909,214,750	71.2	9.9
State Department for Housing, Urban Development and Public Works	29,101,373,965	24,549,373,965	264,207,460	1,009,842,303	1.1	3.5
State Department for Water and Sanitation	48,771,390,000	23,577,640,000	432,673,325	4,260,000,000	1.8	8.7
State Department for Environment and Forestry	6,003,000,000	4,076,000,000	80,004,120	66,378,654	2.0	1.1
Ministry of Lands and Physical Planning	3,345,214,997	3,345,214,997	-	247,774,984	-	7.4
State Department for Information Communications and Technology & Innovation	26,958,614,114	16,697,614,114	-	-	-	-
State Department for Broadcasting & Telecommunications	688,000,000	688,000,000	-	-	-	-

NAME OF THE MINISTRY/STATE DEPARTMENT	Gross Estimates	Net Estimates	Exchequer Issues	Expenditure	% of Exchequer Issues to Net Estimates	% of Expenditure to Gross Estimates
State Department for Sports	675,000,000	675,000,000	-	-	-	-
State Department for Heritage	881,600,000	881,600,000	-	367,500,000	-	41.7
State Department for Energy	64,386,827,489	24,932,000,000	1,456,027,904	2,106,462,734	-	3.3
State Department for Livestock.	4,281,740,920	2,963,740,920	546,554,285	52,808,644	18.4	1.2
State Department for Crop Development	20,215,429,236	16,886,987,656	443,230,983	426,977,530	2.6	2.1
State Department for Fisheries, Aquaculture and the Blue Economy	2,184,000,000	2,184,000,000	26,000,000	2,848,640	1.2	0.1
State Department for Irrigation	6,659,000,000	5,790,000,000	16,299,910	1,110,000,000	0.3	16.7
State Department for Agricultural Research	475,899,330	475,899,330	-	-	-	-
State Department for Cooperatives	840,000,000	840,000,000	-	-	-	-
State Department for Trade	312,000,000	312,000,000	-	-	-	-
State Department for Industrialization	4,298,000,000	3,694,000,000	-	-	-	-
State Department for Labour	1,549,400,000	1,549,400,000	137,864,297	155,912,367	8.9	10.1
State Department for Social Protection	12,491,090,000	12,491,090,000	1,444,700,000	1,651,243,156	11.6	13.2
State Department for Mining	325,000,000	325,000,000	-	-	-	-
State Department for Petroleum	4,758,500,000	2,413,000,000	147,031,485	52,421,491	6.1	1.1
Ministry of Tourism and Wildlife	3,645,516,000	3,400,500,000	-	-	-	-
State Department for Public Service and Youth	4,068,334,400	4,068,334,400	103,841,945	590,593,004	2.6	14.5
State Department for Gender	3,413,000,000	3,413,000,000	-	853,250,000	-	25.0
State Department for East African Community	65,000,000	-	-	-	-	-
State Department for Regional and Northern Corridor Development	12,636,950,000	4,178,942,863	270,500,000	270,500,000	6.5	-
State Law Office and Department of Justice	714,000,000	714,000,000	-	39,897,276	-	5.6
The Judiciary	1,549,000,000	50,000,000	-	515,270,117	-	72.2
Ethics and Anti-Corruption Commission	125,000,000	125,000,000	-	-	-	-
Office of the Director of Public Prosecutions	100,000,000	100,000,000	-	-	-	-
Independent Electoral and Boundaries Commission	43,000,000	43,000,000	-	-	-	-

NAME OF THE MINISTRY/STATE DEPARTMENT	Gross Estimates	Net Estimates	Exchequer Issues	Expenditure	% of Exchequer Issues to Net Estimates	% of Expenditure to Gross Estimates
Parliamentary Service Commission	2,700,000,000	2,700,000,000	-	-	-	-
Public Service Commission	59,290,000	59,290,000	-	-	-	-
Teachers Service Commission	136,000,000	136,000,000	-	7,610,284	-	5.6
Auditor General	682,230,000	682,230,000	-	33,000,000	-	4.8
<b>TOTAL</b>	<b>676,579,641,350</b>	<b>410,913,630,543</b>	<b>22,264,029,765</b>	<b>51,109,558,588</b>	<b>5.4</b>	<b>7.6</b>

**ANNEX II: MDAs Recurrent Expenditure for the First Three Months of FY 2018/19 (Kshs)**

NAME OF THE MINISTRY/STATE DEPARTMENT	Gross Estimates	Net Estimates	Exchequer Issues	Expenditure	% of Exchequer Issues to Net Estimates	% of Expenditure to Gross Estimates
The Presidency	8,035,990,223	8,025,858,149	1,518,704,090	1,174,791,141	18.9	14.6
State Department for Interior	109,039,280,963	108,989,374,116	22,968,955,530	17,782,355,762	21.1	16.3
State Department for Correctional Services	26,049,050,342	26,049,050,342	5,001,049,377	3,890,096,782	19.2	14.9
State Department for Immigration and Citizen Services	1,884,968,823	1,884,968,823	316,730,065	205,525,074	16.8	10.9
State Department for Devolution	2,913,476,749	2,913,476,749	1,629,102,279	227,307,969	55.9	7.8
State Department for Development for the ASAL	1,034,530,922	1,034,530,922	225,866,715	189,582,424	21.8	18.3
Ministry of Defence	96,079,397,700	96,079,397,700	28,068,053,035	30,186,864,901	29.2	31.4
Ministry of Foreign Affairs	15,170,174,901	14,616,600,000	3,673,124,230	3,594,006,188	25.1	23.7
State Department for Vocational and Technical Training	7,672,156,413	7,662,156,413	597,421,850	1,007,607,260	7.8	13.1
State Department for University Education	87,150,793,769	48,544,693,769	11,127,365,335	11,465,100,019	22.9	13.2
State Department for Early Learning & Basic Education	88,678,455,306	87,245,855,306	25,074,631,350	24,660,510,939	28.7	27.8
State Department for Post Training and Skills Development	45,455,000	45,455,000	1,000,000	89,425	2.2	0.2
The National Treasury	68,755,400,000	68,755,400,000	7,446,564,600	6,843,876,420	10.8	10.0
State Department of Planning	10,381,760,002	10,310,760,002	2,461,278,060	2,457,183,226	23.9	23.7
Ministry of Health	49,100,820,808	37,635,814,178	6,327,116,765	5,794,118,456	16.8	11.8
State Department of Infrastructure	58,364,000,000	1,872,000,000	366,894,150	10,127,089,356	19.6	17.4
State Department of Transport	10,304,195,400	1,094,195,400	265,000,000	2,698,379,673	24.2	26.2
State Department for Shipping and Maritime.	1,668,659,873	268,659,873	46,170,507	44,123,476	17.2	2.6
State Department for Housing, Urban Development and Public Works	3,142,021,961	3,138,021,961	704,746,920	336,464,346	22.5	10.7
Ministry of Water and Sanitation	4,143,124,948	3,572,124,948	888,669,844	902,998,932	24.9	21.8
Ministry of Environment and Forestry	10,096,857,759	6,779,957,759	1,303,294,350	1,558,061,577	19.2	15.4
Ministry of Lands and Physical Planning	2,690,474,000	2,681,474,000	550,625,200	541,020,327	20.5	20.1

NAME OF THE MINISTRY/STATE DEPARTMENT	Gross Estimates	Net Estimates	Exchequer Issues	Expenditure	% of Exchequer Issues to Net Estimates	% of Expenditure to Gross Estimates
State Department for Information Communications and Technology & Innovation	1,738,675,839	1,738,675,839	252,527,500	238,725,357	14.5	13.7
State Department for Broadcasting & Telecommunications	3,115,708,000	2,015,708,000	338,322,000	346,154,215	16.8	11.1
State Department for Sports	1,502,040,337	1,501,640,337	387,419,500	307,248,392	25.8	20.5
State Department for Heritage	3,057,463,521	3,046,463,521	658,750,765	640,692,963	21.6	21.0
State Department for Energy	2,188,000,000	1,981,000,000	389,341,555	424,864,059	19.7	19.4
State Department for Livestock	1,976,791,619	1,955,791,619	457,145,820	361,814,949	23.4	18.3
State Department for Crop Development	3,352,967,333	3,345,967,333	817,441,895	795,656,832	24.4	23.7
State Department for Fisheries, Aquaculture and the Blue Economy	607,161,651	607,161,651	95,989,255	84,975,664	15.8	14.0
State Department for Irrigation	823,228,745	423,228,745	102,610,000	93,246,753	24.2	11.3
State Department for Agricultural Research	5,085,872,824	5,085,872,824	1,263,856,210	1,262,450,462	24.9	24.8
State Department for Cooperatives	530,599,580	321,299,580	76,380,500	64,565,271	23.8	12.2
State Department for Trade	1,596,904,459	1,579,044,459	323,169,600	268,174,041	20.5	16.8
State Department for Industrialization	2,733,578,998	2,233,478,998	493,132,935	468,143,085	22.1	17.1
State Department for Labour	2,537,159,574	2,099,939,574	465,952,250	291,848,997	22.2	11.5
State Department for Social Protection	18,811,704,440	18,770,039,440	4,431,960,060	4,126,190,597	23.6	21.9
State Department for Mining	971,216,695	959,216,695	152,043,700	120,482,335	15.9	12.4
State Department for Petroleum	271,500,000	224,182,805	42,294,390	38,384,005	18.9	14.1
Ministry of Tourism and Wildlife	9,630,210,198	5,152,343,198	1,020,700,000	987,882,620	19.8	10.3
State Department for Public Service and Youth	13,442,533,200	13,261,483,200	1,446,040,670	1,886,399,563	10.9	14.0
State Department for Gender	1,557,079,282	1,557,079,282	334,399,900	331,446,996	21.5	21.3
State Department for East African Community	553,084,969	553,084,969	103,707,870	91,522,380	18.8	16.5
State Department for Regional and Northern Corridor Development	1,995,526,284	1,740,526,284	412,022,830	407,224,436	23.7	20.4
State Law Office and Department of Justice	4,238,049,000	3,842,547,000	781,973,200	803,557,124	20.4	19.0
The Judiciary	12,907,500,000	12,907,500,000	3,856,659,345	2,612,280,444	29.9	20.2

NAME OF THE MINISTRY/STATE DEPARTMENT	Gross Estimates	Net Estimates	Exchequer Issues	Expenditure	% of Exchequer Issues to Net Estimates	% of Expenditure to Gross Estimates
Ethics and Anti-Corruption Commission	2,801,540,000	2,801,540,000	832,932,600	657,247,564	29.7	23.5
National Intelligence Service	31,211,000,000	31,211,000,000	7,144,433,895	6,897,565,690	22.9	22.1
Office of the Director of Public Prosecutions	2,812,276,000	2,812,276,000	428,066,400	455,334,104	15.2	16.2
Office of the Registrar of Political Parties	822,232,095	822,232,095	186,182,900	164,716,766	22.6	20.0
Witness Protection Agency	483,086,280	483,086,280	135,698,300	121,715,490	28.1	25.2
Kenya National Commission on Human Rights	395,443,114	395,443,114	82,106,900	88,726,177	20.8	22.4
National Land Commission	1,260,451,513	1,260,451,513	293,386,600	195,720,625	23.3	15.5
Independent Electoral and Boundaries Commission	4,190,624,477	4,185,624,477	538,000,000	514,502,909	12.9	12.3
Parliamentary Service Commission	12,274,000,000	12,230,000,000	2,165,500,965	1,953,250,900	17.7	15.9
National Assembly	21,855,000,000	21,855,000,000	4,189,057,985	3,461,106,023	19.2	15.8
Judicial Service Commission	364,000,000	364,000,000	45,100,000	60,338,137	12.4	16.6
The Commission on Revenue Allocation	434,556,341	434,556,341	69,724,920	66,960,125	16.0	15.4
Public Service Commission	1,160,220,000	1,159,700,000	216,000,000	266,580,550	18.6	23.0
Salaries and Remuneration Commission	564,170,000	564,170,000	63,556,780	67,503,561	11.3	12.0
Teachers Service Commission	226,550,753,422	226,033,753,422	58,186,850,880	58,248,602,784	25.7	25.7
National Police Service Commission	630,556,818	630,556,818	203,929,300	146,877,170	32.3	23.3
Auditor General	5,236,687,300	5,086,687,300	1,218,189,000	1,147,143,421	23.9	21.9
Controller of Budget	618,470,000	618,470,000	97,548,100	87,404,183	15.8	14.1
The Commission on Administrative Justice	499,389,200	499,389,200	112,695,530	84,950,120	22.6	17.0
National Gender and Equality Commission	374,965,388	374,965,388	63,970,500	69,469,774	17.1	18.5
Independent Policing Oversight Authority	817,002,200	817,002,200	230,557,285	236,318,774	28.2	28.9
<b>TOTAL</b>	<b>1,072,982,026,558</b>	<b>940,743,004,911</b>	<b>215,769,694,842</b>	<b>217,733,120,060</b>	<b>22.9</b>	<b>20.3</b>

**ANNEX III: Sectoral Development Expenditure for the First Three Months of FY 2018/19 (Kshs)**

Sector	Gross Estimates	Net Estimates	Exchequer Issues	Expenditure	% of Exchequer Issues to Net Estimates	% of Expenditure to Gross Estimates
Agriculture, Rural and Urban Development	37,161,284,483	31,645,842,903	1,032,085,178	1,840,409,798	3.3	5.0
Energy, Infrastructure and ICT	338,003,287,403	162,825,536,079	11,326,093,357	21,898,260,596	7.0	6.5
General Economics and Commercial Affairs (GECA)	21,797,466,000	12,425,442,863	270,500,000	270,500,000	2.2	1.2
Health	40,906,449,648	28,216,398,313	4,398,687,855	4,361,870,148	15.6	10.7
Education	32,230,830,978	25,560,830,978	696,157,765	791,837,510	2.7	2.5
Governance, Justice, Law and Order (GJLOS)	22,342,602,000	20,479,600,000	157,600,000	1,829,260,269	0.8	8.2
Public Administration and International Relations	89,695,891,158	75,951,249,407	1,925,663,868	12,039,136,090	2.5	13.4
National Security	14,974,349,680	4,000,000,000	-	-	-	-
Social Protection, Culture and Recreation	24,368,090,000	21,830,090,000	1,944,564,297	3,751,905,523	8.9	15.4
Environment Protection, Water and Natural Resources	55,099,390,000	27,978,640,000	512,677,445	4,326,378,654	1.8	7.9
<b>Total</b>	<b>676,579,641,350</b>	<b>410,913,630,543</b>	<b>22,264,029,765</b>	<b>51,109,558,588</b>	<b>5.4</b>	<b>7.6</b>

**ANNEX IV: Sectoral Recurrent Expenditure for the First Three Months of FY 2018/19 (Kshs)**

Sector	Gross Estimates	Net Estimates	Exchequer Issues	Expenditure	% of Exchequer Issues to Net Estimates	% of Expenditure to Gross Estimates
Agriculture, Rural and Urban Development	15,796,947,685	15,359,947,685	3,581,054,980	3,334,885,612	23.3	21.1
Energy, Infrastructure and ICT	80,792,761,073	12,332,443,878	2,405,297,022	14,254,184,487	19.5	17.6
General Economics and Commercial Affairs (GECA)	17,039,904,488	11,579,777,488	2,429,113,735	2,287,511,833	21.0	13.4
Health	49,100,820,808	37,635,814,178	6,327,116,765	5,794,118,456	16.8	11.8
Education	410,097,613,910	369,531,913,910	94,987,269,415	95,381,910,427	25.7	23.3
Governance, Justice, Law and Order (GJLOS)	167,810,575,500	167,360,166,653	35,671,911,702	27,809,062,051	21.3	16.6
Public Administration and International Relations	161,341,827,916	160,331,550,941	26,307,087,209	23,318,463,390	16.4	14.5
National Security	127,290,397,700	127,290,397,700	35,212,486,930	37,084,430,591	27.7	29.1
Social Protection, Culture and Recreation	28,499,978,076	28,009,693,076	6,504,349,190	5,887,010,369	23.2	20.7
Environment Protection, Water and Natural Resources	15,211,199,402	11,311,299,402	2,344,007,894	2,581,542,844	20.7	17.0
<b>Total</b>	<b>1,072,982,026,558</b>	<b>940,743,004,911</b>	<b>215,769,694,842</b>	<b>217,733,120,060</b>	<b>22.9</b>	<b>20.3</b>

**ANNEX V: Total Sectoral Expenditure for the First Three Months of FY 2018/19 (Kshs)**

Sector	Gross Estimates	Net Estimates	Exchequer Issues	Expenditure	% of Exchequer Issues to Net Estimates	% of Expenditure to Gross Estimates
Agriculture, Rural and Urban Development	52,958,232,168	47,005,790,588	4,613,140,158	5,175,295,410	9.8	9.8
Energy, Infrastructure and ICT	418,796,048,476	175,157,979,957	13,731,390,379	36,152,445,083	7.8	8.6
General Economics and Commercial Affairs (GECA)	38,837,370,488	24,005,220,351	2,699,613,735	2,558,011,833	11.2	6.6
Health	90,007,270,456	65,852,212,491	10,725,804,620	10,155,988,604	16.3	11.3
Education	442,328,444,888	395,092,744,888	95,683,427,180	96,173,747,937	24.2	21.7
Governance, Justice, Law and Order (GJLOS)	190,153,177,500	187,839,766,653	35,829,511,702	29,638,322,320	19.1	15.6
Public Administration and International Relations	251,037,719,074	236,282,800,348	28,232,751,077	35,357,599,480	11.9	14.1
National Security	142,264,747,380	131,290,397,700	35,212,486,930	37,084,430,591	26.8	26.1
Social Protection, Culture and Recreation	52,868,068,076	49,839,783,076	8,448,913,487	9,638,915,892	17.0	18.2
Environment Protection, Water and Natural Resources	70,310,589,402	39,289,939,402	2,856,685,339	6,907,921,498	7.3	9.8
<b>MDAs Total</b>	<b>1,749,561,667,908</b>	<b>1,351,656,635,454</b>	<b>238,033,724,607</b>	<b>268,842,678,648</b>	<b>17.6</b>	<b>15.4</b>





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