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NATIONAL GOVERNMENT
BUDGET IMPLEMENTATION REVIEW REPORT
FIRST HALF
FINANCIAL YEAR 2018/19


FEBRUARY, 2019



THE REPUBLIC OF KENYA
OFFICE OF THE CONTROLLER OF BUDGET

NATIONAL GOVERNMENT
BUDGET IMPLEMENTATION REVIEW REPORT

FIRST HALF
FINANCIAL YEAR 2018/19

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	7 th MAR 2019
	DAY: Thursday
TABLED BY:	W M
CLERK-AT THE TABLE:	Gebunde Chebet

FEBRUARY, 2019

FOREWORD

I am pleased to present the National Government Budget Implementation Review Report for the first half of the Financial Year (FY) 2018/19. The report has been prepared in conformity with Article 228(6) of the Constitution of Kenya, 2010 and Section 9 of the Controller of Budget Act, 2016 which requires the Controller of Budget (COB) to submit to each House of Parliament a report on the implementation of the budgets of the national and county governments every four months.

The report provides information on budget implementation by Government Ministries, Departments and Agencies (MDAs) for the period July to December, 2018. It is based on analysis of the Approved Supplementary Budget1, receipts into the Consolidated Fund, withdrawals from the Consolidated Fund, financial reports from MDAs, and data generated from the Integrated Financial Management Information System (IFMIS). Further, the report is also informed by exchequer records maintained by the Office of the Controller of Budget (OCOB).

Budget performance in the first half of the year is compared to a similar period in the previous financial year in order to assess progress in budget implementation. The key issues which affected budget implementation during the reporting period are identified, and appropriate recommendations aimed at addressing these issues are also included.

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

Finally, the Office will continue to provide regular information on the progress made in budget implementation to Parliament, the Public and key stakeholders in order to promote transparency and accountability in the use of public funds.



Mrs. Agnes Odhiambo, CBS
CONTROLLER OF BUDGET

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LIST OF ABBREVIATIONS AND ACRONYMS

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

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

EXECUTIVE SUMMARY

This is the half year National Government Budget Implementation Review Report for FY 2018/19 and covers the period from July to December 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 each House of Parliament a report on implementation of the budgets of the national and county governments every four months.

This report presents the progress made in implementing the FY 2018/19 Budget in the first half of FY 2018/19. It presents information on receipts into the Consolidated Fund and expenditure performance. Expenditure performance is analysed by sector, disaggregated by Government Ministries, Departments and Agencies (MDAs) and compared to a similar period of FY 2017/18. The key challenges that affected budget implementation during the period are identified and appropriate recommendations made.

In the first half of the FY 2018/19, total receipts into the Consolidated Fund amounted to **Kshs.1.1 trillion** representing **41 per cent** of the revised annual estimates, recording a growth by 20.3 per cent compared to Kshs.880.4 billion received in a similar period of FY 2017/18. Total exchequer issues to MDAs and County Governments amounted to **Kshs.1 trillion**, representing **39.3 per cent** of the revised net estimates, an increase compared to 35.8 per cent (Kshs.835.5 billion) recorded in a similar period of FY 2017/18. The exchequer issues comprised of Kshs.415.3 billion for MDAs' recurrent expenditure, Kshs.370.8 billion towards Consolidated Fund Services (CFS), Kshs.116.9 billion for development expenditure and Kshs.115.1 billion to the county governments.

Gross expenditure for MDAs and CFS amounted to **Kshs.1.1 trillion** representing **41.3 per cent** of the revised grossed estimates, an increase compared to 38.2 per cent (Kshs.915.2 billion) recorded in the first half of FY 2017/18. This expenditure comprised of **Kshs.854 billion** on recurrent activities and **Kshs.252.8 billion** on development programs. The recurrent expenditure consisted of **Kshs.465.4 billion** incurred by MDAs, representing **43.8 per cent** of the revised gross recurrent estimates, a 4.1 per cent decrease from Kshs.485.2 billion (46.1 per cent) recorded in a similar period of FY 2017/18 and **Kshs.388.6 billion** on CFS. The CFS expenditure was **40.3 per cent** of the revised gross estimates, an increase compared to 33.3 per cent recorded in a similar period of FY 2017/18.

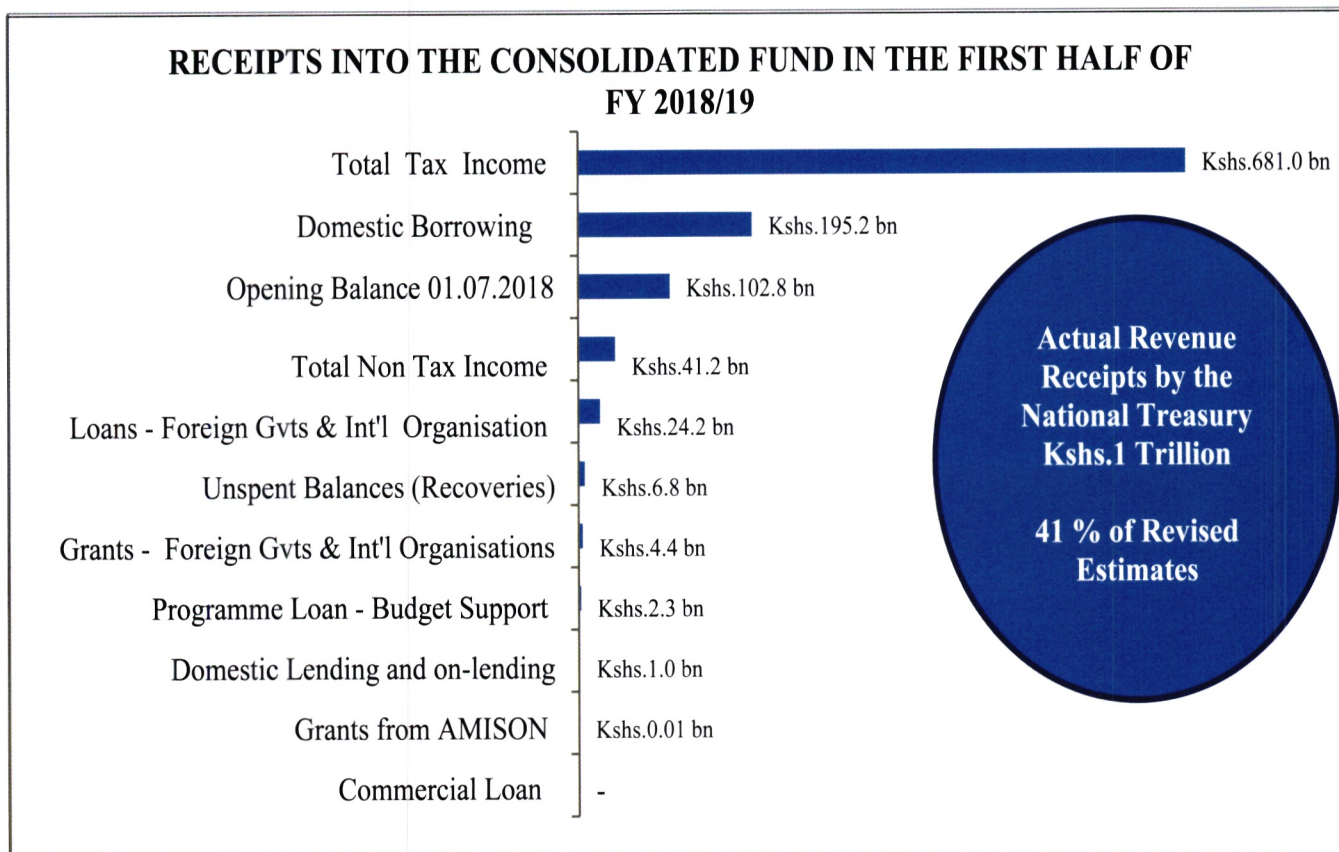
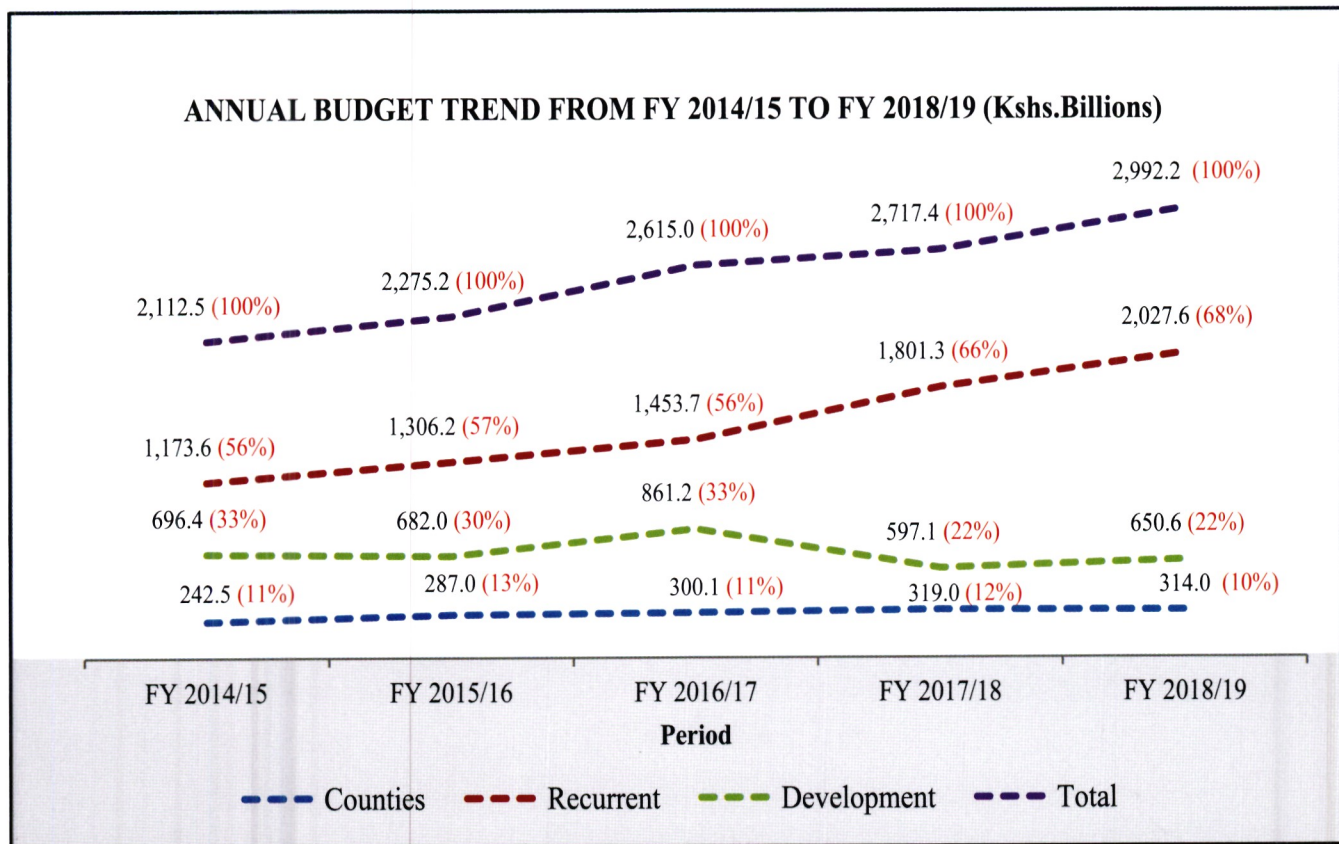
The MDAs' recurrent expenditure is analysed by major economic items of personnel emoluments, current transfers to Semi-Autonomous Government Agencies (SAGAs), travelling expenditure, rentals and rates for non-residential, and hospitality. The analysis indicated that, the highest expenditure of Kshs.193.9 billion was incurred on personnel emoluments, representing 41.6 per cent of the total recurrent expenditure. This was followed by Kshs. 174.9 billion on current transfers to SAGAs and Kshs.7.5 billion on travelling, which represented 37.6 per cent and 1.6 per cent of the MDAs total recurrent expenditure respectively. The Teachers Service Commission reported the highest expenditure on personnel emoluments at Kshs.117 billion, translating to 60.3 per cent of the total expenditure on personnel emoluments.

The gross expenditure on development activities amounted to **Kshs.252.7 billion** and represented an absorption rate of **38.8 per cent**. This was an increase compared to Kshs.185.3 billion incurred in a similar period of FY 2017/18, which presented an absorption rate of 30.6 per cent. The major development expenditure items related to: capital transfers to SAGAs, refurbishment of buildings/infrastructure, construction and civil works, and, construction of non-residential buildings. The highest

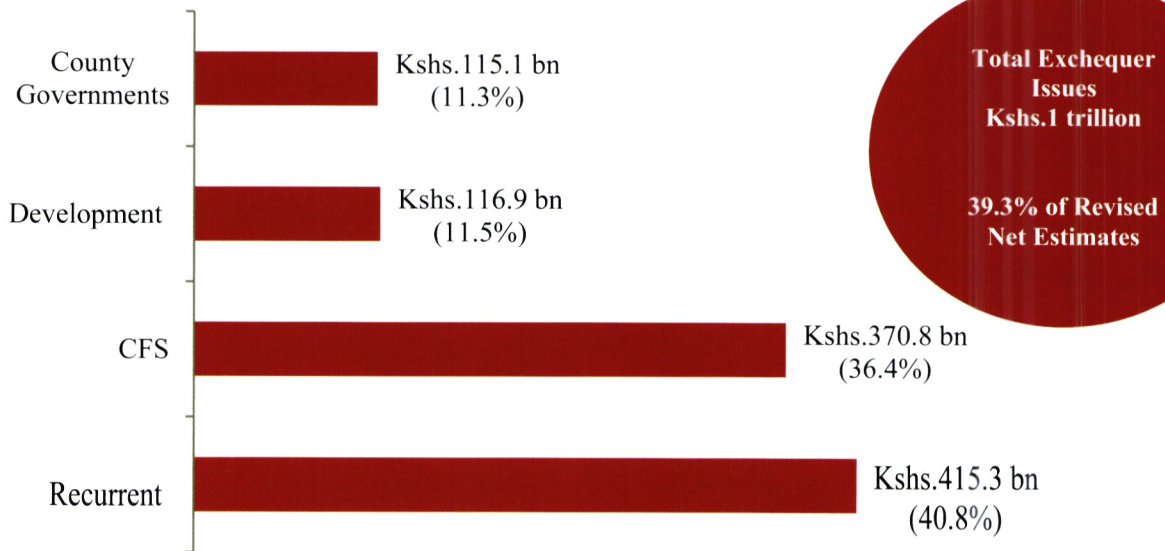
expenditure category of Kshs.116.6 billion was incurred on capital transfers to SAGAs. This was followed by expenditure refurbishment of buildings/infrastructure at Kshs.68.4 billion, representing 46.1 per cent and 27.1 per cent of the gross development expenditure respectively.

During the reporting period, implementation of the Budget faced some challenges which slowed down execution of planned activities. The challenges included; effecting budget re-allocations in the Supplementary Budget I without aligning the re-allocations to actual performance, thereby resulting in excess exchequer issues and/or expenditure compared to budget allocation, and delay by MDAs in submission of quarterly financial reports to the Controller of Budget which affected timely publication of this report. These challenges should be addressed in order to enhance budget implementation.

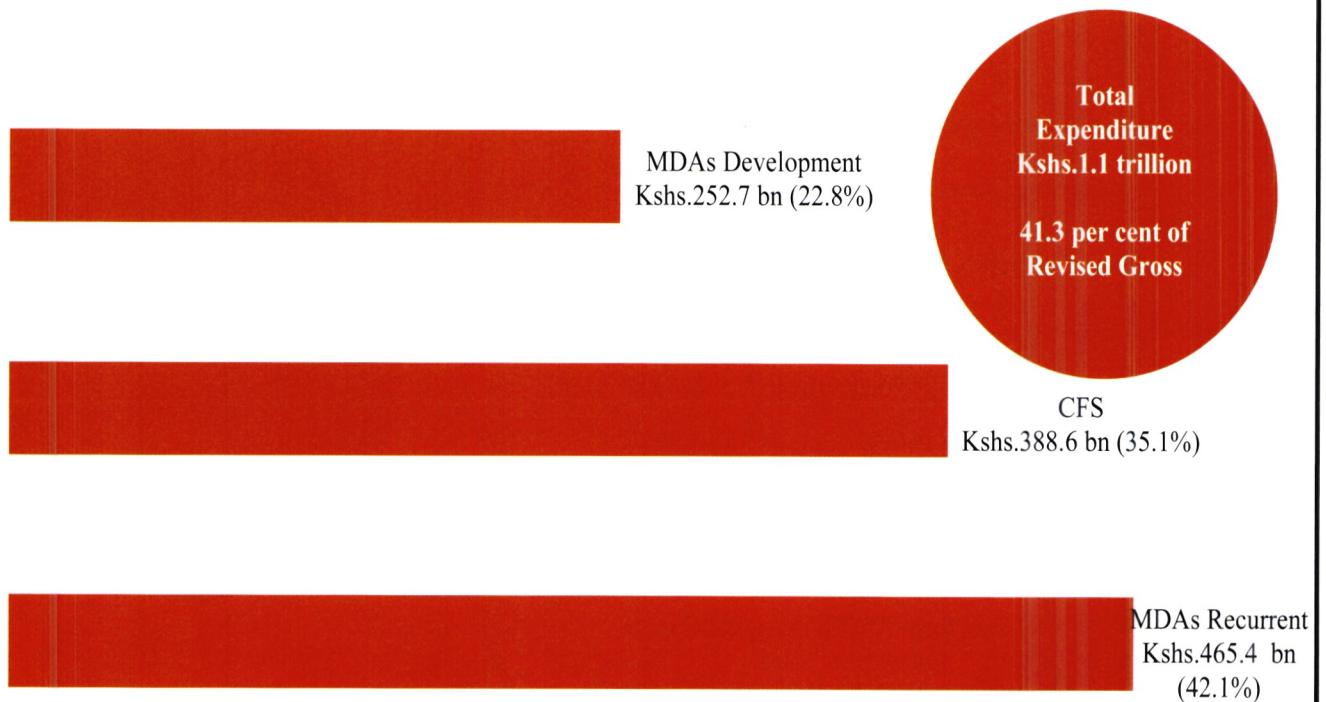
KEY HIGHLIGHTS



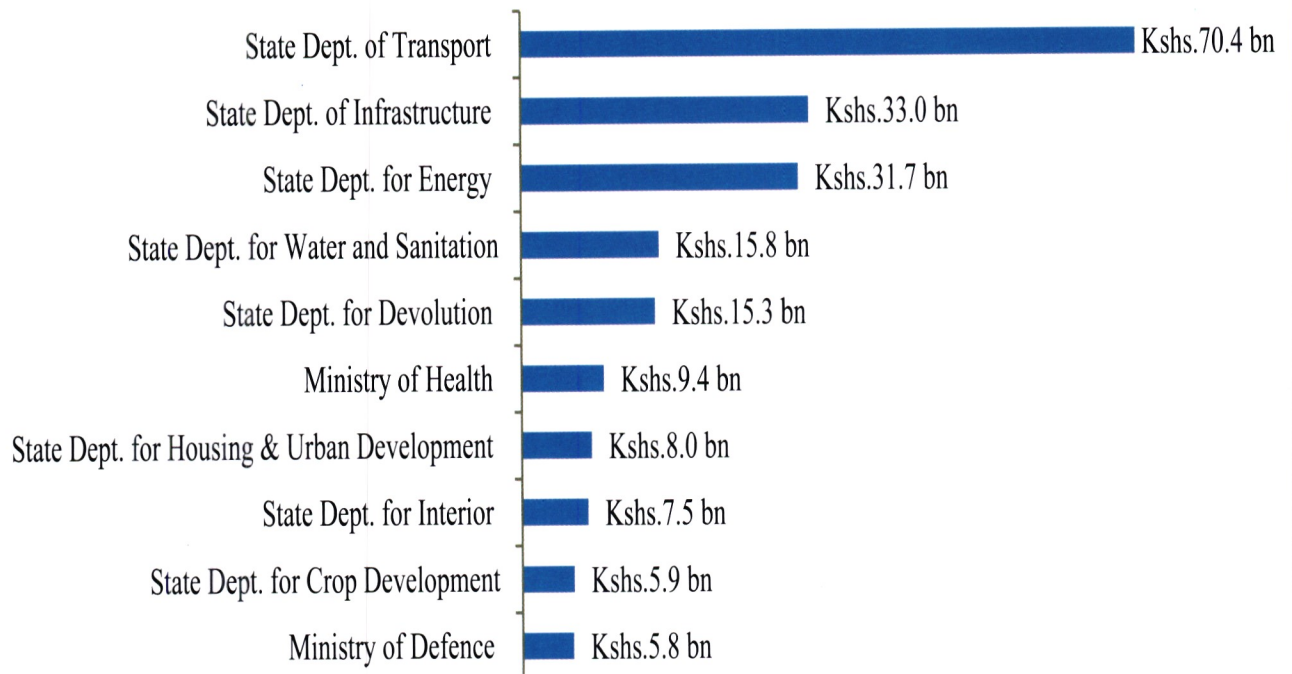
EXCHEQUER ISSUES IN THE FIRST HALF OF FY 2018/19



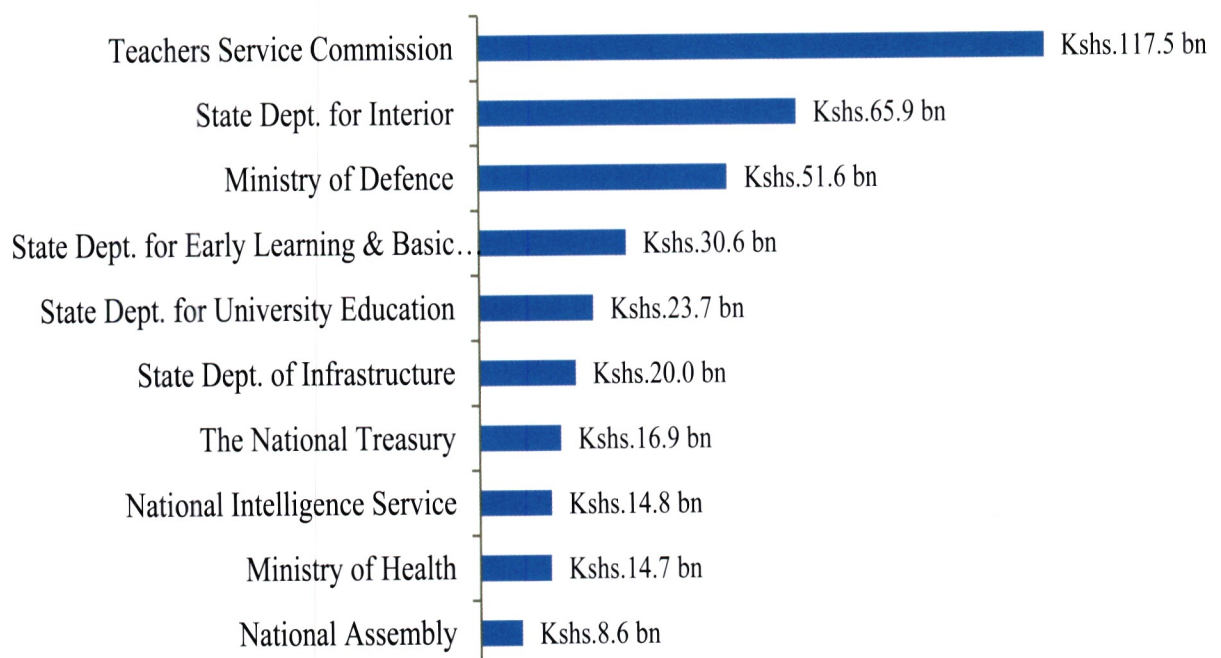
EXPENDITURE IN THE FIRST HALF OF FY 2017/18

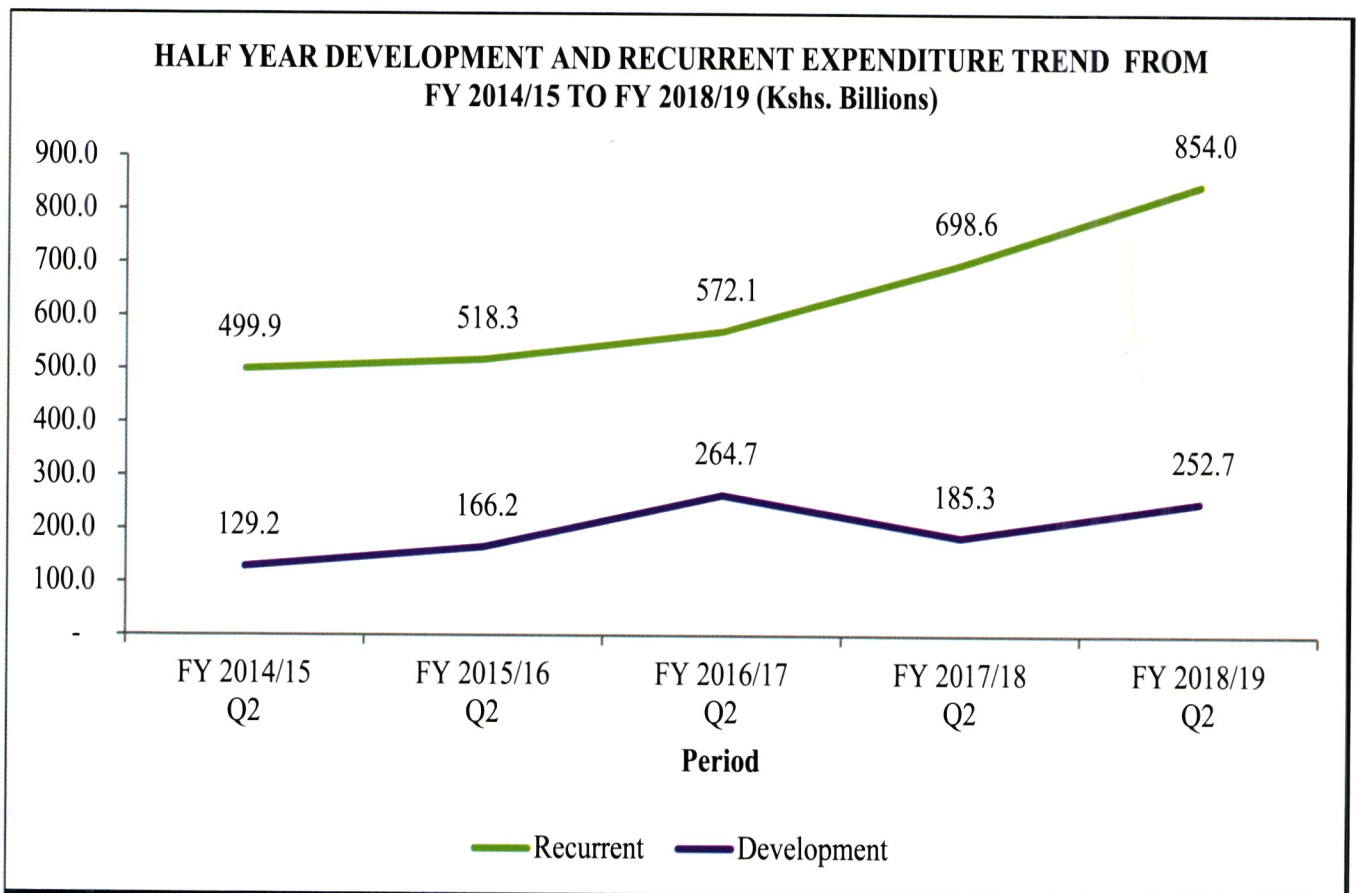
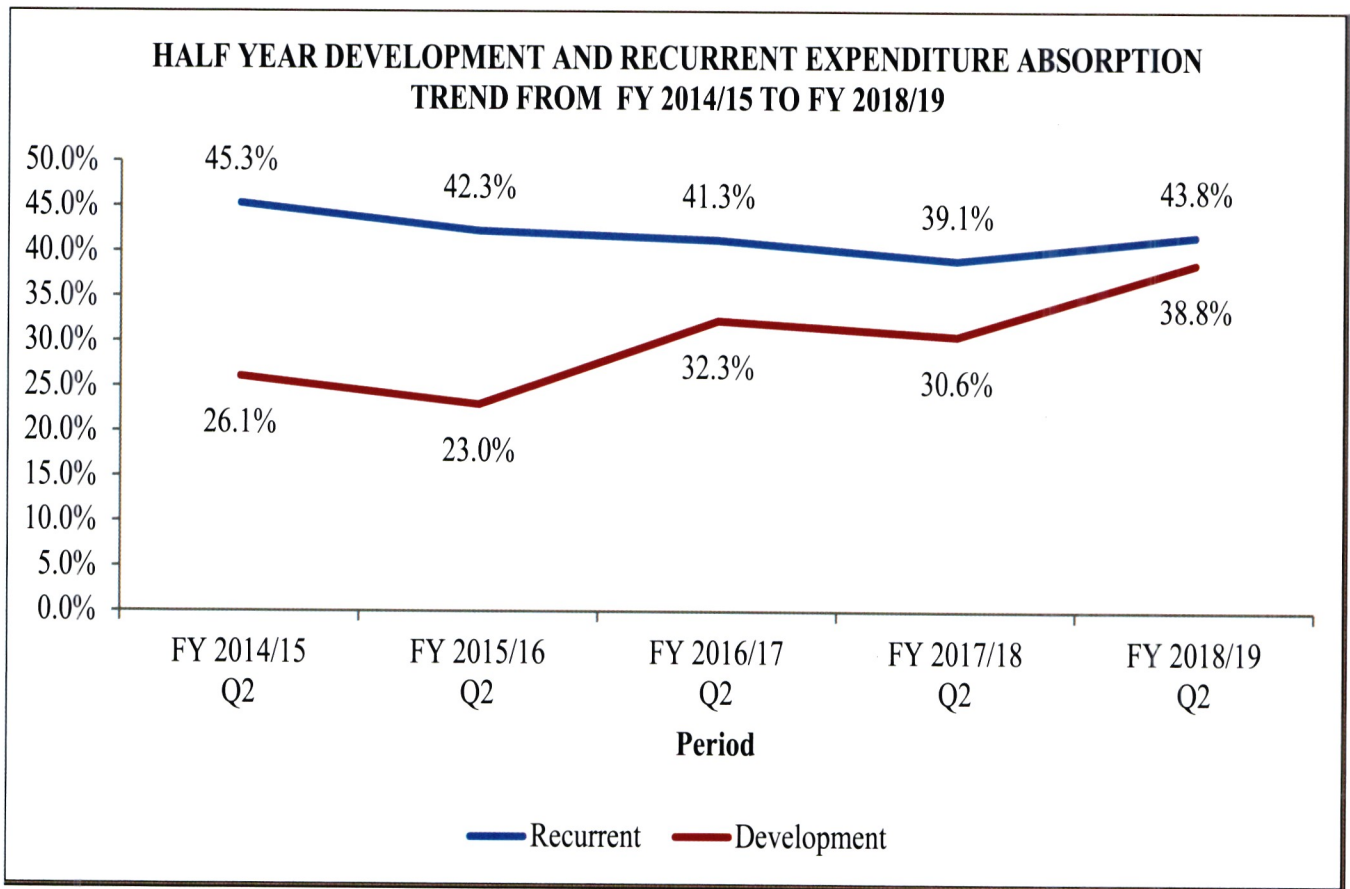


TOP 10 SPENDING MDAs - DEVELOPMENT EXPENDITURE IN THE FIRST HALF OF FY 2018/19



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





FY 2018/19 BUDGET ALLOCATION BY SECTORS FOR



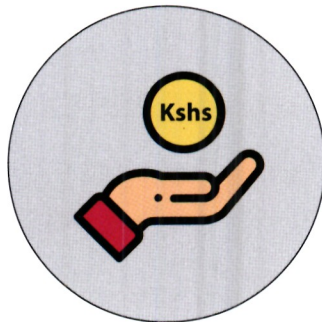
Agriculture Rural & Urban Development
Kshs.52.5 Bn



Energy, Infrastructure & ICT
Kshs.402.4 Bn



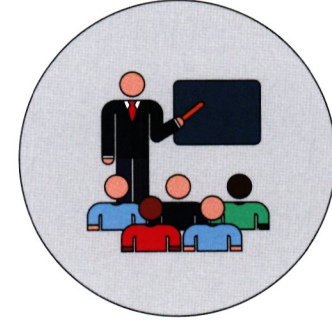
Public Administration and International Relations
Kshs.238.4 Bn



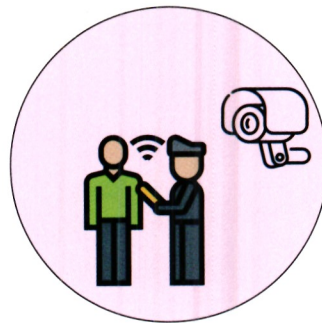
General Economics & Commercial Affairs
Kshs.34.6 Bn



Health
Kshs.90 Bn



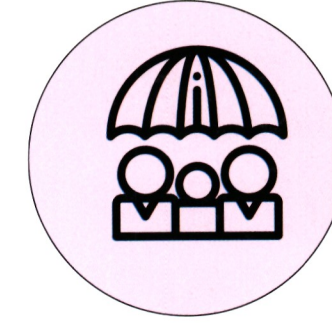
Education
Kshs.438.8 Bn



National Security
Kshs.142.2 Bn



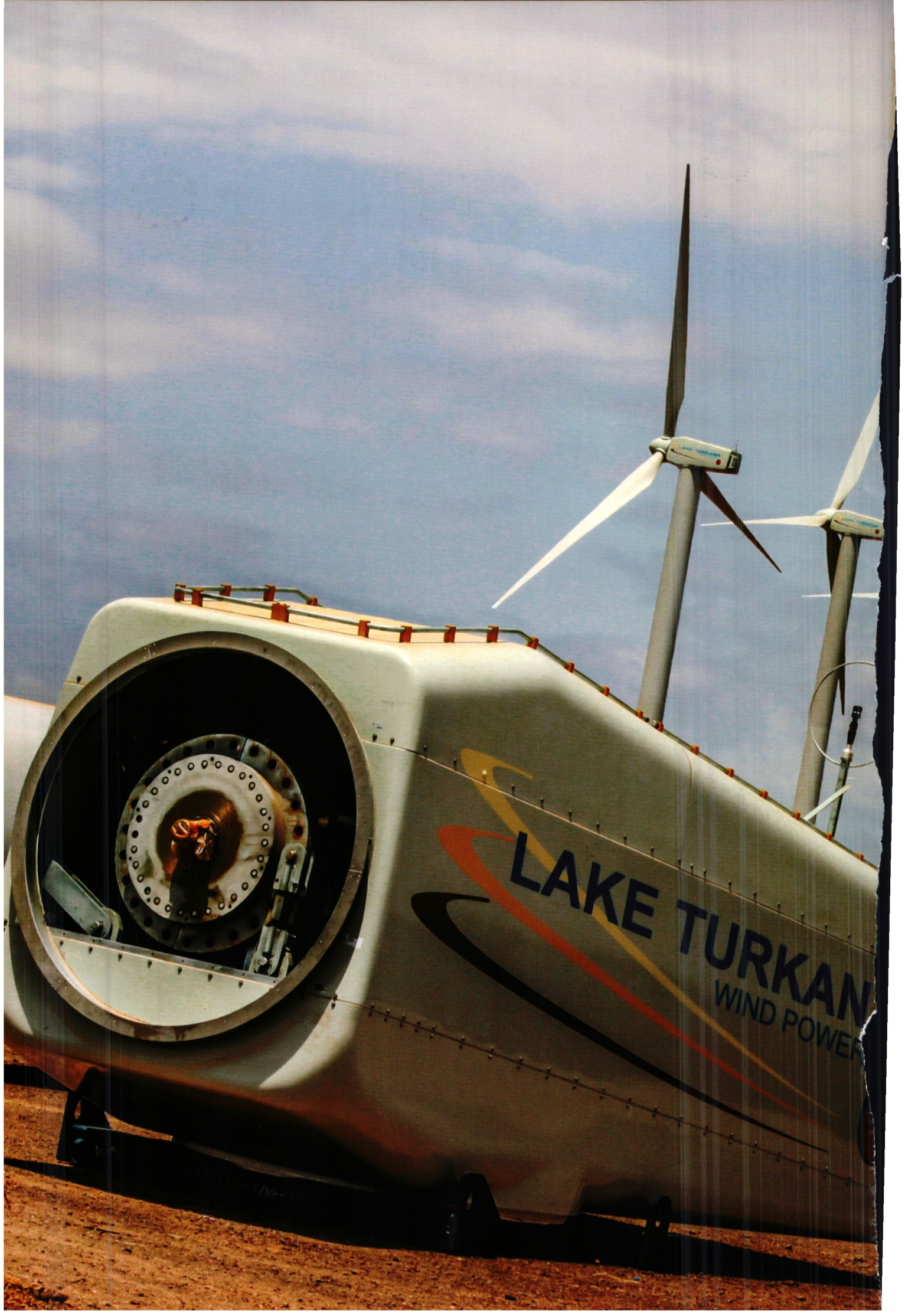
Governance, Justice, Law & Order - ***Kshs.190.5 Bn***



Social Protection, Culture & Recreation - ***Kshs.51.9 Bn***



Environmental Protection , Water & Natural Resources -
Kshs.73.1 Bn



LAKE TURKAN
WIND POWER

1 INTRODUCTION

Article 228 of the Constitution of Kenya, 2010 established the Office of the Controller of Budget to oversee the implementation of the budgets of the national and county governments by authorizing withdrawals from public funds, under Articles 204, 206 and 207 and submit a report to each House of Parliament on the implementation of the budget every four months.

This report has been prepared in compliance with Article 228(6) 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 each House of Parliament a report on the implementation of the budgets of the national and county governments every four months. It provides information on budget implementation for the first half of FY 2018/19.

The report is structured into seven chapters. Chapter one offers the introduction while chapter two provides analysis of receipts into the Consolidated Fund, exchequer issues to MDAs, Consolidated Fund Services (CFS) and County Governments. Chapter three presents a summary of overall budget performance in the first half of the year compared to a similar period in FY 2017/18. Exchequer issues are expressed as a percentage of the revised net budget estimates while expenditure performance is presented as percentage of the revised gross budget estimates. The chapter also provides data on expenditure by economic items for both recurrent and development votes. Recurrent expenditure is further analysed by major economic items which includes Personnel Emoluments (PE) and Operations and Maintenance (O&M) and Current Transfers to SAGAs. Development expenditure breakdown analysis includes capital transfer to SAGAs, refurbishment of buildings/infrastructure, civil works, among others. Expenditure under the Consolidated Fund Services is categorised as recurrent expenditure and consists of Public debt; payments for Pensions and gratuities; Salaries, allowances and miscellaneous services; 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 the revised gross and net budget estimates, exchequer issues, and expenditure by the MDAs and aggregated into sectors. 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 implementation status of each programme.

The key challenges and recommendations that affected budget implementation during the first half of the financial year are highlighted in Chapter six. Chapter seven provides the conclusion.

2 ANALYSIS OF RECEIPTS AND EXCHEQUER ISSUES

2.1 Introduction

This chapter provides a summary of receipts into the Consolidated Fund for the first half of FY 2018/19 and analysis of how the funds were issued to MDAs for development and recurrent activities, exchequer issues towards Consolidated Fund Services and transfer to the forty seven counties.

2.1.1 Analysis of Revenue Estimates and Receipts into the Consolidated Fund

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

2.1.2 FY 2018/19 Annual Revenue Estimates for FY 2018/19

The revised revenue estimates for FY 2018/19 amounted to Kshs.2.6 trillion, and was an increase compared to Kshs.2.3 trillion in FY 2017/18. In order to finance the budget, the National Treasury targeted various revenue sources which included: Tax income of Kshs.1.6 trillion, Non-tax income of Kshs.67 billion, Domestic borrowing of Kshs.537.5 billion, Commercial Loan of Kshs.288 billion, Loans from Foreign Governments and International Organisations of Kshs.56.8 billion.

Other revenue sources included: Grants from Foreign Governments and International Organisations of Kshs.13 billion, Grants from African Mission in Somalia - AMISOM of Kshs.8.5 billion and Domestic Lending and on Lending of Kshs.3.9 billion, and, Programme loan for budget support of Kshs.2.5 billion.

2.1.3 Receipts into the Consolidated Fund in the First Half of FY 2018/19

In the first six months of FY 2018/19, total receipts into the Consolidated Fund amounted to Kshs.1.1 trillion. This amount 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, international organisations and AMISON, Programme loans for budget support, Domestic lending and on-lending, and unspent balances recovered from MDAs from FY 2017/18.

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

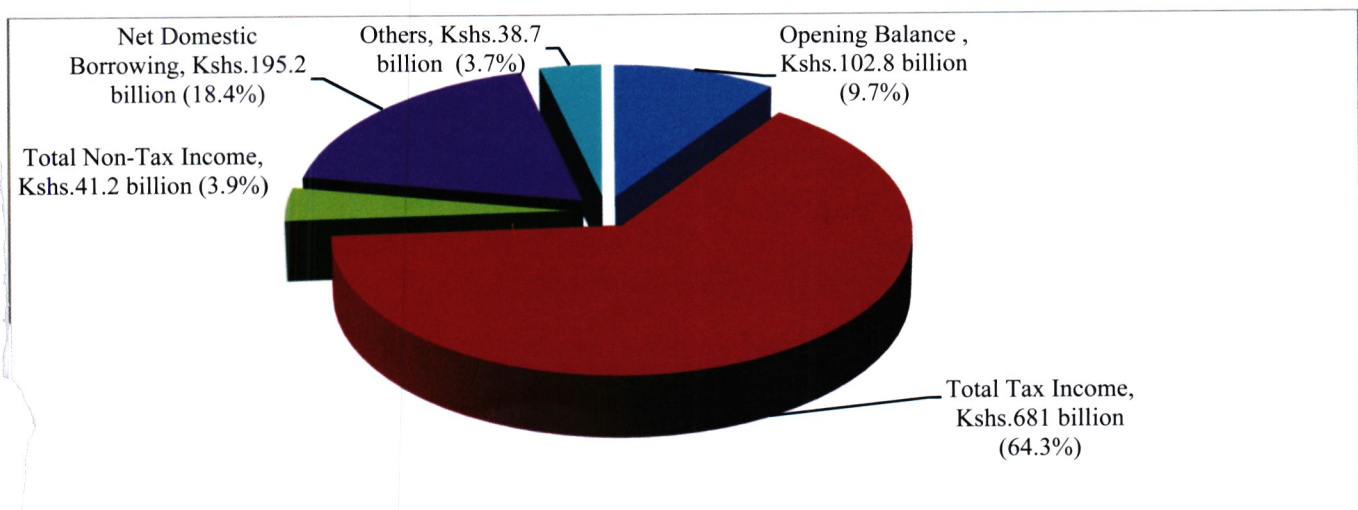
Table 2.1: Statement of Receipts into the Consolidated Fund as at 31st December, 2018 (Kshs. Billions)

Receipts	Revised Annual Estimates FY 2018/19 (Kshs.)	Actual Receipts (Kshs.)	Performance Against Annual Target (%)	Contribution by Category (%)	Actual Receipts December 2017 (Kshs.)	Increase/ Decrease in receipts over Dec. 2017 (Kshs.)	Percentage change (%)
Opening Balance 01.07.2018	-	102.8	-	9.7	30.9	71.9	>100
Total Tax Income	1,605.6	681.0	42.4	64.3	630.4	50.6	8.0
Total Non-Tax Income	67.0	41.2	61.5	3.9	26.5	14.7	55.5
Net Domestic Borrowing	537.5	195.2	36.3	18.4	158.9	36.3	22.8
Loans-Foreign Governments and International Organisations	56.8	24.2	42.6	2.3	12.6	11.6	92.1
Programme Loan- Budget Support	2.5	2.3	92.0	0.2	2.3	-	-
Domestic Lending and On-Lending	3.9	1.0	25.6	0.1	1.6	(0.6)	(37.5)
Grant-Foreign Governments and International Organisations	12.9	4.4	34.1	0.4	2.4	2.0	83.3
Grants from AMISOM	8.5	0.01	0.1	-	2.7	(2.69)	(99.6)
Commercial Loans	287.9	-	-	-	10.8	(10.8)	-
Unspent Balances (Recoveries)	-	6.8	-	0.6	1.2	5.6	>100
Total Receipts	2,582.6	1,058.9	41.0		880.4	178.6	20.3

Source: National Treasury

The composition of receipts into the Consolidated Fund in the first half of FY 2018/19 is presented in Figure 2.1.

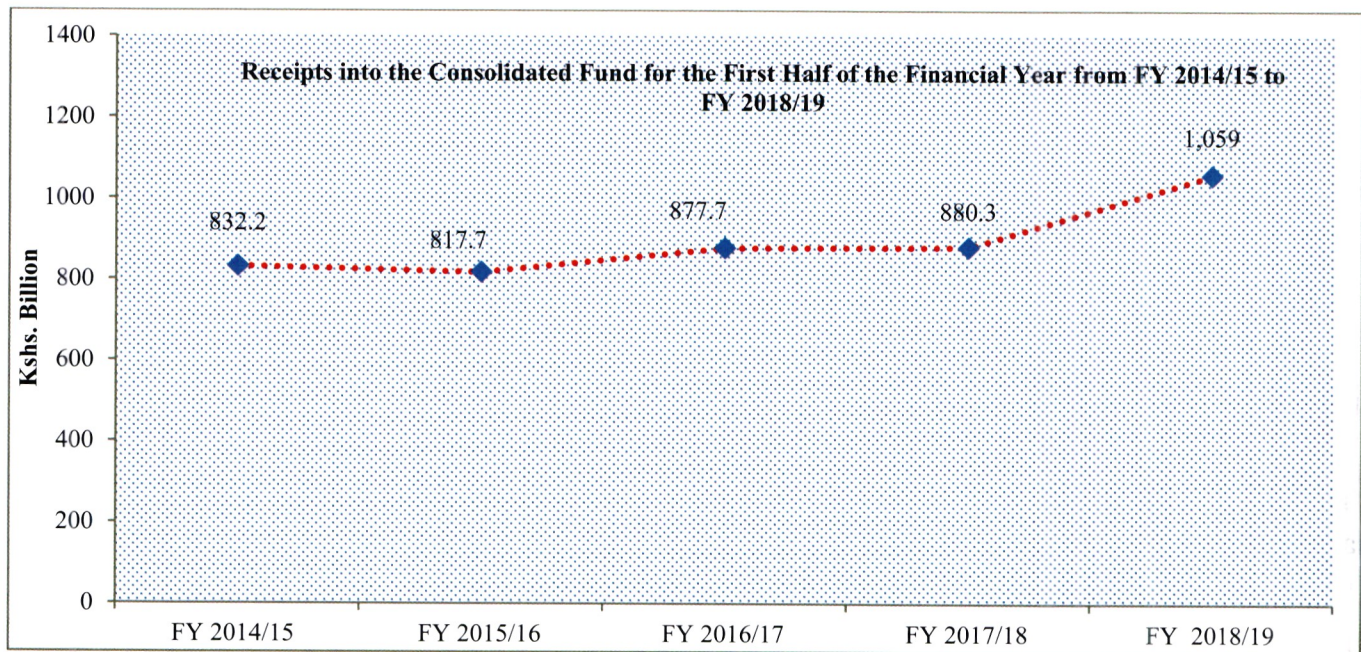
Figure 2.1: Composition of Receipts into the Consolidated Fund in the First Half of FY 2018/19



Source: National Treasury

Figure 2.2 shows trend of receipts into the Consolidated Fund for the first half for the year from FY 2014/15 to FY 2018/19.

Figure 2.2: Receipts into the Consolidated Fund in the First Half of the Financial Year from FY 2014/15 to FY 2018/19



Source: National Treasury

2.2 FY 2018/19 Overall Budget

The revised gross estimates for FY 2018/19 amounted to Kshs.3 trillion and comprised of Kshs.2 trillion for recurrent expenditure, Kshs.650.6 billion for development expenditure and Kshs.314 billion as equitable share of the nationally raised revenue to County Governments. Revised gross estimates for recurrent and development expenditure include Appropriations-in-Aid (AIA) while the revised net estimates do not.

2.3 Exchequer Issues

The total exchequer issues to MDAs and County Governments in the first half of FY 2018/19 amounted to Kshs.1 trillion. This amount represented 39.3 per cent of the revised annual net estimates and was an increase compared to 35.8 per cent (Kshs.835.5 billion) recorded in a similar period of FY 2017/18.

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

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

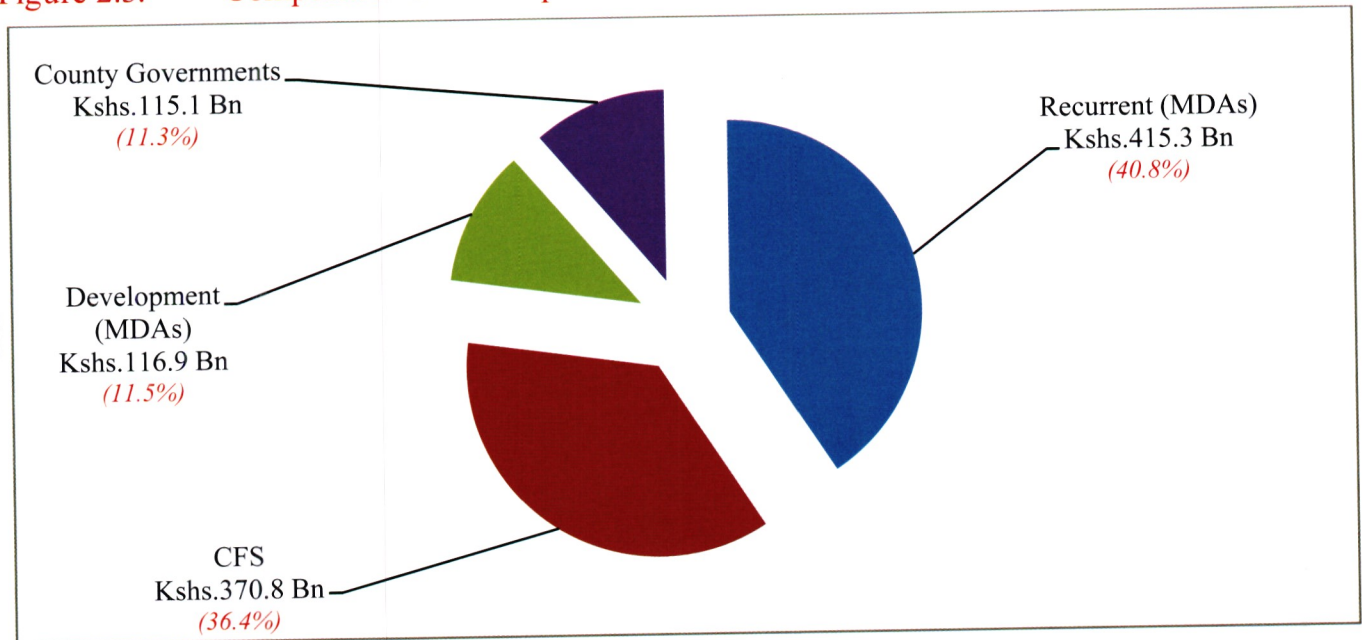
Vote	First Half FY 2018/19					First Half FY 2017/18				
	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	% of Exch. Issues to Rev. net Estimates	% of Exchequer issues to total Issues	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	% of Exch. Issues to Rev. net Estimates	% of Exchequer issues to total Issues
Recurrent	2,027.6	1,895.4	786.1	41.5	77.2	1,788.0	1,675.8	656.6	39.2	78.6
MDAs	1,063.9	931.7	415.3	44.6	40.8	1,052.3	940.1	413.0	43.9	49.4
CFS	963.7	963.7	370.8	38.5	36.4	735.7	735.7	243.5	33.1	29.1
Development (MDAs)	650.6	382.4	116.9	30.6	11.5	605.5	351.0	94.2	26.8	11.3
County Governments	314.0	314.0	115.1	36.6	11.3	306.2	306.2	84.7	27.7	10.1
Total	2,992.2	2,591.8	1,018.2	39.3	100	2,699.7	2,333.1	835.5	35.8	100

Source: National Treasury & OCOB

Table 2.2 shows that recurrent expenditure received the highest proportion of exchequer issues as a proportion of the revised net estimates at 41.5 per cent, while development expenditure received the lowest at 30.6 per cent.

Figure 2.3 shows composition of exchequer issues for the period July to December, 2018.

Figure 2.3: Composition of Exchequer Issues in the First Half FY 2018/19



Source: National Treasury & OCOB

2.4 Analysis of Exchequer Issues to National Government MDAs by Sector

The MDAs are grouped into ten Sectors according to the Classification of Functions of Government (COFOG), which is designed to support fiscal analysis by breaking down government fiscal statistics by purpose for ease of comparability across governments. The ten sectors are; (i) Agriculture, Rural and Urban Development, (ii) Education, (iii) Energy, Infrastructure and Information Communications Technology, (iv) 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 revised annual estimates and exchequer issues by sector.

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

Sector	First Half FY 2018/19				First Half FY 2017/18			
	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	% of Exchequer Issues to Revised Net Estimates	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	% of Exchequer Issues to Revised Net Estimates
Agriculture, Rural & Urban Development	52.5	46.6	17.4	37.5	49.2	46.6	15.2	32.6
Education	438.8	391.5	180.7	46.1	397.0	352.1	165.9	47.1
Energy, Infrastructure and Information Communications Technology (EI & ICT)	402.4	156.1	68.5	43.9	398.3	154.0	45.6	29.6
Environmental Protection, Water and Natural Resources	73.1	42.1	11.4	27.0	73.1	38.7	14.6	37.9
General Economic & Commercial Affairs (GECA)	34.6	19.8	6.9	34.9	13.3	12.2	4.5	37.1
Governance, Justice, Law and Order (GJLOS)	190.6	188.3	81.2	43.1	216.0	213.8	105.4	49.3
Health	90.0	65.8	19.6	29.7	60.9	45.6	21.7	47.5
National Security	142.2	131.2	68.1	51.9	135.1	135.0	64.1	47.5
Public Administration and International Relations	238.4	223.7	63.0	28.2	259.0	239.0	54.0	22.6
Social Protection, Culture and Recreation	51.9	48.9	15.6	31.9	55.9	54.2	16.2	29.9
Total	1,714.5	1,314.1	532.3	40.5	1,657.8	1,291.2	507.2	39.3

Source: National Treasury & OCOB

Total exchequer issues to the Sectors amounted to Kshs.532.3 billion, representing 40.5 per cent of the revised annual net estimates, a slight growth compared to 39.3 per cent recorded in the first half of FY 2017/18. The National Security Sector received the highest proportion of exchequer issues to the revised annual net estimates at 51.9 per cent, while the Environmental Protection, Water and Natural Resources Sector received the lowest at 27 per cent.

2.4.1 Recurrent Exchequer Issues by Sector

In FY 2018/19, the revised gross recurrent estimate to MDAs was Kshs.1.1 trillion, representing 36.7 per cent of the revised national budget. Total recurrent exchequer issues to MDAs in the first half of FY 2018/19 was Kshs.415.3 billion, representing 44.6 per cent of the revised annual recurrent net estimates.

Table 2.4 shows sectoral recurrent estimates and exchequer issues in the first half of FY 2018/19

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

Sector	First Half FY 2018/19				First Half FY 2017/18			
	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	% of Exchequer Issues to Revised Net Estimates	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	% of Exchequer Issues to Revised Net Estimates
Agriculture, Rural & Urban Development (ARUD)	15.5	15.0	9.1	60.4	26.5	26.4	11.1	41.9
Education	407.4	366.8	172.4	47.0	378.5	337.9	161.4	47.8
Energy, Infrastructure and Information Communications Technology (EI & ICT)	80.5	12.0	4.6	37.9	66.3	10.5	5.2	49.0
Environmental Protection, Water and Natural Resources	17.1	13.2	6.2	46.9	22.2	13.3	5.6	41.7
General Economic and Commercial Affairs (GECA)	14.3	8.9	4.4	49.6	9.2	8.2	3.2	38.8
Governance, Justice, Law and Order (GJLOS)	166.8	166.4	77.0	46.3	191.4	190.6	99.5	52.2
Health	49.1	37.6	14.0	37.1	30.9	26.9	12.9	47.9
National Security	127.2	127.2	68.1	53.5	135.0	135.0	64.1	47.5
Public Administration and International Relations (PAIR)	157.8	156.8	49.7	31.7	162.9	161.9	42.2	26.1
Social Protection, Culture and Recreation	28.1	27.6	9.9	35.7	29.4	29.3	8.0	27.3
Total	1,063.9	931.7	415.3	44.6	1,052.3	940.1	413.0	43.9

Source: National Treasury & OCOB

Analysis of recurrent exchequer issues indicated that the Agriculture, Rural & Urban Development (ARUD) Sector received the highest percentage of exchequer issues to the revised annual net estimates at 60.4 per cent, while the Public Administration and International Relations (PAIR) sector received the lowest proportion at 31.7 per cent.

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

Table 2.5: Recurrent Exchequer Issues to MDAs by Sectors

Recurrent Vote				
Sector	Revised Gross Estimates (Kshs. Billions)	Revised Net Estimates (Kshs. Billions)	Exchequer Issues (Kshs. Billions)	% Exch. Issues to Rev. Net Estimates
Agriculture, Rural and Urban Development				
Ministry of Lands and Physical Planning	2.7	2.7	1.1	43.0
State Department for Livestock.	1.9	1.9	0.9	46.8
State Department for Crop Development	3.3	3.3	3.5	105.5
State Department for Fisheries, Aquaculture and the Blue Economy	0.6	0.6	0.2	43.8
State Department for Irrigation	0.8	0.4	0.2	57.9
State Department for Agricultural Research	5.0	5.0	2.5	50.8
National Lands Commission	1.2	1.2	0.6	45.7
Total	15.5	15.0	9.1	60.4
Energy, Infrastructure and ICT				
State Department of Infrastructure	58.3	1.8	0.7	39.7
State Department of Transport	10.3	1.1	0.4	38.8
State Department for Shipping and Maritime.	1.7	0.3	0.1	36.6
State Department for Housing & Urban Development	0.7	0.7	0.1	19.3
State Department for Public Works	1.6	1.6	0.2	10.2
State Department for Housing, Urban Development and Public Works	0.7	0.7	0.8	110.9
State Department of Information Communication Technology	1.7	1.7	0.5	32.4
State Department for Broadcasting and Telecommunications	3.1	2.0	0.9	46.1
Ministry of Energy	2.2	1.9	0.7	36.2
State Department of Petroleum	0.3	0.2	0.1	34.6
Total	80.5	12.0	4.6	37.9
General Economics and Commercial Affairs (GECA)				
State Department for Co-operatives	0.5	0.3	0.1	49.1
State Department for Trade	1.5	1.5	0.6	38.2
State Department for Industrialization	2.7	2.2	1.1	52.4
State Department for East African Community	0.6	0.6	0.3	54.3
State Department for Regional and Northern Corridor Development	2.0	1.7	0.9	50.0
State Department for Tourism	1.6	1.6	0.3	20.1
Ministry of Tourism and Wildlife	5.5	1.0	1.1	106.3
Total	14.3	8.9	4.4	49.6
Health				
Ministry of Health	49.1	37.6	14.0	37.1
Total	49.1	37.6	14.0	37.1
Education				
State Department for Vocational and Technical Training	6.3	6.3	1.6	25.6
State Department for University Education	86.3	47.7	21.6	45.2
State Department for Early Learning & Basic Education	88.2	86.8	31.6	36.5
State Department for Post-Training and Skills Development	0.05	0.05	0.02	42.1
Teachers Service Commission	226.5	226.0	117.6	52.0
Total	407.4	366.8	172.4	47.0
Governance, Justice, Law and Order (GJLOS)				
State Department for Interior	108.7	108.6	51.4	47.3

State Department for Correctional Services	25.8	25.8	10.4	40.4
State Department for Immigration and Citizen Services	1.8	1.8	0.9	48.2
State Law Office and Department of Justice	4.1	3.7	1.7	45.1
The Judiciary	12.9	12.9	6.5	50.6
Ethics & Anti-Corruption Commission	2.8	2.8	1.5	53.9
Office of the Director of Public Prosecutions	2.8	2.8	1.1	38.5
Office of the Registrar of Political Parties	0.8	0.8	0.4	46.4
Witness Protection Agency	0.5	0.5	0.3	53.4
Kenya National Commission on Human Rights	0.4	0.4	0.2	51.4
Independent Electoral and Boundaries Commission	4.2	4.2	1.7	41.1
Judicial Service Commission	0.4	0.4	0.1	31.8
National Police Service Commission	0.6	0.6	0.3	44.4
National Gender & Equality Commission	0.4	0.4	0.2	47.3
Independent Policing Oversight Authority	0.8	0.8	0.4	50.5
Total	166.8	166.4	77.0	46.3
Public Administration and International Relations				
The Presidency	7.7	7.7	3.9	51.1
State Department for Devolution	2.8	2.8	2.0	71.5
State Department for Planning	10.1	10.0	3.2	32.0
Ministry of Foreign Affairs	15.0	14.4	6.4	44.3
The National Treasury	68.2	68.2	14.9	21.8
State Department for Public Service and Youth Affairs	1.5	1.3	1.6	121.0
State Department for Public Service	5.3	5.3	0.2	4.2
State Department for Youth	6.5	6.5	0.5	7.9
Parliamentary Service Commission	11.6	11.6	4.7	40.3
National Assembly	20.8	20.8	8.6	41.3
The Commission on Revenue Allocation	0.4	0.4	0.2	38.3
Public Service Commission	1.1	1.1	0.6	50.8
Salaries & Remuneration Commission	0.5	0.5	0.2	29.0
Auditor General	5.1	5.0	2.4	48.5
Controller of Budget	0.6	0.6	0.2	33.0
Commission on Administrative Justice	0.5	0.5	0.2	40.9
Total	157.8	156.8	49.7	31.7
National Security				
Ministry of Defence	96.0	96.0	53.7	55.9
National Intelligence Service	31.2	31.2	14.4	46.1
Total	127.2	127.2	68.1	53.5
Social Protection, Culture and Recreation				
State Department for Development for the ASAL	1.0	1.0	0.5	46.9
State Department for Sports	1.5	1.5	0.9	60.4
State Department for Culture and Heritage	3.1	3.0	1.4	45.9
State Department for Labour	2.5	2.1	0.8	39.0
State Department for Social Protection, Pensions and Senior Citizens Affairs	18.6	18.5	5.7	30.6
State Department for Gender	1.5	1.5	0.6	40.8

Total	28.1	27.6	9.9	35.7
Environment Protection, Water and Natural Resources				
Ministry of Water and Sanitation	4.1	3.5	1.5	44.0
State Department for Environment and Forestry	10.0	6.6	4.1	62.4
State Department for Mining	0.9	0.9	0.4	51.1
State Department for Wildlife	2.2	2.2	0.1	3.2
Total	17.1	13.2	6.2	46.9
Grand Total	1,063.9	931.7	415.3	44.6

Source: National Treasury & OCOB

2.4.2 Exchequer Issues towards Consolidated Fund Services (CFS)

The revised allocation to CFS amounted to Kshs.963.7 billion, representing 32.1 per cent of the revised gross national budget.

Table 2.6 shows the annual allocation and exchequer issues for CFS in the reporting period.

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

Consolidated Fund Services (CFS)	First Half FY 2018/19			First Half FY 2017/18		
	Revised Net Estimates	Exchequer Issues	% of Exch. Issues to revised Net Estimates	Revised Net Estimates	Exchequer Issues	% of Exch. Issues to revised Net Estimates
Public Debt	870,616.0	338,836.5	38.9	658,226.5	215,631.3	32.8
Pensions and Gratuities	90,573.1	29,978.5	33.1	71,895.1	25,930.7	36.1
Salaries, Allowances & Miscellaneous	2,482.6	2,014.1	81.1	5,564.9	1,977.7	35.5
Subscriptions to International Organizations	0.5	-	-	0.5	-	-
Total	963,672.1	370,829.1	38.5	735,687.0	243,539.7	33.1

Source: National Treasury and OCOB

The total exchequer issues to CFS in the first half of FY 2018/19 amounted to Kshs.370.8 billion. This amount represented 38.5 per cent of the revised annual net estimates and was an increase compared to 33.1 per cent (Kshs.243.5 billion) reported in a similar period of FY 2017/18. The Salaries, Allowances & Miscellaneous category received the highest proportion of exchequer issues to the revised annual net estimates at 81.1 per cent, while Pension and Gratuities received the lowest at 33.1 per cent.

2.4.3 Development Exchequer Issues by Sector

In FY 2018/19, the revised gross allocation to development expenditure was Kshs.650.6 billion, while total exchequer issues in the period under review amounted to Kshs.116.9 billion. This amount represented 30.6 per cent of the revised annual development net estimates, an increase compared to 26.8 per cent (Kshs.94.2 billion) recorded in a similar period, FY 2017/18.

Table 2.7 shows the annual development estimates by sector and exchequer issues for the reporting period.

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

Sector	Half FY 2018/19				Half FY 2017/18			
	Revised Gross Estimates	Revised Net Estimates	Exch. Issues	% of Exch. Issues to Revised Net Estimates	Revised Gross Estimates	Revised Net Estimates	Exch. Issues	% of Exch. Issues to Revised Net Estimates
Agriculture, Rural & Urban Development	37.0	31.5	8.4	26.5	22.7	20.2	4.1	20.3
Education	31.4	24.7	8.2	33.3	18.5	14.2	4.5	32.1
Energy, Infrastructure and Information Communications Technology (EI & ICT)	321.9	144.1	63.9	44.4	332.0	143.5	40.5	28.2
Environmental Protection, Water and Natural Resources	56.0	28.9	5.2	17.9	50.8	25.4	9.1	35.8
General Economic and Commercial Affairs (GECA)	20.3	11.0	2.5	22.9	4.1	4.0	1.3	33.6
The Governance, Justice, Law and Order (GJLOS)	23.7	21.9	4.2	19.1	24.6	23.1	5.9	25.5
Health	40.9	28.2	5.6	19.8	30.0	18.7	8.8	47.0
National Security	15.0	4.0	-	-	-	-	-	-
Public Administration and International Relations (PAIR)	80.6	66.9	13.2	19.8	96.1	77.1	11.8	15.3
Social Protection, Culture and Recreation	23.8	21.2	5.7	26.9	26.5	24.9	8.2	32.9
Total	650.6	382.4	116.9	30.6	605.5	351.0	94.2	26.8

Source: National Treasury & OCOB

Analysis of development exchequer issues to the MDAs showed that, the Energy, Infrastructure and Information Communications Technology (EI & ICT) sector received the highest development exchequer issues to its revised annual net estimates at 44.4 per cent. This was an increase from 28.2 percent received in the similar period of FY 2017/18. On the other hand, the Environmental Protection, Water and Natural Resources sector received the lowest exchequer issues to revised annual net estimates at 17.9 per cent, a decline from 35.8 per cent recorded in a similar period of 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				
Sector	Revised Gross Estimates (Kshs. Billions)	Revised Net Estimates (Kshs. Billions)	Exchequer Issues (Kshs. Billions)	% Exch. Issues to Rev. Net Estimates
Agriculture, Rural and Urban Development				
Ministry of Lands and Physical Planning	3.3	3.3	0.7	20.5
State Department for Livestock	4.3	3.0	1.2	39.6
State Department for Crop Development	20.1	16.8	3.6	21.4
State Department for Fisheries, Aquaculture and the Blue Economy	2.2	2.2	0.2	7.7
State Department for Irrigation	6.7	5.8	2.5	43.5
State Department for Agricultural Research	0.5	0.5	0.2	50.0
Total	37.0	31.5	8.4	26.5
Energy, Infrastructure and ICT				
State Department of Infrastructure	113.0	72.4	28.9	40.0
State Department of Transport	90.4	12.5	9.4	75.6
State Department for Housing & Urban Development	20.6	20.6	2.2	10.6
State Department for Public Works	1.9	1.9	-	-
State Department for Housing, Urban Development and Public Works	6.6	2.0	2.0	98.0
State Department of Information Communication Technology	21.1	10.8	3.8	34.9
State Department for Broadcasting and Telecommunications	0.7	0.7	0.2	22.5
Ministry of Energy	64.4	22.3	17.3	77.3
State Department of Petroleum	3.3	0.9	0.2	24.4
Total	321.9	144.1	63.9	44.4
General Economics and Commercial Affairs (GECA)				
State Department for Co-operatives	0.3	0.3	0.2	44.2
State Department for Trade	0.3	0.3	-	-
State Department for Industrialization	4.3	3.7	0.6	17.2
State Department for Regional and Northern Corridor Development	12.6	4.2	1.5	36.9
State Department for Tourism	2.1	2.1	-	-
Ministry of Tourism and Wildlife	0.6	0.4	0.2	47.0
Total	20.3	11.0	2.5	22.9
Health				
Ministry of Health	40.9	28.2	5.6	19.8
Total	40.9	28.2	5.6	19.8
Education				
State Department for Vocational and Technical Training	8.3	5.0	0.9	18.2
State Department for University Education	13.1	10.3	2.8	27.4
State Department for Early Learning & Basic Education	9.8	9.2	4.5	48.5
Teachers Service Commission	0.1	0.1	-	-
Total	31.4	24.7	8.2	33.3
Governance, Justice, Law and Order (GJLOS)				
State Department for Interior	17.3	16.9	3.3	19.7
State Department for Correctional Services	1.8	1.8	-	-
State Department for Immigration and Citizen Services	0.7	0.7	0.3	44.7
State Law Office and Department of Justice	0.6	0.6	0.1	14.7
The Judiciary	3.0	1.6	0.4	28.4
Ethics & Anti-Corruption Commission	0.1	0.1	-	-

Office of the Director of Public Prosecutions	0.1	0.1	-	-
Total	23.7	21.9	4.2	19.1
Public Administration and International Relations				
The Presidency	1.1	1.1	0.38	34.1
State Department for Devolution	35.5	34.3	6.31	18.4
State Department for Planning	2.6	2.5	0.42	16.9
Ministry of Foreign Affairs	1.9	1.9	0.56	28.8
The National Treasury	32.6	20.2	3.54	17.5
State Department for Public Service and Youth Affairs	1.8	1.8	1.54	85.6
State Department for Public Service	1.0	1.0	-	-
State Department for Youth	1.3	1.3	-	-
Parliamentary Service Commission	2.1	2.1	0.45	21.2
Public Service Commission	0.1	0.1	-	-
Auditor General	0.7	0.7	0.06	8.9
Total	80.6	66.9	13.2	19.8
National Security				
Ministry of Defence	15.0	4.0	-	-
Total	15.0	4.0	-	-
Social Protection, Culture and Recreation				
State Department for Development for the ASAL	5.4	2.8	1.3	47.8
State Department for Sports	0.7	0.7	0.5	68.1
State Department for Culture and Heritage	0.9	0.9	0.4	41.7
State Department for Labour	1.5	1.5	0.4	26.0
State Department for Social Protection, Pensions and Senior Citizens Affairs	12.5	12.5	2.2	17.4
State Department for Gender	2.8	2.8	1.0	34.2
Total	23.8	21.2	5.7	26.9
Environment Protection, Water and Natural Resources				
Ministry of Water and Sanitation	48.8	23.6	4.7	19.9
Ministry of Environment and Forestry	6.0	4.1	0.4	9.1
State Department for Mining	0.3	0.3	0.1	31.8
State Department for Wildlife	0.9	0.9	-	-
Total	56.0	28.9	5.2	17.9
Grand Total	650.6	382.4	116.9	30.6

Source: National Treasury & OCOB

3 NATIONAL GOVERNMENT OVERALL BUDGET PERFORMANCE

3.1 Introduction

This chapter presents the overall budget performance in the first half of FY 2018/19. It presents analysis for both development and recurrent expenditure by the National Government Ministries, Departments and Agencies (MDAs). The Consolidated Fund Services (CFS) is discussed under recurrent expenditure and provides information on public debt; pensions and gratuity; 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

The revised aggregate budget for the government in FY 2018/19 was Kshs.3 trillion as presented in table 3.1. This amount included budget estimates for national government entities and the shareable revenue allocation to county governments.

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

VOTE	First Half FY 2018/19						First Half FY 2017/18					
	Revised Gross Estimates	Revised Net Estimates	Cumulative Exch. Issues	Cumulative Expenditure	% of Exch. to Rev. Net Estimates	Absorption Rate (%)	Revised Gross Estimates	Revised Net Estimates	Cumulative Exch. Issues	Cumulative Expenditure	% of Exch. to Rev. Net Estimates	Absorption Rate (%)
Recurrent	2,027.6	1,895.4	786.1	854.0	41.5	42.1	1,788.0	1,675.8	656.6	729.9	39.2	40.8
MDAs	1,063.9	931.7	415.3	465.0	44.6	43.8	1,052.3	940.1	413.0	485.2	43.9	46.1
CFS	963.7	963.7	370.8	388.6	38.5	40.3	735.7	735.7	243.5	244.7	33.1	33.3
Development	650.6	382.4	116.9	252.7	30.6	38.8	605.5	351.0	94.2	185.3	26.8	30.6
County Governments	314.0	314.0	115.1*	137.0**	36.6	43.6	306.2	306.2	84.7	104.4	27.7	26.1
Total	2,992.2	2,591.8	1,018.2	1,243.7	39.3	41.6	2,699.7	2,333.1	835.5	1,019.6	35.8	37.8

Source: NT, OCOB, MDAs & County Treasuries

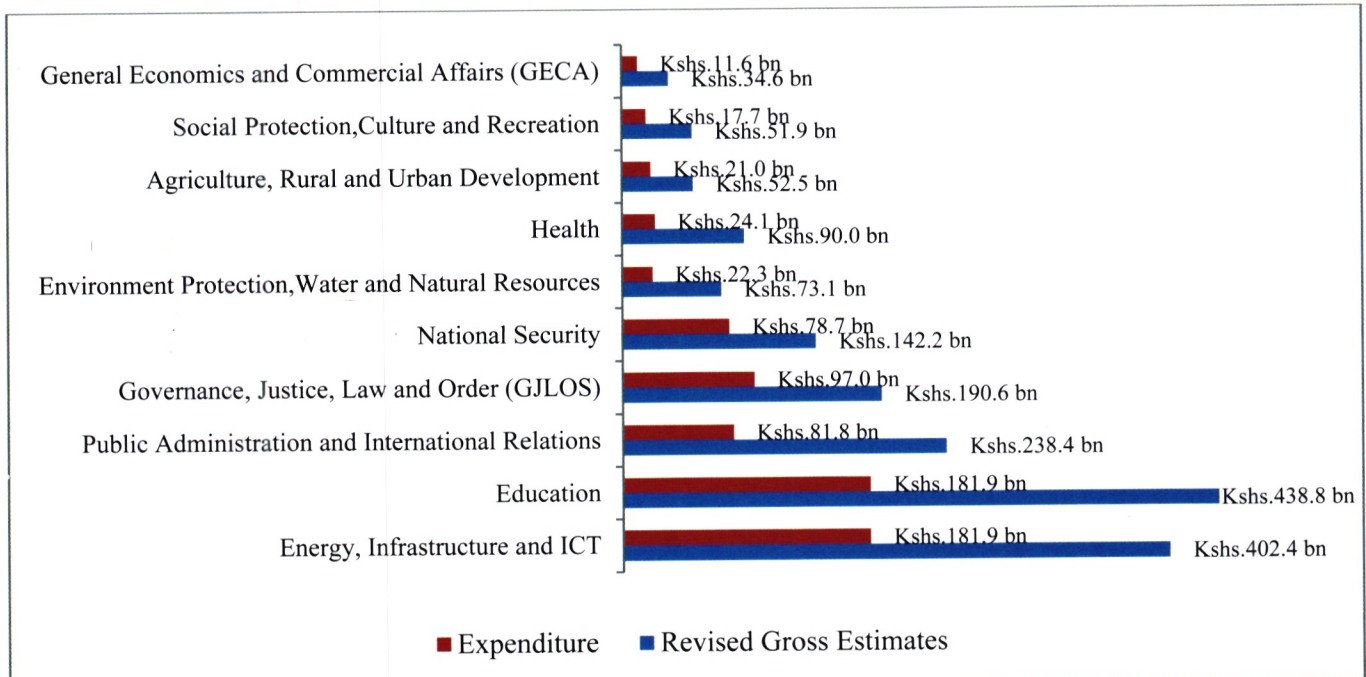
* Amount relates to shareable revenue

**The difference between the Exchequer Issues of Kshs.115.1 billion and expenditure of Kshs.137.0 billion was financed by revenue from local sources, conditional grants and opening cash balance brought forward from FY 2017/18

The total exchequer issues in the first half of FY 2018/19 amounted to Kshs.1 trillion. This amount represented 39.3 per cent of the revised annual net estimates and was an increase from 35.8 per cent recorded in a similar period of FY 2017/18. The exchequer issues comprised of Kshs.786.1 billion for recurrent expenditure, Kshs.116.9 billion for development expenditure and Kshs.115.1 billion to Counties as shareable revenue. Overall expenditure for both the National and County Governments was Kshs.1.2 trillion (Kshs.854 billion on recurrent, Kshs.252.7 billion on development and Kshs.137.0 billion by County Governments). The overall absorption rate was 41.6 per cent of the revised annual budget.

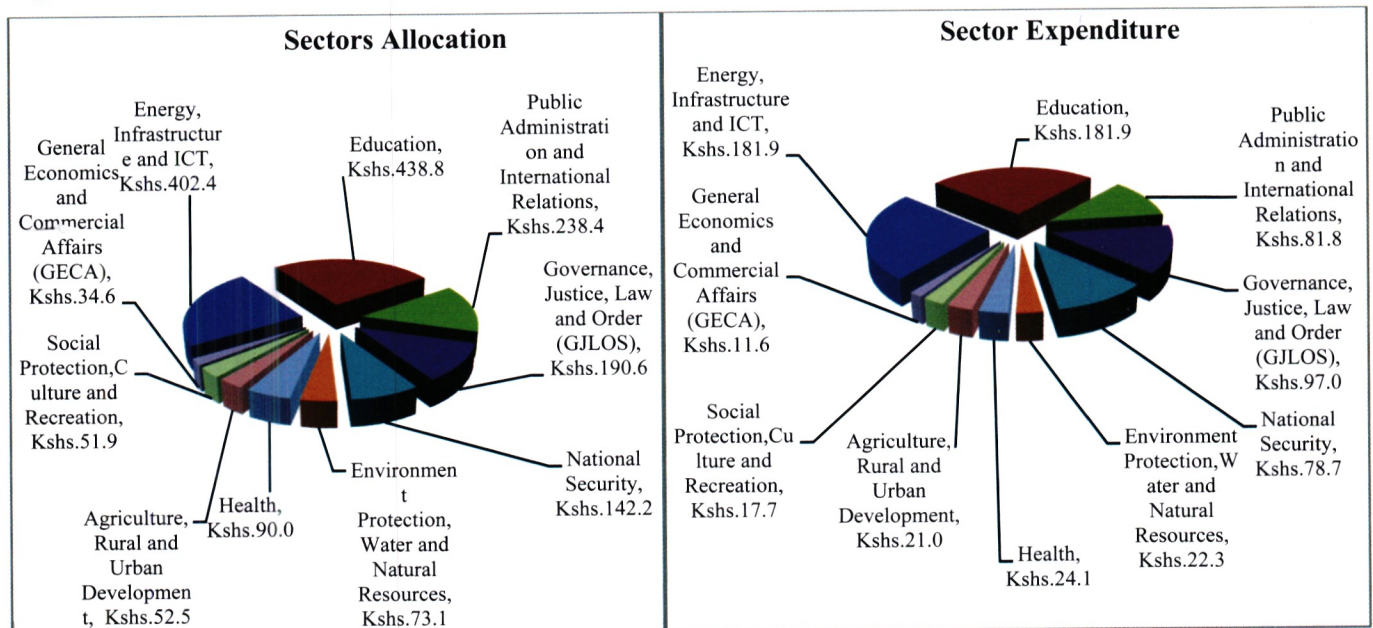
Figure 3.1 and 3.2 shows comparison of sectors annual budget allocation and total expenditure in the first half of FY 2018/19.

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



Source: MDAs & National Treasury

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



Source: MDAs & National Treasury

3.3 Consolidated Fund Services (CFS)

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

The revised allocation towards CFS amounted to Kshs.965.1 billion, representing 32.2 per cent of the revised gross national budget. Table 3.2 presents a summary on CFS exchequer issues and expenditure performance in the first half of FY 2018/19.

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

Consolidated Fund Services (CFS)	Revised Gross Estimates	Exchequer Issues	Cumulative Expenditure	Expenditure as a % of Revised Gross Estimates
Public Debt	870.6	338.8	349.7	40.2
Pensions and Gratuities	90.6	30.0	36.9	40.7
Salaries, Allowances and Miscellaneous Services	2.5	2.0	1.3	52
Subscriptions to International Organizations	0.0005	-	-	
Guaranteed loan	1.4		0.7	50
Total	965.1	370.8	388.6	40.3

Source: National Treasury & OCOB

3.3.1 Public Debt

Annual allocation for public debt was Kshs.870.6 billion. This amount comprised of Kshs.400 billion towards interest payment and Kshs.470.6 billion for loan redemption. Exchequer issues for the period amounted to Kshs.338.8 billion, while the expenditure was Kshs.349.7 billion and represented 40.2 per cent of the revised gross estimates.

3.3.2 Salaries, Allowances and Miscellaneous Services

A total of Kshs.2.5 billion was allocated for salaries, allowances and miscellaneous services in FY 2018/19. Total exchequer issues in the reporting period amounted to Kshs.2 billion, representing 81 per cent of the revised gross estimates, while expenditure was Kshs.1.3 billion and represented 52 per cent of the revised annual gross estimates.

3.3.3 Pensions and Gratuities

The revised annual gross estimates for Pensions and Gratuities amounted to Kshs.90.6 billion, an increase compared to Kshs.71.9 billion in FY 2017/18. Exchequer issues in the first half of the year amounted to Kshs.30 billion and represented 33.1 per cent of the estimates. Actual expenditure stood at Kshs.36.9 billion and represented 40.7 per cent of the revised annual gross estimates.

3.3.4 Guaranteed Loans to State Parastatals

In FY 2018/19, the allocation towards repayment of guaranteed loans to State Parastatals was Kshs.1.4 billion, while expenditure in the first half of the year amounted to Kshs.0.7 billion. This expenditure represented 50 per cent of the estimates.

3.4 MDAs Expenditure Analysis

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

Development expenditure is analysed by the various economic items, which included: 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 expenditure.

3.4.1 MDAs Recurrent Expenditure Analysis

The total allocation for MDAs recurrent expenditure in FY 2018/19 amounted to Kshs.1.1 trillion.

In the first half of the year, the MDAs spent Kshs.465.4 billion on recurrent expenditure, which represented 43.8 per cent of the revised annual recurrent gross estimates.

The breakdown of the MDAs recurrent expenditure by economic items is presented in table 3.3.

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

MINISTRY/STATE DEPARTMENT	PERSONNEL ELEMENT (PE)	OPERATIONS & MAINTENANCE (O&M)										Current Transfers to SAGAs	Gross Expenditure	(A-I-A)	Net Expenditure
		Domestic Travel	Foreign Travel	Printing and Advertising	Rentals and Rates- Non Residential	Training	Hospitality	Maintenance Expenses- Motor Vehicles	Maintenance Expenses- Other Assets	Legal Fees	Other Expenses				
The Presidency	1,030.9	271.6	53.2	11.9	42.0	11.2	630.4	49.8	19.9	-	1,219.6	-	3,340.5	15.0	3,325.5
State Department for Interior	34,325.6	744.4	12.2	3.1	512.5	287.0	205.2	452.3	76.3	194.5	28,785.0	337.2	65,935.2	25.0	65,910.3
State Department for Correctional Services	7,482.2	17.7	0.3	0.1	44.2	0.3	1.7	1.9	0.1	2.2	76.8	165.1	7,792.6	-	7,792.6
State Department for Immigration and Citizen Services	380.7	35.2	10.0	0.4	8.2	0.9	9.1	3.2	16.5	-	236.9	-	701.1	-	701.1
State Department for Devolution	113.5	11.4	0.8	-	35.3	1.0	8.1	2.1	1.1	-	1,687.9	229.1	2,090.3	-	2,090.3
State Department for Development for the ASAL	76.0	17.0	1.7	0.1	38.9	7.4	13.1	0.5	0.2	-	19.5	300.2	474.7	-	474.7
Ministry of Defence	466.4	27.5	8.2	1.2	-	5.5	9.5	9.1	2.2	-	78.5	56,213.1	56,821.2	-	56,821.2
Ministry of Foreign Affairs	3,630.2	90.6	801.4	23.1	1,254.4	5.8	89.3	43.4	88.4	-	1,411.0	29.4	7,467.0	276.8	7,190.2
State Department for Vocational and Technical Training	122.8	6.5	2.3	0.2	27.5	1.0	3.2	0.1	0.1	-	5.3	2,290.7	2,459.7	-	2,459.7
State Department for University Education	96.7	12.5	3.5	1.7	34.0	5.8	9.0	6.9	3.2	-	3,570.8	19,967.9	23,711.9	-	23,711.9
State Department for Early Learning & Basic Education	1,856.7	46.3	4.6	6.8	16.2	9.9	12.2	7.3	3.7	-	22,217.9	6,399.5	30,581.1	2.7	30,578.4
State Department for Post-Training and Skills Development	1.8	2.1	0.1	-	-	-	0.4	-	-	-	15.9	-	20.3	-	20.3
The National Treasury	591.4	23.6	19.0	0.9	13.2	18.5	143.7	1.1	1.2	-	6,938.6	9,101.8	16,852.9	-	16,852.9
State Department of Planning	161.3	43.8	13.6	3.7	13.5	27.8	33.7	2.6	2.6	0.7	87.5	4,494.9	4,885.8	-	4,885.8
Ministry of Health	2,806.4	34.2	4.5	1.3	3.7	233.7	41.7	-	16.8	-	366.4	11,216.8	14,725.6	-	14,725.6
State Department of Infrastructure	564.8	15.2	1.4	1.1	-	1.3	9.0	5.1	17.0	-	60.5	19,304.9	19,980.3	19,758.4	221.9
State Department of Transport	50.9	4.8	0.2	0.1	1.7	0.6	1.1	0.5	62.6	-	22.3	6,537.8	6,682.6	6,223.4	459.2
State Department for Shipping and Maritime	29.3	5.8	1.9	0.1	12.2	1.2	2.4	0.2	0.1	-	27.7	769.0	849.8	747.2	102.6
State Department for Housing, Urban Development	270.8	7.5	1.4	0.3	44.9	0.7	1.9	0.7	0.4	-	12.8	5.8	347.0	-	347.0
State Department for Public Works	109.4	9.8	0.1	0.1	16.1	0.6	2.5	2.2	1.3	-	16.9	313.0	471.9	-	471.9

MINISTRY/STATE DEPARTMENT	PERSONNEL ELEMENT (PE)	OPERATIONS & MAINTENANCE (O&M)										Current Transfers to SAGAs	Gross Expenditure	(A-I-A)	Net Expenditure
		Domestic Travel	Foreign Travel	Printing and Advertising	Rentals and Rates- Non Residential	Training	Hospitality	Maintenance Expenses- Motor Vehicles	Maintenance Expenses- Other Assets	Legal Fees	Other Expenses				
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	-	358.3	3.8	692.6	-	692.6
State Department for Water and Sanitation	252.4	15.7	3.2	2.2	0.1	5.8	2.7	4.1	2.2	0.5	48.3	1,377.4	1,714.5	571.0	1,143.5
State Department for Environment and Forestry	278.1	4.1	1.3	0.2	-	0.2	2.3	0.9	0.4	-	18.5	2,117.6	2,423.5	-	2,423.5
Ministry of Lands and Physical Planning	1,054.4	6.2	0.6	0.4	0.0	1.5	1.4	2.8	1.2	0.2	53.3	-	1,122.0	4.6	1,117.4
State Department for Information Communications Technology	88.0	14.0	2.9	0.0	44.7	5.4	3.5	2.1	0.2	-	97.3	332.2	590.2	-	590.2
State Department for Broadcasting and Telecommunications	183.1	11.1	3.4	307.7	23.6	3.8	6.2	1.5	0.5	0.1	19.8	444.3	1,005.0	218.6	786.5
State Department for Sports	101.7	18.4	325.0	0.1	17.0	3.0	2.2	2.7	0.6	-	62.5	330.8	864.0	-	864.0
State Department for Culture and Heritage	139.1	29.6	9.8	11.5	16.9	9.8	19.1	2.3	3.7	-	60.4	1,165.4	1,467.6	-	1,467.6
Ministry of Energy	152.8	13.7	2.1	0.4	-	4.6	6.6	3.7	3.3	-	191.4	420.6	799.0	0.6	798.4
State Department for Livestock.	687.9	7.3	1.3	0.4	22.7	2.3	2.5	3.7	1.8	-	114.6	42.9	887.5	4.1	883.4
State Department for Crop Development	449.8	7.9	1.6	1.1	20.9	3.0	1.0	2.5	0.6	1.1	64.0	3,155.5	3,709.0	-	3,709.0
State Department for Fisheries, Aquaculture and the Blue Economy	105.2	28.2	2.9	1.2	6.2	5.7	12.6	6.1	2.0	-	34.3	8.2	212.6	-	212.6
State Department for Irrigation	96.6	3.5	10.6	1.0	-	0.3	1.5	5.0	9.2	-	37.9	120.1	285.7	57.9	227.8
State Department for Agricultural Research	-	0.7	0.6	0.2	-	-	1.3	-	-	-	10.7	2,519.1	2,532.6	-	2,532.6
State Department for Co-operatives	98.0	8.0	2.4	2.4	-	4.3	2.7	0.9	0.1	-	6.7	20.3	145.6	5.2	140.4
State Department for Trade	123.3	25.9	22.0	4.9	69.9	3.8	16.5	2.9	4.1	-	42.8	248.8	565.1	0.3	564.8
State Department for Industrialization	192.6	7.7	0.9	1.0	57.7	0.0	2.2	0.3	0.6	-	345.1	336.1	944.2	6.8	937.3
State Department for Labour	345.2	58.1	19.2	6.5	116.1	3.8	35.5	9.4	4.8	1.9	83.6	259.4	943.5	1.3	942.3
State Department for Social Protection, Pensions and Senior Citizens Affairs	486.0	36.4	9.0	6.4	-	8.1	22.6	2.9	3.1	-	181.7	4,486.7	5,242.9	22.5	5,220.4
State Department for Mining	196.8	5.4	0.8	1.1	2.2	3.2	3.2	2.7	0.8	197.6	27.7	-	441.5	9.3	432.2
State Department for Petroleum	69.2	6.5	1.1	1.3	-	1.7	4.9	1.7	0.2	-	13.8	-	100.3	23.7	76.7

MINISTRY/STATE DEPARTMENT	PERSONNEL EMOLUMENT (PE)	OPERATIONS & MAINTENANCE (O&M)										Current Transfers to SAGAs	Gross Expenditure	(A-I-A)	Net Expenditure
		Domestic Travel	Foreign Travel	Printing and Advertising	Rentals and Rates- Non Residential	Training	Hospitality	Maintenance Expenditures- Motor Vehicles	Maintenance Expenditures- Other Assets	Legal Fees	Other Expenses				
State Department for Tourism	46.4	19.6	14.2	6.6	6.2	6.3	44.9	0.5	0.1	-	22.5	471.0	638.2	405.0	233.2
State Department for Wildlife	24.8	3.3	1.5	-	13.7	0.7	0.4	-	-	3.1	2.0	523.9	573.5	-	573.5
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	36.2	790.3	1,018.9	-	1,018.9
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	-	427.4	203.2	1,197.1	3.9	1,193.2
State Department for Public Service	159.1	12.5	2.4	0.0	5.1	1.7	9.8	3.5	0.2	-	3,799.5	94.7	4,088.4	-	4,088.4
State Department for Youth	85.8	12.7	2.0	0.2	-	141.9	5.6	3.1	0.4	-	27.7	88.7	368.2	-	368.2
State Department for Gender	95.8	16.8	4.0	3.9	16.6	6.5	11.1	4.8	5.1	-	477.5	235.8	877.7	-	877.7
State Department for East African Community	120.5	28.9	32.1	6.7	34.1	4.1	15.9	6.6	1.2	-	46.2	-	296.3	-	296.3
State Department for Regional and Northern Corridor Development	-	5.2	3.8	-	-	0.7	13.1	0.0	-	-	26.7	812.1	861.6	-	861.6
State Law Office and Department of Justice	515.7	40.8	11.9	6.7	65.4	3.7	18.2	3.8	5.1	-	88.6	939.1	1,698.9	197.8	1,501.2
The Judiciary	3,411.6	166.3	25.3	25.6	9.3	16.9	57.5	-	-	-	1,117.0	627.5	5,457.0	-	5,457.0
Ethics and Anti-Corruption Commission	945.8	-	-	-	-	-	-	-	-	-	453.6	-	1,399.4	-	1,399.4
National Intelligence Service	-	-	-	-	-	-	-	-	-	-	-	14,823.6	14,823.6	-	14,823.6
Office of the Director of Public Prosecutions	644.7	55.9	17.1	4.0	68.6	8.7	28.3	7.2	5.2	-	254.3	-	1,094.1	-	1,094.1
Office of the Registrar of Political Parties	65.2	10.6	0.2	1.0	11.5	3.2	6.8	0.1	-	0.4	67.9	185.6	352.6	0.7	351.9
Witness Protection Agency	98.1	3.1	-	1.1	10.4	4.9	7.7	3.6	1.3	-	100.0	-	230.2	-	230.2
Kenya National Commission on Human Rights	120.6	3.4	1.4	1.0	26.1	0.4	0.7	1.8	0.4	-	55.9	-	211.6	-	211.6
National Land Commission	386.4	18.4	2.2	5.6	11.6	2.5	8.7	4.1	0.1	-	59.8	-	499.2	-	499.2
Independent Electoral and Boundaries Commission	968.5	78.8	4.3	7.9	157.1	30.4	53.8	25.2	1.0	0.4	401.0	-	1,728.4	0.4	1,727.9
Parliamentary Service Commission	1,755.2	616.6	497.5	41.8	299.4	89.8	83.3	14.5	34.6	-	894.2	29.9	4,356.9	-	4,356.9
National Assembly	4,691.1	1,704.1	510.1	39.8	-	47.6	63.8	10.3	11.9	-	1,536.0	5.1	8,619.6	-	8,619.6

MINISTRY/STATE DEPARTMENT	PERSONNEL EMOLUMENT (PE)	OPERATIONS & MAINTENANCE (O&M)										Current Transfers to SAGAs	Gross Expenditure	(A-I-A)	Net Expenditure
		Domestic Travel	Foreign Travel	Printing and Advertising	Rentals and Rates- Non Residential	Training	Hospitality	Maintenance Expenses- Motor Vehicles	Maintenance Expenses- Other Assets	Legal Fees	Other Expenses				
Judicial Service Commission	-	14.1	12.2	3.3	3.1	14.5	32.7	0.6	0.1	-	38.0	-	118.5	-	118.5
The Commission on Revenue Allocation	73.0	2.7	4.1	1.5	25.4	2.4	3.6	3.3	0.1	-	34.4	-	150.3	-	150.3
Public Service Commission	250.3	29.4	3.8	17.2	2.1	19.2	31.3	3.6	2.3	-	197.6	-	556.8	-	556.8
Salaries and Remuneration Commission	110.2	9.1	-	1.8	-	11.7	7.2	0.9	0.7	-	12.7	-	154.4	-	154.4
Teachers Service Commission	117,001.	60.9	7.4	6.7	10.8	22.8	22.5	33.4	12.0	5.9	289.7	-	117,472.9	293.4	117,179.5
National Police Service Commission	148.4	14.6	0.1	2.1	29.3	3.5	18.4	7.7	1.0	-	32.7	-	257.8	-	257.8
Auditor General	1,608.8	281.8	8.4	5.3	106.0	31.7	6.5	7.8	4.7	-	448.6	-	2,509.7	70.3	2,439.4
Controller of Budget	147.6	6.8	0.3	20.3	0.2	2.0	4.1	0.6	0.3	-	21.8	-	204.0	-	204.0
Commission on Administrative Justice	113.1	1.2	0.4	0.7	14.2	0.8	1.8	1.7	0.5	-	47.9	-	182.1	-	182.1
National Gender and Equality Commission	77.5	10.7	6.2	1.8	22.5	5.3	2.1	1.6	0.6	-	49.7	-	178.2	-	178.2
Independent Policing Oversight Authority	201.0	15.7	0.0	5.1	39.8	3.1	10.2	0.9	1.1	-	147.9	-	424.9	0.0	424.9
Total	193,954.3	5,003.2	2,546.9	624.9	3,557.3	1,237.6	1,994.6	799.9	447.8	473.7	79,945.2	174,895.6	465,481.1	28,945.6	436,535.1

Source: MDAs and IFMIS

Note:

- (1) Expenditure reports from IFMIS and those from MDAs indicated that some MDAs generated and utilised Appropriations-in-Aid (A-I-A).
- (2) The expenditure on personnel emoluments does not include that of the National Intelligence Service and part of the PE for the Ministry of Defence, which is accounted for under current transfer to SAGAs while PE for the Judicial Service Commission is accounted for under the Judiciary.
- (3) PE for employees of the State Department for Regional and Northern Corridor Development was incurred under the State Department for East African

The MDAs recurrent expenditure 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 included; 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.194 billion. This amount excluded PE for the National Intelligence Service and a component of the Ministry of Defence. The highest spending MDA under this category was TSC at Kshs.117 billion representing 60.3 per cent of the total expenditure on PE.

3.4.1.2 Operations and Maintenance (O&M)

This category included; domestic and foreign travel, printing and advertising, rentals and rates for non-residential, training, hospitality, legal fees, maintenance expenses for motor vehicles and other assets for programs/projects, among other expenses.

Under this category, travelling expenditure recorded the highest payments at Kshs.7.5 billion, which comprised of Kshs.5 billion on domestic travel and Kshs 2.5 billion on foreign travel. This was followed by Kshs.3.6 billion on rentals and rates for non – residential buildings, Kshs.2 billion on hospitality, and Kshs.1.2 billion on training.

Further analysis shows that, the highest expenditure by economic items by MDAs included Kshs.1.7 billion on domestic travel by the National Assembly, Kshs.801.4 million on foreign travel and Kshs.1.3 billion on rentals and rates for non-residential buildings by Ministry of Foreign Affairs. Others included Kshs.307.7 million on printing and advertising by the State Department for Broadcasting and Telecommunications, Kshs.287 million on training and Kshs.452.3 million on maintenance of motor vehicles by the State Department for Interior, Kshs 630.4 million on hospitality by the Presidency, and, Kshs 197.6 million on legal fees by the State Department for Mining.

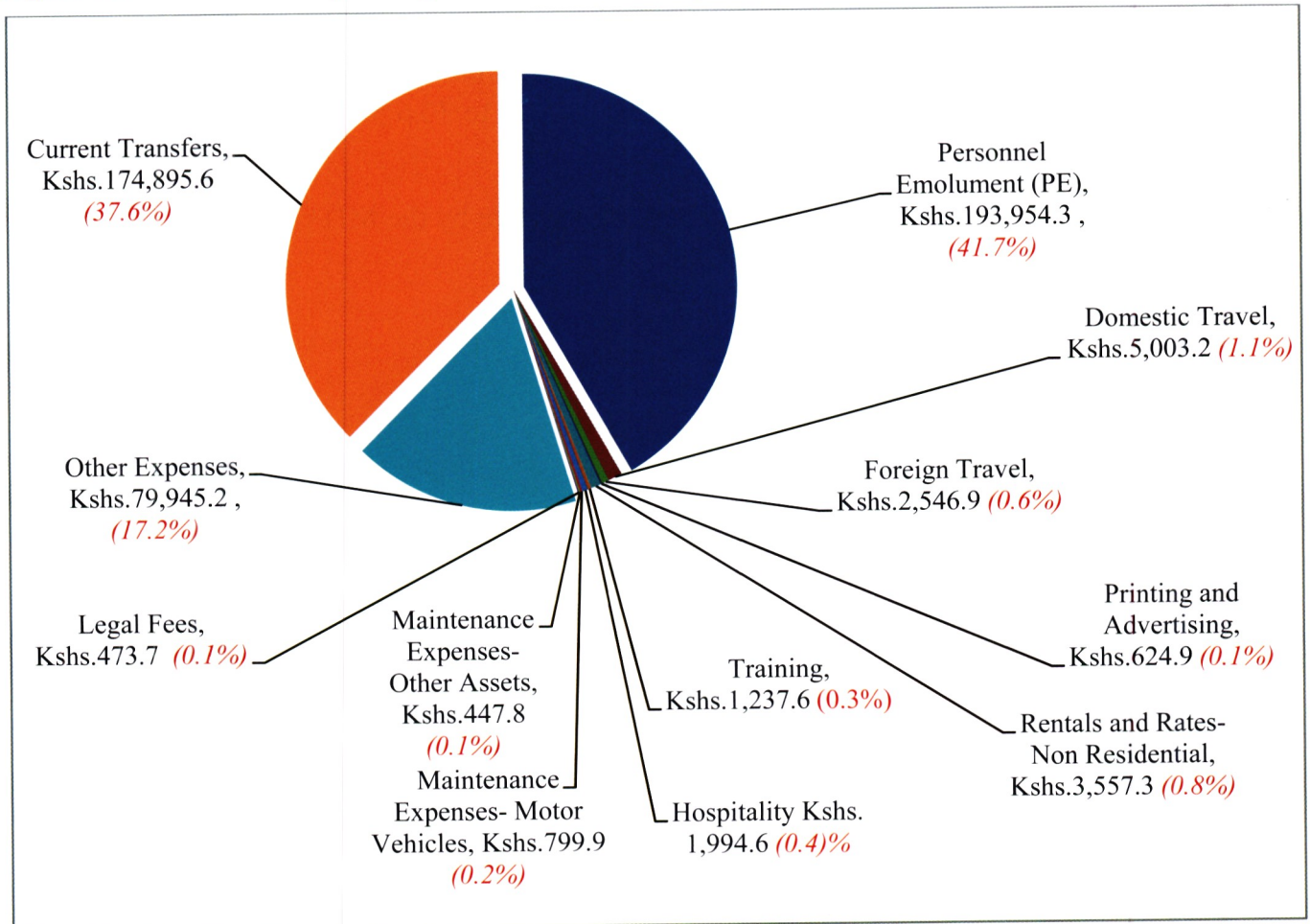
Other expenditure amounted to Kshs.79.9 billion and accounted for 17.2 per cent of the recurrent expenditure. This included Kshs.6.7 billion on medical scheme covers for civil servants by some MDAs.

3.4.1.3 Transfers to Semi-Autonomous Government Agencies

Transfers to SAGAs by the MDAs are meant to complement activities and mandates executed by SAGAs on behalf of parent ministries. In the first half of FY 2018/19, current transfer to SAGAs amounted to Kshs.174.9 billion. The highest transfer was reported by the Ministry of Defence at Kshs.56.2 billion representing 32.1 per cent of the total amount spent under this category.

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

Figure 3.3: Summary Analysis of Recurrent Expenditure by MDAs (Kshs. Millions)



Source: MDAs and National Treasury

3.4.2 MDAs Development Expenditure Analysis

In FY 2018/19, the revised allocation towards MDAs development activities was Kshs.650.6 billion, an increase compared to that of Kshs.597.3 billion allocated in FY 2017/18.

In the first half of FY 2018/19, the gross development expenditure was Kshs 252.7 billion translating to an absorption rate of 38.8 per cent, an increase compared to 30.6 per cent achieved in the same period of FY 2017/18.

Table 3.4 shows a breakdown of the development expenditure by the MDAs in the first half of FY 2018/19.

Table 3.4: Breakdown of Development Expenditure by MDAs for the period July to December, FY 2018/19 (Kshs. Millions)

MINISTRY/STATE DEPARTMENT	Maintenance of Motor Vehicles (Projects/Programmes)	Maintenance of other Assets	Capital Transfers to SAGAs	Construction of Buildings	Refurbishment of Buildings/ Infrastructure	Construction of Residential (Including Hostels.)	Construction and Civil Works	Purchase of Specialised Plant, Equipment and Machinery	Pre-Feasibility and Appraisal Studies	Other Expenses	Gross Expenditure	(A-I-A)	Net Expenditure
The Presidency	-	-	-	-	125.3	-	-	-	-	127.6	252.9	-	252.9
State Department for Interior	2.0	-	-	541.6	262.9	93.3	-	-	0.4	6,645.3	7,545.6	182.0	7,363.6
State Department for Correctional Services	-	-	-	31.2	-	65.5	-	-	-	-	96.7	-	96.7
State Department for Immigration and Citizen Services	-	35.0	-	4.0	43.1	-	-	-	-	600.5	682.6	-	682.6
State Department for Devolution	-	-	14,939.6	-	-	-	-	-	-	406.9	15,346.5	987.0	14,359.5
State Department for Development for the ASAL	-	-	2,545.6	-	-	-	-	-	2.2	0.6	2,548.4	-	2,548.4
Ministry of Defence	-	-	7,079.1	-	-	-	-	-	-	-	7,079.1	-	7,079.1
Ministry of Foreign Affairs	-	-	100.0	-	361.9	-	-	-	-	500.0	961.9	-	961.9
State Department for Vocational and Technical Training	-	-	532.7	159.9	-	-	-	-	-	389.8	1,082.5	-	1,082.5
State Department for University Education	-	-	2,857.3	1,930.1	-	-	-	-	-	169.0	4,956.4	2,080.1	2,876.3
State Department for Early Learning & Basic Education	-	-	940.8	-	-	-	-	-	-	713.0	1,653.8	98.1	1,555.6
The National Treasury	-	-	2,323.0	-	1.9	-	-	26.5	5.2	2,132.0	4,488.7	1,891.2	2,597.5
State Department of Planning	-	-	814.6	-	-	-	-	-	67.3	-	881.9	-	881.9
Ministry of Health	-	-	4,872.7	-	-	-	-	106.6	114.4	4,318.5	9,412.3	54.7	9,357.6
State Department of Infrastructure	-	-	21,943.9	65.8	24.9	-	28.0	-	54.8	10,862.3	32,979.8	10,725.2	22,254.6
State Department of Transport	-	-	10,195.4	-	60,126.9	-	-	-	-	63.5	70,385.9	-	70,385.9
State Department for Housing and Urban Development	-	-	375.0	155.9	1,675.4	-	5,015.7	485.7	52.9	244.0	8,004.5	3,127.7	4,876.8
State Department for Public Works	-	-	-	176.9	27.2	21.5	-	-	21.0	3.6	250.3	-	250.3
State Department for Housing, Urban Development and Public Works	-	-	375.0	31.7	79.0	-	524.2	-	-	1,022.8	2,032.7	79.0	1,953.7
State Department for Water and Sanitation	-	-	10,199.3	-	4,724.2	-	-	-	-	892.5	15,816.0	11,538.0	4,278.0
State Department for Environment and Forestry	-	-	740.5	-	-	-	-	-	0.2	-	740.7	41.7	699.1

MINISTRY/STATE DEPARTMENT	Maintenance of Motor Vehicles (Projects/Programmes)	Maintenance of other Assets	Capital Transfers to SAGAs	Construction of Buildings	Refurbishment of Buildings/Infrastructure	Construction of Residential (Including Hostels.)	Construction Works and Civil	Purchase of Specialised Plant, Equipment and Machinery	Pre-Feasibility and Appraisal Studies	Other Expenses	Gross Expenditure	(A-I-A)	Net Expenditure
Ministry of Lands and Physical Planning	-	-	-	-	-	-	-	-	133.7	493.2	626.8	-	626.8
State Department for Information Communication Technology	-	-	4,223.5	-	-	-	-	-	-	19.1	4,242.6	-	4,242.6
State Department for Broadcasting and Telecommunications	-	-	248.0	-	-	-	-	-	-	-	248.0	-	248.0
State Department for Sports	-	-	459.8	-	-	-	-	-	-	-	459.8	-	459.8
State Department for Culture and Heritage	-	-	365.0	27.5	23.3	-	-	-	-	2.4	418.2	-	418.2
Ministry of Energy	-	0.3	16,095.1	-	-	-	15,218.1	-	137.1	299.3	31,749.8	14,995.4	16,754.4
State Department for Livestock.	18.0	-	246.5	-	235.2	4.8	-	-	5.0	1,452.2	1,961.6	1,009.0	952.6
State Department for Crop Development	0.6	0.1	367.6	-	485.2	-	-	-	9.1	5,078.6	5,941.2	-	5,941.2
State Department for Fisheries, Aquaculture and the Blue Economy	-	-	29.7	33.9	38.2	-	-	-	18.0	140.7	260.5	-	260.5
State Department for Irrigation	-	-	2,445.7	-	-	-	-	-	-	79.6	2,525.3	40.7	2,484.6
State Department for Agricultural Research	-	-	237.9	-	-	-	-	-	-	237.9	475.9	-	475.9
State Department for Co-operatives	-	-	-	-	-	-	-	-	-	150.3	150.3	-	150.3
State Department for Trade	-	-	-	2.6	-	-	-	-	-	1.8	4.4	-	4.4
State Department for Industrialization	-	-	1,446.0	-	-	-	-	-	-	23.2	1,469.2	-	1,469.2
State Department for Labour	0.2	0.6	-	32.3	-	-	-	-	18.0	301.0	352.0	-	352.0
State Department for Social Protection, Pensions and Senior Citizens Affairs	-	-	1,880.2	28.9	45.2	-	-	-	-	377.3	2,331.6	-	2,331.6
State Department for Mining	-	-	-	-	4.6	-	-	89.3	-	30.7	124.6	-	124.6
State Department for Petroleum	-	-	-	-	-	-	-	-	421.3	88.6	509.9	-	509.9
State Department for Tourism	-	-	-	-	-	-	-	-	19.3	-	19.3	-	19.3
State Department for Wildlife	-	-	-	-	-	-	-	-	-	433.0	433.0	43.0	390.0
Ministry of Tourism and Wildlife	-	-	370.0	-	7.3	-	-	-	-	-	377.3	-	377.3
State Department for Public Service and Youth	-	67.7	-	-	69.9	-	108.6	-	-	1,308.5	1,554.7	-	1,554.7

MINISTRY/STATE DEPARTMENT	Maintenance of Motor Vehicles (Projects/Programmes)	Maintenance of other Assets	Capital Transfers to SAGAs	Construction of Buildings	Refurbishment of Buildings/Infrastructure	Construction of Residential (Including Hostels)	Construction and Civil Works	Purchase of Specialised Plant, Equipment and Machinery	Pre-Feasibility and Appraisal Studies	Other Expenses	Gross Expenditure	(A-1-A)	Net Expenditure
State Department for Public Service	-	-	269.4	-	7.8	-	-	-	-	124.1	401.3	-	401.3
State Department for Youth	0.0	-	152.7	-	-	-	-	-	-	37.5	190.2	-	190.2
State Department for Gender	-	-	1,706.5	-	-	-	-	-	-	-	1,706.5	-	1,706.5
State Department for Regional and Northern Corridor Development	-	-	5,143.3	-	-	-	-	-	-	-	5,143.3	3,600.8	1,542.5
State Law Office and Department of Justice	-	-	30.0	-	11.2	-	-	-	-	-	41.2	-	41.2
The Judiciary	-	-	7.1	-	19.6	-	-	-	-	1,072.4	1,099.0	679.6	419.5
Ethics and Anti-Corruption Commission	-	-	-	-	-	-	-	-	-	-	-	-	-
Office of the Director of Public Prosecutions	-	-	-	-	-	-	-	-	-	-	-	-	-
National Land Commission	-	-	-	-	-	-	-	-	-	-	-	-	-
Independent Electoral and Boundaries Commission	-	-	-	-	-	-	-	-	-	-	-	-	-
Parliamentary Service Commission	-	-	-	506.5	23.7	-	-	-	-	96.3	626.5	-	626.5
Public Service Commission	-	-	-	-	6.5	-	-	-	-	-	6.5	-	6.5
Teachers Service Commission	-	-	-	7.6	-	-	-	-	-	-	7.6	-	7.6
Auditor General	-	-	-	46.7	-	-	-	-	-	-	46.7	-	46.7
Total	20.9	103.7	116,558.6	3,783.0	68,430.4	185.1	20,894.5	708.2	1,078.8	40,939.8	252,706.0	51,173.1	201,530.8

Source: MDAs and National Treasury IFMIS Directorate

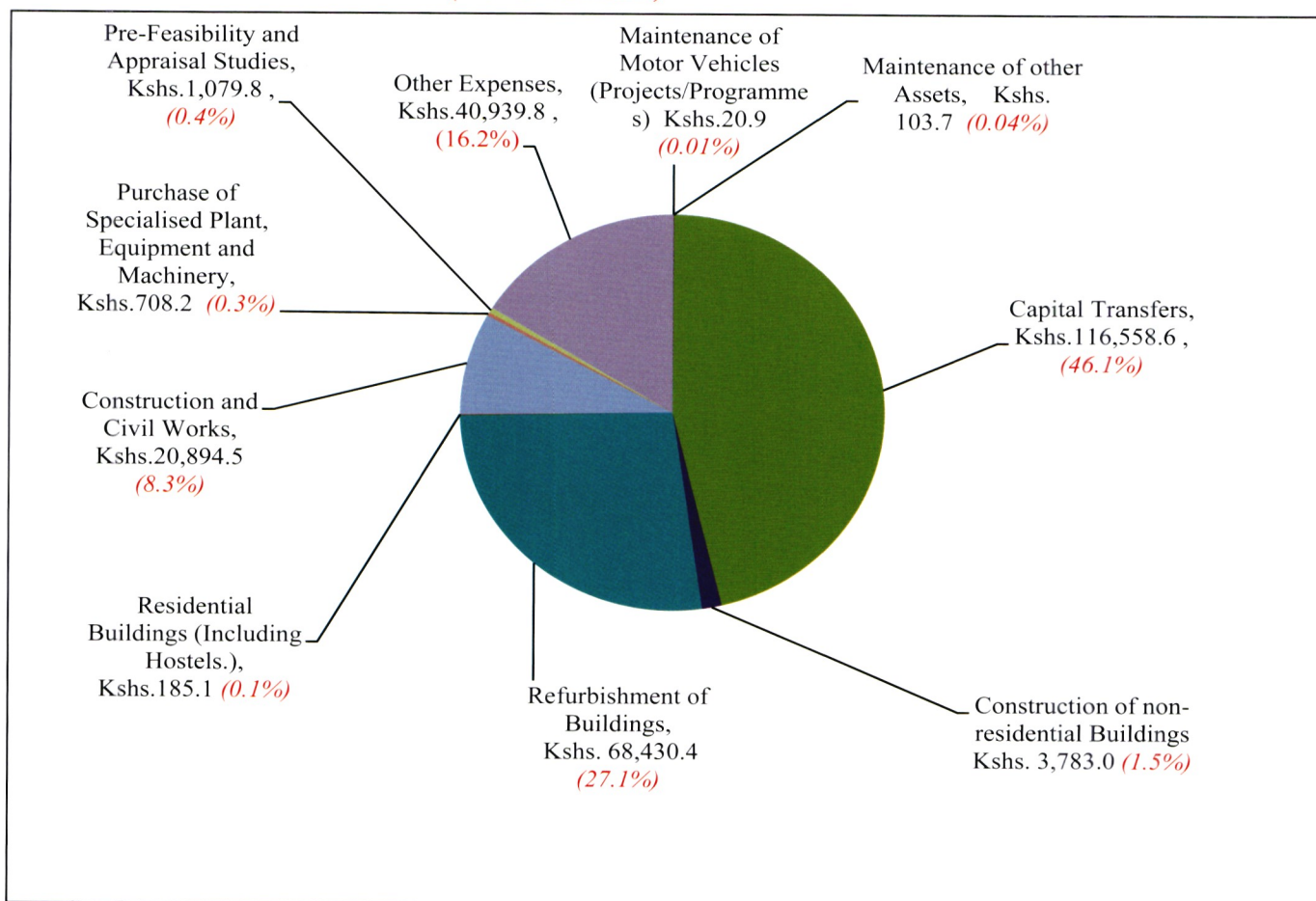
During the first half of FY 2018/19, the category with the highest development expenditure for MDAs was Capital Transfers to SAGAs at Kshs.116.6 billion representing 46.1 per cent of the gross development expenditure. The second highest category was on refurbishment of buildings/infrastructure at Kshs.68.4 billion representing 27.1 per cent of the total gross development expenditure. Other categories with expenditure included; construction and civil works at Kshs.20.9 billion, construction of non-residential buildings at Kshs.3.8 billion, pre-feasibility and appraisal studies at Kshs.1.1 billion and purchase of specialised plant, equipment and machinery at Kshs.708.2 million.

Further analysis shows that, the State Department for Infrastructure reported the highest capital transfers to its SAGAs at Kshs.21.9 billion representing 18.8 per cent of the total capital transfers followed by Ministry of Energy at Kshs. 16.1 billion which represented 13.8 per cent. The State Department for Transport reported the highest expenditure on refurbishment of buildings/infrastructure at Kshs.60.1 billion, equivalent to 87.9 per cent of the total expenditure under this category.

The Ministry of Energy reported the highest expenditure on Construction and Civil Works at Kshs.15.2 billion translating to 72.8 per cent of the total expenditure under this category. Other notable expenditure in other categories included; Kshs1.9 billion by the State Department for University Education on construction of non-residential buildings, Kshs.485.7 million by the State Department for Housing and Urban Development on purchase of specialised plant, equipment and machinery and, Kshs.421.3 million by the State Department for Petroleum on pre-feasibility and appraisal studies.

Figure 3.4 shows the composition of MDAs development expenditure for the first half of FY 2018/19.

Figure 3.4: Summary Analysis of MDAs' Development Expenditure in the period July to December 2018 (Kshs. Millions)



Source; MDAs and National Treasury

4 DEVELOPMENT AND RECURRENT EXPENDITURE ANALYSIS BY SECTOR

4.1 Introduction

This chapter presents an analysis of performance by Sector for both development and recurrent expenditure in the first half of FY 2018/19. Sector performance is presented in an alphabetical order as follows; (i) Agriculture, Rural and Urban Development (ARUD) (ii) Education (iii) Energy, Infrastructure and Information Communications Technology (EI & ICT) (iv) Environmental Protection, Water and Natural Resources (EWNR) (v) General Economic and Commercial Affairs (GECA) (vi) Governance, Justice, Law and Order (GJLOS) (vii) Health (viii) National Security (ix) Public Administration and International Relations (PAIR) (x) Social Protection, Culture and Recreation Sector.

4.2 Agriculture, Rural and Urban Development (ARUD) Sector

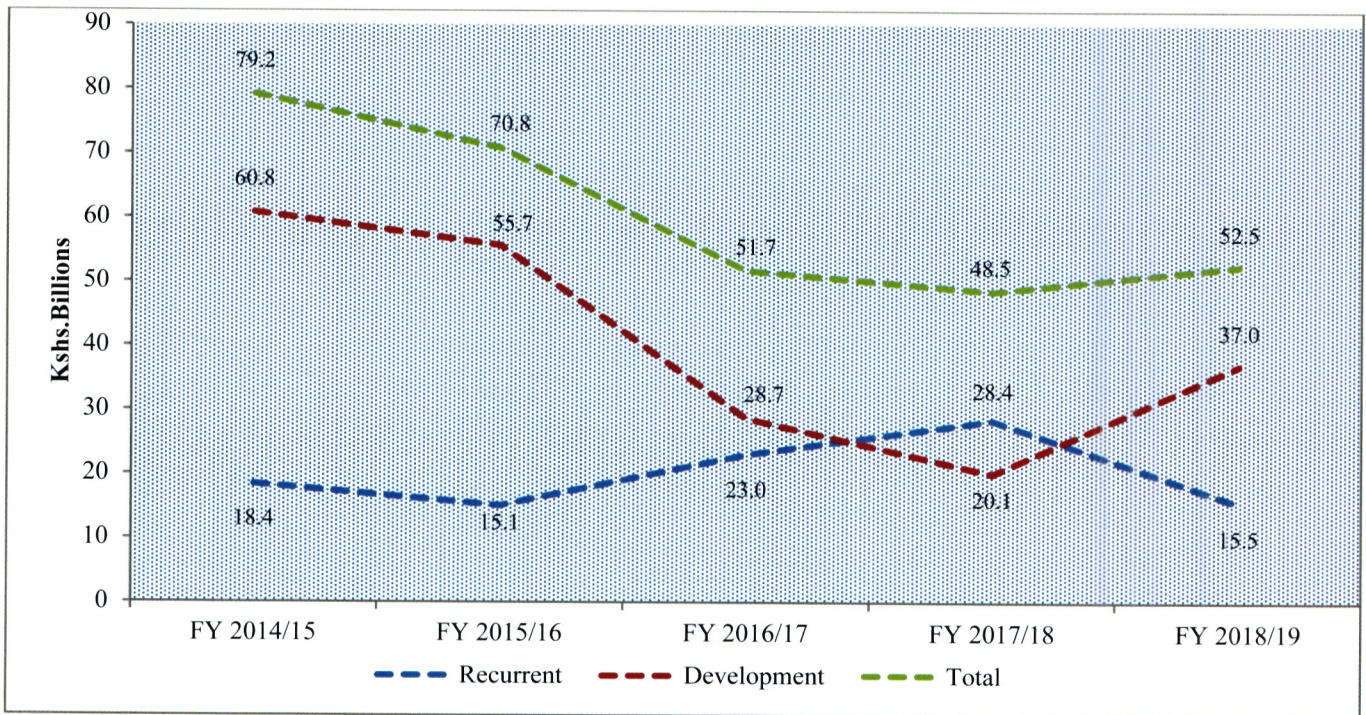
The sector consists of seven MDAs namely: Ministry of Lands and Physical Planning (MoLPP); State Department for Crop Development; State Department for Irrigation; State Department for Agricultural Research; State Department for Livestock; State Department for Fisheries, Aquaculture and the Blue Economy 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. It is identified as one of the sectors that will drive delivery of the 10 per cent economic growth rate envisaged under the vision 2030 and accelerate attainment of the Sustainable Development Goals (SDGs). The 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 sector's revised budgetary allocation in FY 2018/19 is Kshs.52.5 billion and represents 2 per cent of the revised gross national budget, which is an increase from Kshs.48.5 billion allocated in FY 2017/18. The allocation comprised of Kshs.37 billion (70 per cent) for development budget and Kshs.15.5 billion (30 per cent) for recurrent expenditure. The State Department for Crop Development received the highest budgetary allocation of Kshs.23.4 billion (44.6 per cent of the sector's allocation), while National Land Commission had the lowest budgetary allocation of Kshs.1.2 billion (2.3 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 AR & UD Sector for the period FY 2014/15 to FY 2018/19 (Kshs. Billion)



Source: National Treasury

Total exchequer issues to the sector amounted to Kshs.17.4 billion representing 37.5 per cent of the sector's revised net estimate. This amount comprised of Kshs.8.4 billion for development expenditure, representing 26.5 per cent of the revised development net estimates and Kshs.9.1 billion for recurrent expenditure, representing 60.4 per cent of the revised recurrent net estimates.

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

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

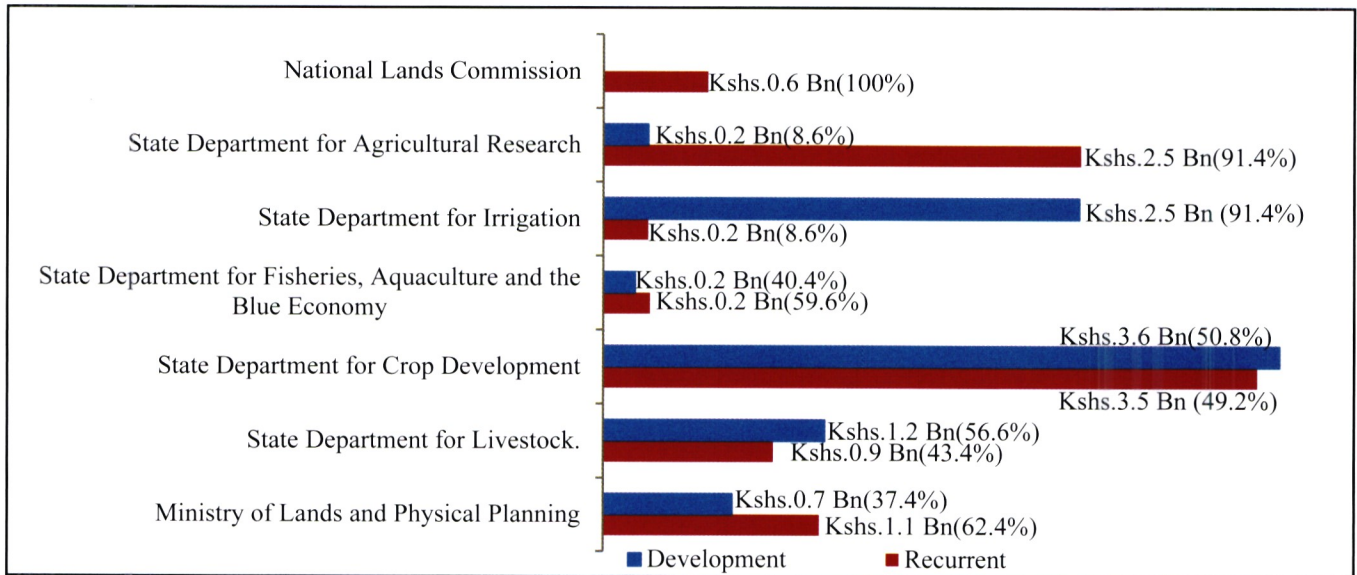
VOTE	Development						Recurrent					
	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. To Rev. Net Est.	% of Exp. to Rev. Gross Est.	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. To Rev. Net Est.	% of Exp. to Rev. Gross Est.
Ministry of Lands and Physical Planning	3.3	3.3	0.7	0.6	20.5	18.7	2.7	2.7	1.1	1.1	43.0	42.0
State Department for Crop Development	20.1	16.8	3.6	5.9	21.4	29.6	3.3	3.3	3.5	3.7	105.5	112.8
State Department for Livestock	4.3	3.0	1.2	2.0	39.6	45.8	1.9	1.9	0.9	0.9	46.8	45.5
State Department for Irrigation	6.7	5.8	2.5	2.5	43.5	37.9	0.8	0.4	0.2	0.3	57.9	35.2
State Department for Agricultural Research.	0.5	0.5	0.2	0.5	50.0	100.0	5.0	5.0	2.5	2.5	50.8	50.9
State department for Fisheries, Aquaculture and the Blue Economy	2.2	2.2	0.2	0.3	7.7	11.9	0.6	0.6	0.2	0.2	43.8	37.6
National Land Commission	-	-	-	-	-	-	1.2	1.2	0.6	0.5	45.7	41.3
Total	37.0	31.5	8.4	11.8	26.5	31.8	15.5	15.0	9.1	9.2	60.4	59.8
Total for the Sector							Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. To Rev. Net Est.	% of Exp. to Rev. Gross Est.
Development							37.0	31.5	8.4	11.8	26.5	31.8
Recurrent							15.5	15.0	9.1	9.2	60.4	59.8
Total							52.5	46.5	17.5	21.0	37.5	40.1

Source: MDAs and National Treasury

In the first half of FY 2018/19, State Department for Agricultural Research received the highest proportion of development exchequer issues to revised net estimates at 50 per cent while the State Department for Fisheries, Aquaculture and Blue Economy received the lowest at 7.7 per cent. The State Department for Crop Development received the highest proportion of recurrent exchequer issues at 105.5 per cent of its revised net estimates, while the Ministry of Lands and Physical Planning received the lowest at 43 per cent.

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

Figure 4.2: Exchequer Issues to ARUD Sector



Source: National Treasury

The total expenditure for the sector amounted to Kshs.21 billion, representing 40.1 per cent of the revised gross estimate, a slight increase compared to 39 per cent recorded in a similar period FY 2017/18. The expenditure comprised of Kshs.11.8 billion as development expenditure representing an absorption rate of 31.8 per cent and Kshs.9.2 billion for recurrent expenditure, representing 59.8 per cent of the revised gross recurrent estimates.

The State Department for Agricultural Research recorded the highest absorption of development budget at 100 per cent, while the State Department for Fisheries, Aquaculture and Blue Economy recorded the lowest, at 11.9 per cent. Conversely, the State Department for Crop Development recorded the highest percentage of recurrent expenditure to revised gross recurrent estimates at 112.5 per cent, while the State Department for Irrigation recorded the lowest at 35.2 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 the Teachers Service Commission (TSC) together with their affiliated agencies and institutions.

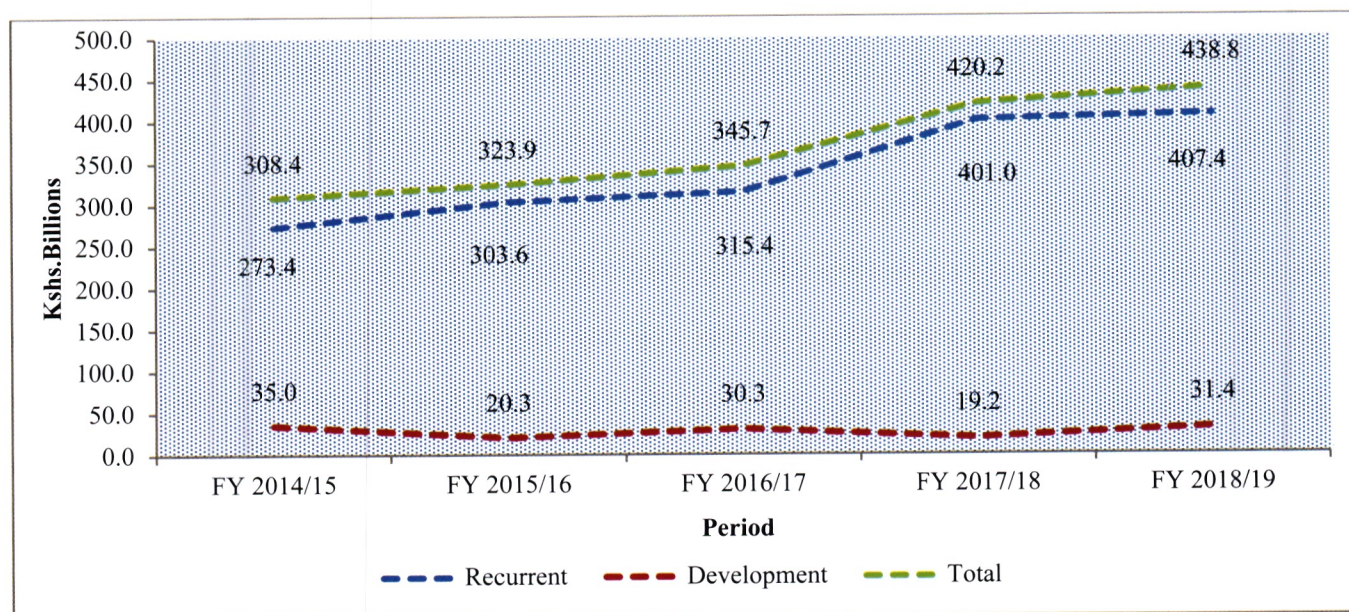
The sector envisions a globally competitive education, training, research and innovation for sustainable development. In order to realize this, the sector undertakes to provide, promote and coordinate quality education. Its overall goal is to increase access to education and training; improve quality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

The revised budgetary allocation to the Sector in FY 2018/19 is Kshs.438.8 billion representing 15 per cent of the revised gross national budget, an increase compared to Kshs.420.2 billion allocated in FY 2017/18. The allocation comprised of Kshs.31.4 billion (7 per cent) for development budget and Kshs.407.4 billion (93 per cent) for recurrent expenditure. The Teachers' Service Commission

received the highest allocation of Kshs.226.6 billion (51.6 per cent of the sector's allocation), while State Department for Post-Training and Skills Development had the lowest allocation of Kshs.45.5 million.

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

Figure 4.3: Budgetary Allocation Trend for the Education Sector for the period FY 2014/15 to FY 2018/19 (Kshs. Billion)



Source: National Treasury

Total exchequer issues to the sector amounted to Kshs.180.7 billion representing 46.1 per cent of the sector's revised net estimate. This comprised of Kshs.8.3 billion for development expenditure, representing 33.3 per cent of the revised development net estimates and Kshs.172.4 billion for recurrent expenditure, representing 47.0 per cent of the revised recurrent net estimates.

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

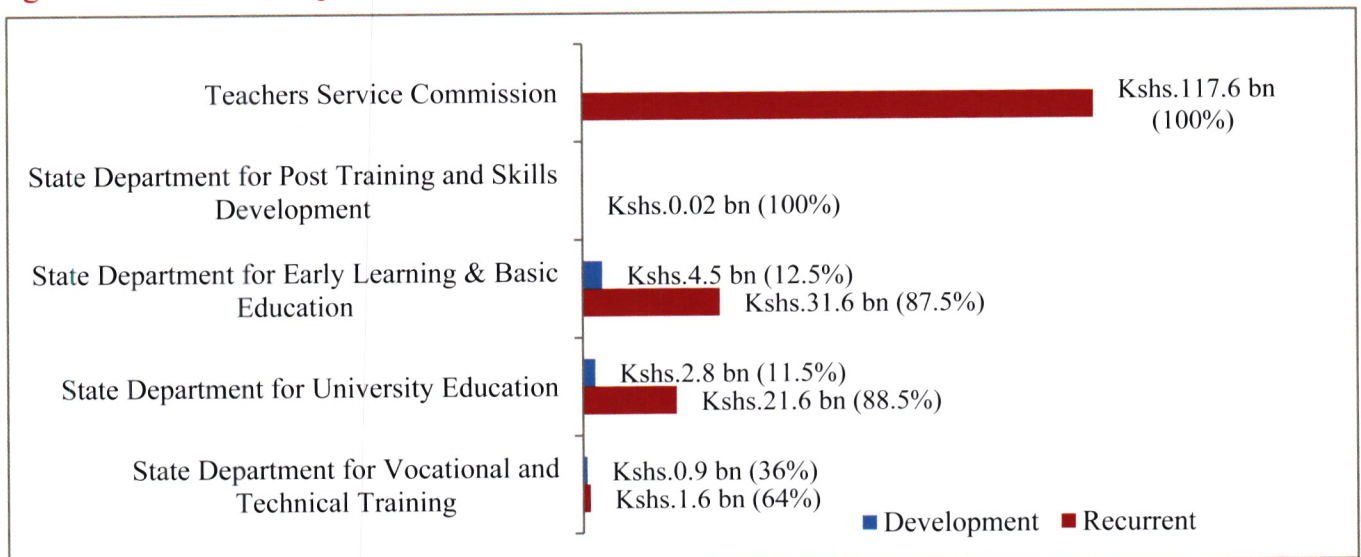
Table 4.2: Education Sector-Analysis of Exchequer Issues and Expenditure (Kshs. Billions)

VOTE	Development						Recurrent					
	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. To Rev. Net Est.	% of Exp. to Rev. Gross Est.
State Department for Early Learning and Basic Education	9.8	9.2	4.5	1.7	48.5	16.8	88.2	86.8	31.6	30.6	36.5	34.7
State Department for Vocational and Technical Training	8.3	5.0	0.9	1.1	18.2	13.0	6.3	6.3	1.6	2.5	25.6	38.8
State Department for University Education	13.1	10.3	2.8	5.0	27.4	37.8	86.3	47.7	21.6	23.7	45.2	27.5
Teachers Service Commission	0.1	0.1	-	0.01	-	5.6	226.5	226.0	117.6	117.5	52.0	51.9
State Department for Post-Training and Skills Development	-	-	-	-	-	-	0.05	0.05	0.02	0.02	42.1	44.8
Total	31.4	24.7	8.2	7.7	33.3	24.5	407.4	366.8	172.4	174.2	47.0	42.8
Total for the Sector							Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
Development							31.4	24.7	8.2	7.7	33.3	24.5
Recurrent							407.4	366.8	172.4	174.2	47.0	42.8
Total							438.8	391.5	180.7	181.9	46.1	41.5

Source: MDAs and National Treasury

In the first half of FY 2018/19, State Department for Early Learning and Basic Education received the highest proportion of development exchequer issues to revised net estimates at 48.5 per cent while the State Department for Vocational and Technical Training received the lowest at 18.2 per cent. Teachers Service Commission received the highest proportion of recurrent exchequer issues to revised net estimates at 52 per cent, while the State Department for Vocational and Technical Training received the lowest at 25.6 per cent.

Figure 4.4 shows the exchequer issues to the Education Sector in the first half 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.181.9 billion, representing 41.5 per cent of the revised gross estimate, a decrease compared to 53.9 per cent recorded in a similar period of FY 2017/18. The expenditure comprised of Kshs.7.7 billion for development expenditure, representing an absorption rate of 24.5 per cent (a decrease from 29.4 per cent) and Kshs.174.2 billion as recurrent expenditure, representing 42.8 per cent of revised gross recurrent estimates (a decline from 55.1 per cent).

State Department for University Education recorded the highest absorption on development budget at 37.8 per cent, while the Teachers Service Commission recorded the lowest at 5.6 per cent. Teachers Service Commission recorded the highest percentage of recurrent expenditure to revised gross recurrent estimates at 51.9 per cent, while the State Department for University Education recorded the lowest, at 27.5 per cent.

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

This sector consists of eight MDAs namely; State Department for: - Infrastructure, Transport, Shipping and Maritime, Housing and Urban Development, Public Works, Information Communication Technology, Broadcasting and Telecommunication, Petroleum and the Ministry of Energy.

This sector is crucial for Kenya's economic transformation and 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 Medium-Term Plan (MTP III) and Vision 2030.

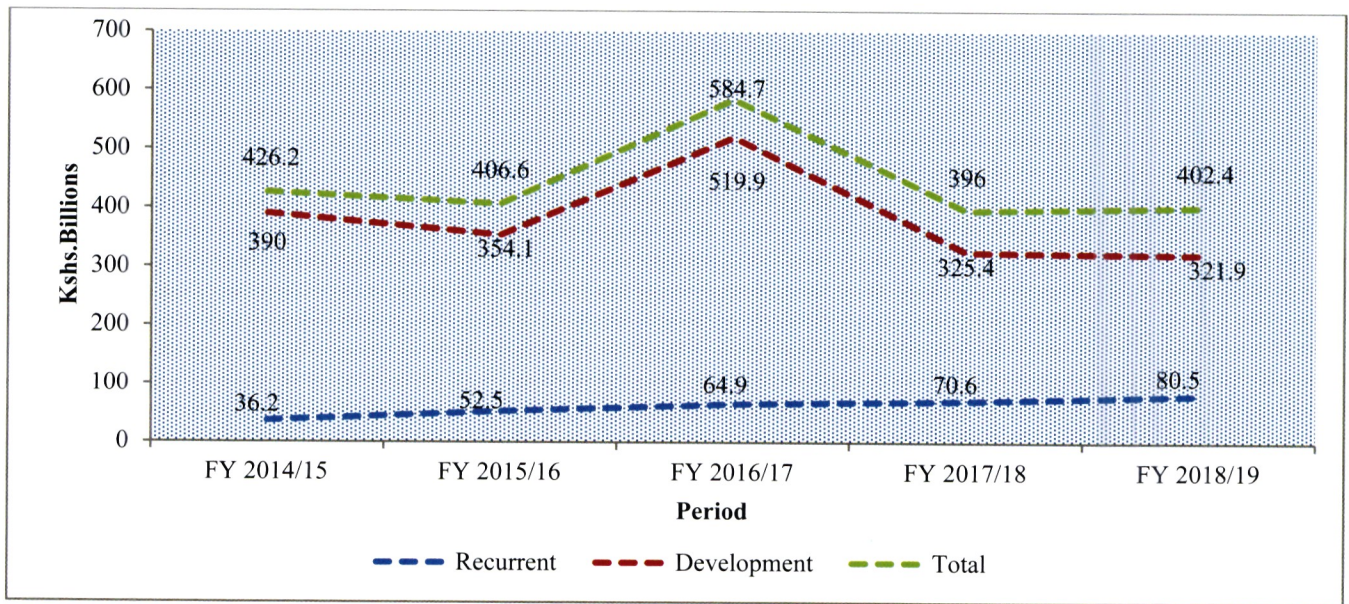
The key strategic goals of the sector are to develop and maintain sustainable services to facilitate efficient movement of goods and people, develop and sustain access to opportunities in the shipping and maritime industry, improve universal access to information technology enabled services, improve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

The revised budgetary allocation to the Sector in FY 2018/19 is Kshs.402.4 billion representing 13 per cent of the revised gross national budget, an increase from Kshs.396 billion of allocation in FY 2017/18. The allocation comprised of Kshs.321.9 billion (80 per cent) for development budget and

Kshs.80.5 billion (20 per cent) for recurrent expenditure. State Department for Infrastructure received the highest budgetary allocation of Kshs.171.3 billion (42.6 per cent of the sector's allocation), while State Department for Shipping and Maritime 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 for the period FY 2014/15 to FY 2018/19 (Kshs. Billion)



Source: National Treasury

Total exchequer issues to the sector amounted to Kshs.68.5 billion representing 43.9 per cent of the sector's revised net estimate. This amount comprised of Kshs.63.9 billion for development expenditure, representing 44.4 per cent of the revised development net estimates and Kshs.4.5 billion for recurrent expenditure, representing 37.9 per cent of the revised recurrent net estimates.

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

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

VOTE	Development						Recurrent					
	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. To Rev. Net Est.	% of Exp. to Rev. Gross Est.
State Department of Infrastructure	113.0	72.4	28.9	33.0	40.0	29.2	58.3	1.8	0.7	20.0	39.7	34.3
State Department of Transport	90.4	12.5	9.4	70.4	75.6	77.8	10.3	1.1	0.4	6.7	38.8	65.0
State Department for Shipping and Maritime.	-	-	-	-	-	-	1.7	0.3	0.1	0.8	36.6	51.5
State Department for Housing & Urban Development*	20.6	20.6	2.2	8.0	10.6	38.8	0.7	0.7	0.1	0.3	19.3	46.8
State Department for Public Works*	1.9	1.9	-	0.3	0.0	13.2	1.6	1.6	0.2	0.5	10.2	29.3
State Department for Housing, Urban Development and Public Works*	6.6	2.0	2.0	2.0	98.0	31.0	0.7	0.7	0.8	0.3	110.9	48.8
State Department of Information Communication Technology	21.1	10.8	3.8	4.2	34.9	20.1	1.7	1.7	0.5	0.6	32.4	35.3
State Department for Broadcasting and Telecommunications	0.7	0.7	0.2	0.2	22.5	36.0	3.1	2.0	0.9	1.0	46.9	32.8
Ministry of Energy	64.4	22.3	17.3	31.7	77.3	49.3	2.2	1.9	0.7	0.8	36.2	37.1
State Department for Petroleum	3.3	0.9	0.2	0.5	24.4	15.6	0.3	0.2	0.1	0.1	34.6	39.1
Total	321.9	144.1	63.9	150.4	44.4	46.7	80.5	12.0	4.6	31.5	37.9	39.2
Total for the Sector							Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
Development							321.9	144.1	63.9	150.4	44.4	46.7
Recurrent							80.5	12.0	4.6	31.5	37.9	39.2
Total							402.4	156.1	68.5	181.9	43.9	45.2

Source: MDAs and National Treasury

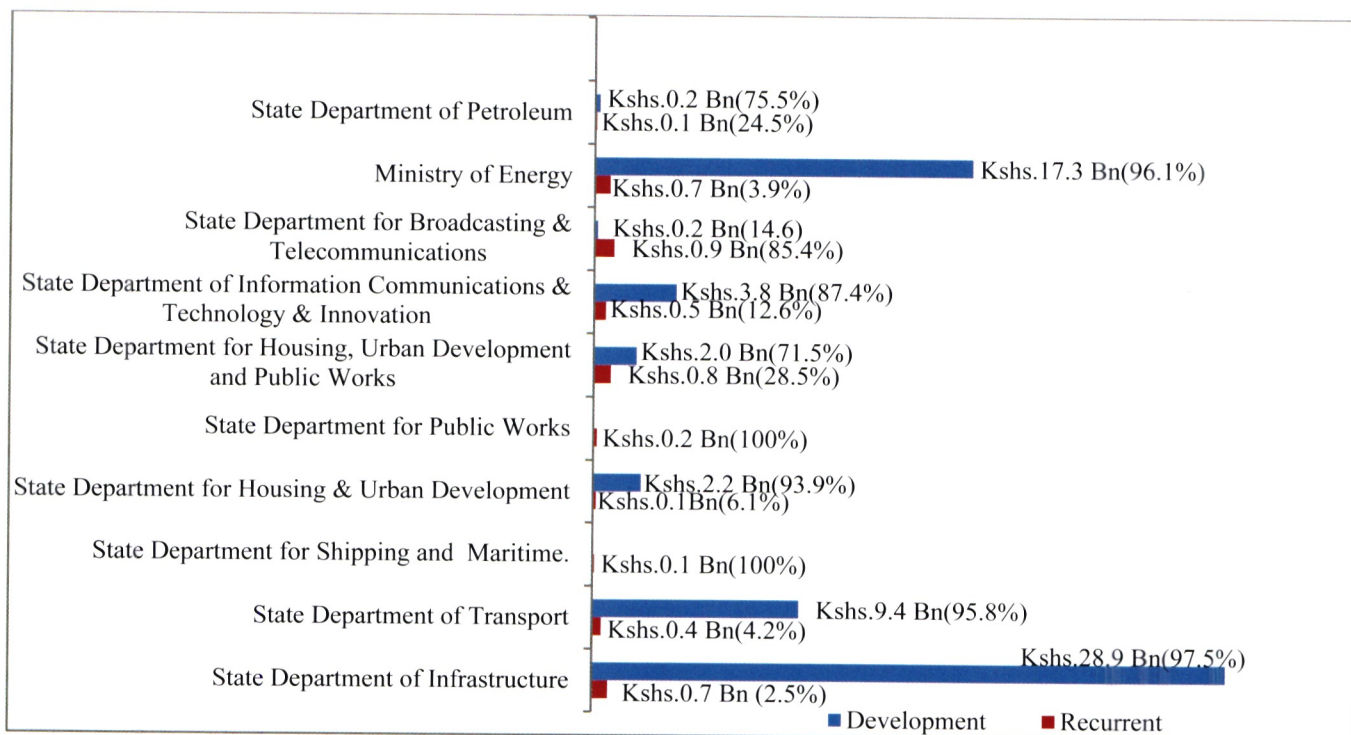
**Following government reorganization (Executive order No.1 2018) State Department for Housing, Urban Development and Public Works was split into to two State Departments namely:- (i)Housing & Urban Development and (ii) Public Works

During the reporting period, the State Department for Housing, Urban Development and Public Works received the highest proportion for both development and recurrent exchequer issues to revised net estimates at 98 per cent and 110.9 per cent respectively. State Department for Housing

and Urban Development received the lowest proportion for development exchequer issues to revised net estimates at 10.6 per cent, while the State Department for Public Works received the lowest for recurrent estimates at 10.2 per cent.

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

Figure 4.6: Exchequer Issues to the EI & ICT Sector



Source: National Treasury

The Sector's total expenditure amounted to Kshs.181.9 billion, representing 45.2 per cent of the revised gross estimate, an increase from 34.2 per cent recorded in a similar period of FY 2017/18. The expenditure comprised of Kshs.150.4 billion for development expenditure, representing an absorption rate of 46.7 per cent (an increase from 32 per cent) and Kshs.31.5 billion as recurrent expenditure, representing 39.2 per cent of revised gross recurrent estimates (a decline from 45 per cent).

State Department for Transport recorded the highest absorption on both development and recurrent budget at 77.8 per cent and 65 per cent respectively. The State Department for Public Works recorded the lowest absorption for development budget at 13.2 per cent, while the State Department for Broadcasting and Telecommunications recorded the lowest for recurrent expenditure at 32.8 per cent.

4.5 Environmental Protection, Water and Natural Resource Sector

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

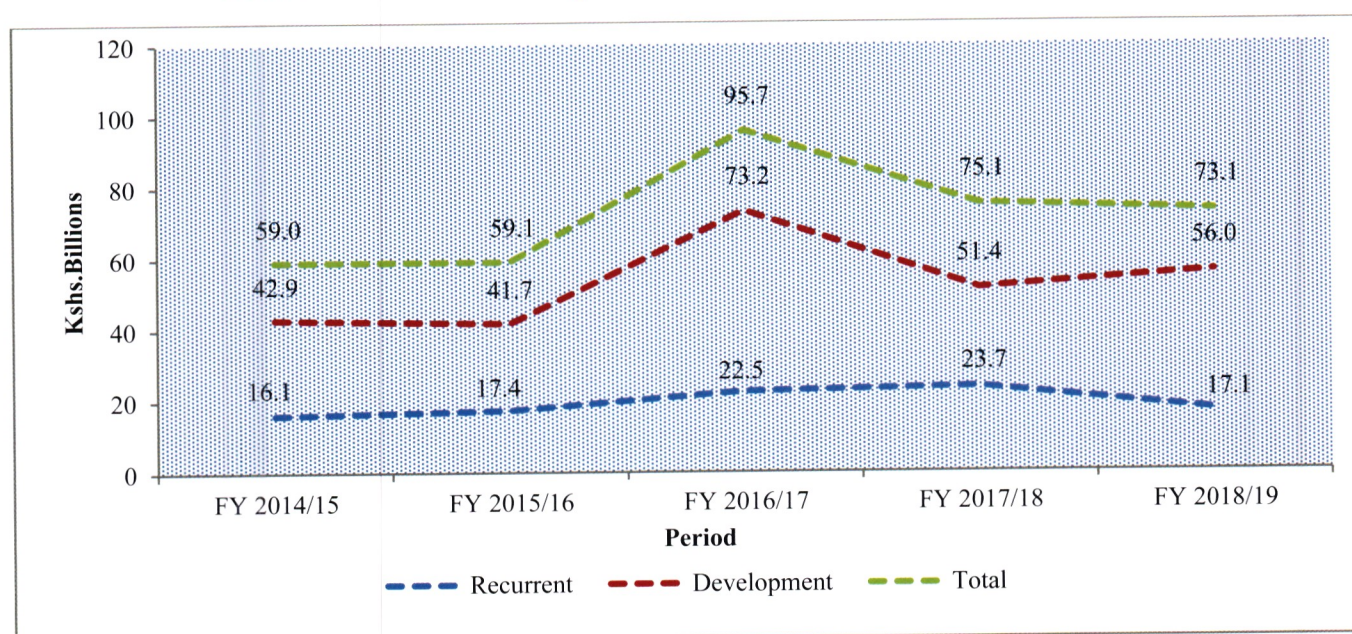
The overall goal of this sector is to ensure sustainable development in a clean and secure environment. Its specific objectives are to: enhance sustainable management of environment, water, irrigation and natural resources; ensure access to water and natural resources, benefit socio-economic development 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 revised budgetary allocation to the Sector is Kshs.73.1 billion representing 2.4 per cent of the revised gross national budget, a slight decrease from Kshs.73.6 billion allocated in FY 2017/18. The allocation comprised of Kshs.56 billion (77 per cent) for development budget and Kshs.17.1 billion (23 per cent) for recurrent expenditure. The Ministry of Water and Sanitation received the highest allocation at Kshs.52.8 billion (72.2 per cent of the sector's allocation), while State Department for Mining had the lowest allocation at Kshs.1.2 billion (1.6 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 for the period FY 2014/15 to FY 2018/19 (Kshs. Billion)



Source: National Treasury

Total exchequer issues to the sector amounted to Kshs.11.4 billion, representing 27 per cent of the sector's revised net estimate. This comprised of Kshs.5.2 billion for development expenditure, representing 17.9 per cent of the revised development net estimates and Kshs.6.2 billion for recurrent expenditure, representing 46.9 per cent of the revised recurrent net estimates.

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

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

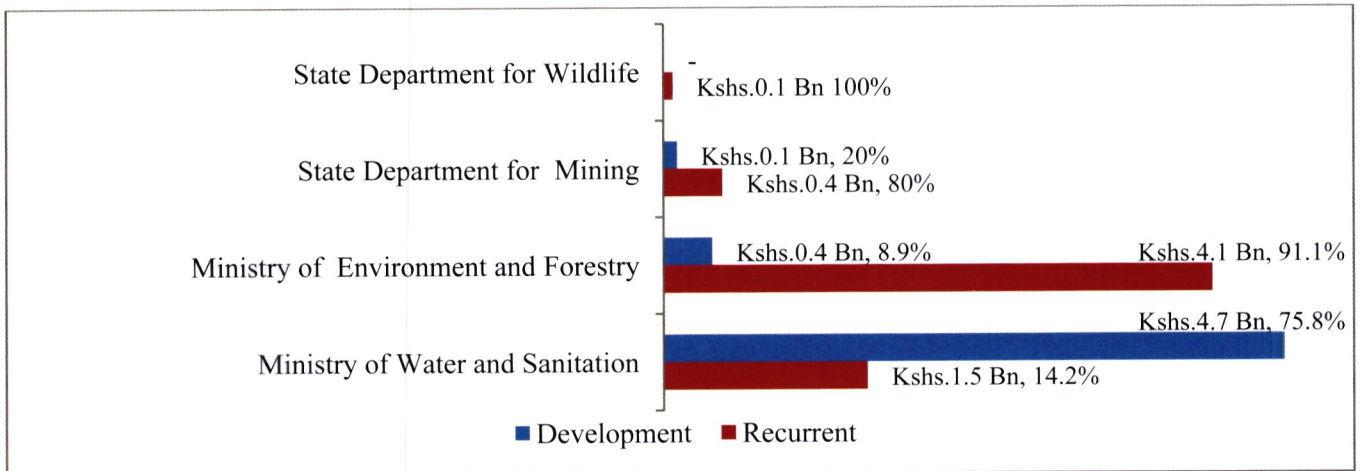
VOTE	Development						Recurrent					
	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. To Rev. Net Est.	% of Exp. to Rev. Gross Est.
Ministry of Water and Sanitation	48.8	23.6	4.7	15.8	19.9	32.4	4.1	3.5	1.5	1.7	44.0	42.1
State Department for Environment and Forestry	6.0	4.1	0.4	0.7	9.1	12.3	10.0	6.6	4.1	2.4	62.4	24.3
State Department for Mining	0.3	0.3	0.1	0.1	31.8	38.3	0.9	0.9	0.4	0.4	51.1	49.9
State Department for Wildlife*	0.9	0.9	-	0.4	-	49.6	2.2	2.2	0.1	0.6	3.2	25.9
Total	56.0	28.9	5.2	17.1	17.9	30.6	17.1	13.2	6.2	5.2	46.9	30.1
Total for the Sector							Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
Development							56.0	28.9	5.2	17.1	17.9	30.6
Recurrent							17.1	13.2	6.2	5.2	46.9	30.1
Total							73.1	42.1	11.4	22.3	27.0	30.5

Source: MDAs and National Treasury

During the reporting period, the State Department for Mining received the highest proportion of development exchequer issues to revised net estimates at 31.8 per cent, while the State Department for Environment and Forestry received the lowest at 9.1 per cent. State Department for Environment and Forestry received the highest proportion of recurrent exchequer issues to revised net estimates at 62.4 per cent, while the State Department for Wildlife received the lowest at 3.2 per cent.

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

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



Source: National Treasury

The sector's total expenditure amounted to Kshs.22.3 billion, representing 30.3 per cent of the revised gross estimate, an increase compared to 28.6 per cent recorded in a similar period of FY 2017/18. The expenditure comprised of Kshs.17.1 billion for development expenditure, representing an absorption rate of 30.6 per cent (an increase from 27.1 per cent) and Kshs.5.2 billion as recurrent expenditure, representing 30.1 per cent of revised gross recurrent estimates (a decline from 32.1 per cent).

State Department for Wildlife recorded the highest absorption on development budget at 49.6 per cent, while the State Department for Environment and Forestry recorded the lowest at 12.3 per cent. The State Department for Mining recorded the highest percentage of recurrent expenditure to revised gross recurrent estimates at 49.9 per cent, while the State Department for Environment and Forestry recorded the lowest, at 24.3 per cent.

4.6 General Economic and Commercial Affairs (GECA) Sector

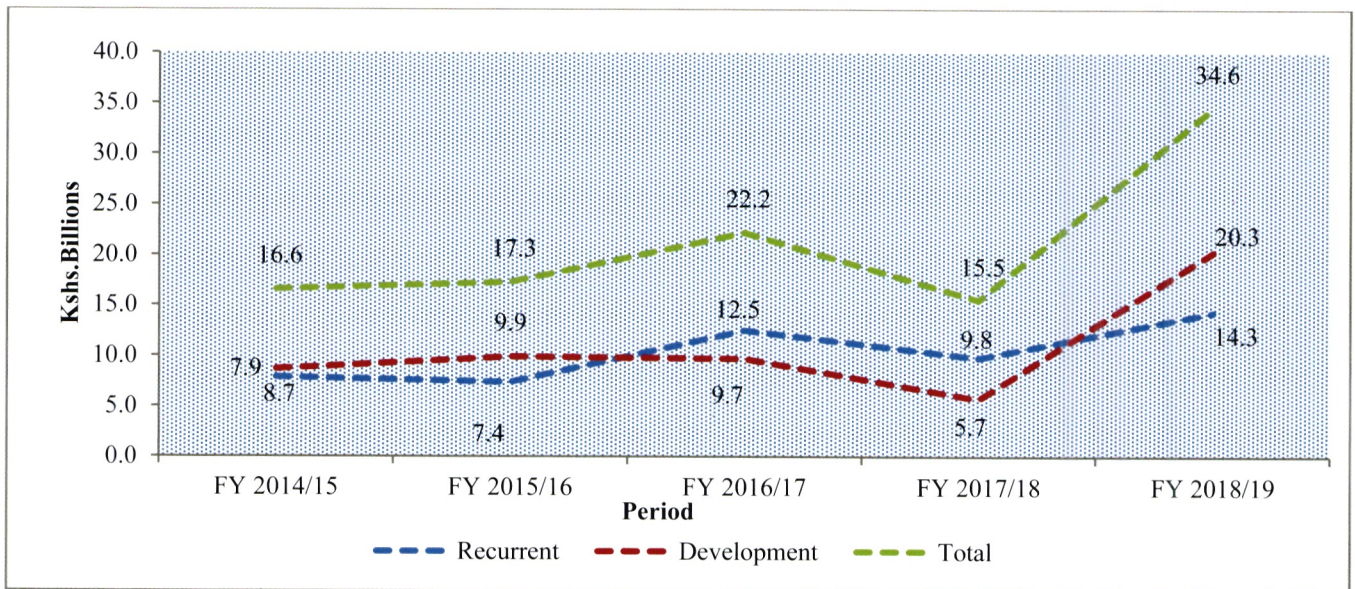
The General Economic and Commercial Affairs (GECA) sector consists of six MDAs, namely: State Department for Industrialization, Co-operatives, Trade, East African Community, Regional and Northern Corridor Development and Ministry of Tourism.

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 revised budgetary allocation to the Sector in FY 2018/19 is Kshs.34.6 billion, representing only 1 per cent of the revised gross national budget. This is an increase from Kshs.15.5 billion allocated in FY 2017/18. The allocation comprised of Kshs.20.3 billion (59 per cent) for development expenditure and Kshs.14.3 billion (41 per cent) for recurrent expenditure. State Department for Regional and Northern Corridor Development received the highest budgetary allocation of Kshs.14.6 billion (42.2 per cent of the sector's allocation), while State Department for East African Community had the lowest budgetary allocation of Kshs.0.6 billion (1.7 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 for the period FY 2014/15 to FY 2018/19 (Kshs. Billion)



Source: National Treasury

Total exchequer issues to the sector amounted to Kshs.6.9 billion representing 34.9 per cent of the sector's revised annual net estimate. This comprised of Kshs.2.5 billion for development expenditure, representing 22.9 per cent of the revised development net estimates and Kshs.4.4 billion for recurrent expenditure, representing 49.6 per cent of the revised annual recurrent net estimates.

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

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

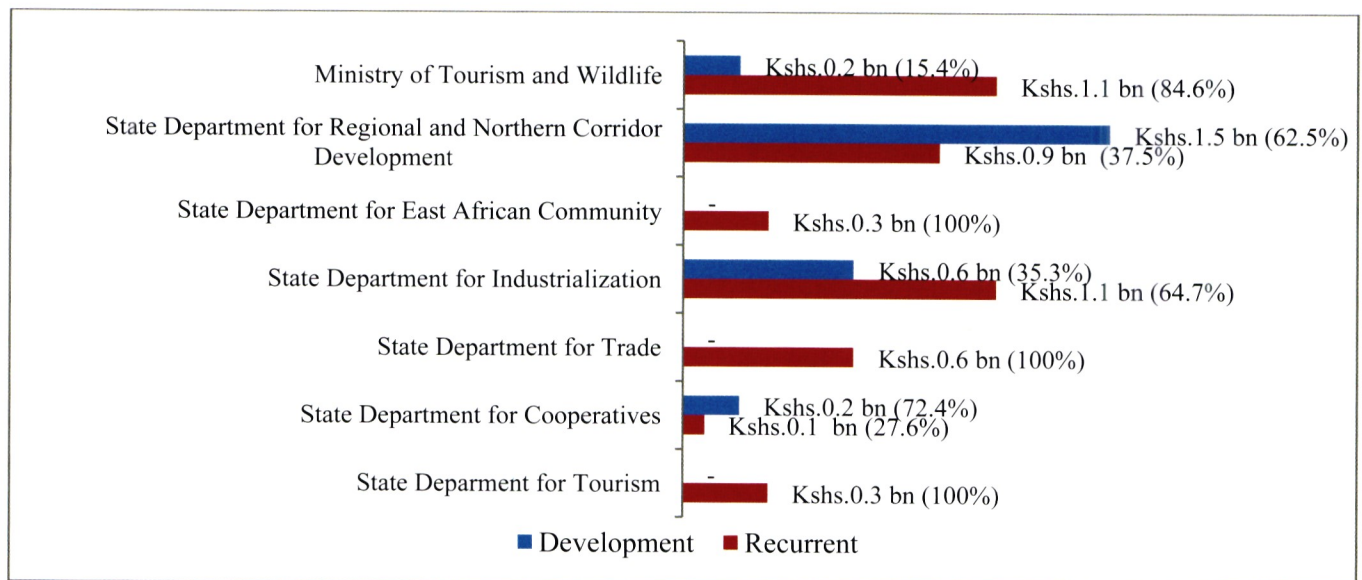
VOTE	Development						Recurrent					
	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. To Rev. Net Est.	% of Exp. to Rev. Gross Est.
State Department for Co-operatives	0.3	0.3	0.2	0.2	44.2	44.2	0.5	0.3	0.1	0.1	49.1	28.8
State Department for Trade	0.3	0.3	-	0.004	-	1.4	1.5	1.5	0.6	0.6	38.2	37.5
State Department for Industrialization	4.3	3.7	0.6	1.5	17.2	34.2	2.7	2.2	1.1	0.9	52.4	35.3
State Department for East African Community	-	-	-	-	-	-	0.6	0.6	0.3	0.3	54.3	53.6
State Department for Regional and Northern Corridor Development	12.6	4.2	1.5	1.5	36.9	40.7	2.0	1.7	0.9	0.9	50.0	43.2
State Department for Tourism *	2.1	2.1	-	0.02	-	0.9	1.6	1.6	0.3	0.6	20.1	39.2
Ministry of Tourism and Wildlife*	0.6	0.4	0.2	0.4	47.0	60.6	5.5	1.0	1.1	1.0	106.3	18.6
Total	20.3	11.0	2.5	7.2	22.9	35.4	14.3	8.9	4.4	4.5	49.6	31.2
Total for the Sector							Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
<i>Development</i>							20.3	11.0	2.5	7.2	22.9	35.4
<i>Recurrent</i>							14.3	8.9	4.4	4.5	49.6	31.2
Total							34.6	19.8	6.9	11.7	34.9	33.6

Source: MDAs and National Treasury

*In the second quarter of the 2018/19 Financial Year, Ministry of Tourism and Wildlife was separated to create State Department for Tourism and Wildlife respectively.

In the first half of FY 2018/19, Ministry of Tourism and Wildlife received the highest proportion of development and recurrent exchequer issues to revised net estimates at 47 per cent and 106.3 per cent respectively. The State Department for Industrialization received the lowest percentage of development exchequer issues to revised net estimates at 17.2 per cent, while the State Department for Trade received the lowest proportion of recurrent exchequer issues to revised net estimates at 38.2 per cent.

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

Figure 4.10: Exchequer Issues to the GECA Sector

Source: National Treasury

The sector's total expenditure amounted to Kshs.11.7 billion, representing 33.6 per cent of the revised gross estimate, a decrease compared to 35.7 per cent recorded in a similar period of FY 2017/18. The expenditure comprised of Kshs.7.2 billion for development expenditure, representing an absorption rate of 35.4 per cent (improvement from 33.6 per cent recorded in the same period, FY 2017/18) and Kshs.4.5 billion as recurrent expenditure, representing 31.2 per cent of revised gross recurrent estimates (a decline from 36.6 per cent).

The Ministry of Tourism and Wildlife recorded the highest absorption of development budget at 60.6 per cent, while the State Department for Trade recorded the lowest at 1.4 per cent. State Department for East African Community recorded the highest percentage of recurrent expenditure at 53.6 per cent, while the Ministry of Tourism and Wildlife recorded the lowest, at 18.6 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).

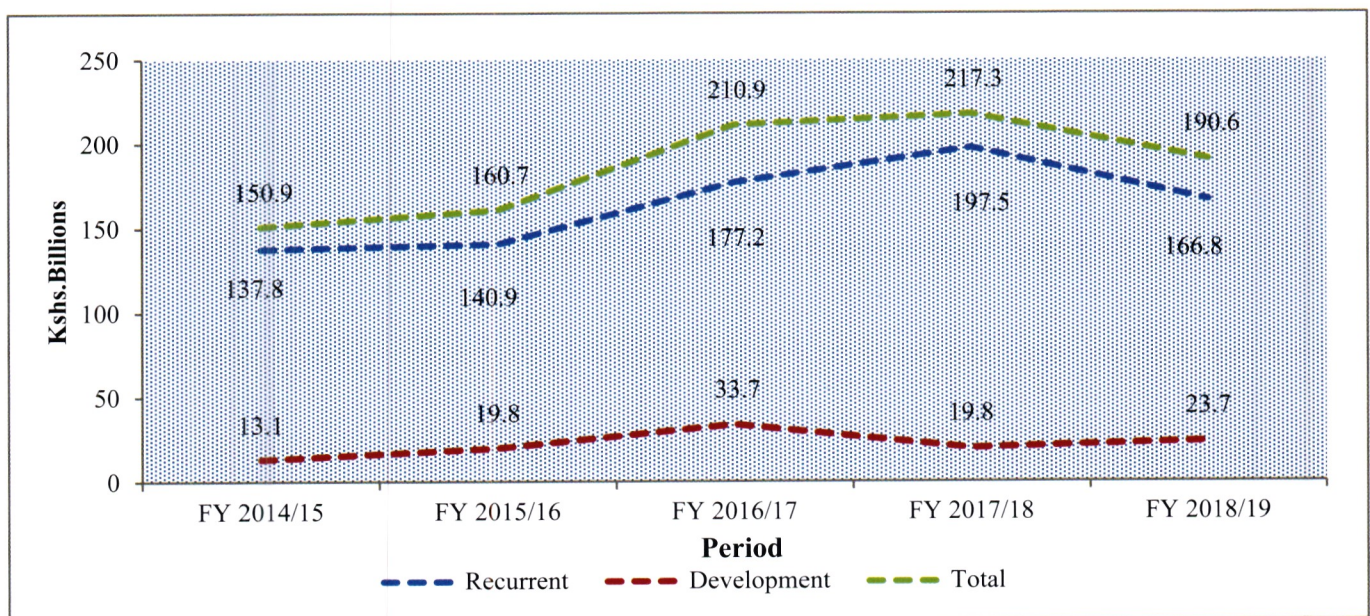
The sector implements the following functions; provision of security, correctional services, legal advisory services to government agencies and administration of justice. It also plays a major role in promoting integrity and the fight against corruption, provision of prosecution services, regulating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

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

The revised budgetary allocation to the sector in FY 2018/19 is Kshs.190.6 billion representing 6 per cent of revised gross national budget, a decrease compared to Kshs.216 billion allocated in FY 2017/18. The allocation comprised of Kshs.23.7 billion (13 per cent) for development expenditure and Kshs.166.8 billion (87 per cent) for recurrent expenditure. State Department for Interior received the highest budgetary allocation of Kshs.126 billion (66.1 per cent of the sector's allocation), while the NGEN had the lowest at Kshs.363.9 million (0.2 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 for the period FY 2014/15 to FY 2018/19 (Kshs. Billion)



Source: National Treasury

Total exchequer issues to the sector amounted to Kshs.81.2 billion representing 43.1 per cent of the sector's revised net estimate. This comprised of Kshs.4.2 billion for development expenditure, representing 19.1 per cent of the revised development net estimates and Kshs.77 billion for recurrent expenditure, representing 46.3 per cent of the revised recurrent net estimates.

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

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

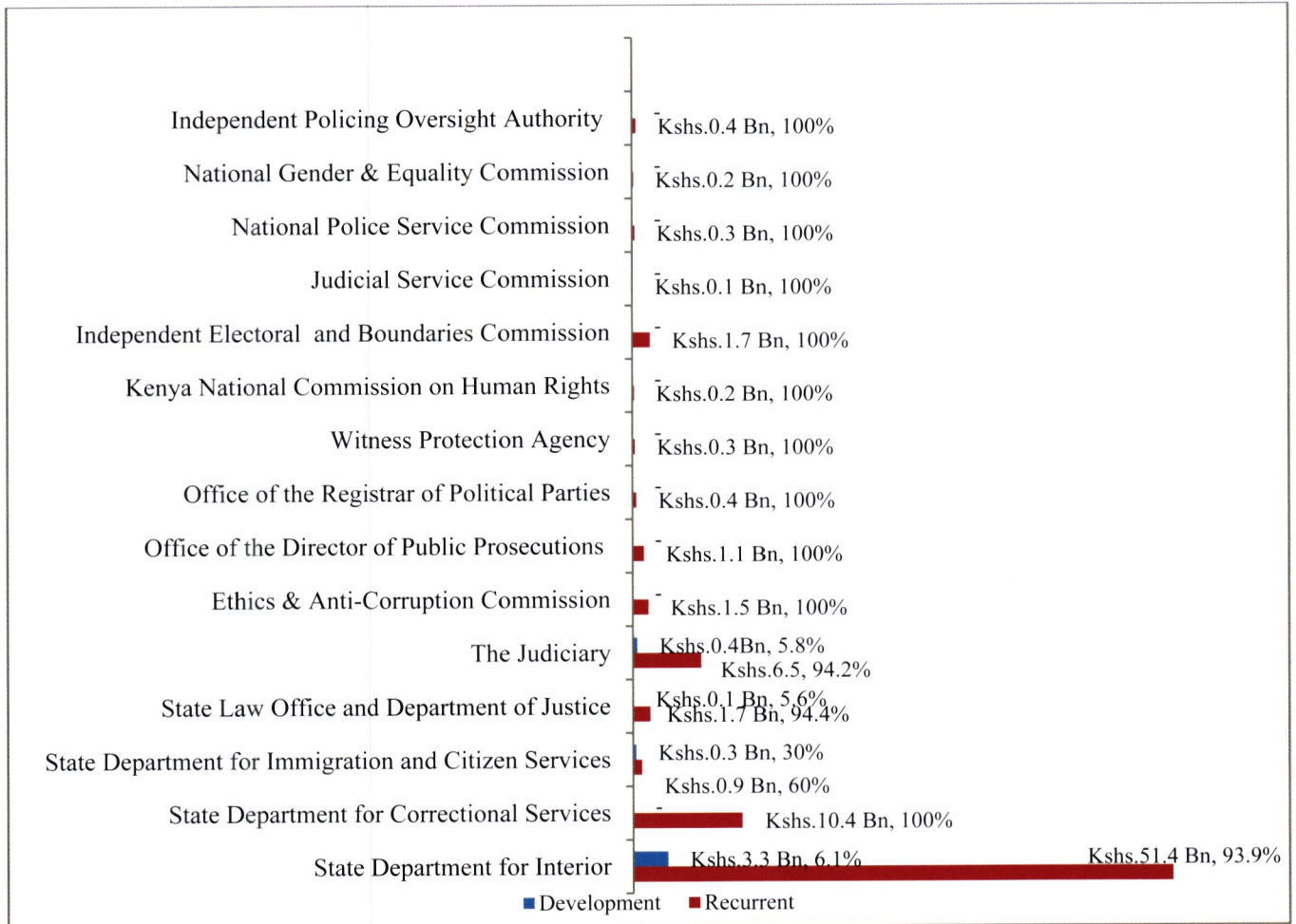
VOTE	Development						Recurrent					
	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. To Rev. Net Est.	% of Exp. to Rev. Gross Est.
State Department for Interior	17.3	16.9	3.3	7.6	19.7	43.6	108.7	108.6	51.4	65.9	47.3	60.7
State Department for Correctional Services	1.8	1.8	-	0.1	-	5.3	25.8	25.8	10.4	7.8	40.4	30.2
State Department for Immigration and Citizen Services	0.7	0.69	0.3	0.7	44.7	98.9	1.8	1.8	0.9	0.7	48.2	39.1
State Law Office and Department of Justice	0.6	0.6	0.1	0.04	14.7	6.7	4.1	3.7	1.7	1.7	45.1	41.7
The Judiciary	3.0	1.6	0.4	1.1	28.4	36.0	12.9	12.9	6.5	5.5	50.6	42.3
Ethics & Anti-Corruption Commission	0.13	0.1	-	-	-	-	2.8	2.8	1.5	1.4	53.9	50.0
Office of the Director of Public Prosecutions	0.10	0.1	-	-	-	-	2.8	2.8	1.1	1.1	38.5	38.9
Office of the Registrar of Political Parties	-	-	-	-	-	-	0.8	0.8	0.4	0.4	46.4	44.2
Witness Protection Agency	-	-	-	-	-	-	0.5	0.5	0.3	0.2	53.4	48.6
Kenya National Commission on Human Rights	-	-	-	-	-	-	0.4	0.4	0.2	0.2	51.4	55.0
Independent Electoral and Boundaries Commission	0.04	0.04	-	-	-	-	4.2	4.2	1.7	1.7	41.1	41.2
Judicial Service Commission	-	-	-	-	-	-	0.4	0.4	0.1	0.1	31.8	32.5
National Police Service Commission	-	-	-	-	-	-	0.6	0.6	0.3	0.3	44.4	41.0
National Gender & Equality Commission	-	-	-	-	-	-	0.4	0.4	0.2	0.2	47.3	49.0
Independent Policing Oversight Authority	-	-	-	-	-	-	0.8	0.8	0.4	0.4	50.5	53.3
Total	23.7	21.9	4.17	9.5	19.1	39.9	166.8	166.4	77.0	87.6	46.3	52.5
Total for the Sector							Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
Development							23.7	21.9	4.2	9.5	19.1	39.9
Recurrent							166.8	166.4	77.0	87.6	46.3	52.5
Total							190.6	188.3	81.2	97.1	43.1	50.9

Source: MDAs and National Treasury

In the first half of FY 2018/19, State Department for Immigration and Citizen Services received the highest proportion of development exchequer issues to revised net estimates at 44.7 per cent, while the State Department for State Law Office and Department of Justice received the lowest at 14.7 per cent amongst MDAs with development exchequer issues. Ethics & Anti-Corruption Commission received the highest proportion of recurrent exchequer issues to revised net estimates at 53.9 per cent, while the Judicial Service Commission received the lowest at 31.8 per cent.

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

Figure 4.12: Exchequer Issues to the GJLOS Sector



Source: National Treasury

The total expenditure for the sector amounted to Kshs.97.1 billion, representing 50.9 per cent of the revised gross estimate, an improvement compared to 43.8 per cent recorded in a similar period of FY 2017/18. The expenditure comprised of Kshs.9.5 billion for development expenditure, representing an absorption rate of 39.9 per cent (a decrease from 40.9 per cent) and Kshs.87.6 billion as recurrent expenditure, representing 52.5 per cent of revised gross recurrent estimates (an improvement from 44.1 per cent).

State Department for Immigration and Citizen Services recorded the highest absorption on development budget at 98.9 per cent while the State Department for Correctional Services recorded the lowest at 5.3 per cent. State Department for Interior recorded the highest percentage of recurrent expenditure to revised gross recurrent estimates at 60.7 per cent, while the State Department for Correctional Services recorded the lowest, at 30.7 per cent.

4.8 Health Sector

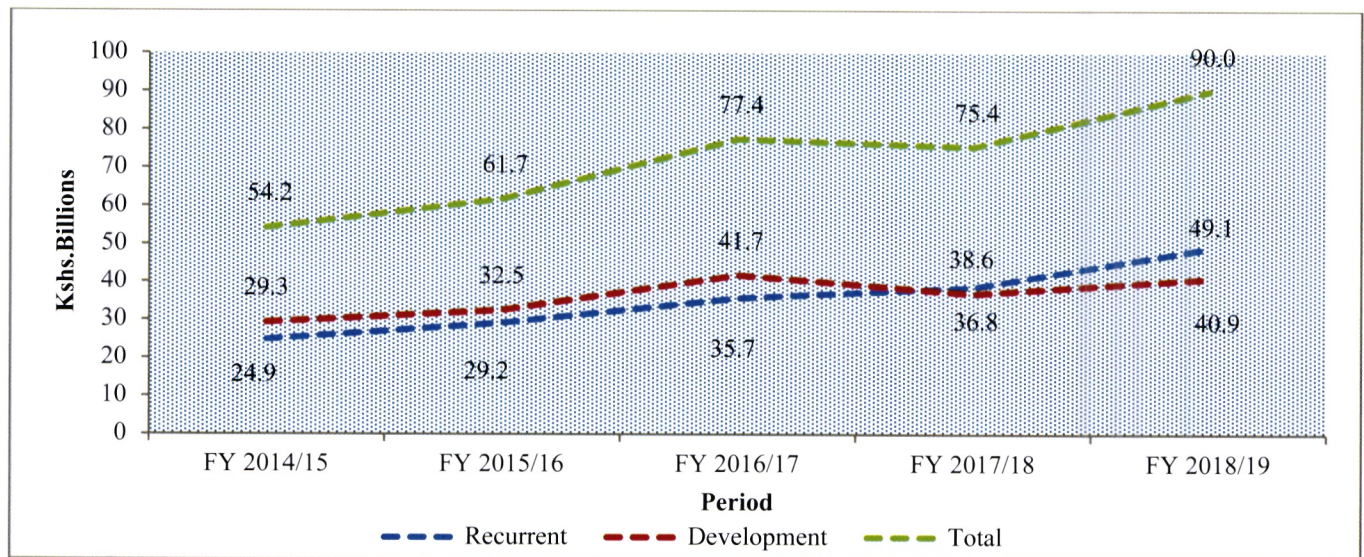
The Health Sector is responsible for the provision and coordination of the health policy formulation, ensuring quality service delivery and regulation and control of health care. The Sector consists of Ministry of Health and seven Semi-Autonomous Government Agencies namely; Kenyatta National

Hospital (KNH), Moi Teaching and Referral Hospital (MTRH), Kenya Medical Research Institute (KEMRI), Kenya Medical Supplies Authority (KEMSA), Kenya Medical Training College (KMTC), National AIDS Control Council (NACC), and the National Health Insurance Fund (NHIF).

The revised budgetary allocation to the sector in FY 2018/19 is Kshs.90 billion representing 3 per cent of the revised 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 for the period FY 2014/15 to FY 2018/19 (Kshs. Billion)



Source: National Treasury

In the first half of FY 2018/19, the total exchequer issues to the sector amounted to Kshs.19.6 billion representing 29.7 per cent of the sector's revised annual net estimate. This comprised of Kshs.5.6 billion for development expenditure, representing 19.8 per cent of the development net estimates and Kshs.14 billion for recurrent expenditure, representing 37.1 per cent of the revised annual recurrent net estimates.

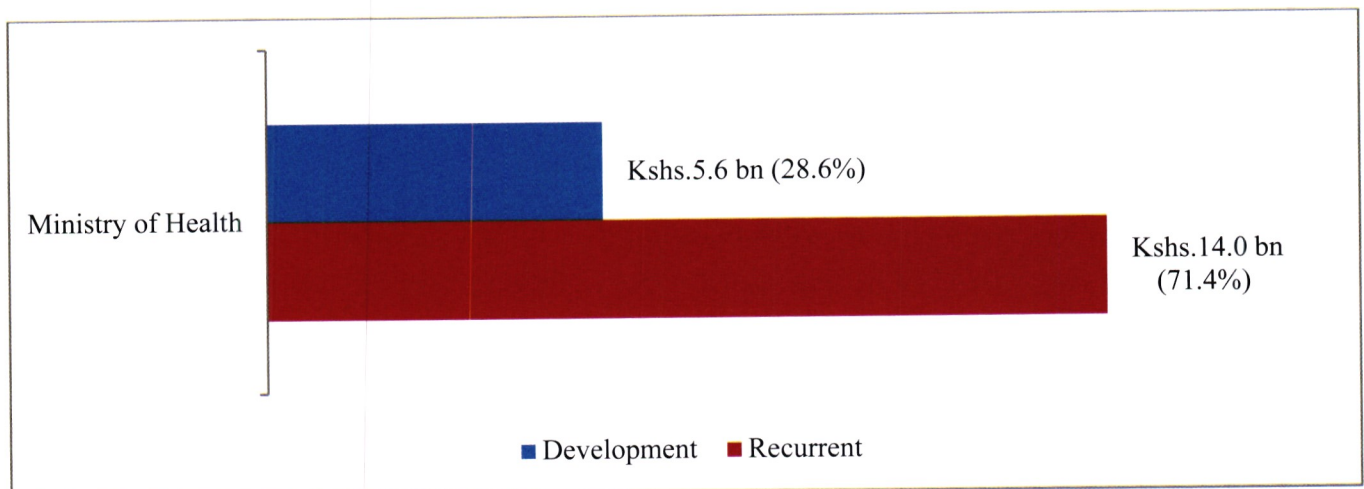
Table 4.7 shows Health sector analysis of exchequer issues and expenditure in the first half of FY 2018/19.

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

VOTE	Development						Recurrent					
	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. To Rev. Net Est.	% of Exp. to Rev. Gross Est.
Ministry of Health	40.9	28.2	5.6	9.4	19.8	23.0	49.1	37.6	14.0	14.7	37.1	30.0
Total	40.9	28.2	5.6	9.4	19.8	23.0	49.1	37.6	14.0	14.7	37.1	30.0
Total for the Sector							Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
Development							40.9	28.2	5.6	9.4	19.8	23.0
Recurrent							49.1	37.6	14.0	14.7	37.1	30.0
Total							90.0	65.8	19.6	24.1	29.7	26.8

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 half of FY 2018/19.

Figure 4.14: Exchequer Issues to the Health Sector

Source: National Treasury

The sector's total expenditure amounted to Kshs.24.1 billion, representing 26.8 per cent of the revised gross estimate, a slight decrease compared to 34.5 per cent recorded in a similar period of FY 2017/18. This expenditure comprised of Kshs.9.4 billion as development expenditure, representing an absorption rate of 23 per cent (a decrease from 31.7 per cent) and Kshs.14.7 billion as recurrent expenditure, representing 30 per cent of revised gross recurrent estimates (a decline compared to 37.2 per cent).

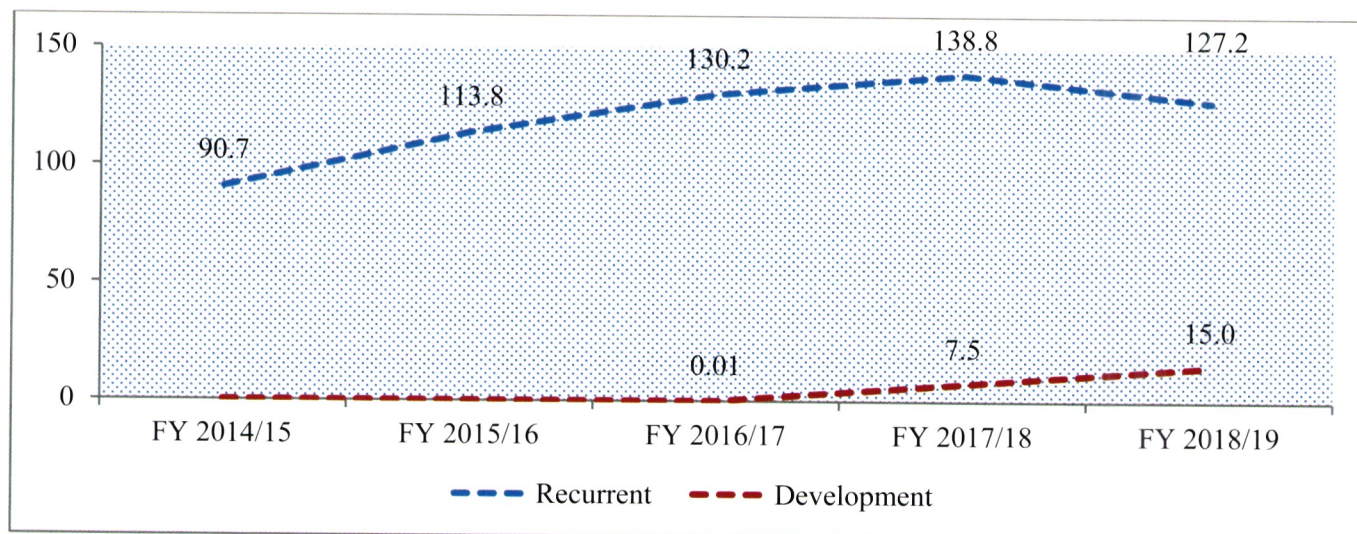
4.9 National Security Sector

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

The revised budgetary allocation to the sector in FY 2018/19 is Kshs.142.2 billion representing 4.7 per cent of the revised gross national budget, an increase from Kshs.138.8 billion of allocation in FY 2017/18. The allocation comprised of Kshs.15 billion (10 per cent) for development budget and Kshs.127.2 billion (90 per cent) for recurrent expenditure. Allocation to the Ministry of Defence was Kshs.111 billion (78.1 per cent of the sector's allocation) and Kshs.31.2 billion (21.9 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 for the period FY 2014/15 to FY 2018/19 (Kshs. Billion)



Source: National Treasury

Total exchequer issues to the sector amounted to Kshs.68.1 billion representing 51.9 per cent of the sector's revised net estimate. The Ministry of Defence received Kshs.53.7 billion while the NIS received Kshs.14.4 billion, representing 55.9 per cent and 46.1 per cent of the revised recurrent net estimates respectively.

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

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

VOTE	Development						Recurrent					
	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. To Rev. Net Est.	% of Exp. to Rev. Gross Est.
Ministry of Defence	15.0	4.0	-	7.1	-	47.3	96.0	96.0	53.7	56.8	55.9	59.2
National Intelligence Service	-	-	-	-	-	-	31.2	31.2	14.4	14.8	46.1	47.5
Total	15.0	4.0	-	7.1	-	47.3	127.2	127.2	68.1	71.6	53.5	56.3
Total for the Sector							Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
Development							15.0	4.0	-	7.1	-	47.3
Recurrent							127.2	127.2	68.1	71.6	53.5	56.3
Total							142.2	131.2	68.1	78.7	51.9	55.4

Source: MDAs and National Treasury

The total expenditure amounted to Kshs.78.7 billion, representing 55.4 per cent of the revised gross estimate, an increase compared to 50.2 per cent recorded in the same period of FY 2017/18. The Ministry of Defence spent Kshs.7.1 billion on development expenditure and Kshs.56.8 billion on recurrent expenditure, representing 47.3 per cent and 59.2 per cent of the revised gross estimates respectively, while NIS spent Kshs.14.8 billion on recurrent activities, representing 47.5 per cent of the revised gross recurrent estimate.

4.10 Public Administration and International Relations (PAIR) Sector

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

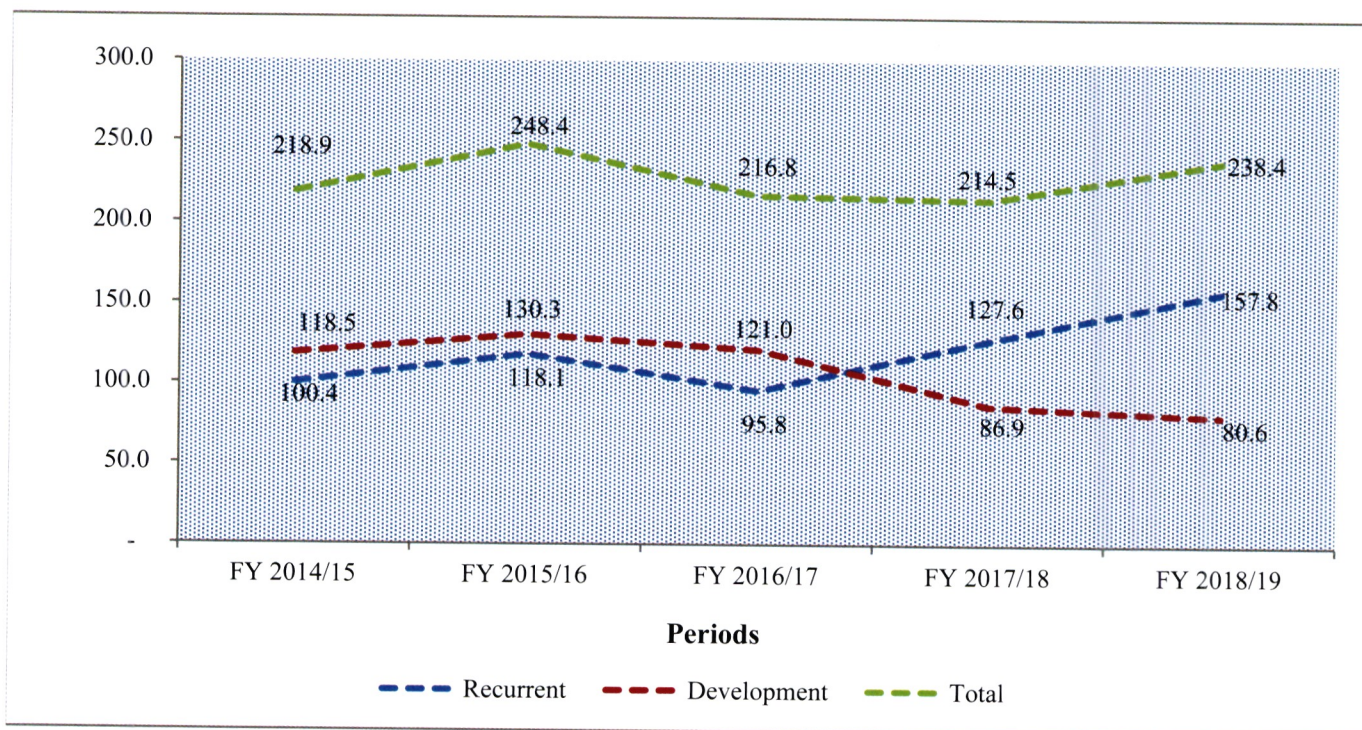
The Sector provides overall policy direction and leadership to the country, oversees national legislation as well as the human resource function in the public service. It further coordinates national policy formulation, implementation, monitoring and evaluation, resource mobilization and management, devolution oversight, implementation of Kenya foreign policy, and oversight on use of public resources and service delivery.

The revised budgetary allocation to the Sector in FY 2018/19 is Kshs.238.4 billion representing 8 per cent of the revised gross national budget, a growth from Kshs.214.5 billion of allocation in FY 2017/18. The allocation comprised of Kshs.80.6 billion (34 per cent) for development budget and Kshs.157.8

billion (66 per cent) for recurrent expenditure. The National Treasury received the highest budgetary allocation of Kshs.100.8 billion (42.3 per cent of the sector's allocation), while The Commission on Revenue Allocation had the lowest budgetary allocation of Kshs.400 million (0.2 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 for the period FY 2014/15 to FY 2018/19 (Kshs. Billion)



Source: National Treasury

Total exchequer issues to the sector amounted to Kshs.63 billion representing 28.2 per cent of the sector's revised net estimate. This comprised of Kshs.13.2 billion for development expenditure, representing 19.8 per cent of the revised development net estimates and Kshs.49.7 billion for recurrent expenditure, representing 31.7 per cent of the revised recurrent net estimates.

Table 4.9 shows PAIR Sector analysis of exchequer issues and expenditure in the period July to December 2018.

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

VOTE	Development						Recurrent					
	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. To Rev. Net Est.	% of Exp. to Rev. Gross Est.
The Presidency	1.1	1.1	0.4	0.3	34.1	22.8	7.7	7.7	3.9	3.3	51.1	43.3
State Department for Devolution	35.5	34.3	6.3	15.3	18.4	43.2	2.8	2.8	2.0	2.1	71.5	74.2
State Department for Planning & Statistics	2.6	2.5	0.4	0.9	16.9	33.9	10.1	10.0	3.2	4.9	32.0	48.4
Ministry of Foreign Affairs	1.9	1.9	0.6	1.0	28.8	49.6	15.0	14.4	6.4	7.2	44.3	48.0
The National Treasury	32.6	20.2	3.5	4.5	17.5	13.8	68.2	68.2	14.9	16.9	21.8	24.7
State Department for Public Service and Youth Affairs*	1.8	1.8	1.5	1.6	85.6	86.3	1.5	1.3	1.6	1.2	121.0	79.8
State Department for Public Service*	1.0	1.0	-	0.4	-	40.2	5.3	5.3	0.2	4.1	4.2	77.4
State Department for Youth*	1.3	1.3	-	0.2	-	15.0	6.5	6.5	0.5	0.4	7.9	5.6
Parliamentary Service Commission	2.1	2.1	0.5	0.6	21.2	29.8	11.6	11.6	4.7	4.4	40.3	37.5
National Assembly	-	-	-	-	-	-	20.8	20.8	8.6	8.6	41.3	41.5
Commission on Revenue Allocation	-	-	-	-	-	-	0.4	0.4	0.2	0.2	38.3	35.7
Public Service Commission	0.1	0.1	-	0.01	0.0	11.0	1.1	1.1	0.6	0.6	50.8	49.4
Salaries & Remuneration Commission	-	-	-	-	-	-	0.5	0.5	0.2	0.2	29.0	28.1
Auditor General	0.7	0.7	0.06	0.05	8.9	6.8	5.1	5.0	2.4	2.5	48.5	49.0
Controller of Budget	-	-	-	-	-	-	0.6	0.6	0.2	0.2	33.0	33.8
Commission on Administrative Justice	-	-	-	-	-	-	0.5	0.5	0.2	0.2	40.9	37.0
Total	80.6	66.9	13.2	24.8	19.8	30.7	157.8	56.8	49.7	57.0	31.7	36.1
Total for the Sector							Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
Development							80.6	66.9	13.2	24.8	19.8	30.7
Recurrent							157.8	156.8	49.7	57.0	31.7	36.1
Total							238.4	223.7	62.9	81.8	28.2	34.3

Source: MDAs and National Treasury

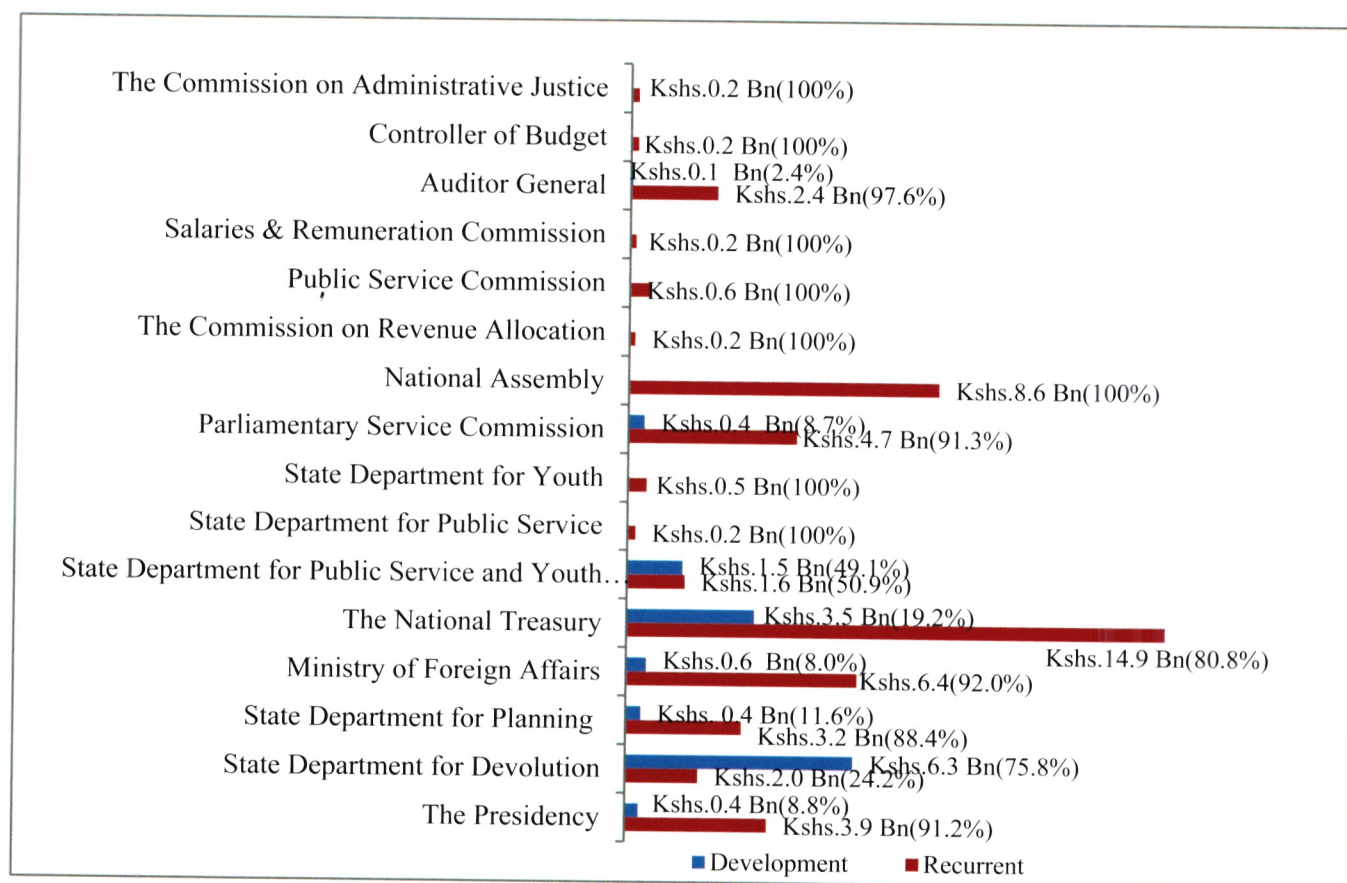
* Following government reorganization (Executive order No.1 2018), State Department for Public Service and Youth Affairs was separated into two Statement Departments namely Public Service and Youth respectively.

In the first half of FY 2018/19, State Department for Public Service and Youth Affairs received the highest proportion of exchequer issues to revised net estimates for both development and recurrent

expenditure at 85.6 per cent and 121 per cent respectively. Auditor General received the lowest proportion for development exchequer issues at 8.9 per cent, while the State Department for Youth received the lowest for recurrent expenditure at 7.9 per cent.

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

Figure 4.17: Exchequer Issues to the PAIR Sector



Source: National Treasury

The sector's total expenditure amounted to Kshs.81.8 billion, representing 34.3 per cent of the revised gross estimate, an increase compared to 26.8 per cent recorded in a similar period of FY 2017/18. The expenditure comprised of Kshs.24.8 billion for development expenditure, representing an absorption rate of 30.7 per cent (an increase from 22.3 per cent) and Kshs.57 billion as recurrent expenditure, representing 36.1 per cent of revised gross recurrent estimates (an increase from 29.5 per cent).

Ministry of Foreign Affairs recorded the highest absorption on development budget at 49.6 per cent, while the Auditor General recorded the lowest at 6.8 per cent. State Department for Public Service and Youth Affairs recorded the highest percentage of recurrent expenditure to revised gross recurrent estimates at 79.8 per cent, while the State Department for Youth recorded the lowest, at 5.6 per cent.

4.11 Social Protection, Culture and Recreation Sector

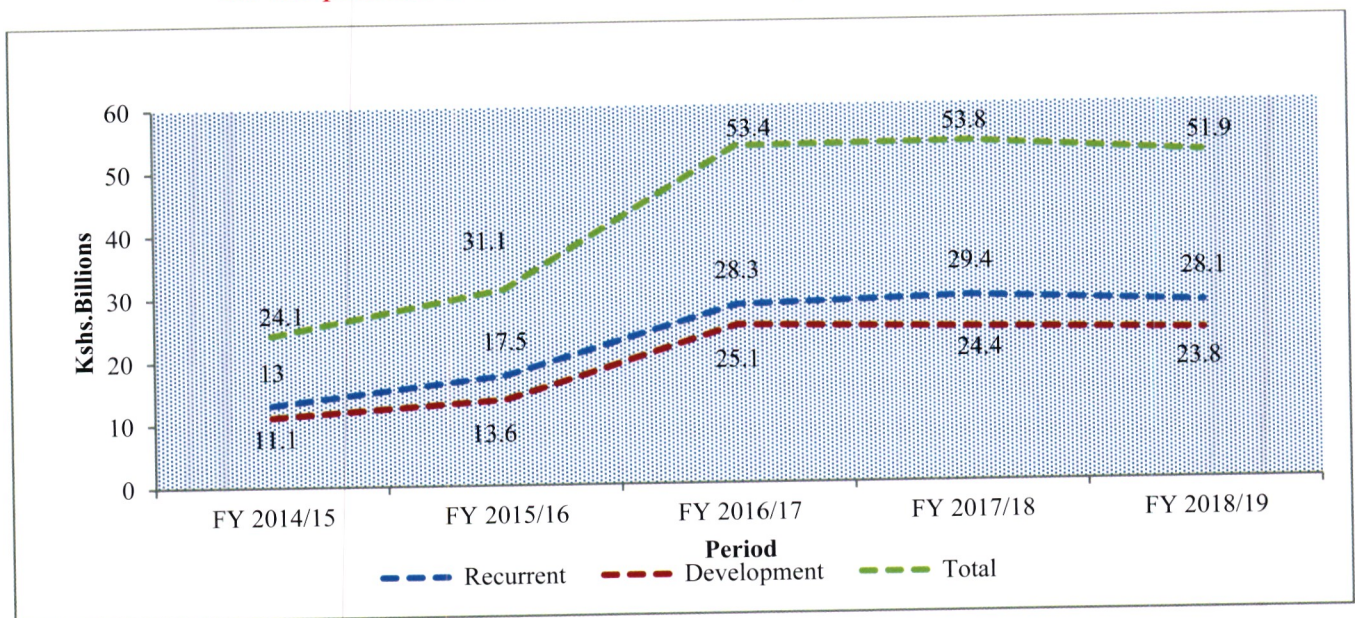
The Social Protection, Culture and Recreation Sector comprises of six State Departments namely: Sports, Culture and Heritage, Labour, Social Protection, Pensions and Senior Citizens Affairs, Development of Arid and Semi-Arid Lands (ASAL) and Gender Affairs.

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 revised budgetary allocation to the Sector in FY 2018/19 is Kshs.51.9 billion representing 2 per cent of the revised gross national budget, an increase from Kshs.46.2 billion of allocation in FY 2017/18. The allocation comprised of Kshs.23.8 billion (46 per cent) for development expenditure and Kshs.28.1 billion (54 per cent) for recurrent expenditure. The State Department for Social Protection, Pensions and Senior Citizens Affairs received the highest budgetary allocation of Kshs.31.1 billion (59.9 per cent of the sector's allocation), while the State Department for Sports had the lowest budgetary allocation of Kshs.2.1 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 for the period FY 2014/15 to FY 2018/19 (Kshs. Billion)



Source: National Treasury

Total exchequer issues to the sector amounted to Kshs.15.6 billion representing 31.9 per cent of the sector's revised net estimate. This comprised of Kshs.5.7 billion for development expenditure, representing 26.9 per cent of the revised development net estimates and Kshs.9.9 billion for recurrent expenditure, representing 35.7 per cent of the revised recurrent net estimates.

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

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

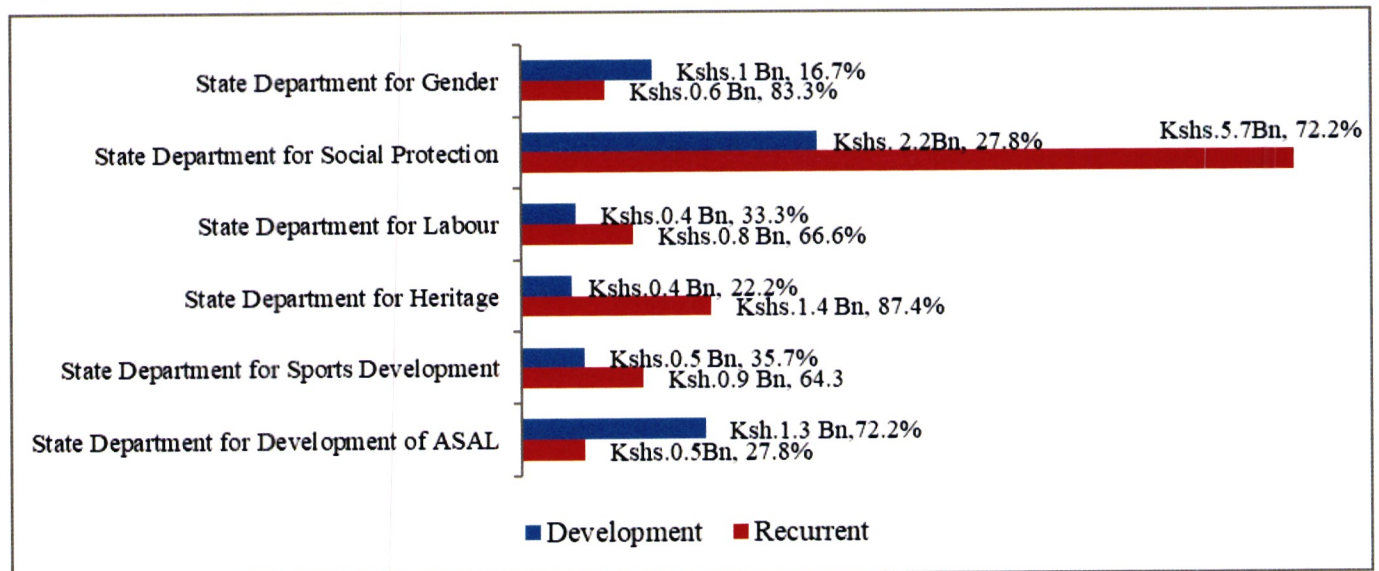
VOTE	Development						Recurrent					
	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. To Rev. Net Est.	% of Exp. to Rev. Gross Est.
State Department for Development for ASAL	5.4	2.8	1.3	2.5	47.8	47.6	1.0	1.0	0.5	0.5	46.9	48.1
State Department for Sports Development	0.7	0.7	0.5	0.5	68.1	68.1	1.5	1.5	0.9	0.9	60.4	58.7
State Department for Culture and Heritage	0.9	0.9	0.4	0.4	41.7	47.4	3.1	3.0	1.4	1.5	45.9	48.0
State Department for Labour	1.5	1.5	0.4	0.4	26.0	22.7	2.5	2.1	0.8	0.9	39.0	37.2
State Department for Social Protection, Pension and Senior Citizens Affairs	12.5	12.5	2.2	2.3	17.4	18.7	18.6	18.5	5.7	5.2	30.6	28.2
State Department for Gender	2.8	2.8	1.0	1.7	34.2	60.7	1.5	1.5	0.6	0.9	40.8	58.2
Total	23.8	21.2	5.7	7.8	26.9	32.9	28.1	27.6	9.9	9.9	35.7	35.1
Total for the Sector							Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
Development							23.8	21.2	5.7	7.8	26.9	32.9
Recurrent							28.1	27.6	9.9	9.9	35.7	35.1
Total							51.9	48.8	15.6	17.7	31.9	34.1

Source: MDAs and National Treasury

In the first half of FY 2018/19, State Department for Sports Development received the highest proportion of exchequer issues to revised net estimates for both development and recurrent expenditure at 68.1 per cent and 60.4 per cent respectively. The State Department for Social Protection, Pension and Senior Citizens Affairs received the lowest for both development and recurrent expenditure at 17.4 per cent and at 30.6 per cent respectively.

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

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



Source: National Treasury

The sector's total expenditure amounted to Kshs.17.7 billion, representing 34.1 per cent of the revised gross estimate, a decline compared to 41 per cent recorded in a similar period of FY 2017/18. The expenditure comprised of Kshs.7.8 billion for development expenditure, representing an absorption rate of 32.9 per cent (a decrease from 44 per cent) and Kshs.9.9 billion as recurrent expenditure, representing 35.1 per cent of revised gross recurrent estimates (a decline from 38.2 per cent) recorded in a similar period of FY 2017/18.

The State Department for Sports recorded the highest absorption for both development and recurrent expenditure to revised gross estimates at 68.1 per cent and 58.7 per cent respectively. The State Department for Social Protection, Pensions and Senior Citizens Affairs recorded the lowest absorption for both development and recurrent expenditure at 18.7 per cent and at 28.2 per cent respectively.

5 BUDGET PERFORMANCE BY PROGRAMMES

5.1 Introduction

This chapter presents an overview of government programmes to be implemented in 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 implementation status in the first half of the FY 2018/19. The Sectors are presented in an alphabetical order.

5.2 Agriculture, Rural and Urban Development (ARUD) Sector

The revised allocation to the ARUD Sector amounted to Kshs.52.5 billion for implementing eleven programmes. This allocation comprised of Kshs. 37 billion (70 per cent) for development programmes and Kshs.15.5 billion (30 per cent) for recurrent programmes. Analysis of the Sector's programmes performance in the first half of FY 2018/19 is presented in table 5.1.

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

VOTE	Programme	Revised Estimates			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
Ministry of Lands and Physical Planning	Land Policy and Planning	3.3	2.4	5.7	0.6	1.1	1.7	30.6
State Department for Crop Development	General Administration Planning and Support Services	1.3	1.2	2.5	0.1	1.2	1.3	50.2
	Crop Development and Management	15.4	2.5	17.9	5.7	2.5	8.1	45.4
	Agribusiness and Information Management	0.7	0.1	0.8	0.2	0.0	0.3	32.4
State Department for Livestock	Livestock Resources Management and Development	4.8	1.7	6.5	2.0	0.9	2.8	44.0
State Department for Fisheries and Aquaculture and the Blue Economy	Fisheries Development and Management	2.3	0.3	2.7	0.2	0.10	0.3	12.1
	General Administration Planning and Support Services	-	0.2	0.2	-	0.07	0.07	40.0
	Development and Coordination of Blue Economy	2.0	0.1	2.2	0.05	0.04	0.09	4.1
State Department for Irrigation	Irrigation and Land Reclamation	6.7	0.8	7.5	2.5	0.3	2.8	37.6
State Department for Agricultural Research	Agricultural Research & Development	0.5	5.0	5.5	0.5	2.5	3.0	55.1
National Land Commission	Land Administration and Management	-	1.2	1.2	-	0.5	0.5	41.3
Total		37.0	15.5	52.5	11.8	9.2	21.0	40.1

Source: MDAs and National Treasury

Crop Development and Management programme under State Department for Agriculture received the highest allocation at Kshs.17.9 billion (34 per cent of the revised gross estimates for the sector), while the General Administration Planning and Support Services programme under State Department for Fisheries and Aquaculture and the Blue Economy received the lowest allocation at Kshs.0.2 billion, which was less than 1 per cent.

Expenditure for the sector's programmes amounted to Kshs.21 billion representing an absorption rate of 40.1 per cent. This comprised of Kshs.11.8 billion for development activities, translating to an absorption rate of 31.8 per cent and Kshs.9.2 billion on recurrent activities, which was 59.8 per cent of the revised gross recurrent estimates.

Analysis by programme performance shows that, the Agricultural Research & Development under State Department for Agricultural Research recorded the highest proportion of programme expenditure to its revised gross estimates at 55.1 per cent, while Development and Coordination of Blue Economy programme under State Department for Fisheries and Aquaculture and the Blue Economy recorded the lowest at 4.1 per cent.

5.3 Education Sector

The Sector's revised allocation in FY 2018/19 amounted to Kshs.438.8 billion for implementing fourteen programmes. This allocation comprised of Kshs.31.4 billion (7 per cent) for development programmes and Kshs. 407.4 billion (93 per cent) for recurrent programmes. Analysis of Sector's performance by programmes in the first half of FY 2018/19 is presented in table 5.2.

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

VOTE	Programme	Revised Estimates			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
State Department for Early Learning & Basic Education	Primary Education	4.9	15.6	20.5	1.1	5.9	7.0	34.0
	Secondary Education	5.7	63.4	69.1	0.2	21.8	22.0	31.9
	Quality Assurance and Standards	0.3	3.9	4.2	0.1	1.1	1.2	29.2
	General Administration, Planning and Support Services	0.4	4.6	4.9	-	1.8	1.8	36.8
State Department for Vocational Training and Technical Training	Technical Vocational Education and Training	3.7	7.4	11.2	1.1	2.5	3.6	32.3
	Youth Training and Development	2.0	0.1	2.1	0.0	0.01	0.0	1.1
	General Administration, Planning and Support Services	-	0.2	0.2	-	0.1	0.05	29.1
State Department for University Education	University Education	13.1	83.3	96.4	5.1	22.6	27.7	28.7
	Research, Science, Technology and Innovation	1.2	2.2	3.4	0.0	1.1	1.1	32.3
	General Administration, Planning and Support Services	-	0.2	0.2	-	0.03	0.03	16.6
State Department for Post-Training and Skills Development	General Administration, Planning and Support Services	-	0.03	0.03	-	0.02	0.02	66.0
Teachers Service Commission	Teacher Resource Management	-	219.7	219.7	-	117.0	117.0	53.2
	Governance and Standards	-	0.03	0.03	-	0.01	0.01	37.1
	General Administration, Planning and Support Services	0.1	6.8	6.9	0.01	0.41	0.42	6.1
Total		31.4	407.4	438.8	7.7	174.2	181.9	41.5

Source: MDAs and National Treasury

Teacher Resource Management programme received the highest allocation at Kshs.219.7 billion (50.1 per cent), while the Governance and Standards programme received the lowest allocation at Kshs.27.2 million (less than 1 per cent).

Expenditure for the sector's programmes was Kshs.181.9 billion representing an absorption rate of 41.5 per cent. This comprised of Kshs.7.7 billion for development activities, translating to an absorption rate of 24.5 per cent and Kshs.174.2 billion incurred on recurrent activities, which was 42.8 per cent of the revised gross recurrent estimates.

Analysis of performance by programme shows that, the General Administration, Planning and Support Services under State Department for Post-Training and Skills Development recorded the

highest proportion of programme expenditure to its revised gross estimates at 66.0 per cent, while the Youth Training and Development programme under State Department for Vocational Training and Technical Training recorded the lowest at 1.1 per cent.

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

The EI & ICT sector's revised allocation in FY 2018/19 amounted to Kshs.402.4 billion for implementing twenty one programmes. This allocation comprised of Kshs.321.9 billion (80 per cent) for development programmes and Kshs.80.5 billion (20 per cent) for recurrent programmes. Analysis of the Sector's performance by programmes in the first half of FY 2018/19 is presented in Table 5.3.

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

VOTE	Programme	Revised Estimate			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
State Department of Transport	General Administration, Planning and Support Services	1.1	0.3	1.4	0.13	0.1	0.3	18.5
	Rail Transport	74.8	-	74.8	60.13	-	60.1	80.4
	Marine Transport	17.7	0.8	18.5	9.0	0.5	9.5	51.2
	Air Transport	2.0	7.2	9.3	1.0	3.7	4.7	50.6
	Road Safety	0.3	1.93	2.2	0.2	1.2	1.3	60.3
State Department of Infrastructure	Road Transport	113.0	58.3	171.3	33.0	20.0	53.0	30.9
State Department for Maritime Affairs	Marine Transport	-	1.7	1.7	-	0.8	0.8	51.5
State Department for Housing & Urban Development	Housing Development and Human Settlement	20.6	0.7	21.4	8.0	0.3	8.4	39.1
State Department for Public Works	Government Buildings	1.9	1.6	3.5	0.3	0.5	0.7	20.6
State Department for Housing, Urban Development and Public Works	No Program Information*	6.6	0.7	7.3	2.0	0.7	2.7	37.5
State Department for Information Communication Technology	General Administration Planning and Support Services	-	0.5	0.5	-	0.20	0.2	37.1
	ICT Infrastructure Development	11	0.9	11.5	4	0.1	4.1	35.8
	E-Government Services	1.3	1.0	2.2	0.3	0.2	0.5	23.4
State Department for Broadcasting and Telecommunications	General Administration Planning and Support Services	-	0.2	0.2	-	0.1	0.1	48.3
	Information and Communication Services	1.3	1.7	2.9	0.2	0.8	1.0	33.1
	Mass Media Skills Development	0.1	0.5	0.6	-	0.09	0.2	30.8
Ministry of Energy **	General Administration Planning and Support Services	64.4	2.2	69.5	31.7	0.8	32.5	46.8
	Power Generation							
	Power Transmission and Distribution							
	Alternative Energy Technologies							
State Department for Petroleum	Exploration and Distribution of Oil and Gas	3.3	0.3	3.5	0.5	0.10	0.6	17.4
Total		321.9	80.5	402.4	150.4	31.5	181.9	45.2

Source: MDAs and National Treasury

***Disaggregated expenditure breakdown by programme not available*

**Following government re-organization under the Executive Order No.1 2018 (June, 2018, the State Department for Housing, Urban Development and Public Works was split into to two State Departments, namely:- (i)Housing & Urban Development, and (ii) Public Works.*

The Road Transport programme under State Department of Infrastructure received the highest allocation at Kshs.171.3 billion (42.6 per cent of the revised gross estimates for the sector), while the General Administration Planning and Support Services programme under the State Department for Broadcasting and Telecommunications received the lowest allocation at Kshs.0.2 billion, (less than 1 per cent).

Expenditure for the sector's programmes amounted to Kshs.181.9 billion representing an absorption rate of 45.2 per cent. This comprised of Kshs.150.4 billion for development activities, translating to an absorption rate of 46.7 per cent and Kshs.31.5 billion incurred on recurrent activities, which was 39.2 per cent of the revised gross recurrent estimates.

Analysis of performance by programme shows that, the Rail Transport under the State Department of Transport recorded the highest proportion of programme expenditure to its revised gross estimates at 80.4 per cent, while Exploration and Distribution of Oil and Gas programme under State Department for Petroleum recorded the lowest at 17.4 per cent.

5.5 Environmental Protection, Water and Natural Resources Sector

The Sector's revised allocation in FY 2018/19 amounted to Kshs.73.1 billion for implementing twelve programmes. This allocation comprised of Kshs.56 billion (77 per cent) for development programmes and Kshs.17.1billion (23 per cent) for recurrent programmes. Analysis of the Sector's performance by programmes in the first half 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	Revised 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	-	0.3	0.3	75.6
	Water Resources Management	5.8	1.2	7.0	1.7	0.4	2.1	29.5
	Water and Sewerage Infrastructure Development	32.6	2.4	35.0	8.9	1.1	9.9	28.4
	Water Storage and Flood Control	10.4	0.1	10.5	5.3	0.01	5.30	50.6
State Department for Environment and Forestry	Environment Management and Protection	1.7	1.5	3.2	0.1	0.7	0.8	25.1
	General Administration, Planning and Support Services	-	0.3	0.3	-	0.10	0.10	29.9
	Meteorological Services	1.1	1.1	2.2	0.1	0.5	0.6	26.5
	Forests and Water Towers Conservation	3.0	6.9	10.0	0.5	1.1	1.6	16.4
	Resources Surveys and Remote Sensing	0.2	0.1	0.3	-	0.06	0.06	17.9
State Department for Mining	General Administration Planning and Support Services	0.03	0.7	0.7	-	0.2	0.2	29.9
	Mineral Resources Management	0.3	0.2	0.5	0.1	0.2	0.4	37.5
State Department for Wildlife	Wildlife Management and Conservation	0.9	2.2	3.1	0.4	0.6	1.0	32.6
Total		56.0	17.1	73.1	17.1	5.2	22.3	30.5

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 (47.8 per cent of the gross estimates for the sector), while Resources Surveys and Remote Sensing programme under the State Department for Environment and Forestry received the lowest allocation at Kshs.316.5 million, (less than 1per cent).

Expenditure for the sector's programmes amounted to Kshs.22.3 billion representing an absorption rate of 30.5 per cent. This comprised of Kshs.17.1 billion for development activities, translating to an absorption rate of 30.6 per cent and Kshs.5.2 billion incurred on recurrent activities, which was 30.1 per cent of the revised gross recurrent estimates.

Analysis of performance by programme shows that, General Administration, Planning and Support Services under Ministry of Water and Sanitation recorded the highest proportion of programme expenditure to its revised gross estimates at 75.6 per cent, while Forests and Water Towers Conservation programme under State Department for Environment and Forestry recorded the lowest at 16.4 per cent.

5.6 General Economic and Commercial Affairs Sector (GECA)

The Sector's revised allocation in FY 2018/19 amounted to Kshs.34.6 billion for implementing nine programmes. This allocation comprised of Kshs.20.3 billion (59 per cent) for development programmes and Kshs.14.3 billion (41 per cent) for recurrent programmes. Analysis of the Sector's performance by programmes in the first half of FY 2018/19 is presented in Table 5.5.

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

VOTE	Programme	Revised 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	0.1	0.3	0.3	30.3
	Industrial Development and Investments	2.5	0.9	3.4	0.9	0.3	1.2	35.7
	Standards and Business Incubation	1.7	0.8	2.5	0.6	0.3	0.9	37.3
State Department for Co-operatives	Co-operative Development and Management	0.3	0.5	0.8	0.2	0.1	0.3	35.0
State Department for Trade	Trade Development and Promotion	0.3	1.5	1.8	0.0	0.6	0.6	31.3
State Department for East African Community	East African Affairs and Regional Integration	-	0.6	0.6	-	0.3	0.3	53.6
State Department for Regional and Northern Corridor Development	Integrated Regional Development	12.6	2.0	14.6	5.1	0.9	6.0	41.1
State Department for Tourism	Tourism Development and Promotion	2.1	1.6	3.7	0.0	0.6	0.7	17.9
Ministry of Tourism and Wildlife	Tourism, Wildlife Management and Conservation	0.6	5.5	6.1	0.4	1.0	1.4	22.9
Total		20.3	14.3	34.6	7.2	4.5	11.6	33.6

Source: MDAs and National Treasury

Integrated Regional Development programme under State Department for State Department for Regional and Northern Corridor Development received the highest allocation at Kshs.14.6 billion (42.3 per cent of the revised gross estimates 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).

Expenditure for the sector's programmes amounted to Kshs.11.6 billion representing an absorption rate of 33.6 per cent. This comprised of Kshs.7.2 billion for development activities, translating to an absorption rate of 35.4 per cent and Kshs.4.5 billion incurred on recurrent activities, which was 31.2 per cent of the revised gross recurrent estimates.

Analysis of performance by programme shows that, the East African Affairs and Regional Integration under State Department for East African Community recorded the highest proportion of programme expenditure to its revised annual estimates at 53.6 per cent, while Tourism Development and Promotion programme under State Department for Tourism recorded the lowest at 17.9 per cent.

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

The sector's revised budgetary allocation in FY 2018/19 was Kshs.190.6 billion intended to fund twenty two programmes. The allocation comprised of Kshs.23.7 billion (13 per cent) for development programmes and Kshs.166.8 billion (87 per cent) for recurrent programmes. Analysis of the sector's performance by programmes in the first half of FY 2018/19 is presented in Table 5.6.

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

VOTE	Programme	Revised Estimate			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
State Department for Interior	Policing services	9.9	85.4	95.3	2.8	47.8	50.6	53.1
	Planning, policy Coordination and Support Services	4.2	17.9	22.1	2.5	9.4	11.9	53.8
	Government Printing Services	0.2	0.7	0.9	0.1	0.3	0.4	42.2
	Population Management Services	3.1	4.6	7.6	2.2	1.5	3.7	48.8
State Department for Correctional Services	Betting Control, Licensing and Regulation Services	-	0.3	0.3	-	0.1	0.1	36.8
	Correctional services	1.7	25.0	26.7	0.1	13.5	13.6	50.8
	General Administration, Planning and Support Services	0.1	0.5	0.5	0.0	0.2	0.2	38.5
State Department for Immigration and Citizen Services	Population Management Services	0.7	1.9	2.6	0.7	0.7	1.4	53.3
State Law Office and Department of Justice	Legal Services	-	1.7	1.7	-	0.8	0.8	45.3
	Governance, Legal Training And Constitutional Affairs	0.5	1.7	2.3	0.0	0.6	0.7	28.7
	General Administration, Planning and Support Services	0.1	0.6	0.7	0.0	0.3	0.3	44.0
The Judiciary	Dispensation of Justice	3.0	12.9	16.0	1.1	5.5	6.6	41.1
Ethics and Anti-Corruption Commission	Ethics and Anti-Corruption	0.1	2.8	2.9	-	2.3	2.3	78.0
Office of Director of Public Prosecutions	Public Prosecution Services	0.1	2.8	2.9	-	1.1	1.1	37.6
Office of the Registrar of Political Parties	Registration, Regulation and Funding of Political Parties	-	0.8	0.8	-	0.4	0.4	44.2
Witness Protection Authority	Witness Protection	-	0.5	0.5	-	0.2	0.2	48.6
Kenya National Commission of Human Rights	Protection and Promotion of Human Rights	-	0.4	0.4	-	0.2	0.2	55.0
Independent Electoral and Boundaries Commission	Management of Electoral Processes	0.0	4.2	4.2	-	1.7	1.7	40.8
Judicial Service Commission	Dispensation of Justice	-	0.4	0.4	-	0.1	0.1	32.5
National Police Service Commission	National Police Service Human Resource Management	-	0.6	0.6	-	0.3	0.3	41.0
National Gender and Equality Commission	Promotion of Gender Equality and Freedom from Discrimination	-	0.4	0.4	-	0.2	0.2	49.0
Independent Policing Oversight Authority	Policing Oversight Services	-	0.8	0.8	-	0.4	0.4	53.3
Total		23.7	166.8	190.6	9.5	87.6	97.1	50.9

Source: MDAs and National Treasury

Policing services programme under State Department for Interior received the highest allocation at Kshs.95.3 billion (50 per cent of the revised gross 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.0.3 billion, (less than 1 per cent).

Expenditure for the sector's programmes amounted to Kshs.97.1 billion representing an absorption rate of 50.9 per cent. This comprised of Kshs.9.5 billion for development activities, translating to an absorption rate of 39.9 per cent and Kshs.87.6 billion incurred on recurrent activities, which was 52.5 per cent of the revised gross recurrent estimates.

Analysis of performance by programme shows that, the Ethics and Anti-Corruption under Ethics and Anti-Corruption Commission recorded the highest proportion of programme expenditure to its revised gross estimates at 78 per cent, while Governance, Legal Training and Constitutional Affairs programme under State Law Office and Department of Justice recorded the lowest at 28.7 per cent.

5.8 Health Sector

The Health Sector's revised budgetary allocation in FY 2018/19 was Kshs.90 billion, intended 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 sector's performance by programmes in the first half of FY 2018/19.

Table 5.7: Health Sector's Programme Performance for the Half of FY 2018/19 (Kshs. Billions)

VOTE	Programme	Revised Estimate			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
Ministry of Health	Preventive, Promotive & RMNCAH*	8.5	9.4	17.9	1.8	0.5	2.3	12.9
	National Referral & Specialized Services	14.6	15.0	29.6	4.0	7.0	11.0	37.3
	Health Research and Development	8.3	9.1	17.4	0.2	2.2	2.4	13.9
	General Administration, Planning & Support Services	3.9	5.8	9.7	0.1	3.0	3.1	32.2
	Health Policy, Standards and Regulations	5.7	9.8	15.5	3.2	2.0	5.3	33.9
Total		40.9	49.1	90.0	9.4	14.7	24.1	26.8

Source: MDAs and National Treasury

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

National Referral and Specialized Services programme received the highest allocation at Kshs.29.6 billion (32.8 per cent of the annual estimates for the sector), while General Administration, Planning & Support Services programme received the lowest allocation at Kshs.9.7 billion, (10.8 per cent).

Expenditure for the sector's programmes amounted to Kshs. 24.1 billion representing an absorption rate of 26.8 per cent. This comprised of Kshs. 9.4 billion for development activities, translating to an absorption rate of 23 per cent and Kshs.14.7 billion incurred on recurrent activities, which was 30 per cent of the revised gross recurrent estimates.

Analysis of performance by programme shows that, the National Referral & Specialized Services recorded the highest proportion of programme expenditure to its revised gross estimates at 37.3 per cent, while the Preventive, Promotive & RMNCAH programme recorded the lowest at 12.9 per cent.

5.9 National Security Sector

The National Security revised budgetary allocation in FY 2018/19 amounted Kshs.142.2 billion to fund its two programmes. This allocation comprised of Kshs.15 billion (10 per cent) for development expenditure and Kshs.127.3 billion (90 per cent) for recurrent expenditure. Analysis of the sector's performance by programmes in the first half of FY 2018/19 is presented in Table 5.8.

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

VOTE	Programme	Revised Estimate			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
Ministry of Defence	Defence	15.0	96.0	111.0	7.1	56.8	63.9	57.6
National Intelligence Service	National Security Intelligence	-	31.2	31.2	-	14.8	14.8	47.5
Total		14.97	127.2	142.2	7.1	71.6	78.7	55.4

Source: MDAs and National Treasury

The sector has two programs namely the Defence and the National Security Intelligence. Defence programme under the Ministry of Defence received an allocation of Kshs.111 billion (78.1 per cent of the total allocation for the sector) while National Security Intelligence under National Intelligence Service received Kshs. 31.2 billion (21.9 per cent of the total allocation for the sector).

Expenditure for the sector's programmes in the reporting period amounted to Kshs.78.7 billion, representing 55.4 per cent of the revised gross estimates. Analysis of programme performance shows that, the Defence programme recorded implementation rate of 57.6 per cent, while the National Security Intelligence programme recorded 47.5 per cent respectively.

5.10 Public Administration and International Relations (PAIR) Sector

The Public Administration and International Relations (PAIR) Sector's revised allocation in FY 2018/19 amounted to Kshs.238.4 billion to fund thirty four programmes. The allocation comprised of Kshs.80.6 billion (34 per cent) for development programmes and Kshs.157.8 billion (66 per cent) for recurrent programmes. Analysis of the sector's performance by programmes in the first half of FY 2018/19 is presented in Table 5.9.

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

VOTE	Programme	Revised Estimate			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
The Presidency	Cabinet Affairs	0.7	1.8	2.5	0.09	0.9	1.0	38.8
	Government Advisory Services	-	0.8	0.8	-	0.3	0.3	31.6
	State House Affairs	0.3	2.9	3.2	0.10	1.2	1.3	41.1
	Deputy President Services	0.1	2.2	2.3	0.07	0.9	1.0	42.2
State Department for Planning	Economic Policy and National Planning	1.1	1.4	2.5	0.13	0.6	0.8	30.5
	National Statistical Information Services	1.4	8.2	9.6	0.7	3.8	4.5	46.6
	Monitoring and Evaluation Services	0.1	0.1	0.2	0.04	0.05	0.1	42.4
	General Administration Planning and Support Services	-	0.4	0.4	-	0.2	0.2	43.0
State Department for Devolution	Devolution Services	34.9	0.8	35.7	15.4	0.3	15.7	43.9
	General Administration Planning and Support Services	-	0.3	0.3	-	0.1	0.1	37.6
	Special Initiatives	-	1.7	1.7	-	1.6	1.6	96.9
Ministry of Foreign Affairs	General Administration Planning and Support Services	0.1	2.9	3.0	0.04	1.4	1.5	48.6
	Foreign Relation and Diplomacy	1.6	11.9	13.5	0.82	5.9	6.8	50.0
	Economic and Commercial Diplomacy	-	0.1	0.1	-	0.0	0.0	47.0
	Foreign Policy Research, Capacity Development and Technical Cooperation	0.2	0.1	0.3	0.10	0.1	0.2	53.0
The National Treasury	General Administration, Planning and Support Services	3.4	62.1	65.6	0.26	13.5	13.8	21.1
	Public Financial Management	28.6	4.2	32.8	4.2	2.6	6.7	20.6
	Economic and Financial Policy Formulation and Management	0.9	1.3	2.2	0.06	0.6	0.6	29.2
	Market Competition	0.1	0.3	0.4	0.01	0.1	0.1	33.3
	Government Clearing Services	-	0.1	0.1	-	0.0	0.0	30.8
State Department for Public Service	Public Service Transformation	1.0	5.3	6.3	0.40	4.1	4.5	71.5
State Department for Youth	Youth Empowerment	1.3	6.5	7.8	0.19	0.4	0.6	7.2
State Department for Public Service and Youth Affairs	Programme Information*	1.8	1.5	3.3	1.55	1.2	2.8	83.3
Parliamentary Service Commission	Senate Affairs	-	6.0	6.0	-	2.3	2.3	37.5
	General Administration, Planning and Support Services	2.3	5.8	8.0	0.6	2.1	2.7	34.0
National Assembly	National Legislation, Representation and Oversight	-	20.8	20.8	-	8.6	8.6	41.5
Commission on Revenue Allocation	Inter-Governmental Revenue and Financial Matters	-	0.4	0.4	-	0.2	0.2	35.7
Public Service Commission	General Administration, Planning and Support Services	0.1	0.8	0.9	0.01	0.4	0.4	45.7
	Human Resource management and Development	-	0.2	0.2	-	0.1	0.1	50.2
	Governance and National Values	-	0.1	0.1	-	0.1	0.1	55.2
Salaries and Remuneration Commission	Salaries and Remuneration Management	-	0.5	0.5	-	0.2	0.2	28.1
Auditor General	Audit Services	0.7	5.1	5.8	0.05	2.5	2.6	44.0
Controller of Budget	Control and Management of Public finances	-	0.6	0.6	-	0.2	0.2	33.8
Commission on Administrative Justice	Promotion of Administrative Justice	-	0.5	0.5	-	0.2	0.2	37.0
Total		80.6	157.8	238.4	24.8	57.0	81.8	34.3

Source: MDAs and National Treasury

* Following government reorganization (Executive order No.1 2018), State Department for Public Service and Youth Affairs was split into to two State Departments namely:- Youth and Public Service.

General Administration, Planning and Support Services programme received the highest allocation at Kshs.65.6 billion (27.4 per cent of the revised gross estimates for the sector), while Government Clearing Services programme received the lowest allocation at Kshs.75.6 million, (less than 1 per cent), both under the National Treasury

Expenditure for the sector's programmes amounted to Kshs.81.8 billion representing an absorption rate of 34.3 per cent. This comprised of Kshs.24.8 billion for development activities, translating to an absorption rate of 30.7 per cent and Kshs.57 billion incurred on recurrent activities, which was 36.1 per cent of the revised gross recurrent estimates.

Analysis of performance by programme shows that, Special Initiatives under State Department for Devolution recorded the highest proportion of programme expenditure to its revised gross estimates at 96.9 per cent, while Youth Empowerment programme under State Department for Youth recorded the lowest at 7.2 per cent.

5.11 Social Protection, Culture and Recreation Sector

The Sector's revised allocation in FY 2018/19 amounted to Kshs.51.9 billion for implementing fifteen programmes. This allocation comprised of Kshs.23.8 billion (46 per cent) for development programmes and Kshs.28.1 billion (54 per cent) for recurrent programmes. Table 5.10 presents an analysis of sector's performance by programmes in the first half of FY 2018/19.

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

VOTE	Programme	Revised Estimate			Expenditure			Implementation Rate (%)
		Dev.	Rec.	Gross	Dev.	Rec.	Total	
State Department for Development of the ASAL	Accelerated ASAL Development	5.4	1.0	6.3	2.5	0.5	3.0	47.6
State Department for Sports	Sports	0.7	1.5	2.1	0.5	0.9	1.3	61.6
State Department for Culture and Heritage	Culture	0.5	1.4	1.9	0.2	1.0	1.2	64.6
	The Arts	0.08	0.8	0.8	0.02	0.4	0.4	46.4
	Library Services	0.3	0.7	1.0	0.2	0.0	0.2	16.5
	General Administration, Planning and Support Services	-	0.2	0.2	-	0.09	0.09	48.9
State Department for Labour	General Administration, Planning and Support Services	-	0.7	0.7	-	0.31	0.31	46.1
	Promotion of the Best Labour Practice	0.15	0.7	0.8	0.003	0.29	0.3	35.1
	Manpower Development, Employment and Productivity Management	1.4	1.2	2.6	0.3	0.3	0.7	26.8
State Department for Social Protection, Pensions and Senior Citizens Affairs	Social Development and Children Services	1.2	3.0	4.2	0.3	0.8	1.1	25.6
	National Social Safety Net	11.3	15.2	26.5	2.1	4.4	6.4	24.2
	General Administration, Planning and Support Services	-	0.3	0.3	-	0.06	0.06	20.8
State Department for Gender	Community Development	2.1	-	2.1	1.3	-	1.3	64.5
	Gender Empowerment	0.7	1.3	2.1	0.4	0.77	1.1	55.0
	General Administration, Planning and Support Services	-	0.2	0.2	-	0.11	0.1	62.1
Total		23.8	28.1	51.9	7.8	9.9	17.7	34.1

Source: MDAs and National Treasury

National Social Safety Net programme under the State Department for Social Protection, Pensions and Senior Citizens Affairs received the highest allocation at Kshs.26.5 billion (51.1 per cent of the revised gross estimates for the sector), while General Administration, Planning and Support Services programme under the State Department for Gender received the lowest allocation at Kshs.170.2 million (less than 1 per cent).

Expenditure for the sector programmes amounted to Kshs.17.7 billion representing an absorption rate of 34.1 per cent. This comprised of Kshs.7.8 billion for development activities, translating to an absorption rate of 32.9 per cent and Kshs.9.9 billion incurred on recurrent activities, which was 35.1 per cent of the revised gross recurrent estimates.

Analysis of performance by programme shows that, the Culture programme under State Department for Culture and Heritage recorded the highest proportion of programme expenditure to its revised gross estimates at 64.6 per cent, while Library Services programme under the State Department for Culture and Heritage recorded the lowest at 16.5 per cent.

6 KEY ISSUES AND RECOMMENDATIONS

6.1 Introduction

This chapter highlights issues that affected budget implementation by MDAs in the first half of FY 2018/19. It further provides recommendations aimed at improving budget implementation in the future 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 in the first half of FY 2018/19.

6.2.1 Delay in Submission of Budget Performance Reports to the Office of the Controller of Budget.

Article 228 (6) of the Constitution of Kenya, 2010 and Section 9 of the Controller of Budget Act, 2016 requires the Controller of Budget to submit to each House of Parliament a report on the implementation of budgets of the national and county governments every four months. Further, Section 39 (8) of the PFM Act, 2012, requires the Controller of Budget to ensure that the Public has access to information on budget implementation. The Controller's report is based on quarterly reports on financial and non-financial performance submitted in line with Section 83 of the PFM Act, 2012.

The Office experienced delays in submission of the quarterly reports on financial and non-financial performance by some MDAs. This affected timely reporting and consequently affected oversight of budget implementation by the various stakeholders.

In order to meet the above legal requirements, all MDAs are required to submit quarterly financial and non-financial reports to the OCOB within fifteen days following the end of each quarter to facilitate timely preparation and publication of budget implementation reports.

6.2.2 Failure to Align Budget Reallocation to Actual Performance

During the first half of FY 2018/19, Parliament approved Supplementary Budget I, which mainly rationalized budgetary allocations to non-core activities in order to release resources for implementation of development activities and the Big Four Agenda. While the budget revision was necessary, actual budget performance information such as exchequer issues and expenditure was not fully considered. As a result, this resulted in reduction of some budget provisions below the level of expenditure already incurred.

We recommend that, affected MDAs should liaise with the National Treasury to appropriately align budget allocations to performance through a Supplementary Budget for effective implementation.

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 an overview of the progress made by the National Government in budget implementation in the first half of FY 2018/19 and generally indicates some improvement in both revenue and expenditure performance compared to a similar period of FY 2017/18.

The overall Approved Budget for the National Government was Kshs.3 trillion compared to Kshs.2.7 trillion in FY 2017/18, indicating some expected growth in both revenue collection and government spending. In the first six months of the year, receipts into the Consolidated Fund amounted to Kshs.1.1 trillion, representing 41 per cent of the revised annual targets, an increase by 20.3 per cent compared to Kshs.0.9 trillion in the first half to FY 2017/18. Total exchequer issues to MDAs, CFS and County Governments amounted to Kshs.1 trillion representing 39.3 per cent of the revised annual estimates, and an increase of 21.8 per cent compared to Kshs.0.8 trillion in the first half of FY 2017/18.

Aggregate expenditure was Kshs.1.1 trillion, translating to an overall absorption rate of 41.3 per cent, a slight increase from 38.2 per cent (Kshs.915.2 billion) attained in a similar period in FY 2017/18. A total of Kshs.854 billion was spent on recurrent expenditure, representing 41.8 per cent of the revised gross recurrent budget estimate, indicating growth of 16.2 per cent compared to a similar period of FY 2017/18. This expenditure comprised of Kshs.465.4 billion incurred by MDAs and Kshs.388.6 billion on the Consolidated Fund Services. A total of Kshs.252.7 billion was spent on development expenditure representing an absorption rate of 38.8 per cent, compared to 30.6 per cent (Kshs.185.3 billion) recorded in a first half of FY 2017/18.

Despite the improved performance, the Office identified some challenges that affected budget implementation. These were: delay in submission of financial and non-financial reports to the Office of the Controller of Budget by Accounting Officers which affected timely reporting on budget implementation, and failure by the National Treasury to fully consider budget performance in the preparation of Supplementary Budget I, which resulted in reduction of some budget provisions below the level of expenditure already incurred. The Supplementary Budget I should therefore, be appropriately aligned to actual performance to facilitate effective implementation.

The Office will continue to publish quarterly budget implementation review reports in an endeavour to enhance prudent use of public funds.

ANNEX I: MDAs Development Expenditure for the Half Year FY 2018/19 (Kshs)

MINISTRY/STATE DEPARTMENT	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	Expenditure	% of Exch. Issues to Revised Net Est.	% of Exp. to Revised Gross Estimates
The Presidency	1,108,830,000	1,108,830,000	377,606,710	252,896,841	34.1	22.8
State Department for Interior	17,308,702,000	16,944,700,000	3,331,200,000	7,545,625,759	19.7	43.6
State Department for Correctional Services	1,812,600,000	1,812,600,000	-	96,694,130	-	5.3
State Department for Immigration and Citizen Services	690,300,000	690,300,000	308,500,000	682,553,486	44.7	98.9
State Department for Devolution	35,487,132,000	34,264,132,000	6,305,000,000	15,346,471,234	18.4	43.2
State Department for Development for the ASAL	5,358,000,000	2,820,000,000	1,348,000,000	2,548,443,655	47.8	47.6
Ministry of Defence	14,974,349,680	4,000,000,000	-	7,079,128,680	-	47.3
Ministry of Foreign Affairs	1,937,740,000	1,937,740,000	558,370,000	961,882,690	28.8	49.6
State Department for Vocational and Technical Training	8,338,000,000	5,038,000,000	919,138,897	1,082,509,245	18.2	13.0
State Department for University Education	13,109,000,000	10,309,000,000	2,826,400,000	4,956,383,498	27.4	37.8
State Department for Early Learning & Basic Education	9,818,830,978	9,248,830,978	4,483,482,250	1,653,762,615	48.5	16.8
The National Treasury	32,568,476,758	20,164,935,007	3,537,090,123	4,488,674,907	17.5	13.8
State Department of Planning	2,602,424,000	2,484,324,000	420,200,000	881,907,930	16.9	33.9
Ministry of Health	40,906,449,648	28,216,398,313	5,595,370,012	9,412,258,478	19.8	23.0
State Department of Infrastructure	112,985,380,000	72,352,548,000	28,934,697,670	32,979,782,052	40.0	29.2
State Department of Transport	90,424,591,835	12,493,000,000	9,446,645,506	70,385,876,756	75.6	77.8
State Department for Housing, Urban Development	20,643,042,217	20,643,042,217	2,190,443,410	8,004,487,202	10.6	38.8
State Department for Public Works	1,903,291,805	1,903,291,805	-	250,295,161	-	13.2
State Department for Housing, Urban Development and Public Works	6,555,039,943	2,003,039,943	1,962,607,460	2,032,686,099	98.0	31.0
State Department for Water and Sanitation	48,771,390,000	23,577,640,000	4,690,683,374	15,816,006,743	19.9	32.4
State Department for Environment and Forestry	6,003,000,000	4,076,000,000	369,908,275	740,720,320	9.1	12.3
Ministry of Lands and Physical Planning	3,345,214,997	3,345,214,997	684,338,000	626,829,457	20.5	18.7
State Department for Information Communication Technology	21,058,614,114	10,797,614,114	3,763,280,430	4,242,565,479	34.9	20.1
State Department for Broadcasting and Telecommunications	688,000,000	688,000,000	155,000,000	248,000,000	22.5	36.0
State Department for Sports	675,000,000	675,000,000	459,800,000	459,800,000	68.1	68.1
State Department for Culture and Heritage	881,600,000	881,600,000	367,500,000	418,222,300	41.7	47.4
Ministry of Energy	64,386,827,489	22,332,000,000	17,271,054,770	31,749,792,203	77.3	49.3
State Department for Livestock	4,281,740,920	2,963,740,920	1,173,833,460	1,961,633,252	39.6	45.8
State Department for Crop Development	20,085,429,236	16,756,987,656	3,582,658,367	5,941,243,543	21.4	29.6

MINISTRY/STATE DEPARTMENT	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	Expenditure	% of Exch. Issues to Revised Net Est.	% of Exp. to Revised Gross Estimates
State Department for Fisheries, Aquaculture and the Blue Economy	2,184,000,000	2,184,000,000	167,700,000	260,496,165	7.7	11.9
State Department for Irrigation	6,659,000,000	5,790,000,000	2,520,900,000	2,525,295,536	43.5	37.9
State Department for Agricultural Research	475,899,330	475,899,330	238,000,000	475,899,330	50.0	100.0
State Department for Co-operatives	340,000,000	340,000,000	150,400,000	150,319,656	44.2	44.2
State Department for Trade	312,000,000	312,000,000	-	4,386,910	-	1.4
State Department for Industrialization	4,298,000,000	3,694,000,000	637,214,926	1,469,152,164	17.2	34.2
State Department for Labour	1,549,400,000	1,549,400,000	402,747,166	352,042,104	26.0	22.7
State Department for Social Protection, Pensions and Senior Citizens Affairs	12,491,090,000	12,491,090,000	2,169,611,690	2,331,590,521	17.4	18.7
State Department for Mining	325,000,000	325,000,000	103,400,000	124,605,463	31.8	38.3
State Department for Petroleum	3,258,500,000	913,000,000	222,910,951	509,885,156	24.4	15.6
State Department for Tourism	2,050,000,000	2,050,000,000	-	19,288,303	-	0.9
State Department for Wildlife	873,250,000	873,250,000	-	433,000,000	-	49.6
Ministry of Tourism and Wildlife	622,266,000	377,250,000	177,250,000	377,250,000	47.0	60.6
State Department for Public Service and Youth	1,800,821,492	1,800,821,492	1,541,219,720	1,554,727,834	85.6	86.3
State Department for Gender	2,813,000,000	2,813,000,000	962,800,000	1,706,500,000	34.2	60.7
State Department for Public Service	997,459,359	997,459,359	-	401,284,684	-	40.2
State Department for Youth	1,270,053,549	1,270,053,549	-	190,185,929	-	15.0
State Department for Regional and Northern Corridor Development	12,636,950,000	4,178,942,863	1,542,500,000	5,145,355,315	36.9	40.7
State Law Office and Department of Justice	614,000,000	614,000,000	90,000,000	41,201,878	14.7	6.7
The Judiciary	3,049,000,000	1,550,000,000	440,803,250	1,099,049,704	28.4	36.0
Ethics and Anti-Corruption Commission	125,000,000	125,000,000	-	-	-	0.0
Office of the Director of Public Prosecutions	100,000,000	100,000,000	-	-	-	0.0
Independent Electoral and Boundaries Commission	43,000,000	43,000,000	-	-	-	0.0
Parliamentary Service Commission	2,100,000,000	2,100,000,000	446,000,000	626,504,519	21.2	29.8
Public Service Commission	59,290,000	59,290,000	-	6,539,755	0.0	11.0
Teachers Service Commission	136,000,000	136,000,000	-	7,610,284	-	5.6
Auditor General	682,230,000	682,230,000	60,400,000	46,732,343	8.9	6.8
TOTAL	650,574,207,350	382,373,196,543	116,936,666,417	252,706,037,268	30.6	38.8

ANNEX II: MDAs Recurrent Expenditure for the Half Year FY 2018/19 (Kshs)

MINISTRY/STATE DEPARTMENT	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	Expenditure	% of Exch. Issues to revised Net Estimates	% Exp. to Revised Gross Estimates
The Presidency	7,712,989,247	7,702,857,173	3,933,999,600	3,340,516,732	51.1	43.3
State Department for Interior	108,662,358,944	108,612,452,097	51,421,735,030	65,935,206,653	47.3	60.7
State Department for Correctional Services	25,793,737,946	25,793,737,946	10,419,432,577	7,792,607,803	40.4	30.2
State Department for Immigration and Citizen Services	1,793,279,641	1,793,279,641	863,620,445	701,070,884	48.2	39.1
State Department for Devolution	2,817,404,464	2,817,404,464	2,014,593,379	2,090,266,029	71.5	74.2
State Department for Development for the ASAL	987,108,941	987,108,941	462,652,115	474,730,982	46.9	48.1
Ministry of Defence	96,036,417,495	96,036,417,495	53,705,474,335	56,821,206,091	55.9	59.2
Ministry of Foreign Affairs	14,990,626,850	14,437,051,949	6,389,597,082	7,466,951,854	44.3	49.8
State Department for Vocational and Technical Training	6,343,697,604	6,333,697,604	1,623,303,250	2,459,740,446	25.6	38.8
State Department for University Education	86,309,750,850	47,703,650,850	21,566,249,335	23,711,919,340	45.2	27.5
State Department for Early Learning & Basic Education	88,191,136,122	86,758,536,122	31,645,104,850	30,581,140,633	36.5	34.7
State Department for Post-Training and Skills Development	45,455,000	45,455,000	19,131,400	20,341,317	42.1	44.8
The National Treasury	68,189,680,212	68,189,680,212	14,894,634,700	16,852,902,364	21.8	24.7
State Department of Planning	10,095,398,147	10,024,398,147	3,206,497,360	4,885,809,564	32.0	48.4
Ministry of Health	49,078,777,206	37,613,770,576	13,970,976,050	14,725,555,632	37.1	30.0
State Department of Infrastructure	58,330,023,517	1,838,023,517	729,923,550	19,980,250,781	39.7	34.3
State Department of Transport	10,277,442,248	1,067,442,248	414,500,000	6,682,552,903	38.8	65.0
State Department for Shipping and Maritime.	1,650,577,232	250,577,232	91,768,007	849,773,273	36.6	51.5
State Department for Housing & Urban Development	741,396,411	741,396,411	142,831,200	347,047,434	19.3	46.8
State Department for Public Works	1,610,039,251	1,610,039,251	164,722,200	471,989,067	10.2	29.3
State Department for Housing, Urban Development and Public Works	710,627,006	706,627,006	783,432,720	692,586,070	110.9	97.5
Ministry of Water and Sanitation	4,069,361,482	3,498,361,482	1,538,433,594	1,714,511,114	44.0	42.1
Ministry of Environment and Forestry	9,961,105,317	6,644,205,317	4,144,120,980	2,423,535,492	62.4	24.3
Ministry of Lands and Physical Planning	2,672,185,671	2,663,185,671	1,146,325,400	1,122,001,673	43.0	42.0
State Department for Information Communication Technology	1,670,143,682	1,670,143,682	541,918,500	590,223,923	32.4	35.3
State Department for Broadcasting and Telecommunications	3,063,626,750	1,963,626,750	905,823,000	1,005,022,866	46.1	32.8
State Department for Sports	1,472,411,320	1,472,011,320	888,445,300	863,975,834	60.4	58.7

MINISTRY/STATE DEPARTMENT	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	Expenditure	% of Exch. Issues to revised Net Estimates	% Exp. to Revised Gross Estimates
State Department for Culture and Heritage	3,057,463,521	3,046,463,521	1,397,100,365	1,467,628,039	45.9	48.0
Ministry of Energy	2,155,360,000	1,948,360,000	705,440,305	798,965,008	36.2	37.1
State Department for Livestock	1,949,031,903	1,928,031,903	901,719,320	887,502,521	46.8	45.5
State Department for Crop Development	3,289,247,244	3,282,247,244	3,463,042,495	3,709,031,071	105.5	112.8
State Department for Fisheries, Aquaculture and the Blue Economy	565,160,146	565,160,146	247,795,155	212,563,296	43.8	37.6
State Department for Irrigation	810,621,023	410,621,023	237,710,000	285,650,750	57.9	35.2
State Department for Agricultural Research	4,980,235,968	4,980,235,968	2,529,056,210	2,532,588,995	50.8	50.9
State Department for Co-operatives	505,665,015	296,365,015	145,417,000	145,628,767	49.1	28.8
State Department for Trade	1,508,824,666	1,490,964,666	570,032,600	565,078,756	38.2	37.5
State Department for Industrialization	2,676,613,563	2,176,513,563	1,139,726,735	944,154,551	52.4	35.3
State Department for Labour	2,537,159,574	2,099,939,574	818,107,950	943,525,806	39.0	37.2
State Department for Social Protection, Pensions and Senior Citizens Affairs	18,564,627,033	18,522,962,033	5,676,328,110	5,242,894,229	30.6	28.2
State Department for Mining	885,424,978	873,424,978	446,310,000	441,549,019	51.1	49.9
State Department for Petroleum	256,430,044	209,112,849	72,360,190	100,330,206	34.6	39.1
State Department for Tourism	1,629,730,321	1,629,730,321	327,200,000	638,178,086	20.1	39.2
State Department for Wildlife	2,216,607,316	2,216,607,316	70,972,000	573,452,065	3.2	25.9
Ministry of Tourism and Wildlife	5,468,251,020	990,384,020	1,052,500,000	1,018,927,844	106.3	18.6
State Department for Public Service and Youth	1,501,036,450	1,319,986,450	1,597,240,670	1,197,092,210	121.0	79.8
State Department for Gender	1,507,682,427	1,507,682,427	614,431,000	877,688,538	40.8	58.2
State Department for Public Service	5,282,839,312	5,282,839,312	221,086,200	4,088,371,112	4.2	77.4
State Department for Youth	6,536,356,507	6,536,356,507	516,656,400	368,195,855	7.9	5.6
State Department for East African Community	553,084,969	553,084,969	300,222,470	296,269,469	54.3	53.6
State Department for Regional and Northern Corridor Development	1,995,526,284	1,740,526,284	869,572,990	861,581,414	50.0	43.2
State Law Office and Department of Justice	4,076,325,508	3,680,823,508	1,660,585,100	1,698,937,065	45.1	41.7
The Judiciary	12,907,500,000	12,907,500,000	6,527,162,545	5,457,031,904	50.6	42.3
Ethics and Anti-Corruption Commission	2,801,540,000	2,801,540,000	1,509,615,250	1,399,376,142	53.9	50.0
National Intelligence Service	31,211,000,000	31,211,000,000	14,387,765,295	14,823,627,623	46.1	47.5
Office of the Director of Public Prosecutions	2,812,276,000	2,812,276,000	1,082,468,950	1,094,050,532	38.5	38.9
Office of the Registrar of Political Parties	796,993,938	796,993,938	369,861,500	352,550,080	46.4	44.2

MINISTRY/STATE DEPARTMENT	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	Expenditure	% of Exch. Issues to revised Net Estimates	% Exp. to Revised Gross Estimates
Witness Protection Agency	473,409,030	473,409,030	252,653,700	230,239,334	53.4	48.6
Kenya National Commission on Human Rights	384,789,280	384,789,280	197,821,350	211,610,634	51.4	55.0
National Land Commission	1,210,096,127	1,210,096,127	553,093,300	499,217,242	45.7	41.3
Independent Electoral and Boundaries Commission	4,190,624,477	4,185,624,477	1,718,240,000	1,728,366,684	41.1	41.2
Parliamentary Service Commission	11,627,132,088	11,583,132,088	4,670,938,528	4,356,908,725	40.3	37.5
National Assembly	20,762,838,955	20,762,838,955	8,581,986,062	8,619,610,915	41.3	41.5
Judicial Service Commission	364,000,000	364,000,000	115,724,200	118,458,407	31.8	32.5
The Commission on Revenue Allocation	420,916,950	420,916,950	161,233,620	150,312,773	38.3	35.7
Public Service Commission	1,126,081,705	1,125,561,705	571,511,600	556,752,598	50.8	49.4
Salaries and Remuneration Commission	549,896,637	549,896,637	159,523,330	154,357,404	29.0	28.1
Teachers Service Commission	226,483,025,277	225,966,025,277	117,577,512,780	117,472,877,410	52.0	51.9
National Police Service Commission	628,445,390	628,445,390	279,081,800	257,827,151	44.4	41.0
Auditor General	5,126,678,925	4,976,678,925	2,414,195,400	2,509,653,108	48.5	49.0
Controller of Budget	602,935,914	602,935,914	199,013,700	203,993,364	33.0	33.8
Commission on Administrative Justice	492,046,337	492,046,337	201,063,430	182,071,635	40.9	37.0
National Gender and Equality Commission	363,915,032	363,915,032	172,070,500	178,153,134	47.3	49.0
Independent Policing Oversight Authority	796,592,730	796,592,730	402,665,035	424,887,803	50.5	53.3
TOTAL	1,063,918,798,140	931,679,776,493	415,315,061,099	465,481,156,029	44.6	43.8

ANNEX III: Sectoral Development Expenditure for the Half Year FY 2018/19 (Kshs)

Sector	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	Expenditure	% of Exch. Issues to revised Net Estimates	% Exp. to Revised Gross Estimates
Agriculture, Rural and Urban Development	37,031,284,483	31,515,842,903	8,367,429,827	11,791,397,283	26.5	31.8
Energy, Infrastructure and ICT	321,903,287,403	144,125,536,079	63,946,640,197	150,403,370,108	44.4	46.7
General Economics and Commercial Affairs (GECA)	20,259,216,000	10,952,192,863	2,507,364,926	7,165,752,348	22.9	35.4
Health	40,906,449,648	28,216,398,313	5,595,370,012	9,412,258,478	19.8	23.0
Education	31,401,830,978	24,731,830,978	8,229,021,147	7,700,265,642	33.3	24.5
Governance, Justice, Law and Order (GJLOS)	23,742,602,000	21,879,600,000	4,170,503,250	9,465,124,957	19.1	39.9
Public Administration and International Relations	80,614,457,158	66,869,815,407	13,245,886,553	24,757,808,666	19.8	30.7
National Security	14,974,349,680	4,000,000,000	-	7,079,128,680	-	47.3
Social Protection, Culture and Recreation	23,768,090,000	21,230,090,000	5,710,458,856	7,816,598,580	26.9	32.9
Environment Protection, Water and Natural Resources	55,972,640,000	28,851,890,000	5,163,991,649	17,114,332,526	17.9	30.6
Total	650,574,207,350	382,373,196,543	116,936,666,417	252,706,037,268	30.6	38.8

ANNEX IV: Sectoral Recurrent Expenditure for the Half Year FY 2018/19 (Kshs.)

Sector	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	Expenditure	% of Exch. Issues to revised Net Estimates	% Exp. to Revised Gross Estimates
Agriculture, Rural and Urban Development	15,476,578,082	15,039,578,082	9,078,741,880	9,248,555,548	60.4	59.8
Energy, Infrastructure and ICT	80,465,666,141	12,005,348,946	4,552,719,672	31,518,741,531	37.9	39.2
General Economics and Commercial Affairs (GECA)	14,337,695,838	8,877,568,838	4,404,671,795	4,469,818,887	49.6	31.2
Health	49,078,777,206	37,613,770,576	13,970,976,050	14,725,555,632	37.1	30.0
Education	407,373,064,853	366,807,364,853	172,431,301,615	174,246,019,146	47.0	42.8
Governance, Justice, Law and Order (GJLOS)	166,845,787,916	166,395,379,069	76,992,737,982	87,580,374,210	46.3	52.5
Public Administration and International Relations	157,834,858,700	156,824,581,725	49,733,771,061	57,023,766,242	31.7	36.1
National Security	127,247,417,495	127,247,417,495	68,093,239,630	71,644,833,714	53.5	56.3
Social Protection, Culture and Recreation	28,126,452,816	27,636,167,816	9,857,064,840	9,870,443,428	35.7	35.1
Environment Protection, Water and Natural Resources	17,132,499,093	13,232,599,093	6,199,836,574	5,153,047,690	46.9	30.1
Total	1,063,918,798,140	931,679,776,493	415,315,061,099	465,481,156,029	44.6	43.8

ANNEX V: Total Sectoral Expenditure for the Half Year FY 2018/19 (Kshs.)

Sector	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	Expenditure	% of Exch. Issues to revised Net Estimates	% Expenditure to revised Gross Estimates.
Agriculture, Rural and Urban Development	52,507,862,565	46,555,420,985	17,446,171,707	21,039,952,831	37.5	40.1
Energy, Infrastructure and ICT	402,368,953,544	156,130,885,025	68,499,359,869	181,922,111,639	43.9	45.2
General Economics and Commercial Affairs (GECA)	34,596,911,838	19,829,761,701	6,912,036,721	11,635,571,235	34.9	33.6
Health	89,985,226,854	65,830,168,889	19,566,346,062	24,137,814,110	29.7	26.8
Education	438,774,895,831	391,539,195,831	180,660,322,762	181,946,284,788	46.1	41.5
Governance, Justice, Law and Order (GJLOS)	190,588,389,916	188,274,979,069	81,163,241,232	97,045,499,167	43.1	50.9
Public Administration and International Relations	238,449,315,858	223,694,397,132	62,979,657,614	81,781,574,908	28.2	34.3
National Security	142,221,767,175	131,247,417,495	68,093,239,630	78,723,962,394	51.9	55.4
Social Protection, Culture and Recreation	51,894,542,816	48,866,257,816	15,567,523,696	17,687,042,008	31.9	34.1
Environment Protection, Water and Natural Resources	73,105,139,093	42,084,489,093	11,363,828,223	22,267,380,216	27.0	30.5
Total	1,714,493,005,490	1,314,052,973,036	532,251,727,516	718,187,193,297	40.5	41.9

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