

OFFICE OF THE CONTROLLER OF BUDGET



PARLIAMENT
KENYA
LIBRARY

**NATIONAL GOVERNMENT
BUDGET IMPLEMENTATION REVIEW REPORT
FY 2023/24**

AUGUST, 2024

NATIONAL GOVERNMENT BUDGET IMPLEMENTATION REVIEW REPORT
FY 2023/24 AUGUST 2024


1870
1871
1872
1873
1874
1875
1876
1877
1878
1879
1880
1881
1882
1883
1884
1885
1886
1887
1888
1889
1890
1891
1892
1893
1894
1895
1896
1897
1898
1899
1900

OFFICE OF THE CONTROLLER OF BUDGET



NATIONAL GOVERNMENT
BUDGET IMPLEMENTATION REVIEW REPORT

FY 2023/24

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 18 SEP 2024	
DAY: Wednesday	
TABLED BY:	Hon. Owen Bayart, mp Deputy Majority party
CLERK-AT:	Friday Mwiriki

AUGUST 2024 B:

FOREWORD

The Office of the Controller of Budget (OCoB) is established under Article 228 of the Constitution of Kenya to oversee the implementation of budgets of the National and County Governments by authorising withdrawals from Public Funds and reporting to each House of Parliament every four months. Article 228(6) of the Constitution and Section 9 of the Controller of Budget Act, Cap 429 requires that I submit to Parliament quarterly budget implementation reports of the National and County Governments thirty days after the end of each quarter.

On this premise, I present the National Government Budget Implementation Review Report for the Financial Year (FY) 2023/24 covering 1st July 2023 to 30th June 2024. The report is based on the latest approved budget and Appropriation Act(s) for the FY 2023/24, published records of receipts into the Consolidated Fund, exchequer issues and financial and non-financial reports submitted by Ministries, Departments and Agencies (MDAs) to OCOB. It examines budget performance on targeted receipts into the Consolidated Fund, exchequers issued to the Consolidated Fund Services, MDAs and County Governments, expenditure against budget for development and recurrent votes for the national government. Consolidated Fund Services comprise Public debt, Pensions and Gratuities, Salaries, Allowances and Miscellaneous Services.

The report highlights the key issues I identified that hampered budget implementation and recommends measures to address them. Information in this report is valuable to the Legislature and the Executive Arms of government in making decisions relating to public finance. I also call upon all stakeholders addressed in the report to take necessary action on the recommendations to improve budget execution in the subsequent budget cycle.

I take this opportunity to express appreciation to my staff for their effort, dedication, and commitment in preparing this report. I also thank the MDAs' who submitted annual financial and non-financial reports to facilitate the preparation of this report. My office will endeavour to publish and publicise budget implementation reports in line with Section 39(8) of the Public Finance Management Act, Cap 412A.



FCPA Dr. Margaret Nyakang'o, CBS
CONTROLLER OF BUDGET

TABLE OF CONTENTS

FOREWORD	ii
TABLE OF CONTENTS	iii
LIST OF FIGURES	viii
LIST OF ABBREVIATIONS AND ACRONYMS	x
EXECUTIVE SUMMARY	xii
KEY HIGHLIGHTS	xiv
1. INTRODUCTION	1
2. ANALYSIS OF RECEIPTS AND EXCHEQUER ISSUES.....	2
2.1. Introduction	2
2.2. Revenue Estimates and Receipts into the Consolidated Fund	2
2.3. Exchequer Issues by the National Treasury	4
2.4. Exchequer Issues by Sector.....	5
3. OVERALL BUDGET PERFORMANCE.....	17
3.1. Introduction	17
3.2. FY 2023/24 Overall Budget	17
3.3. Consolidated Fund Services Budget Performance	20
3.4. Ministries, Departments, and Agencies Expenditure by Economic Classification	28
3.5. Pending Bills for National Government	43
4. BUDGET PERFORMANCE BY SECTOR.....	45
4.1. Introduction	45
4.2. Agriculture, Rural and Urban Development Sector	45
4.3. Education Sector.....	53
4.4. Energy, Infrastructure, and Information Communications Technology (EIICT) Sector.....	61
4.5. Environmental Protection, Water, and Natural Resources Sector	70
4.6. General Economic and Commercial Affairs Sector.....	78
4.7. Governance, Justice, Law and Order Sector	87
4.8. Health Sector.....	97
4.9. National Security Sector	103
4.10. Public Administration and International Relations Sector.....	107
4.11. Social Protection, Culture and Recreation Sector	120
5. KEY ISSUES AND RECOMMENDATIONS	128
5.1. Failure to Fully Consider Budget Performance During Supplementary Budgeting	128
5.2. Delay in Funding MDAs and County Governments.....	129

5.3. Submission of Quarterly Reports to the Controller of Budget.....	129
5.4. Projects Implementation by MDAs.....	129
5.5. Linking Financial, Non-financial and Programme-Based Budget Performance.....	129
5.6. Cost of Public Debt.....	130
6. EMERGING ISSUE: ANALYSIS OF FOREIGN TRAVELS BY MDAs	131
6.1. Background Information.....	131
6.2. Travel Expenditure by MDAs.....	131
6.3. Observations on the Detailed Foreign Travel Data.....	135
6.4. Recommendations.....	135
6.5. Conclusion.....	135
7. CONCLUSION.....	136
8. ANNEXES.....	138
Annex I: Major Foreign Currencies Exchange Rate Trend to the Kenya Shilling.....	138
Annex II: Capital Transfer to SAGAs.....	139
Annex III: MDAs Recurrent Performance by Economic Classification.....	150
Annex IV: Current Transfer to SAGAs.....	154
Annex V: MDAs Pending Bills as of 30th June 2024.....	164
Annex VI: State Corporations/ State Owned Enterprises/ SAGAs Pending Bills.....	166
Annex VII: MDAs Development Expenditure.....	171
Annex VIII: MDAs Recurrent Expenditure.....	174
Annex IX: MDAs Development Expenditure by Sector.....	178
Annex X: MDAs Recurrent Expenditure by Sector.....	179
Annex XI: MDAs Total Expenditure by Sector.....	180
Annex XII: Foreign Travel Details by MDAs.....	181

LIST OF TABLES

Table 2.1: Statement of Receipts into the Consolidated Fund	3
Table 2.2: Summary of Net Exchequer Issues	4
Table 2.3: Exchequer Issues by Sector	6
Table 2.4: Sectoral Development Estimates and Exchequer Issues	6
Table 2.5: Analysis of Exchequer Development Issues to MDAs by Sectors	7
Table 2.6: Sectoral Recurrent Estimates and Exchequer Issues	10
Table 2.7: Recurrent Issues to the MDAs in each of the ten sectors	10
Table 2.8: CFS Budgetary Allocation and Exchequer Issues	13
Table 2.9: Exchequer Issues Under Article 223 of the Constitution	14
Table 2.10: Withdrawal from the Equalisation Fund	15
Table 2.11: Approval for Withdrawal from the Judiciary Fund	16
Table 3.1: Overall Budget Performance	17
Table 3.2: CFS Budget Performance	20
Table 3.3: Public and Publicly Guaranteed Debt Stock Debt as of 30th June 2024	20
Table 3.4: Foreign Exchange Effect on External Public Debt Stock.....	21
Table 3.5: Charges on Overdraft Facility by Month	23
Table 3.6: Salaries, Allowances, and Miscellaneous Services Budget Performance	24
Table 3.7: SAM Budget Absorption Rate from FY 2019/20 to FY 2023/24.....	26
Table 3.8: List of Guaranteed Loans as of 30th June 2024.....	26
Table 3.9: Pension and Gratuities Budget Performance	27
Table 3.10: Breakdown of Recurrent Expenditure by MDAs (Kshs. Million)	30
Table 3.11: Breakdown of Recurrent Expenditure by MDAs (Kshs. Million)	37
Table 3.12: National Government Pending Bills Summary	43
Table 4.1: ARUD Sector-Analysis of Exchequer Issues and Expenditure	46
Table 4.2: PE Costs as a Percentage of Revenue	48
Table 4.3: ARUD Sector Budget Performance by Programme	48
Table 4.4: ARUD Sector Projects with the Highest Expenditure.....	51
Table 4.5: Education Sector-Analysis of Exchequer Issues and Expenditure	54

Table 4.6: PE Costs as a Percentage of Revenue	56
Table 4.7: Education Sector's Programme Performance	57
Table 4.8: Education Sector Projects with the Highest Expenditure	60
Table 4.9: EIICT-Analysis of Exchequer Issues and Expenditure	62
Table 4.10: PE Costs as a Percentage of Revenue	64
Table 4.11: EIICT Sector's Programme Performance	65
Table 4.12: EIICT Sector Projects with the Highest Expenditure	69
Table 4.13: EPWNR Sector-Analysis of Exchequer Issues and Expenditure	71
Table 4.14: PE Costs as a Percentage of Revenue	73
Table 4.15: EPWNR Sector's Programme	73
Table 4.16: EPWNR Sector Projects with the Highest Expenditure.....	76
Table 4.17: GECA Sector-Analysis of Exchequer Issues and Expenditure	79
Table 4.18: PE Costs as a Percentage of Revenue	81
Table 4.19: GECA Sector Budget Performance by Programmes	81
Table 4.20: GECA Sector Projects with the Highest Expenditure	86
Table 4.21: GJLO Sector-Analysis of Exchequer Issues and Expenditure	88
Table 4.22: PE Costs as a Percentage of Revenue	91
Table 4.23: GJLO Sector's Programme and Sub-Programmes	92
Table 4.24: GJLO Sector Projects with the Highest Expenditure	96
Table 4.25: Health Sector-Analysis of Exchequer Issues and Expenditure	98
Table 4.26: Health Sector PE Costs as a Percentage of Revenue	100
Table 4.27: Health Sector's Performance by Programme	100
Table 4.28: Health Sector Projects with the Highest Expenditure	102
Table 4.29: National Security Sector-Analysis of Exchequer Issues and Expenditure	104
Table 4.30: PE Costs as a Percentage of Revenue	105
Table 4.31: National Security Sector's Programme Performance	106
Table 4.32: PAIR Sector-Analysis of Exchequer Issues and Expenditure	108
Table 4.33: PE Costs as a Percentage of Revenue	112
Table 4.34: PAIR Sector's Programme Performance	113

Table 4.35: PAIR Sector Projects with the Highest Expenditure	119
Table 4.36: SPCR Sector-Analysis of Exchequer Issues and Expenditure	121
Table 4.37: SPCR Sector PE Costs as a Percentage of Revenue.....	124
Table 4.38: SPCR Sector's Programme Performance	124
Table 4.39: SPCR Sector Projects with the Highest Expenditure	127
Table 6.1: Summary of Guidelines in the Circular Ref: OP/CAB.308/018.....	131
Table 6.2: Variance in reported Foreign Travel Expenditure by MDAs.....	132

LIST OF FIGURES

Figure 2.1: Contribution to the Consolidated Fund by Receipt Category	3
Figure 2.2: Receipts into the Consolidated Fund (Kshs. Billion).....	4
Figure 2.3: Proportion of Exchequer Issues by Vote	5
Figure 3.1: Revised Annual Allocation by Sector FY 2023/24 (Kshs. Billion)	18
Figure 3.2: Expenditure by Sector	19
Figure 3.3: Proportion of Expenditure to Budget by Sector (Kshs. Billion).....	19
Figure 3.4: Trend in Public Debt Stock	21
Figure 3.5: Trend in Salaries, Allowances, and Miscellaneous Services (Kshs. Billion)	23
Figure 3.6: Budget Allocation Trend for SAM from FY 2019/20 to FY 2023/24.....	25
Figure 3.7: Trend in Pensions and Gratuities Performance Trend	28
Figure 3.8: Breakdown Summary of MDAs' Development Expenditure (Kshs. Billion)	36
Figure 3.9: Summary Analysis of Ministerial Recurrent Expenditure (Kshs. Billion)	43
Figure 4.1: Budgetary Allocation Trend for ARUD Sector	46
Figure 4.2: Exchequer Issues to ARUD Sector	47
Figure 4.3: Budgetary Allocation Trend for the Education Sector	54
Figure 4.4: Exchequer Issues in the Education Sector	55
Figure 4.5: Budgetary Allocation Trend for the EIICT Sector	62
Figure 4.6: Exchequer Issues to the EIICT Sector	64
Figure 4.7: Budgetary Allocation Trend for the EPWNR Sector	71
Figure 4.8: Exchequer Issues to EPWNR Sector	72
Figure 4.9: Budgetary Allocation Trend for the GECA Sector	79
Figure 4.10: Exchequer Issues to the GECA Sector	80
Figure 4.11: Budgetary Allocation Trend for the GJLO Sector	88
Figure 4.12: Exchequer Issues to the GJLO Sector	90
Figure 4.13: Figure 4.13: Budgetary Allocation Trend for the Health Sector	98
Figure 4.14: Exchequer Issues to the Health Sector.....	99
Figure 4.15: Budget Allocation for five years for the National Security Sector	103
Figure 4.16: Exchequer Issues to the National Security Sector	105

Figure 4.17: Budgetary Allocation Trend for the PAIR Sector	108
Figure 4.18: Exchequer Issues to the PAIR Sector	111
Figure 4.19: Budgetary Allocation Trend for the SPCR Sector	121
Figure 4.20: Exchequer Issues to the SPCR Sector	123
Figure 6.1: Trend of Domestic and Foreign Travel by MDAs	132

LIST OF ABBREVIATIONS AND ACRONYMS

AfDB	- African Development Bank Group
A-I-A	- Appropriations- in- Aid
ARUD	- Agriculture Rural and Urban Development
ASALs	- Arid and Semi-Arid Lands
BETA	- Bottom-Up Economic Transformation Agenda
Bn	- Billion
BPO	- Business Process Outsourcing
CARA	- County Allocation of Revenue Act
CBK	- Central Bank of Kenya
CF	- Consolidated Fund
CFS	- Consolidated Fund Services
CoB	- Controller of Budget
COFOG	- Classification of Functions of Government
COVID-19	- Corona Virus Disease 2019
DSSI	- Debt Service Suspension Initiative
EA	- East Africa
EACC	- Ethics and Anti-Corruption Commission
EIICT	- Energy Infrastructure and Information Communications Technology
EPWNR	- Environment Protection Water and Natural Resources
FY	- Financial Year
GECA	- General Economic and Commercial Affairs
GJLO	- Governance Justice Law and Order
GoK	- Government of Kenya
HIV	- Human Immunodeficiency Virus
IDA	- International Development Association
IEBC	- Independent Electoral and Boundaries Commission
IFMIS	- Integrated Financial Management Information System
IMF	- International Monetary Fund
IPOA	- Independent Policing Oversight Authority
JSC	- Judicial Service Commission
KeNHA	- Kenya National Highways Authority
KIRDI	- Kenya Industrial Research and Development Institute
KNH	- Kenyatta National Hospital
Kshs	- Kenya Shillings

MDAs	- Ministries Departments and Agencies
MPARD	- Mombasa Port Area Road Development
MSME	- Micro, Small Medium Enterprises
MTEF	- Medium Term Expenditure Framework
MTP	- Medium Term Plan
NCPB	- National Cereals and Produce Board
NGEC	- National Gender and Equality Commission
NIS	- National Intelligence Service
NLC	- National Land Commission
NMS	- Nairobi Metropolitan Services
NPSC	- National Police Service Commission
OCOB	- Office of the Controller of Budget
ODPP	- Office of the Director of Public Prosecutions
ORPP	- Office of the Registrar of Political Parties
PAIR	- Public Administration and International Relations
PDF	- Portable Document Format
PE	- Personnel Emoluments
PFM	- Public Finance Management
PPG	- Public and Publicly Guaranteed
PSSS	- Public Service Superannuation Scheme
RIVATEX	- Rift Valley Textile
RMNCAH	- Reproductive, Maternal, New-born Child, and Adolescent Health
SACCO	- Savings and Credit Cooperative Society
SAGAs	- Semi-Autonomous Government Agencies Services
SAM	- Salaries, Allowances, and Miscellaneous
SCs	- State Corporations
SDR	- Special Drawing Rights
SME	- Small and Medium Enterprises
SOEs	- State-Owned Enterprises
SPCR	- Social Protection Culture and Recreation
Tn	- Trillion
TSC	- Teachers Service Commission
TVET	- Technical Vocational and Education Training
USA	- United States of America
Yrs	- Years

EXECUTIVE SUMMARY

This National Government Budget Implementation Review Report for FY 2023/24 covers the period from 1st July 2023 to 30th June 2024. It has been prepared to comply with Article 228 of the Constitution and Section 9 of the Controller of Budget Act, 2016. These provisions require the Controller of Budget to submit quarterly budget implementation reports for the National and County governments to Parliament.

The FY 2023/24 budget aimed at implementing the government's Bottom-up Economic Agenda (BETA) and necessitated the alignment of budgetary priorities. Revenue generation was enhanced through the Finance Policy 2023, which came into force during the year. Specifically, revenue collection through the e-citizen platform was enforced using the pay bill code 222222.

The approved original gross budget was Kshs.4.34 trillion. It was revised to Kshs.4.54 trillion in Supplementary Budget I and Kshs.4.43 in Supplementary Budget II, a significant increase from the Kshs.3.67 trillion budgeted for FY 2022/23. The revised budget included Kshs.708.85 billion for ministerial development expenditure, which was 16 per cent of the revised gross national budget of Kshs.4.43 trillion and 29 per cent of the revised gross ministerial budget of Kshs.2.44 trillion. Recurrent allocation comprised ministerial recurrent allocation of Kshs.1.62 trillion (39 per cent of the revised gross national budget) and Consolidated Fund Services (CFS) at Kshs.1.76 trillion (45 per cent of the revised gross national budget).

The actual Receipts into the Consolidated Fund amounted to Kshs.3.80 trillion, representing 89 per cent of the revised estimates of Kshs.4.26 trillion. This was a significant increase compared to the Kshs.3.24 trillion (90 per cent) received in FY 2022/23. The total exchequer issues from the Consolidated Fund to MDAs, CFS, and the County Governments amounted to Kshs.3.80 trillion, representing 89 per cent of the revised net estimates of Kshs.4.26 trillion, compared to Kshs.3.24 trillion (90 per cent) recorded in FY 2022/23. The exchequer issues comprised Kshs.315.06 billion (70 per cent) for ministerial development expenditure, Kshs.1.36 trillion (95 per cent) for ministerial recurrent expenditure, Kshs.1.76 trillion (89 per cent) to CFS and Kshs.354.59 billion (92 per cent) as shareable revenue to County governments of the revised net estimates.

The National Government spent Kshs.3.89 trillion, representing 88 per cent of the National Government's revised gross estimates of Kshs.4.43 trillion, compared to Kshs.3.18 trillion (87 per cent) recorded in FY 2022/23. The expenditure constituted three broad categories: ministerial development expenditure, recurrent ministerial expenditure, and CFS. Ministerial development expenditure was Kshs.516.86 billion (absorption rate of 73 per cent) compared to Kshs.473.55 billion (81 per cent) in the prior year. Recurrent ministerial expenditure was Kshs.1.62 trillion (an absorption rate of 93 per cent) compared to Kshs.1.40 trillion (93 per cent) incurred in FY 2022/23. The total CFS expenditure was Kshs.1.76 trillion (an absorption rate of 88 per cent) compared to Kshs.1.31 trillion (83 per cent) recorded in FY 2022/23. This comprised of Kshs.1.59 trillion for public debt payment, Kshs.148.95 billion for pension and gratuities and Kshs.20.77 billion towards Salaries, Allowances and Miscellaneous Services, which includes guaranteed debts. Public debt expenditure includes principal redemption, interest, commitment fees, and other charges.

The highest development expenditure categories included Capital Transfers by the MDAs in subsidies, grants, or direct transfers to Semi-Autonomous Government Agencies (SAGAs) at Kshs.350.91 billion, representing 67 per cent of the gross development expenditure. Other major development expenditures were the Construction and Civil Works at Kshs.37.89 billion and the Purchase of Specialised Plant, Equipment and Machinery at Kshs.20.20 billion,

representing 7 per cent and 4 per cent, respectively, of the gross development expenditure.

A review of the recurrent expenditure shows that Kshs.597.87 billion.¹ was spent on Compensation to Employees, representing 27 per cent of the gross recurrent expenditure by MDAs. Total Grants/transfer to other government institutions was Kshs.603.72 billion; subsidies amounted to Kshs.141.30 billion, and use of goods and services at Kshs.95.13 billion, representing 27 per cent, 6 per cent, and 4 per cent, respectively, of the gross recurrent expenditure. In FY 2023/24, the Government emphasized the prudent use of resources on core activities geared towards service delivery to the citizens. Analysis of goods and services shows that MDAs spent Kshs.27.34 billion on travel, comprising Kshs.18.15 billion for domestic and Kshs.9.19 billion for foreign travel, respectively. Foreign travel should focus on essential trips aligned with essential state obligations.

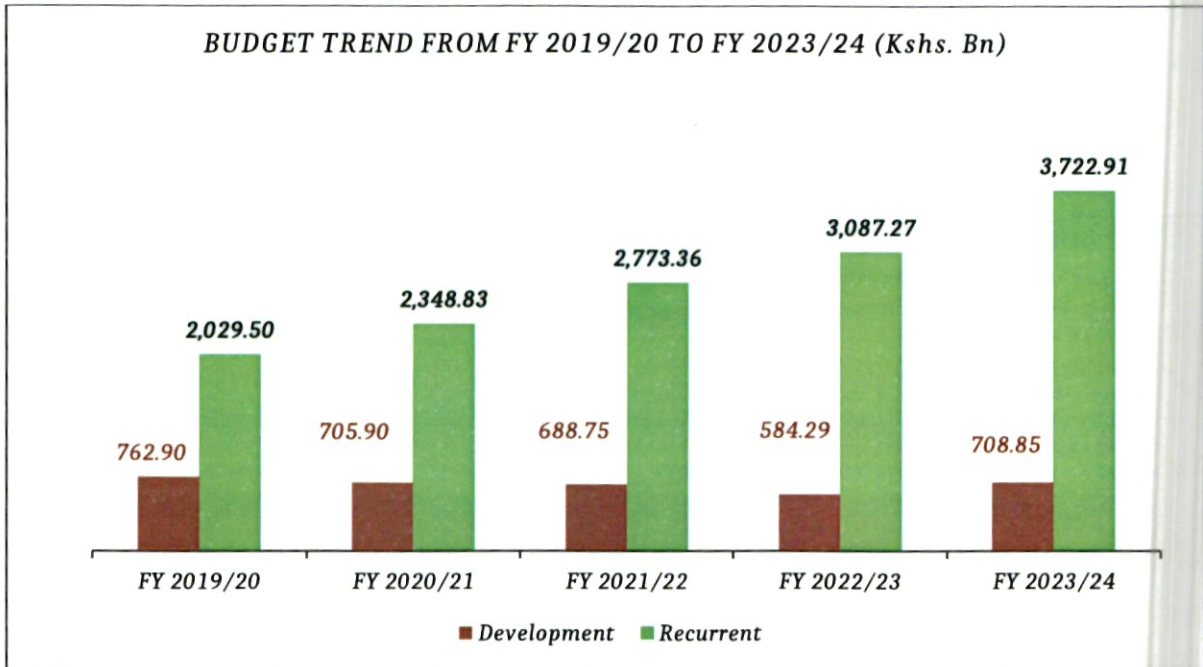
The sectors whose percentage of exchequer issues to revised net estimates declined between FY 2023/24 and FY 2022/23 include the GECA Sector (a decline of 23 per cent), the EI and ICT Sector (a decline of 25 per cent), the Health Sector (a decline of 20 per cent), the PAIR Sector (a drop of 17 per cent), and the Education Sector (a decline of 15 per cent).

Some challenges negatively affected the effective budget implementation in FY 2023/24. They included weak budgetary practices that led to overdrawn budget lines, where expenditure in some government departments exceeded the allocated amounts at the item level due to Supplementary Budget movements; delays in funding MDAs and County Governments caused by revenue shortfall; late submission of quarterly reports to the Controller of Budget by MDAs thereby affecting reporting timelines by CoB; delay in project implementation; non-linking of financial, non-financial performance and Programme Based Budget; and High cost of Public Debt.

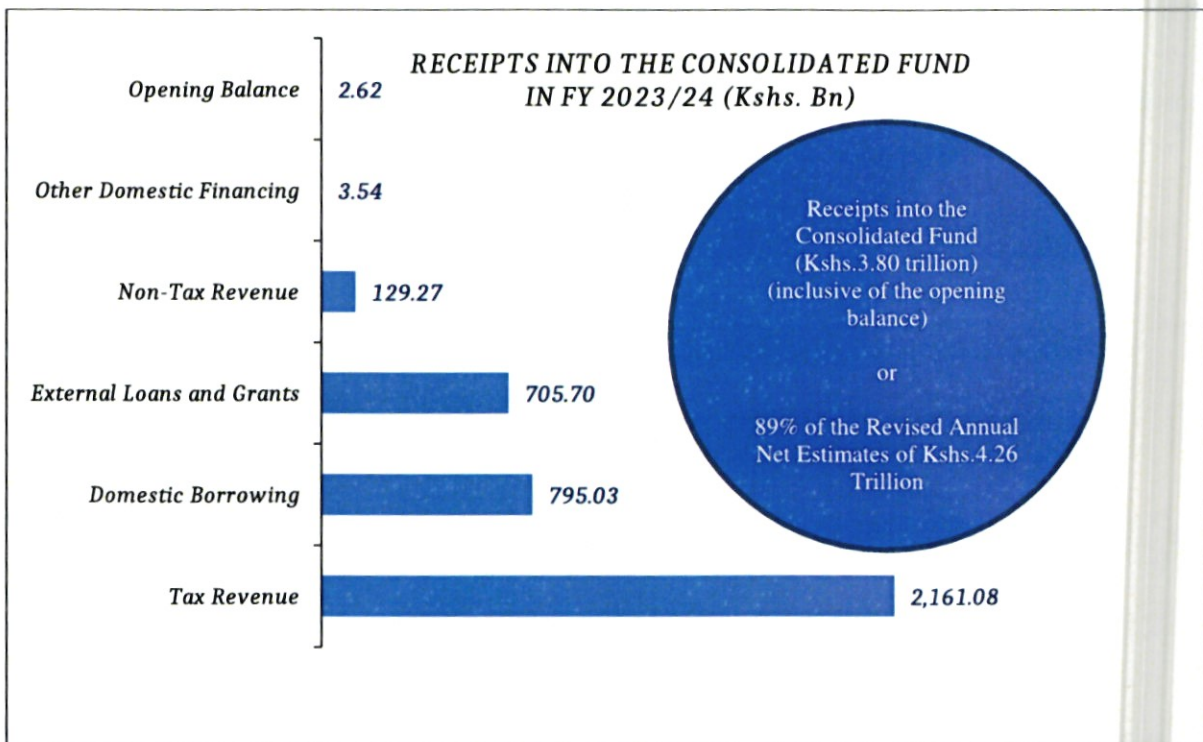
To address these challenges, the Controller of Budget recommends that budget revisions should always be aligned to actual expenditure status and made in line with Section 43 of the Public Finance Management Act; the government should enhance revenue mobilisation by broadening the tax base; the National Treasury should authorise government departments to spend collected Appropriations in Aid on a timely manner to improve service delivery; Accounting Officers should ensure timely submission of quarterly reports to the Controller of Budget; timely funding and monitoring of ongoing projects; implementation of budget according to issued guidelines and reduce borrowing to curb growth of the public debt.

¹Compensation to Employees doesn't include National Intelligence Service and Payment to Military under the Ministry of Defence both in the National Security Sector.

KEY HIGHLIGHTS

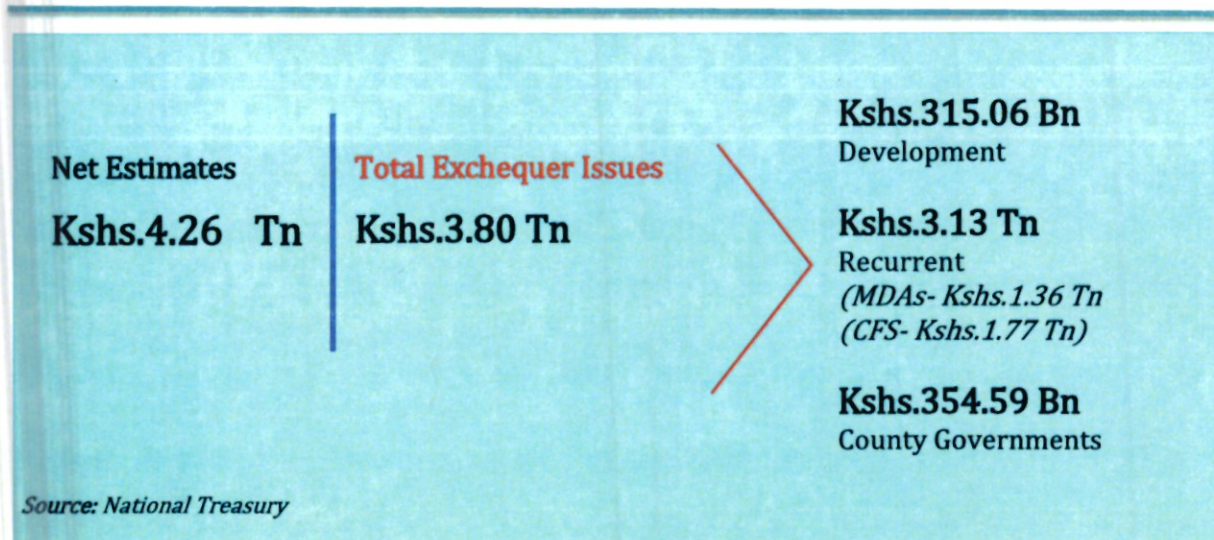


Source: National Treasury and County Treasuries

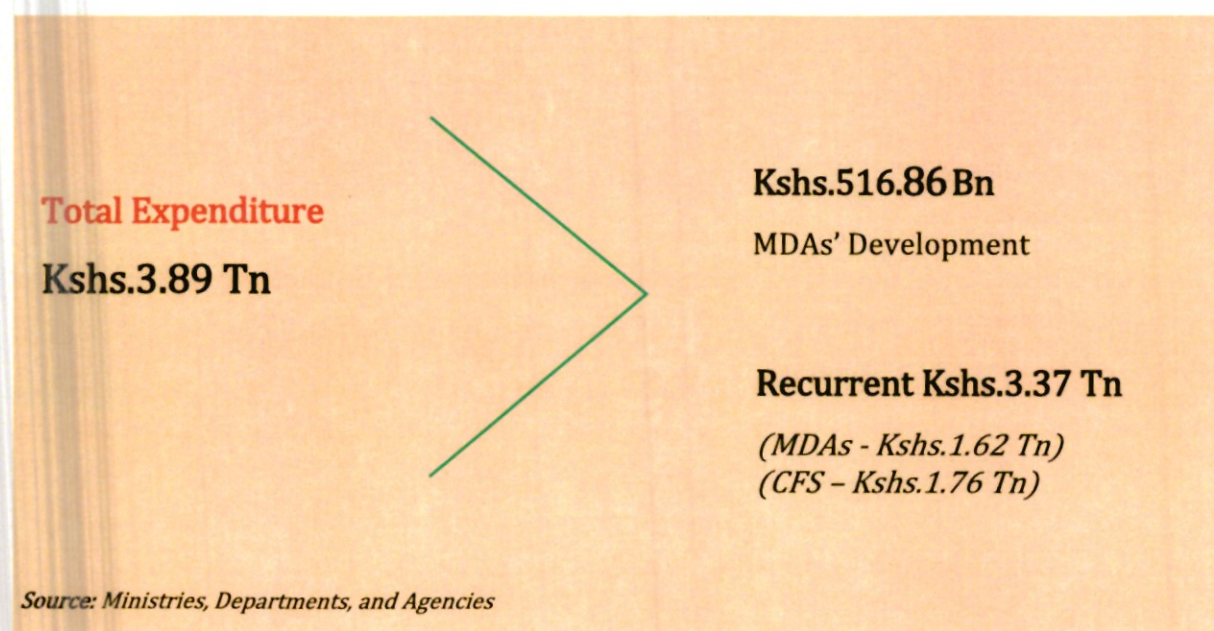


Source: The National Treasury

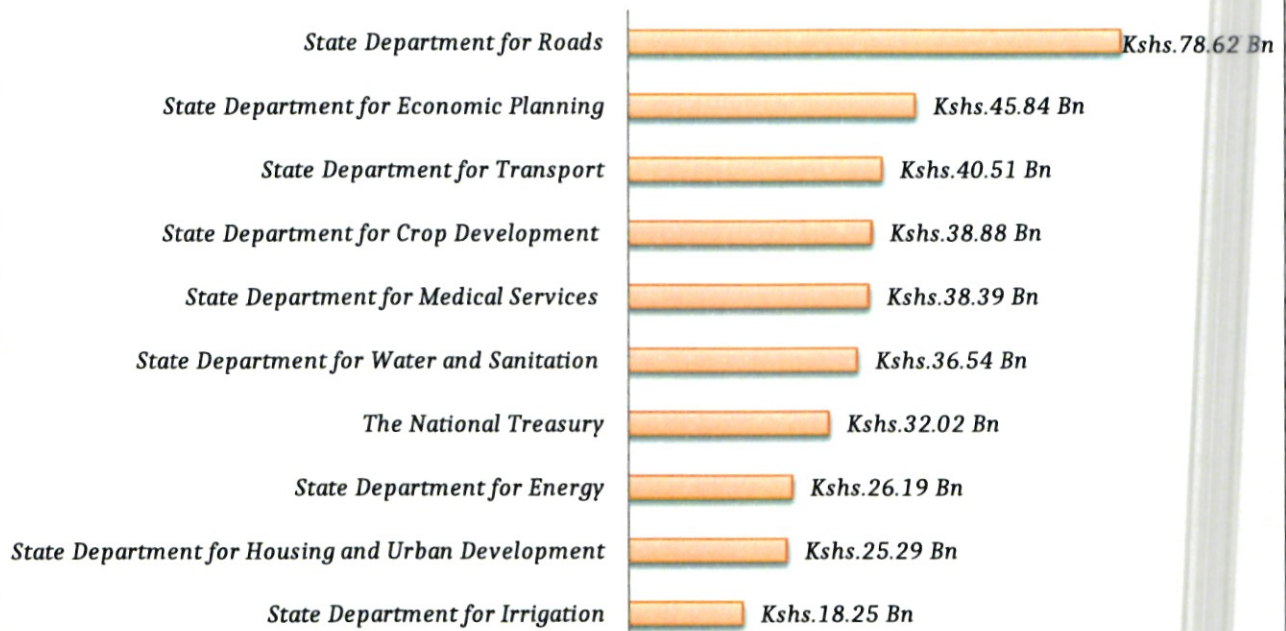
EXCHEQUER ISSUES FROM THE CONSOLIDATED FUND IN FY 2023/24



NATIONAL GOVERNMENT EXPENDITURE FOR FY 2023/24

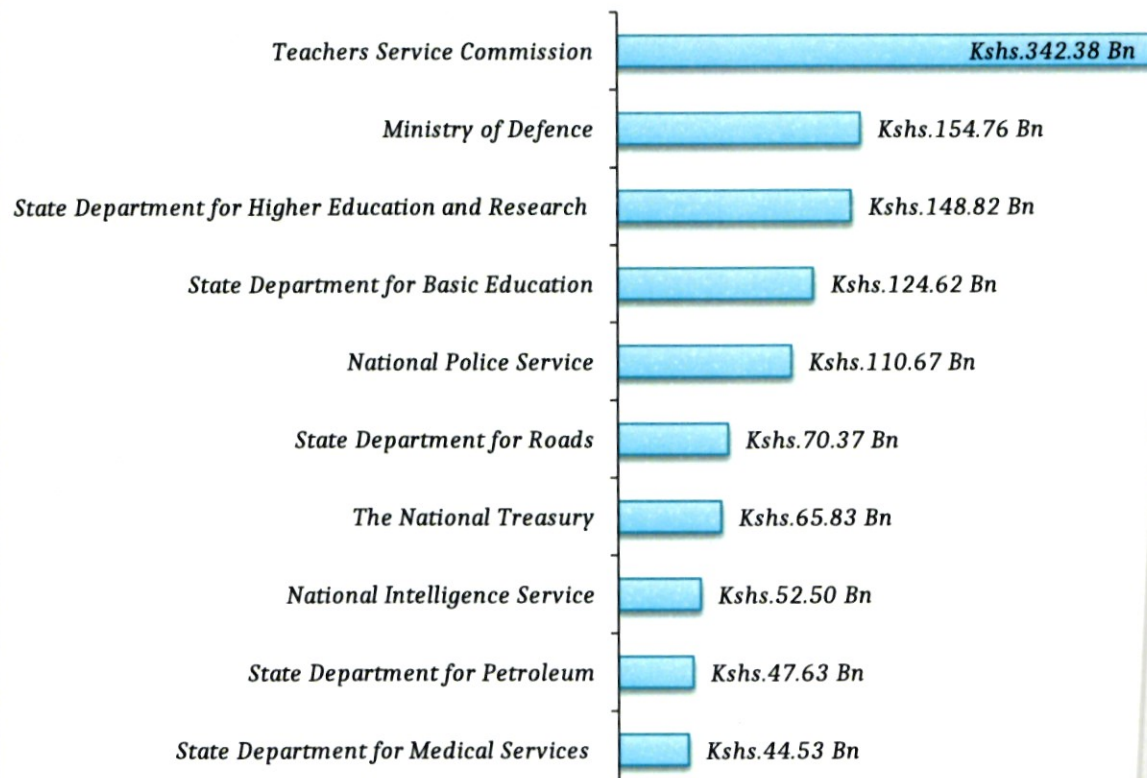


TOP 10 SPENDING MDAs ON DEVELOPMENT EXPENDITURE IN FY 2023/24



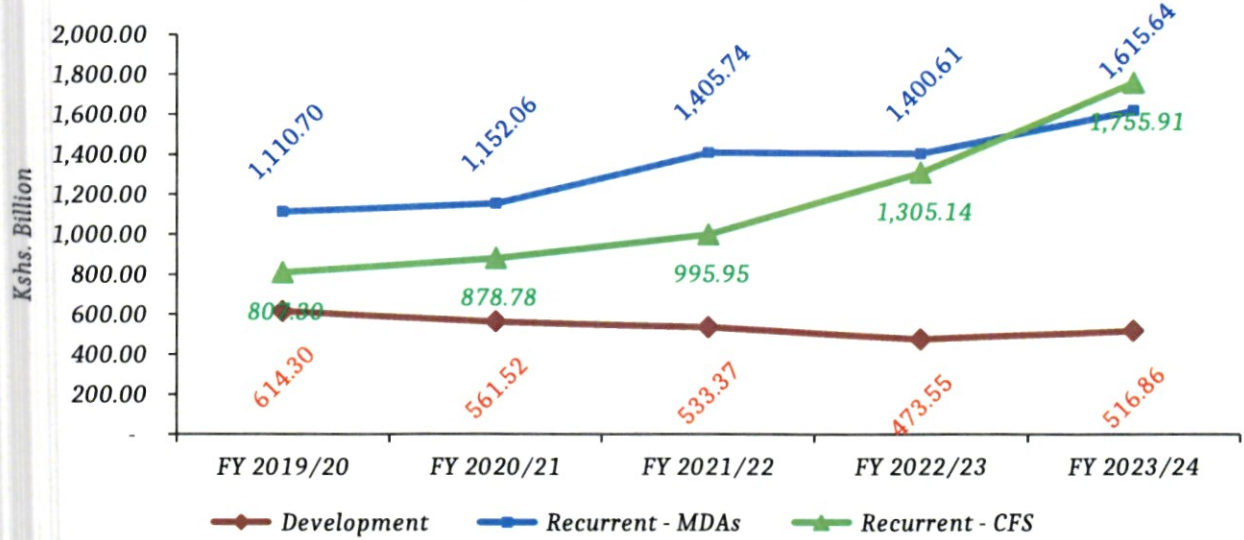
Source: Ministries, Departments, and Agencies

TOP 10 SPENDING MDAs ON RECURRENT EXPENDITURE IN FY 2023/24



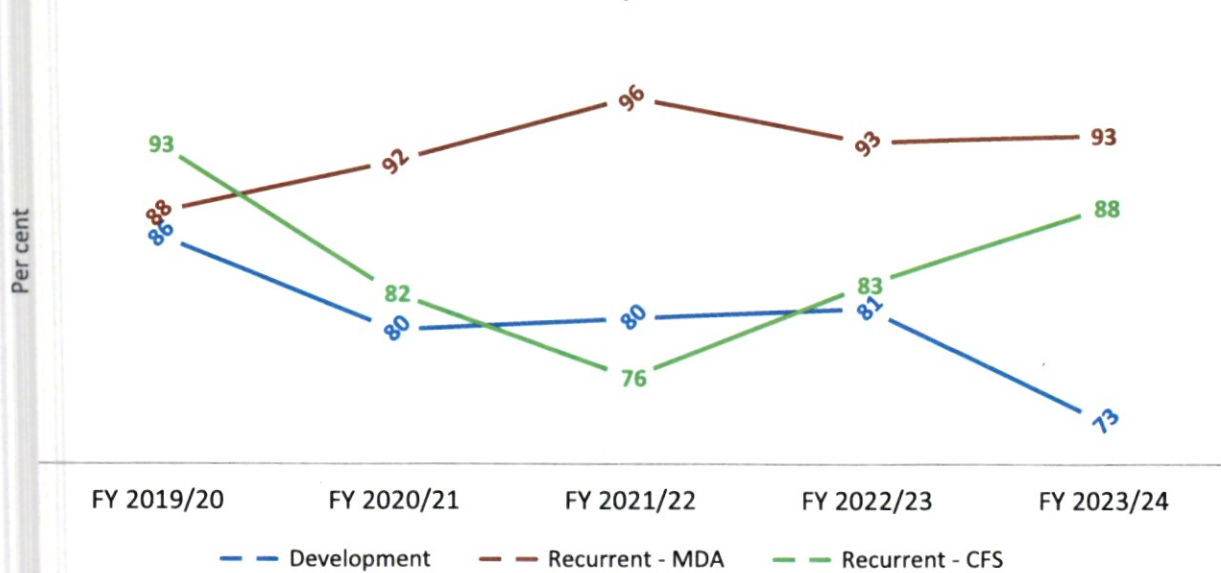
Source: Ministries, Departments, and Agencies

TREND IN DEVELOPMENT, RECURRENT, AND CFS EXPENDITURE FROM FY 2019/20 TO FY 2023/24

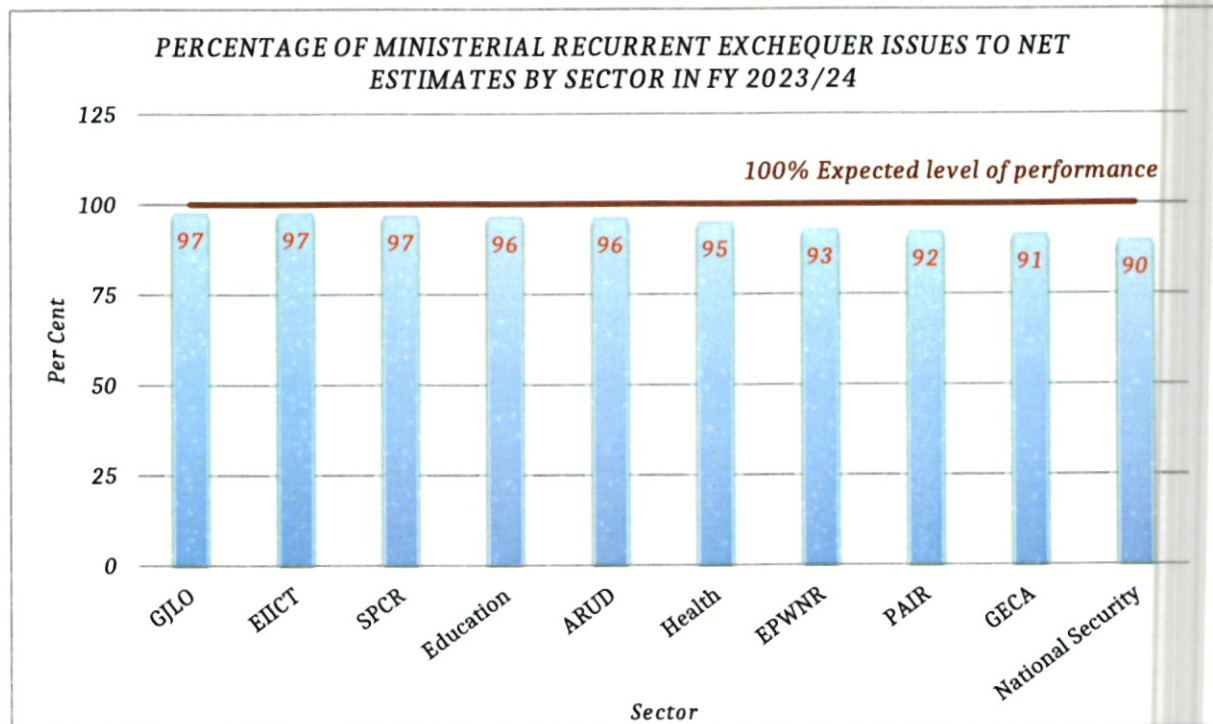
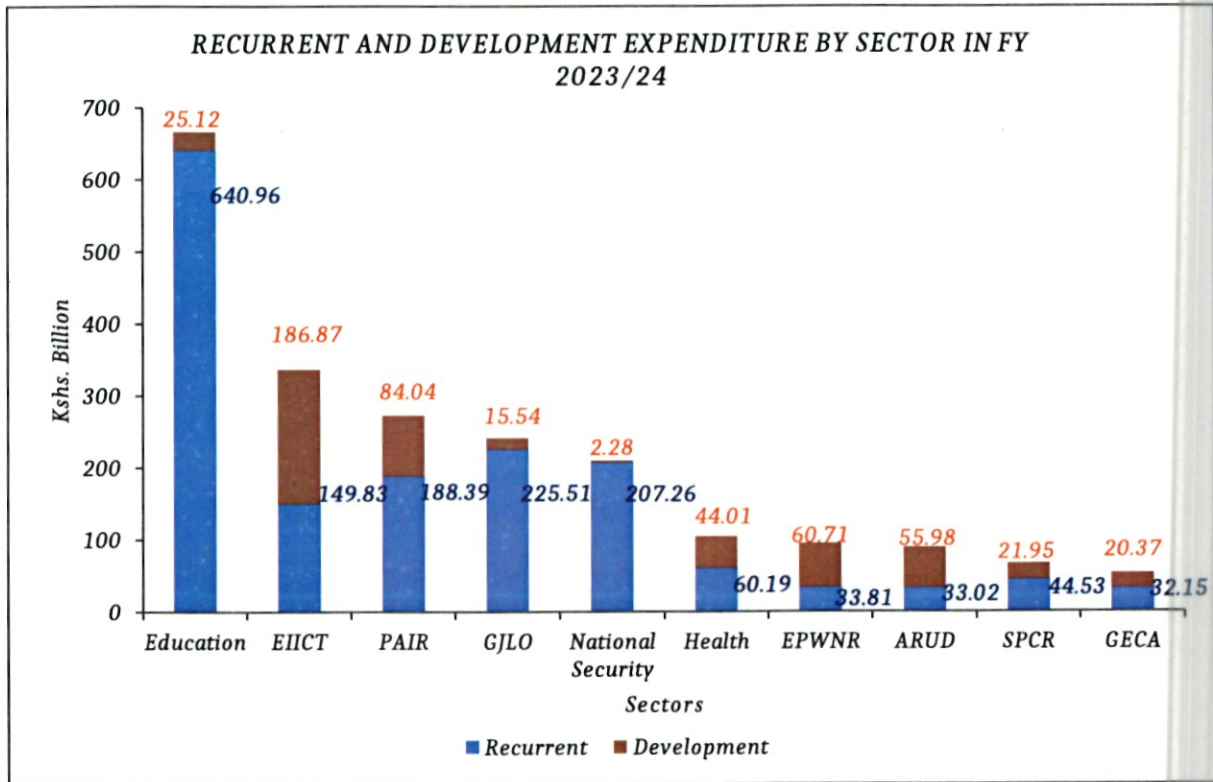


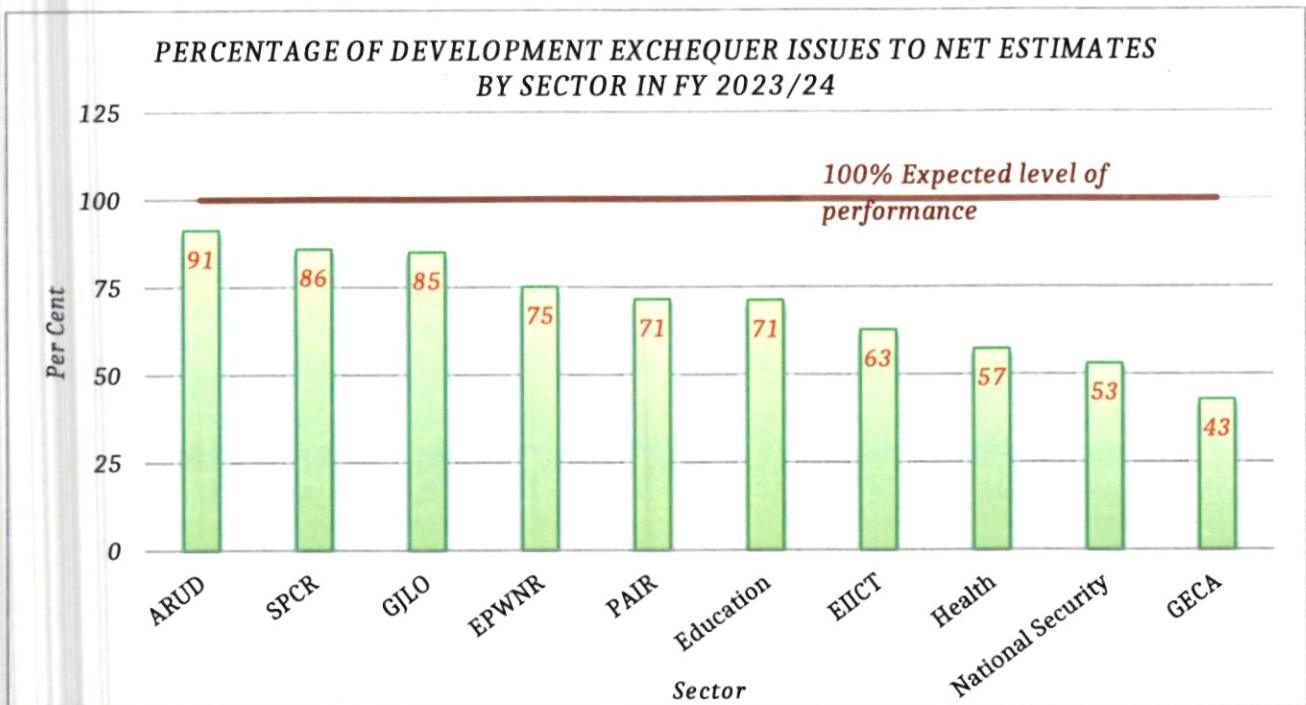
Source: Ministries, Departments, and Agencies

TREND IN MDAS' DEVELOPMENT, RECURRENT, AND CFS BUDGET ABSORPTION RATE FROM FY 2019/20 TO FY 2023/24

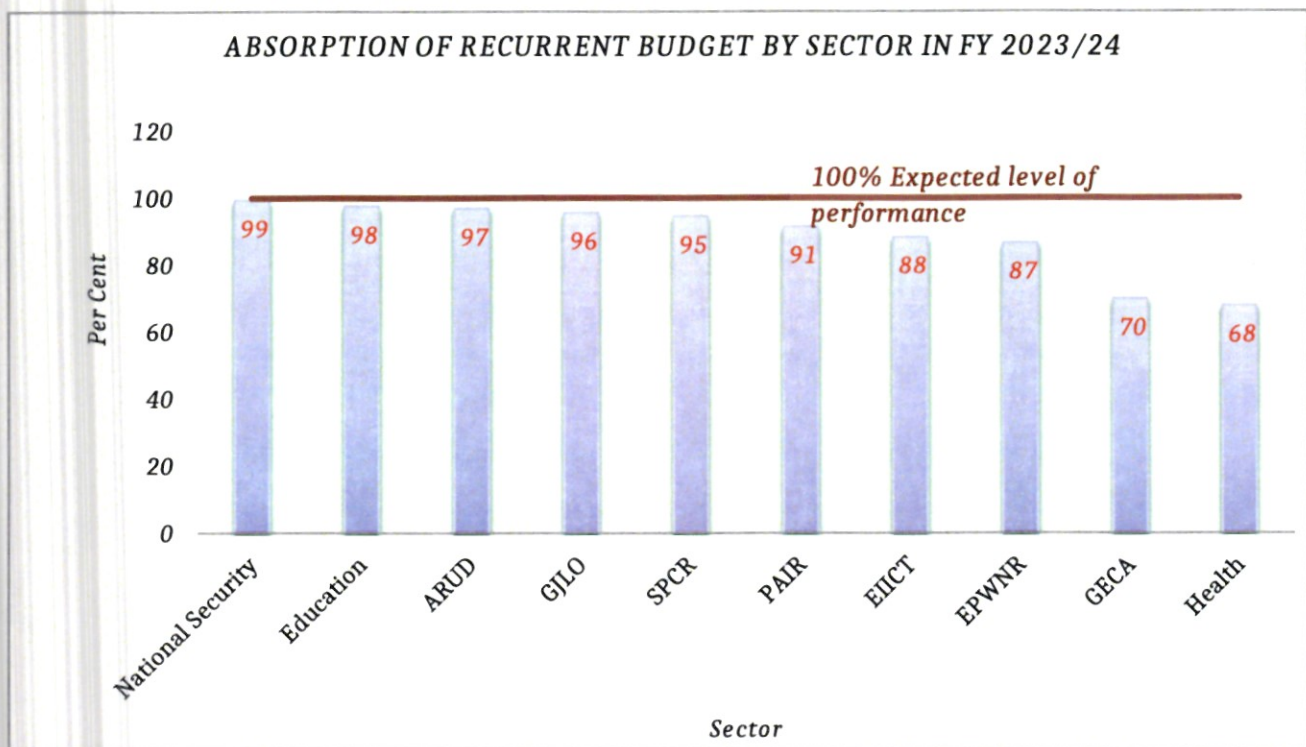


Source: Ministries, Departments, and Agencies



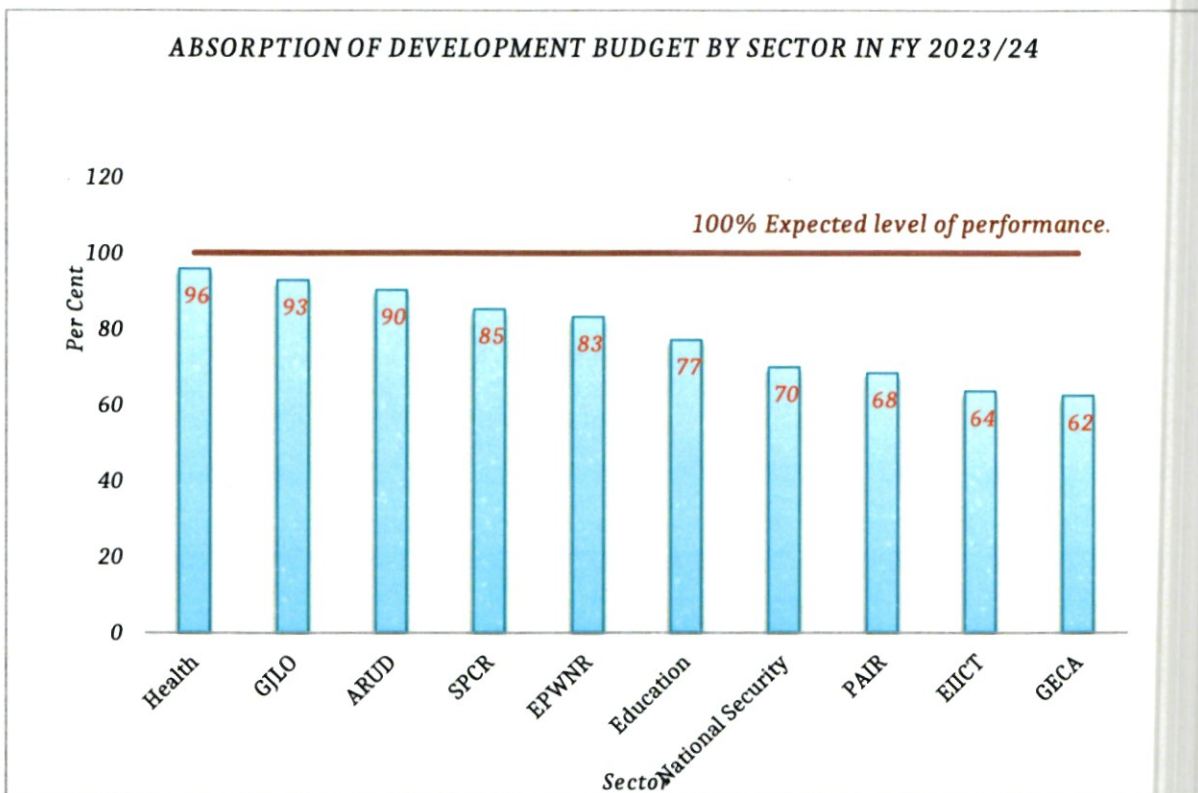


Source: Ministries, Departments and Agencies



Source: Ministries, Departments, and Agencies

ABSORPTION OF DEVELOPMENT BUDGET BY SECTOR IN FY 2023/24



Source: Ministries, Departments, and Agencies

FY 2023/24 GROSS BUDGET BY SECTORS (REVISED)



Agriculture Rural & Urban
Development *Kshs.96.09 Bn*



Energy, Infrastructure & ICT
Kshs.463.53 Bn



Public Administration and
International Relations *Kshs.328.88
Bn*



General Economics & Commercial
Affairs *Kshs.78.67 Bn*



Health
Kshs.134.76 Bn



Education
Kshs.689.40 Bn



National Security
Kshs.211.64 Bn



Governance, Justice, Law & Order
Kshs.252.49 Bn



Social Protection, Culture
& Recreation – *Kshs.72.85
Bn*



Environmental Protection, Water &
Natural Resources – *Kshs.111.96 Bn*

1. INTRODUCTION

The Office of the Controller of Budget (OCoB) is an independent office established under Article 228 of the Constitution of Kenya, with the primary mandate to oversee the implementation of the budgets of the National and County governments by authorising withdrawals from Public Funds under Articles 204, 206, and 207 of the Constitution and any other public fund and to report on the implementation of the budgets of both National and County governments to each House of Parliament every four months.

This report covers FY 2023/24 and was prepared in accordance with Section 9(5) of the Controller of Budget Act 2016 (CoB Act), which states that despite the first quarterly report of the year submitted under Section 9, each subsequent report shall contain cumulative amounts from the beginning of that year.

The report is presented in Seven chapters. The first chapter is the introduction. The second chapter presents the receipts into the Consolidated Fund and exchequers issued from the Consolidated Fund for Consolidated Fund Services expenditures, ministerial development and recurrent budgets, and the equitable shareable revenue to the forty-seven counties.

The third chapter presents budget performance by providing information on pending bills and the Consolidated Fund Services (CFS). The CFS information presents the public debt stock as of 30 June 2024 disaggregated into external and domestic debt, expenditures on public debt, pensions and gratuities, salaries, allowances, and miscellaneous services, and MDAs' expenditures by major economic classification. The economic classifications are compensation to employees, use of goods and services, and transfers to other government agencies.

The fourth chapter presents the budget performance of the eighty-one MDAs. It presents budget allocations, exchequer issues as a percentage of net estimates and budget absorption by each MDA. Net estimates represent the proportion of the budget funded by the national exchequer, excluding Appropriation-in-Aid from other revenue streams. The absorption rate represents the proportion of expenditure to the budget during the financial year, which should be 100 per cent at the end of the financial year. The chapter also presents the MDAs' budget performance by programmes and sub-programmes, key achievements on non-financial targets, and some of the projects implemented by MDAs in each of the ten sectors. The ten sectors include (i) Agriculture, Rural and Urban Development (ARUD), (ii) Education, (iii) Energy, Infrastructure, and Information Communications Technology, (iv) Environment Protection, Water and Natural Resources, (v) General Economic and Commercial Affairs, (vi) Governance, Justice, Law and Order, (vii) Health, (viii) National Security, (ix) Public Administration and International Relations, (x) Social Protection, Culture, and Recreation sector.

Chapter Five presents challenges the Controller of Budget observed during the year that affected budget implementation and provides recommendations to address these challenges. Chapter Six presents emerging issues, and Chapter Seven concludes the report.

Annexes support the chapters. Annex I presents major Foreign Currencies Movement, Annex II shows Capital transfer to SAGAs, Annex III details the MDAs' Recurrent Performance by Economic Classification, Annex IV shows Current Transfer, Annex V and VI show MDAs' and State Corporations/State Owned Enterprises/SAGAs Pending Bills as of 30th June 2024 respectively, Annex VII presents the MDAs' Development Expenditure; Annex VIII details the Recurrent Expenditure, Annex IX, X and XI shows ministerial development and recurrent expenditure per sector and total expenditure per sector respectively, and Annex XII shows the foreign travel details by MDAs.

A PDF version of this report is available on the Controller of Budget website: <https://cob.go.ke>

2. ANALYSIS OF RECEIPTS AND EXCHEQUER ISSUES

2.1. Introduction

This chapter presents the receipts into the Consolidated Fund (CF) and funds released from the CF in FY 2023/24. Funds released comprise disbursements to MDAs for development and recurrent expenditure, Consolidated Fund Services and transfers to the forty-seven Counties.

2.2. Revenue Estimates and Receipts into the Consolidated Fund

This section presents a summary of receipts into the Consolidated Fund for FY 2023/24. The Consolidated Fund is established under Article 206(1) of the Constitution of Kenya and refers to the account into which all money raised or received by or on behalf of the national government is paid. It excludes monies reasonably excepted by an Act of Parliament and payable into other public funds established for a specific purpose or is retained by the State organ that received it to defray its expenses. Notably, at the beginning of FY 2023/24, the government directed that all money collected by all National Government entities as a fee on services offered be deposited into a centralised account, pay bill 222222.

2.2.1 Financing of FY 2023/24 Budget

To finance the budget, the government, through the National Treasury, targeted to raise funds from various sources. The sources included Tax Revenue (Kshs.2.25 trillion), Non-Tax Revenue (Kshs.209.14 billion), Domestic borrowing (Kshs.1.05 trillion - comprised of net domestic borrowing Kshs.662.42 billion and internal debt redemption/roll-over of Kshs.389.67 billion), External Loans and Grants (Kshs.747.57 billion) and other Domestic financings at Kshs.3.27 billion. Other domestic financing includes recovery of unspent balances of Kshs.901.54 million, loan reimbursement for Athi Water Works Development Agency of Kshs.1.96 billion, miscellaneous revenue of Kshs.180 million, and Kenya University and Placement Service of Kshs.500 million. The Government also targeted to raise Kshs.552.23 billion from Appropriations in Aid (A-I-A) comprising Kshs.296.47 billion recurrent A-I-A and Kshs.256.76 billion development A-I-A.

2.2.2 Receipts into the Consolidated Fund

The government targeted to receive Kshs.4.26 trillion into the Consolidated Fund in FY 2023/24. The total receipts into the Consolidated Fund were Kshs.3.80 trillion, representing 89 per cent of the revised annual target, compared to Kshs.3.25 trillion (90 per cent of the revenue annual target) recorded in FY 2022/23. The receipts comprised opening balances from the previous financial year (FY 2022/23), Tax and Non-Tax Revenue, Domestic borrowing, External Loans and Grants, and Other Domestic Financing. Table 2.1 presents the statement of receipts into the Consolidated Fund for the FY 2023/24.

Table 2.1: Statement of Receipts into the Consolidated Fund

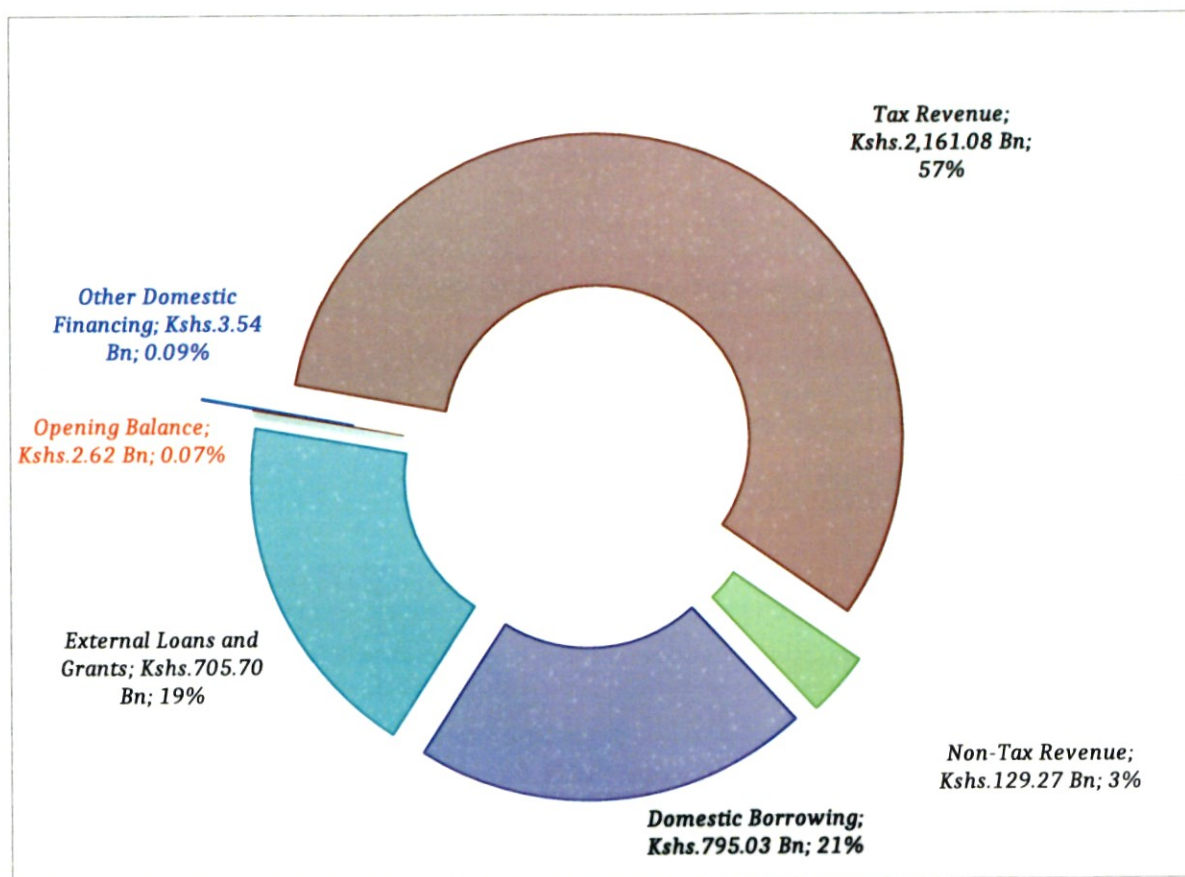
Receipts Category	Original Estimates FY 2023/24 (Kshs.)	Revised Estimates FY 2023/24 (Kshs.)	Receipts as of 30th June 2024 (Kshs.)	Performance Against Annual Target (%)	Contribution by Category (%)	Receipts as of 30th June 2023 (Kshs.)	Change over Receipts as of June 2024
Opening Balance 01.07.2023	-	-	2,617,485,484*	-	0.1	616,548,952	-
Tax Revenue	2,495,825,165,005	2,251,879,776,705	2,161,080,036,283	96	57	1,961,974,892,387	10
Non-Tax Revenue	75,333,897,602	209,140,542,077	129,269,752,420	62	3	81,998,439,277	58
Domestic Borrowing	688,213,698,151	1,052,088,687,184	795,026,175,981	76	21	696,402,157,519	14
External Loans and Grants	870,178,136,084	747,571,954,622	705,704,926,155	94	19	488,311,124,134	45
Other Domestic Financing Implementation	3,190,000,000	3,267,485,405	3,543,591,359	108	0.1	16,104,714,395	(78)
Total	4,132,740,896,842	4,263,948,445,993	3,797,241,967,682*	89	100	3,245,407,876,662*	17

Source: National Treasury

*Includes Opening Balance

During the review period, tax revenue performed 96 per cent of the revised annual target (Kshs.2.25 trillion) compared to 94 per cent (a target of Kshs.2.08 trillion) reported in FY 2022/23, recording a 17 per cent growth. The Tax Revenue category contributed the highest proportion to total receipts, at 57 per cent, as shown in Figure 2.1.

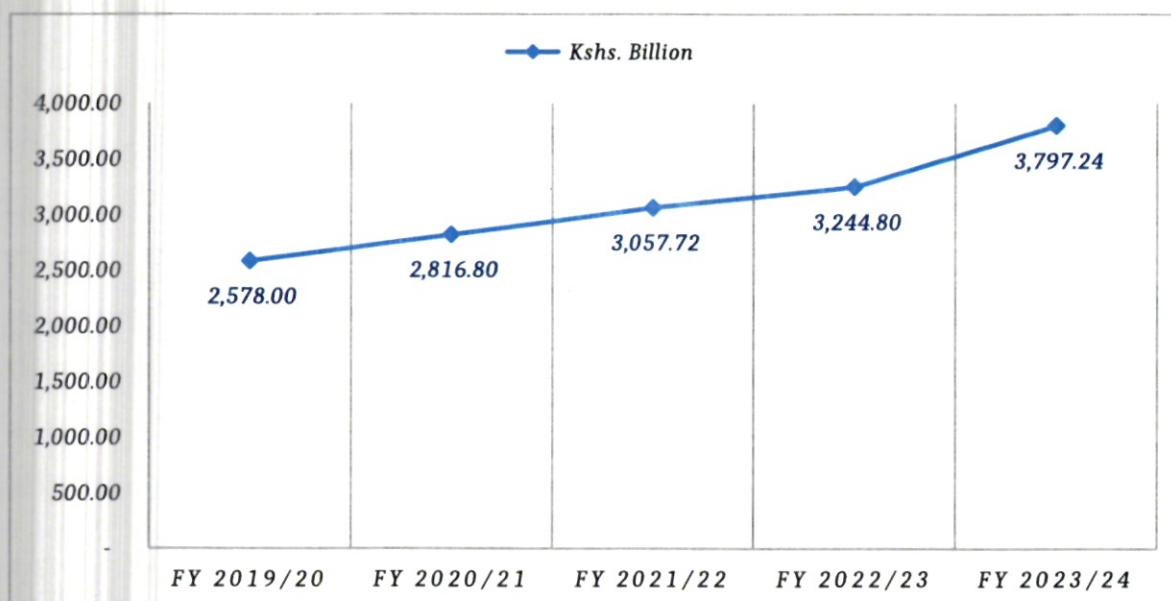
Figure 2.1: Contribution to the Consolidated Fund by Receipt Category



Source: National Treasury

Figure 2.2 shows the trend of receipts into the Consolidated Fund over the five years from FY 2019/20 to FY 2023/24.

Figure 2.2: Receipts into the Consolidated Fund (Kshs. Billion)



Source: National Treasury

The trend analysis indicates a 17 per cent increase in receipts in FY 2023/24 compared to FY 2022/23. External loans and grants recorded the highest growth by Kshs.217.40 billion in absolute figures. Additionally, non-tax revenue grew by 58 per cent in the current reporting period compared to Kshs.82 billion reported in FY 2022/23. Domestic borrowing also increased by 14 per cent during the review period, recording Kshs.795.03 billion. Tax revenue recorded a 10 per cent growth in FY 2023/24 compared to the Kshs.1.96 trillion received in FY 2022/23.

2.3. Exchequer Issues by the National Treasury

The Appropriation Act 2023 and Supplementary II Estimates for FY 2023/24 allocated funds to eighty-one (81) MDAs, forty-seven (47) Counties and Consolidated Fund Service Votes.

All revenue raised nationally is shared equitably between the national and county governments in line with Articles 202 and 203 of the Constitution. Further, the disbursement of the equitable share of revenue raised nationally to the 47 County Governments from the Consolidated Fund by the National Treasury should be as per the approved disbursement schedule.

During FY 2023/24, net exchequer issues to the National and County governments amounted to Kshs.3.80 trillion, representing 89 per cent of the revised annual net estimates, compared to Kshs.3.08 trillion (92 per cent) issued in FY 2022/23. Table 2.2 summarises net exchequer issues by the National Treasury in FY 2023/24.

Table 2.2: Summary of Net Exchequer Issues

Vote	FY 2023/24					FY 2022/23			
	Original Net Estimates (Kshs. Bn)	Revised Net Estimates (Kshs. Bn)	Exchequer Issues (Kshs. Bn)	% of Exchequer Issues to Revised Net Estimates	% of Exchequer Issues to Total Issues	Revised Net Estimates (Kshs. Bn)	Exchequer Issues (Kshs. Bn)	% of Exchequer Issues to Revised Net Estimates	% of Exchequer Issues to Total Issues
Recurrent	3,266.50	3,426.43	3,126.42	91	82	2,846.55	2,535.16	89	78
: MDAs	1,302.80	1,434.96	1,360.06	95	36	1,268.81	1,221.57	96	38
: CFS	1,963.70	1,991.48	1,766.36	89	47	1,577.74	1,313.59	83	41

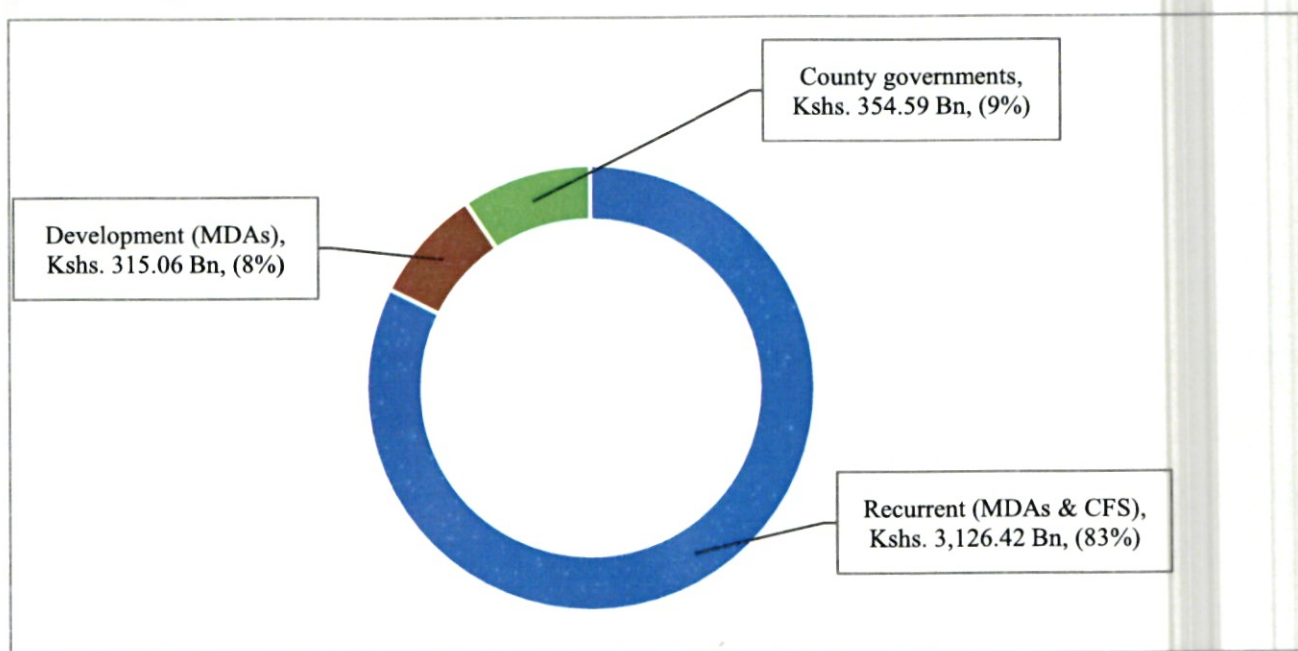
Vote	FY 2023/24					FY 2022/23			
	Original Net Estimates (Kshs. Bn)	Revised Net Estimates (Kshs. Bn)	Exchequer Issues (Kshs. Bn)	% of Exchequer Issues to Revised Net Estimates	% of Exchequer Issues to Total Issues	Revised Net Estimates (Kshs. Bn)	Exchequer Issues (Kshs. Bn)	% of Exchequer Issues to Revised Net Estimates	% of Exchequer Issues to Total Issues
Development (MDAs)	480.82	452.09	315.06	70	8	374.00	308.03	82	10
Sub-Total	3,747.32	3,878.52	3,441.49	89	91	3,220.55	2,843.19	88	88
County Governments	385.42	385.42	354.59	92	9	399.60	399.60	100	12
Grand Total	4,132.74	4,263.95	3,796.08	89	-	3,620.15	3,242.79	87	-

Source: National Treasury and OCOB

Table 2.2 shows that the National government received 91 per cent and the County government 9 per cent of the total exchequers released by the National Treasury. The County Governments received the highest proportion of exchequer issues to revised net estimates, at 92 per cent, while the National Government received 89 per cent. The County governments did not receive Kshs.30.83 billion for the June 2024 disbursement per the County Allocation of Revenue Act (CARA), 2023.

Figure 2.3 illustrates the proportion of exchequer issues by Vote for FY 2023/24.

Figure 2.3: Proportion of Exchequer Issues by Vote



Source: National Treasury

2.4. Exchequer Issues by Sector

The MDAs are classified into ten sectors according to the Classification of Functions of Government (COFOG), designed to support fiscal analysis by breaking down Government Fiscal Statistics for comparability across sectors. The ten sectors are (i) Agriculture, Rural and Urban Development, (ii) Education, (iii) Energy, Infrastructure, and Information Communications Technology, (iv) Environment Protection, Water and Natural Resources, (v) General Economic and Commercial Affairs (vi) Governance, Justice, Law and Order (vii) Health (viii) National Security (ix)

Public Administration and International Relations and (x) Social Protection, Culture and Recreation.

In FY 2023/24, exchequer issues to MDAs amounted to Kshs.1,675.12 billion, representing 89 per cent of their annual net estimates compared to 93 per cent (Kshs.1,529.60 billion) in FY 2022/23. Table 2.3 summarises the sector's exchequer issues FY 2023/24.

Table 2.3: Exchequer Issues by Sector

Sector	FY 2023/24				FY 2022/23		
	Original Net Estimates (Kshs. Bn)	Revised Net Estimates (Kshs. Bn)	Exchequer Issues (Kshs. Bn)	Exchequer Issues as % of Revised Net Estimates	Revised Net Estimates (Kshs. Bn)	Exchequer Issues (Kshs. Bn)	Exchequer Issues as % of Revised Net Estimates
ARUD	65.82	79.40	73.63	93	79.23	68.33	86
EIICT	172.12	148.59	108.23	73	141.95	130.35	92
GECA	49.99	62.16	41.06	66	17.79	14.98	84
Health	102.10	98.56	79.07	80	86.06	76.16	89
Education	569.90	613.10	582.57	95	512.05	501.08	98
GJLO	228.36	249.46	241.22	97	236.91	229.52	97
PAIR	285.22	301.51	254.51	84	273.14	240.58	88
National Security	188.71	208.30	185.75	89	176.61	165.16	94
SPCR	50.63	52.48	49.75	95	68.66	58.82	86
EPWNR	70.78	73.48	59.32	81	50.42	44.62	89
Total	1,783.62	1,887.05	1,675.12	89	1,642.81	1,529.60	93

Source: National Treasury

The GJLO Sector had the highest proportion of exchequer issues to revised net estimates, at 97 per cent, while the GECA Sector had the lowest exchequer issues, at 66 per cent. The low performance of the GECA sector is attributed to the 32 per cent exchequer issued to the State Department for Investment Promotion against its revised net estimates, 42 per cent exchequer issued to the State Department for Micro, Small and Medium Enterprise and 44 per cent exchequer issued to the State Department for Cooperatives all under the development budgets.

2.4.1 Ministerial Development Exchequer Issues by Sector

The gross Ministerial Development Budget was Kshs.807.64 billion, revised to Kshs.783.22 billion in Supplementary Estimates I and Kshs.708.85 billion in Supplementary Budget II. The allocation represented 29 per cent of the gross ministerial budget of Kshs.2.44 trillion, compared to Kshs.582.24 billion allocated in FY 2022/23. Table 2.4 shows sectoral development gross estimates and exchequer issues in the FY 2023/24 following approval of Supplementary I and II.

Table 2.4: Sectoral Development Estimates and Exchequer Issues

Sector	FY 2023/24				FY 2022/23			
	Revised Gross Estimates (Kshs. Bn)	Revised Net Estimates (Kshs. Bn)	Exchequer Issues (Kshs. Bn)	Exchequer Issues as % of Revised Net Estimates	Revised Gross Estimates (Kshs. Bn)	Revised Net Estimates (Kshs. Bn)	Exchequer Issues (Kshs. Bn)	Exchequer Issues as % of Revised Net Estimates
ARUD	62.04	56.23	51.38	91	65.11	61.8	47.02	76
EI and ICT	294.05	105.48	66.22	63	173.73	81.24	71.06	88
GECA	32.63	32.36	13.83	43	7.73	7.5	4.94	66

Sector	FY 2023/24				FY 2022/23			
	Revised Gross Estimates (Kshs. Bn)	Revised Net Estimates (Kshs. Bn)	Exchequer Issues (Kshs. Bn)	Exchequer Issues as % of Revised Net Estimates	Revised Gross Estimates (Kshs. Bn)	Revised Net Estimates (Kshs. Bn)	Exchequer Issues (Kshs. Bn)	Exchequer Issues as % of Revised Net Estimates
Health	45.94	38.34	21.97	57	44.32	35.61	27.31	77
Education	32.58	29.84	21.24	71	33.76	28.93	24.92	86
GJLO	16.73	15.39	13.10	85	6.57	6.50	5.45	84
PAIR	122.92	112.55	80.45	72	146.66	96.75	85.73	89
National Security	3.25	2.72	1.44	53	3.37	3.37	1.75	52
SPCR	25.76	9.11	7.84	86	33.00	19.89	13.2	66
EPWNR	72.95	50.07	37.59	75	68.00	32.41	26.65	82
Total	708.85	452.09	315.06	70	582.24	374.00	308.03	82

Source: National Treasury

The total development exchequer issue was Kshs.315.06 billion, representing 70 per cent of the revised net estimates, compared to 82 per cent (Kshs.308.03 billion) issued in FY 2022/23. Analysis of exchequer issues towards development expenditure by sector shows that the Agriculture, Rural and Urban Development Sector received the highest proportion of exchequer issues to revised net estimates at 91 per cent. In comparison, the GECA Sector received the lowest at 43 per cent. Under the GECA Sector, four State Departments out of the six recorded less than 50 per cent of the exchequer to revised net estimates.

The sectors whose percentage of exchequer issues to revised net estimates declined between FY 2023/24 and FY 2022/23 include the GECA Sector (a decline of 23 per cent), EI and ICT Sector (a decline of 25 per cent), Health Sector (a decline of 20 per cent), PAIR Sector (a decline of 17 per cent) and Education Sector (a decline of 15 per cent).

Table 2.5 shows exchequer issues for development expenditure to MDAs under each of the ten sectors in FY 2023/24.

Table 2.5: Analysis of Exchequer Development Issues to MDAs by Sectors

Vote Code	Sector and Respective MDAs	Original Net Estimates (Kshs. Bn)	Revised Net Estimates (Kshs. Bn)	Exchequer Issues (Kshs. Bn)	% of Exchequer Issue to Revised Net Estimates
Agriculture, Rural and Urban Development					
D1112	State Department for Lands and Physical Planning	4.48	4.60	4.39	95
D1162	State Department for Livestock Development	5.26	3.38	2.95	87
D1169	State Department for Crop Development	28.33	40.70	37.06	91
D1166	State Department for the Blue Economy and Fisheries	9.01	7.28	6.72	92
D2021	National Land Commission	0.11	0.27	0.26	96
	Sub Total	47.18	56.23	51.38	91
Energy, Infrastructure and ICT					
D1091	State Department for Roads	88.26	63.27	40.58	64
D1092	State Department for Transport	6.48	4.79	2.84	59
D1093	State Department for Shipping and Maritime Affairs	0.57	0.27	0.27	100
D1094	State Department for Housing and Urban Development	28.34	12.57	8.52	68
D1095	State Department for Public Works	1.11	0.73	0.40	54

Vote Code	Sector and Respective MDAs	Original Net Estimates (Kshs. Bn)	Revised Net Estimates (Kshs. Bn)	Exchequer Issues (Kshs. Bn)	% of Exchequer Issue to Revised Net Estimates
D1122	State Department for Information Communications Technology and Digital Economy	3.48	3.71	2.99	81
D1123	State Department for Broadcasting and Telecommunications	0.63	0.53	0.16	30
D1152	State Department for Energy	25.51	19.33	10.17	53
D1193	State Department for Petroleum	0.32	0.29	0.29	100
	Sub Total	154.71	105.48	66.22	63
General Economics and Commercial Affairs					
D1174	State Department for Trade	0.05	0.05	0.05	100
D1036	State Department for the ASALs and Regional Development	5.86	9.35	6.15	66
D1175	State Department for Industry	7.09	5.74	2.50	44
D1176	State Department for Micro, Small and Medium Enterprises Development	11.26	5.93	1.72	29
D1177	State Department for Investment Promotion	6.55	5.52	1.26	23
D1173	State Department for Cooperatives	0.11	5.65	2.09	37
D1202	State Department for Tourism	0.15	0.12	0.07	57
	Sub Total	31.06	32.36	13.83	43
Health					
D1082	State Department for Medical Services	40.84	31.86	17.77	56
D1083	State Department for Public Health and Professional Standards	5.82	6.48	4.20	65
	Sub Total	46.66	38.34	21.97	57
Education					
D1064	State Department for Vocational and Technical Training	4.52	4.77	2.32	49
D1065	State Department for Higher Education and Research	2.86	3.72	1.81	49
D1066	State Department for Basic Education	18.55	20.20	16.42	81
D2091	Teachers Service Commission	1.14	1.16	0.69	59
	Sub Total	27.07	29.84	21.24	71
Governance, Justice, Law and Order					
D1023	State Department for Correctional Services	1.10	0.80	0.60	76
D1024	State Department for Immigration and Citizen Services	2.68	3.05	2.72	89
D1025	National Police Service	1.85	2.29	1.15	50
D1026	State Department for Internal Security and National Administration	1.18	7.48	7.48	100
D1252	The State Law Office	0.19	0.18	0.03	18
D1261	The Judiciary Fund	1.85	1.40	0.93	66
D1271	Ethics and Anti-Corruption Commission	0.07	0.07	0.06	87
D1291	Office of the Director of Public Prosecutions	0.06	0.06	0.05	93
D2031	Independent Electoral and Boundaries Commission	0.08	0.08	0.07	93
D2141	National Gender and Equality Commission	0.004	0.005		
	Sub Total	9.05	15.39	13.10	85
Public Administration and International Relations					
D1011	The Executive Office of the President	0.74	0.70	0.60	86
D1012	Office of the Deputy President	0.25	0.40	0.38	94
D1017	State House	0.93	1.31	1.30	99

Vote Code	Sector and Respective MDAs	Original Net Estimates (Kshs. Bn)	Revised Net Estimates (Kshs. Bn)	Exchequer Issues (Kshs. Bn)	% of Exchequer Issue to Revised Net Estimates
D1032	State Department for Devolution	0.29	0.20	0.06	29
D1072	State Department for Economic Planning	56.02	59.41	45.86	77
D1053	State Department for Foreign Affairs	1.87	1.17	1.04	88
D1071	The National Treasury	38.05	46.85	28.98	62
D1213	State Department for Public Service	1.04	0.83	0.74	90
D2043	Parliamentary Joint Services	2.07	1.57	1.44	92
D2071	Public Service Commission	0.05	0.05	0.04	95
D2111	Auditor General	0.31	0.07	0.01	10
	Sub Total	101.61	112.55	80.45	72
National Security					
D1041	Ministry of Defence	3.72	2.72	1.44	53
	Sub- Total	3.72	2.72	1.44	53
Social Protection, Culture and Recreation					
D1135	State Department for Youth Affairs	0.83	0.78	0.58	74
D1132	State Department for Sports	0.13	0.08	0.08	95
D1134	State Department for Culture and Heritage	0.09	0.15	0.14	88
D1184	State Department for Labour and Skills Development	0.69	0.79	0.33	42
D1185	State Department for Social Protection and Senior Citizen Affairs	3.62	3.85	3.28	85
D1212	State Department for Gender and Affirmative Action	3.27	3.45	3.44	100
	Sub Total	8.63	9.11	7.84	86
Environment Protection, Water and Natural Resources					
D1109	State Department for Water and Sanitation	28.17	30.25	20.48	68
D1104	State Department for Irrigation	16.02	13.75	13.22	96
D1331	State Department for Environment and Climate Change	1.90	2.00	1.57	79
D1332	State Department for Forestry	2.47	2.20	1.66	75
D1192	State Department for Mining	1.04	0.89	0.21	23
D1203	State Department for Wildlife	1.53	0.97	0.46	47
	Sub Total	51.13	50.07	37.59	75
	Grand Total	480.82	452.09	315.06	70

Source: National Treasury

2.4.2 Ministerial Recurrent Exchequer Issues by Sector

In FY 2023/24, the original gross Ministerial Recurrent Budget was Kshs.1.56 trillion. This was revised to Kshs.1.68 trillion in Supplementary Budget I and to Kshs.1.73 trillion in Supplementary Budget II, representing 71.0 per cent of the ministerial expenditure allocation of Kshs.2.44 trillion compared to Kshs.1.51 trillion allocated in FY 2022/23.

Table 2.6 shows the sectorial recurrent estimates and exchequer issues FY 2023/24.

Table 2.6: Sectoral Recurrent Estimates and Exchequer Issues

Name of the Sector	FY 2023/24				Revised Gross Estimates (Kshs. Bn)	FY 2022/23		
	Revised Gross Estimates (Kshs. Bn)	Revised Net Estimates (Kshs. Bn)	Exchequer Issues (Kshs. Bn)	Exchequer Issues as % of Revised Net Estimates		Revised Net Estimates (Kshs. Bn)	Exchequer Issues (Kshs. Bn)	Exchequer Issues as % of Revised Net Estimates
ARUD	34.05	23.17	22.24	96	27.55	17.43	21.31	122
EI and ICT	169.48	43.11	42.02	98	170.20	60.71	59.29	98
GECA	46.03	29.80	27.23	91	21.36	10.29	10.04	98
Health	88.83	60.22	57.10	95	72.07	50.45	48.85	97
Education	656.82	583.26	561.33	96	534.05	483.12	476.16	99
GJLO	235.76	234.06	228.13	98	232.58	230.40	224.07	97
PAIR	205.96	188.96	174.07	92	198.67	176.39	154.85	88
National Security	208.38	205.58	184.31	90	173.24	173.24	163.41	94
SPCR	47.09	43.37	41.92	97	50.57	48.77	45.62	94
EPWNR	39.02	23.42	21.73	93	27.63	18.00	17.97	100
Total	1,731.43	1,434.96	1,360.06	95	1,507.94	1,268.81	1,221.57	96

Source: National Treasury and OCOB

Total exchequer issues to ministerial recurrent expenditure amounted to Kshs.1.36 trillion, representing 95 per cent of the revised net estimates, compared to 96 per cent (Kshs.1.22 trillion) issued in FY 2022/23. A review of MDAs' recurrent exchequer issues in the FY 2023/24 shows that the GJLO Sector received the highest percentage of exchequer issues to revised net estimates at 98 per cent, and the National Security Sector received the lowest at 90 per cent.

Table 2.7 shows recurrent issues with the MDAs in each of the ten sectors in FY 2023/24.

Table 2.7: Recurrent Issues to the MDAs in each of the ten sectors

Vote Code	Sector and Respective MDAs	Original Net Estimates (Kshs. Bn)	Revised Net Estimates (Kshs. Bn)	Exchequer Issues (Kshs. Bn)	% of Exchequer Issue to Revised Net Estimates
Agriculture, Rural and Urban Development					
R1112	State Department for Lands and Physical Planning	3.38	3.38	3.35	99
R1162	State Department for Livestock Development	3.08	3.34	3.02	90
R1169	State Department for Crop Development	7.75	12.22	11.70	96
R1166	State Department for the Blue Economy and Fisheries	2.78	2.75	2.69	98
R2021	National Land Commission	1.64	1.48	1.48	100
	Sub Total	18.64	23.17	22.24	96
Energy, Infrastructure and ICT					
R1091	State Department for Roads	1.66	1.54	1.48	96
R1092	State Department for Transport	2.70	3.18	2.52	79
R1093	State Department for Shipping and Maritime Affairs	0.76	0.64	0.64	100
R1094	State Department for Housing and Urban Development	1.20	1.28	1.28	100

Vote Code	Sector and Respective MDAs	Original Net Estimates (Kshs. Bn)	Revised Net Estimates (Kshs. Bn)	Exchequer Issues (Kshs. Bn)	% of Exchequer Issue to Revised Net Estimates
R1095	State Department for Public Works	2.56	2.43	2.38	98
R1122	State Department for Information Communications Technology and Digital Economy	2.39	2.53	2.49	99
R1123	State Department for Broadcasting and Telecommunications	3.89	4.26	3.99	94
R1152	State Department for Energy	1.89	2.12	2.12	100
R1193	State Department for Petroleum	0.34	25.13	25.12	100
	Sub Total	17.41	43.11	42.02	97
General Economics and Commercial Affairs					
R1174	State Department for Trade	1.97	2.13	1.81	85
R1036	State Department for the ASALs and Regional Development	9.25	19.37	17.80	92
R1175	State Department for Industry	2.47	2.65	2.60	98
R1176	State Department for Micro, Small and Medium Enterprises Development	1.68	1.76	1.47	83
R1177	State Department for Investment Promotion	0.98	1.17	0.88	75
R1221	State Department for East African Community	0.72	0.98	0.96	98
R1173	State Department for Cooperatives	0.78	0.73	0.73	100
R1202	State Department for Tourism	1.09	1.01	0.99	98
	Sub Total	18.93	29.80	27.23	91
Health					
R1082	State Department for Medical Services	43.52	45.59	43.59	96
R1083	State Department for Public Health and Professional Standards	11.92	14.64	13.51	92
	Sub Total	55.44	60.22	57.10	95
Education					
R1064	State Department for Vocational and Technical Training	15.87	20.92	17.11	82
R1065	State Department for Higher Education and Research	79.34	91.19	82.90	91
R1066	State Department for Basic Education	125.64	132.61	127.33	96
R2091	Teachers Service Commission	321.99	338.54	333.98	99
	Sub Total	542.84	583.26	561.33	96
Governance, Justice, Law and Order					
R1023	State Department for Correctional Services	34.67	34.57	32.34	94
R1024	State Department for Immigration and Citizen Services	8.00	8.85	8.72	99
R1025	National Police Service	104.64	111.00	108.72	98
R1026	State Department for Internal Security and National Administration	26.97	33.62	33.62	100
R1252	The State Law Office	5.65	5.91	5.54	94
R1261	The Judiciary Fund	20.44	21.02	20.63	98
R1271	Ethics and Anti-Corruption Commission	3.82	3.92	3.78	97
R1291	Office of the Director of Public Prosecutions	3.59	4.11	4.09	100
R1311	Office of the Registrar of Political Parties	2.07	1.46	1.43	98
R1321	Witness Protection Agency	0.74	0.79	0.78	98
R2011	Kenya National Commission on Human Rights	0.53	0.54	0.52	97
R2031	Independent Electoral and Boundaries Commission	4.57	4.70	4.41	94
R2051	Judicial Service Commission	0.90	0.90	0.89	99

Vote Code	Sector and Respective MDAs	Original Net Estimates (Kshs. Bn)	Revised Net Estimates (Kshs. Bn)	Exchequer Issues (Kshs. Bn)	% of Exchequer Issue to Revised Net Estimates
R2101	National Police Service Commission	1.19	1.18	1.17	99
R2141	National Gender and Equality Commission	0.47	0.45	0.44	98
R2151	Independent Policing Oversight Authority	1.05	1.05	1.04	99
	Sub Total	219.31	234.06	228.13	97
Public Administration and International Relations					
R1011	The Executive Office of the President	3.59	4.51	4.00	89
R1012	Office of the Deputy President	3.28	4.36	4.35	100
R1013	Office of the Prime Cabinet Secretary	1.20	1.42	1.27	90
R1014	State Department for Parliamentary Affairs	0.67	0.39	0.36	93
R1015	State Department for Performance and Delivery Management	0.48	0.34	0.34	100
R1016	State Department for Cabinet Affairs	0.90	0.52	0.36	68
R1017	State House	6.37	10.03	10.02	100
R1032	State Department for Devolution	1.88	2.15	1.99	93
R1072	State Department for Economic Planning	4.03	4.12	4.08	99
R1053	State Department for Foreign Affairs	17.70	21.84	19.02	87
R1054	State Department for Diaspora Affairs	1.31	1.19	1.00	84
R1071	The National Treasury	69.23	61.93	57.51	93
R1213	State Department for Public Service	20.35	22.71	19.36	85
R2041	Parliamentary Service Commission	0.91	1.10	0.96	87
R2042	National Assembly	24.55	24.93	23.28	93
R2043	Parliamentary Joint Services	6.29	6.37	6.07	95
R2044	Senate	7.16	7.40	7.31	99
R2061	The Commission on Revenue Allocation	0.52	0.52	0.46	89
R2071	Public Service Commission	3.66	3.53	3.31	94
R2081	Salaries and Remuneration Commission	0.56	0.55	0.54	98
R2111	Auditor General	7.42	7.64	7.11	93
R2121	Controller of Budget	0.77	0.72	0.67	93
R2131	The Commission on Administrative Justice	0.77	0.73	0.71	98
	Sub Total	183.60	188.96	174.07	92
National Security					
R1041	Ministry of Defence	140.69	153.03	131.76	86
R1281	National Intelligence Service	44.30	52.55	52.55	100
	Sub Total	184.99	205.58	184.31	90
Social Protection, Culture and Recreation					
R1135	State Department for Youth Affairs	2.80	2.87	2.87	100
R1132	State Department for Sports	1.38	1.31	1.29	99
R1134	State Department for Culture and Heritage	2.44	2.23	2.23	100
R1184	State Department for Labour and Skills Development	1.74	2.27	2.22	98
R1185	State Department for Social Protection and Senior Citizen Affairs	32.44	32.64	31.78	97
R1212	State Department for Gender and Affirmative Action	1.20	2.05	1.52	74
	Sub Total	42.00	43.37	41.92	97
Environment Protection, Water and Natural Resources					
R1109	State Department for Water and Sanitation	3.28	3.43	3.38	99
R1104	State Department for Irrigation	1.15	1.15	1.15	100

Vote Code	Sector and Respective MDAs	Original Net Estimates (Kshs. Bn)	Revised Net Estimates (Kshs. Bn)	Exchequer Issues (Kshs. Bn)	% of Exchequer Issue to Revised Net Estimates
R1331	State Department for Environment and Climate Change	3.58	3.82	3.79	99
R1332	State Department for Forestry	5.57	8.54	8.54	100
R1192	State Department for Mining	1.37	1.82	1.38	75
R1203	State Department for Wildlife	4.70	4.66	3.50	75
	Sub Total	19.65	23.42	21.73	93
	Grand Total	1,302.80	1,434.96	1,360.06	95

Source: National Treasury and OCOB

2.4.3 Exchequer Issues to the Consolidated Fund Services (CFS)

The CFS comprises funds allocated towards (i) Repayment of Public Debt (domestic and foreign) and government-guaranteed loans to parastatals, (ii) Pensions and Gratuities, (iii) Salaries and Allowances to Constitutional Officeholders and Miscellaneous Services, and (iv) Subscriptions to International Organizations.

The original allocation to CFS in FY 2023/24 amounted to Kshs.1.96 trillion, revised to Kshs.2.08 trillion in Supplementary Budget I, and to Kshs.1.99 trillion in Supplementary Budget II, compared to Kshs.1.58 trillion allocated in FY 2022/23, representing 45 per cent of the revised gross national budget of Kshs.4.43 trillion. The growth of 26 per cent (Kshs.413.74 billion) towards CFS in FY 2023/24 compared to FY 2022/23 is attributed to a 29 per cent increase in debt payment obligations and a 9 per cent increase in Pensions and Gratuity allocations.

Table 2.8 shows the exchequer issues to CFS in the FY 2022/23.

Table 2.8: CFS Budgetary Allocation and Exchequer Issues

CFS Category	FY 2023/24				FY 2022/23		
	Original Net Estimates (Kshs. Billion)	Revised Net Estimates (Kshs. Billion)	Exchequer Issues (Kshs. Billion)	% of Exchequer to Revised Net Estimates	Revised Net Estimates (Kshs. billion)	Exchequer Issues (Kshs. Billion)	% of Exchequer to Revised estimates
Public Debt	1,751.07	1,782.39	1,596.64	90	1,385.07	1,161.58	84
Pensions and Gratuities	189.09	187.56	148.95	79	172.64	136.34	79
Salaries, Allowances and Miscellaneous Services	23.53	21.52	20.77	97	20.04	15.65	78
Total	1,963.70	1,991.48	1,766.36	89	1,577.74	1,313.59	83

Source: National Treasury and OCOB

In the FY 2023/24, exchequer issues to CFS were Kshs.1.77 trillion, representing 89 per cent of the revised net estimates, compared to 83 per cent (Kshs.1.31 trillion) issued in FY 2022/23. Salaries, Allowances and Miscellaneous Services received the highest proportion of exchequer issues to revised net estimates at 97 per cent. Pensions and Gratuities received the lowest proportion of exchequer issues to revised net estimates at 79 per cent.

2.4.4 Exchequer Issues Under Article 223 of the Constitution of Kenya

Article 223 of the Constitution allows the MDAs to access additional funding during the budget implementation period. In FY 2023/2024, the Controller of Budget authorised Kshs.19.12 billion under Article 223 of the Constitution. This amount was 0.5 per cent of the revised net estimates and within the 10 per cent ceiling in accordance with

Article 223 of the Constitution. The approvals were regularised in Supplementary Budget I, dated 23rd November 2023, and Supplementary Budget II, dated 10th June 2024.

Table 2.9 shows exchequer issues under Article 223 of the Constitution of Kenya in the reporting period.

Table 2.9: Exchequer Issues Under Article 223 of the Constitution

No.	MDAs	Date of Approval	Amount Approved (Kshs.)	Purpose	Amount Requisitioned and Approved (Kshs.)
1	State Department for Information Communications and Technology and Innovation	9/21/2023	221,537,951	EA regional transport, Trade and development facilitation project	221,537,951
2	State Department for Energy	9/21/2023	78,044,638	Eastern Electricity Highway project	78,044,638
3	State Department for Crop Development	10/17/2023	448,800,000	To cater for mobilisation and purchase of grain dryers	448,800,000
4	State Department for Development of the ASAL	11/1/2023	1,037,321,765	Related to donor fund IDA under Kenya Development Response to Displaced Impact Project Loan	1,037,321,765
5	State Department for Crop Development	11/14/2023	500,000,000	Funds for the National Food Reserve - Purchase of Maize	500,000,000
6	State Department for Development of the ASAL	11/23/2023	1,007,218,057	To cater for drought and humanitarian emergency	1,007,218,057
7	State Department for Internal Security and National Administration	2/22/2024	1,500,000,000	To cater for Multi-Agency Security Operation	594,000,000
8	State Department for Forestry	3/19/2024	2,022,664,000	To cater for personnel emoluments for the state department for forestry	2,022,664,000
9	The National Treasury	3/26/2024	10,982,000,000	To cater for payment of budget deficit and settling pending bills for revenue mobilisation	1,000,000,000
10	State Department for Internal Security and National Administration	2/22/2024		To cater for Multi-Agency Security Operation	285,000,000
11	The National Treasury	3/21/2024	1,077,353,803	Related to donor fund IDA under infrastructure finance and public-private partnership project	1,077,353,803
12	State Department for Internal Security and National Administration	22/02/2024		To cater for Multi-Agency Security Operation	210,000,000
13	State House	9/4/2024	2,500,000,000	To cater for priority expenditures, including national security and state functions	370,070,570
14	State Department for Internal Security and National Administration	22/02/2024		To cater for Multi-Agency Security Operation	161,000,000
15	State House	9/4/2024	-	To cater for priority expenditure, including national security and state functions	265,028,704
16	The National Treasury	26/03/2024	-	To cater for payment of budget deficit and settling pending bills for revenue mobilisation at KRA	2,000,000,000
17	State House	9/4/2024	-	To cater for priority expenditures, including national security and state functions	358,953,732
18	State Department for Internal Security and National Administration	25/04/2024	1,000,000,000	To cater for Multi-Agency Security Operations, Preparatory activities with respect to the upcoming Madaraka day national celebrations as well as local presidential functions	300,000,000

No.	MDAs	Date of Approval	Amount Approved (Kshs.)	Purpose	Amount Requisitioned and Approved (Kshs.)
19	State Department for University Education	25/04/2024	177,596,931	Donor fund (IDA) under Eastern and Southern Africa Centers of Excellence	177,596,931
20	National Police Service	29/04/2024	4,000,000,000	To cater for medical and group life/WIBA/GPA insurance covers	2,000,000,000
21	State Department for Internal Security and National Administration	25/04/2024		To cater for Multi-Agency Security Operations, Preparatory activities concerning the upcoming Madaraka day national celebrations as well as local presidential functions	400,000,000
22	State Department for Trade	4/5/2024	104,000,000	To support the operations of the cabinet secretary	54,411,537
23	State Department for Crop Development	3/5/2024	3,000,000,000	To cater for the long rains, the fertiliser subsidy programme	3,000,000,000
24	State Department for Internal Security and National Administration	23/04/2024		To cater for Multi-Agency Security Operations, Preparatory activities concerning the upcoming Madaraka Day national celebrations as well as local presidential functions	300,000,000
25	State Department for Cooperatives	27/05/2024	600,000,000	To cater for excess milk mop-up	600,000,000
26	State Department for Internal Security and National Administration	27/05/2024	400,000,000	To compensate victims of floods in Nairobi county	400,000,000
27	State House	9/4/2024		To cater for priority expenditures, including national security and state functions	247,953,732
Total			30,656,537,144		19,116,955,419

Source: The National Treasury

2.4.5 Approval for Withdrawals from the Equalization Fund

The Equalisation Fund is established under Article 204 (1) of the Constitution of Kenya, which requires that half a per cent (0.5 per cent) of all the revenue collected by the National government each year, calculated based on the most recent audited revenue received, as approved by the National Assembly, to be paid into the Fund. Article 204(2) of the Constitution provides that the National Government shall use the Equalisation Fund only to provide essential services, including Water, Roads, Health Facilities, and Electricity to marginalised areas to the extent necessary to bring the quality of those services in those areas to the level generally enjoyed by the rest of the nation, so far as is possible.

In FY 2023/24, the Controller of Budget authorised requests amounting to Kshs.363.64million from the Equalization Fund. The amount comprised Kshs.207.5 million for the Equalization Fund Secretariat's recurrent expenses and Kshs.156.14 million for development expenditures. The development expenditure went towards payment of pending bills under the Ministry of Water and Sanitation based on the first policy criteria for identifying marginalised counties.

Table 2.10 shows the approval for withdrawals from the Equalisation Fund in FY 2022/23.

Table 2.10: Withdrawal from the Equalisation Fund

Date	Details	Issues (Kshs.)	Balance (Kshs.)
7/1/2023	Opening Balance from FY 2022/2023		1,635,012,783
9/8/2023	Recurrent Request - Secretariat	53,000,000	1,582,012,783
10/24/2023	Development - Pending bills Ministry of Water and Sanitation	24,273,836	1,557,738,947
12/13/2023	Recurrent Request - Secretariat	18,000,000	1,539,738,947
22/01/2024	Recurrent Request - Secretariat	39,000,000	1,500,738,947
7/3/2024	Development - Pending bills Ministry of Water and Sanitation	17,426,112	1,483,312,835
25/3/2024	Recurrent Request - Secretariat	48,500,000	1,434,812,835
25/3/2024	Development - Pending bills Ministry of Water and Sanitation	68,268,336	1,366,544,499
5/22/2024	Development - Pending bills Ministry of Water and Sanitation	27,683,452	1,338,861,047
6/24/2024	Recurrent Request - Secretariat	49,000,000	1,289,861,047
6/28/2024	Development - Pending bills Ministry of Water and Sanitation	18,485,296	1,271,375,751
Total		363,637,032	

Source: OCOB

2.4.6 Approval for Withdrawals from the Judiciary Fund

The Judiciary Fund is established under Article 173 of the Constitution. In FY 2023/2024, the Controller of Budget authorised the withdrawal of Kshs.21.64 billion from the Judiciary Fund to the Judiciary Operational Accounts comprising Kshs.927.48 million for development activities and Kshs.20.71 billion for recurrent activities, representing 66 per cent and 99 per cent of the development and recurrent estimates, respectively.

Table 2.11 shows the approval for withdrawal from the Judiciary Fund in FY 2023/24.

Table 2.11: Approval for Withdrawal from the Judiciary Fund

Vote	Original Net Estimates Kshs.	Revised Net Estimates Kshs.	Exchequer Issues Kshs.	% of Exchequer to Budget
Recurrent	21,022,400,000	21,022,400,000	20,711,889,530	99
Development	1,400,000,000	1,400,000,000	927,483,056	66
Total	22,422,400,000	22,422,400,000	21,639,372,586	97

Source: The National Treasury and OCOB

3. OVERALL BUDGET PERFORMANCE

3.1. Introduction

This chapter presents an overview of the National Government budget implementation in the FY 2023/24. It presents the budget performance of the Consolidated Fund Services, which is classified as recurrent expenditure. It provides information on Public debt, Pensions and gratuities, Salaries and Allowances to Constitutional officeholders and Miscellaneous services. The chapter further disaggregates expenditure for MDAs under major economic items for the development and recurrent votes, respectively. In addition, it presents the status of the pending bills as of 30th June 2024.

3.2. FY 2023/24 Overall Budget

This section summarises the national government budget implementation status in FY 2023/24. The National Government's original gross budget for FY 2023/24 amounted to Kshs.4.34 trillion, revised to Kshs.4.54 trillion in Supplementary Estimates I and Kshs.4.43 trillion in Supplementary Estimates II, compared to Kshs.3.67 trillion in FY 2022/23. This comprised of Kshs.807.64 billion for ministerial development expenditure, revised to Kshs.783.22 billion in Supplementary Estimates I and Kshs.708.85 billion in Supplementary Estimates II (see Annex VII, referenced on page 171) and Kshs.1.56 trillion for ministerial recurrent expenditures, revised to Kshs.1.68 trillion in Supplementary Estimates I and Kshs.1.73 billion in Supplementary Estimates II (see Annex VIII referenced on page 175) and Kshs.1.96 trillion for CFS revised to Kshs.2.08 trillion in Supplementary Estimates I and Kshs.1.99 trillion in Supplementary Estimates II. This recorded growth compared to Kshs.584.29 billion for ministerial development expenditure, Kshs.1.51 trillion for ministerial recurrent spending, and Kshs.1.58 trillion for CFS allocated in FY 2022/23.

To fund the budget, the Government targeted raising Kshs.4.13 trillion, revised to Kshs.4.28 trillion in Supplementary Estimates I, and Kshs.4.26 trillion in Supplementary II to be funded by tax revenue of Kshs.2.25 trillion, Non-Tax Revenue of Kshs.209.14 billion, and Other Domestic Financing of Kshs.3.27 billion. The Government also targeted funding the budget through domestic borrowings of Kshs1.05 trillion and External Loans and Grants amounting to Kshs.747.57 billion. The domestic borrowing comprised net domestic borrowing of Kshs.662.42 billion and internal debt redemptions (roll-overs) of Kshs.389.67 billion. Actual receipts in the Consolidated Fund for FY 2023/24 were Kshs.3.80 trillion, including an opening balance of Kshs.2.62 billion brought forward from FY 2022/23.

Table 3.1 shows the overall budget performance of the National Government in the FY 2023/24.

Table 3.1: Overall Budget Performance

VOTE	FY 2023/24 (Kshs. Bn)						FY 2022/23 (Kshs. Bn)					
	Revised Gross Estimates	Revised Net estimates	Cumulative Exchequer	Cumulative Expenditure	% of Exchequer to Revised Net Estimates	Absorption Rate (%)	Revised Gross estimates	Revised Net Estimates	Exchequer Issues	Cumulative Expenditure	% Exchequer to Revised Net Estimates	Absorption rate (%)
Recurrent	3,722.91	3,426.43	3,126.42	3,372.66	91	91	3,087.27	2,846.55	2,535.16	2,705.76	89	88
: MDAs	1,731.43	1,434.96	1,360.06	1,615.64	95	93	1,509.50	1,268.81	1,221.57	1,400.61	96	93
: CFS	1,991.48	1,991.48	1,766.36	1,757.02	89	88	1,577.74	1,577.74	1,313.59	1,305.14	83	83
Development	708.85	452.09	315.06	516.86	70	73	584.29	374.00	308.03	473.55	82	81
Total	4,431.75	3,878.52	3,441.49	3,889.52	89	88	3,671.56	3,220.55	2,843.19	3,179.30	88	87

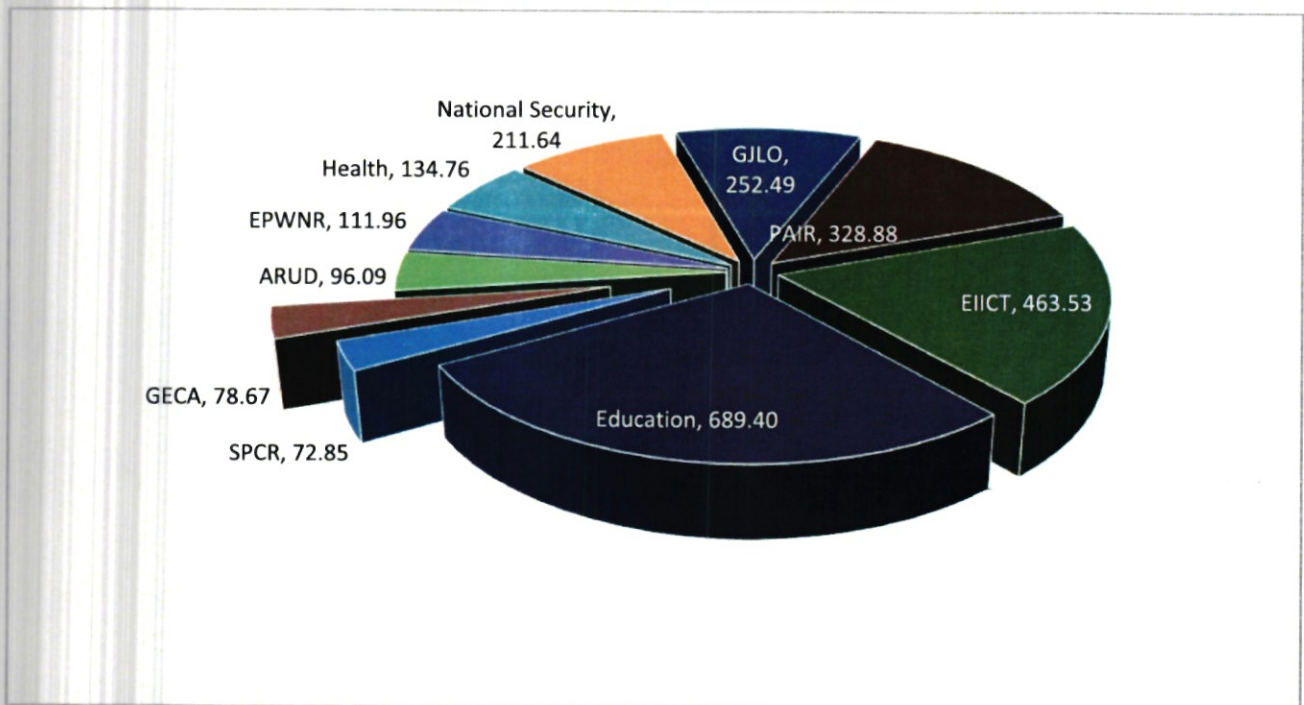
Source: National Treasury, OCOB & MDAs

The total exchequer issued by the National treasury to the National Government in FY 2023/24 was Kshs.3.44 trillion, representing 89 per cent of the revised net estimates, compared to 88 per cent (Kshs.2.84 trillion) recorded in FY 2022/23. The exchequer issues comprised Kshs.315.06 billion (70 per cent) for ministerial development expenditure, Kshs.1.36 trillion (95 per cent) for ministerial recurrent expenditure and Kshs.1.77 billion (89 per cent) to CFS.

The gross expenditure for the National Government was Kshs.3.89 trillion, recording an absorption rate of 88 per cent, compared to Kshs.3.18 trillion (87 per cent) recorded in FY 2022/23. This comprised ministerial development expenditure at Kshs.516.43 billion (absorption rate of 73 per cent), ministerial recurrent expenditure at Kshs.1.62 trillion (absorption rate of 93 per cent), and Consolidated Fund Services at Kshs.1.76 billion (88 per cent).

Figure 3.1 presents the revised I budget allocation by sector in the FY 2023/24.

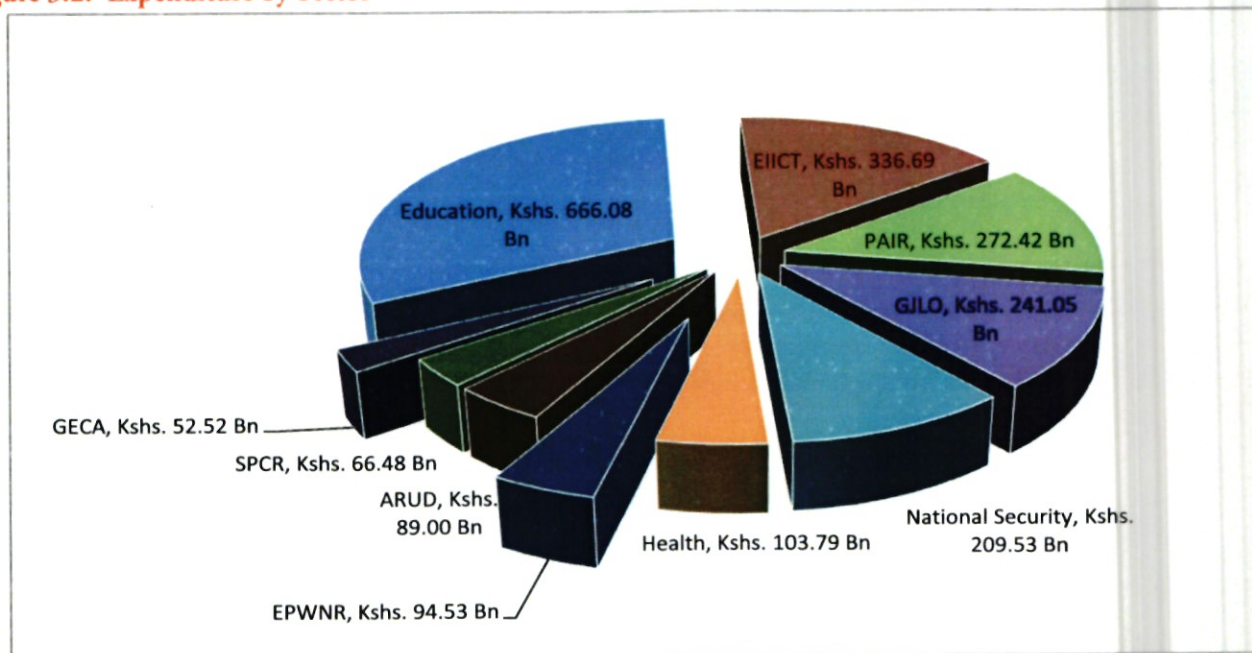
Figure 3.1: Revised Annual Allocation by Sector FY 2023/24 (Kshs. Billion)



Source: National Treasury

Figure 3.2 shows expenditure by sector in the FY 2023/24.

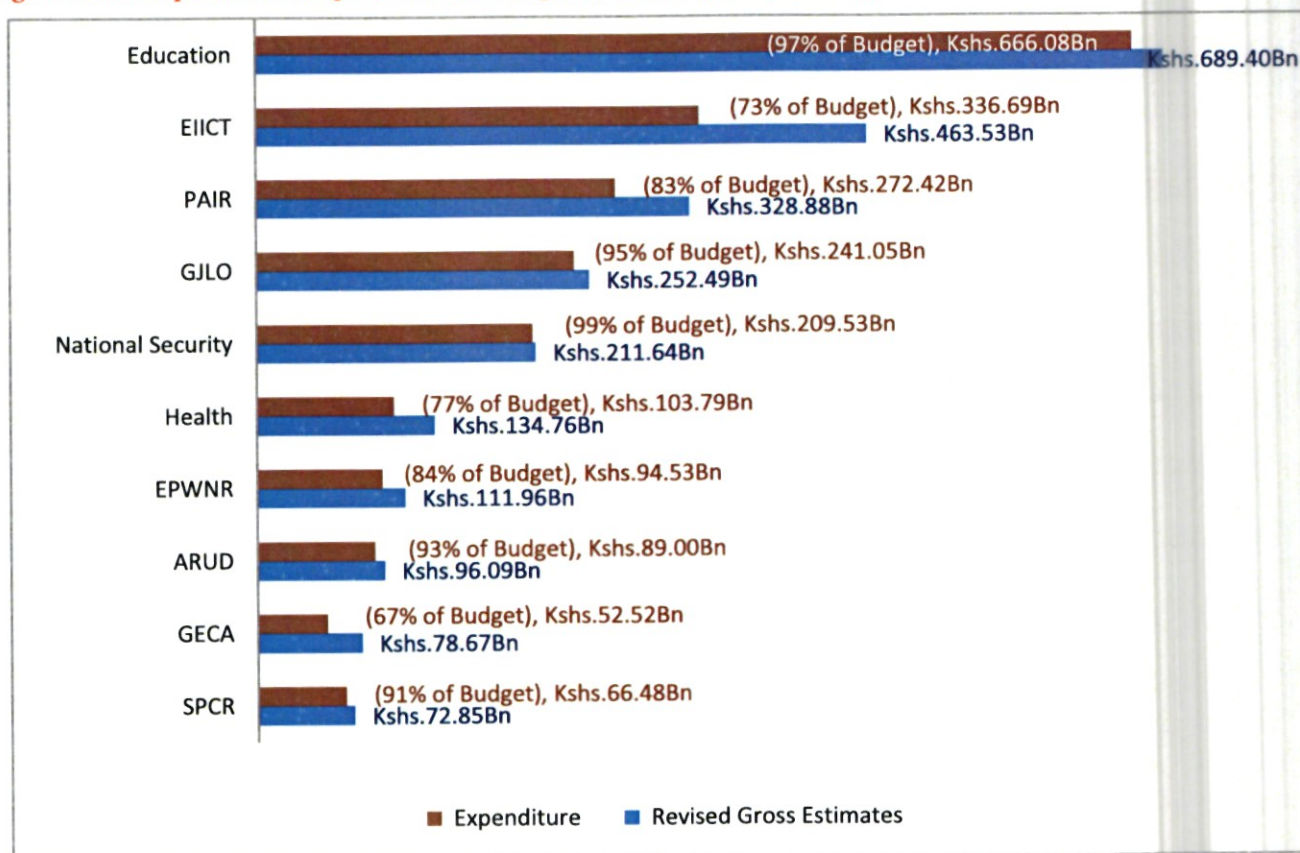
Figure 3.2: Expenditure by Sector



Source: MDAs & National Treasury

Figure 3.3 shows the proportion of expenditure to budget by sector in the FY 2023/24.

Figure 3.3: Proportion of Expenditure to Budget by Sector (Kshs. Billion)



Source: MDAs & National Treasury

3.3. Consolidated Fund Services Budget Performance

The original budget for CFS in FY 2023/24 amounted to Kshs.1.96 trillion. This amount was revised to Kshs.2.79 trillion in Supplementary Estimates I and later to Kshs.1.99 trillion in Supplementary Estimates II, representing a 26 percent increase compared to Kshs.1.58 trillion allocated in FY 2022/23. Table 3.2 summarises the CFS vote implementation status for the FY 2023/24.

Table 3.2: CFS Budget Performance

CFS Category	FY 2023/24						FY 2022/23				
	Original Estimates (Kshs. Bn)	Revised Estimates (Kshs. Bn)	Exchequer Issues (Kshs. Bn)	Expenditure (Kshs. Bn)	Exchequer Issues as % of Estimates	Expenditure as % of Estimates	Revised Net Estimates (Kshs. Bn)	Exchequer Issues (Kshs. Bn)	Expenditure (Kshs. Bn)	Exchequer Issues as % of Estimates	Expenditure as % of Estimates
Public Debt	1,751.07	1,782.39	1,596.64	1,587.31	90	89	1,385.07	1,161.58	1,153.13	84	83
Pensions and Gratuities	189.09	187.56	148.95	148.95	79	79	172.64	136.36	136.36	79	79
Salaries & Allowances and Miscellaneous Services (includes Guaranteed Debts)	23.53	21.52	20.77	20.77	97	96	20.04	15.65	15.66	78	78
Total	1,963.70	1,991.48	1,766.36	1,757.02	89	88	1,577.75	1,313.59	1,305.14	83	83

Source: National Treasury

In FY 2023/24, the total expenditure for CFS amounted to Kshs.1.76 trillion, representing 88 per cent of the revised estimates for CFS, compared to Kshs.1.31 trillion (83 per cent) recorded in FY 2022/23.

3.3.1 Public Debt

As of 30 June 2024, the Public debt stock stood at Kshs.10.56 trillion, comprising Kshs.5.15 trillion (49 per cent) from external lenders and Kshs.5.41 trillion (51 per cent) from domestic lenders. Table 3.3 Represents the public debt position as of 30th June 2024.

Table 3.3: Public and Publicly Guaranteed Debt Stock Debt as of 30th June 2024

Category	As of 30 th June, 2023 (Kshs. Bn)	FY 2023/24		As of 30 th June, 2024 (Kshs. Bn)	Percentage Change (%)	Composition (%) of Loan Portfolio
		Loans disbursed (Kshs. Bn)	Loan paid (Principal) (Kshs. Bn)			
External Debt						
Bilateral	1,339.50	29.64	147.46	1,154.67	(14)	11
Multilateral	2,654.93	438.81	52.64	2,774.43	5	26
Commercial Banks	1,437.28	303.02	337.68	1,207.50	(16)	11
Supplier Credit	14.85			14.23	(4)	0
Sub-Total External Debt	5,446.56	771.48	537.78	5,150.84	(5)	49
Domestic Debt						
Central Bank	102.59	-	16.02	86.57	(16)	1
Commercial Banks	2,095.07	246.97	63.20	2,278.84	9	22
Sub-total: Banks	2,197.66	246.97	79.23	2,365.40	8	22
Non-bank	2,506.97	554.91	134.25	2,927.63	17	28

Category	As of 30 th June, 2023 (Kshs. Bn)	FY 2023/24		As of 30 th June, 2024 (Kshs. Bn)	Percentage Change (%)	Composition (%) of Loan Portfolio
		Loans disbursed (Kshs. Bn)	Loan paid (Principal) (Kshs. Bn)			
IMF SDR* Funds On-Lent to Government	95.72	1.75	0.01	33.71	5	0
Others (Non-residents)	31.97		5.10	83.54	(13)	1
Sub-Total: Non-Banks	2,634.66	556.66	139.35	3,044.88	16	29
Sub-Total Domestic	4,832.32	803.63	218.58	5,410.28	12	51
Grand Total	10,278.88	1,575.11	756.36	10,561.12	3	100

Source: National Treasury

*IMF SDR-International Monetary Fund Special Drawing Rights (SDR is an interest-bearing international reserve asset created by the IMF to supplement other member countries' reserve assets. SDR serves as the unit of account of the IMF and other international organisations)

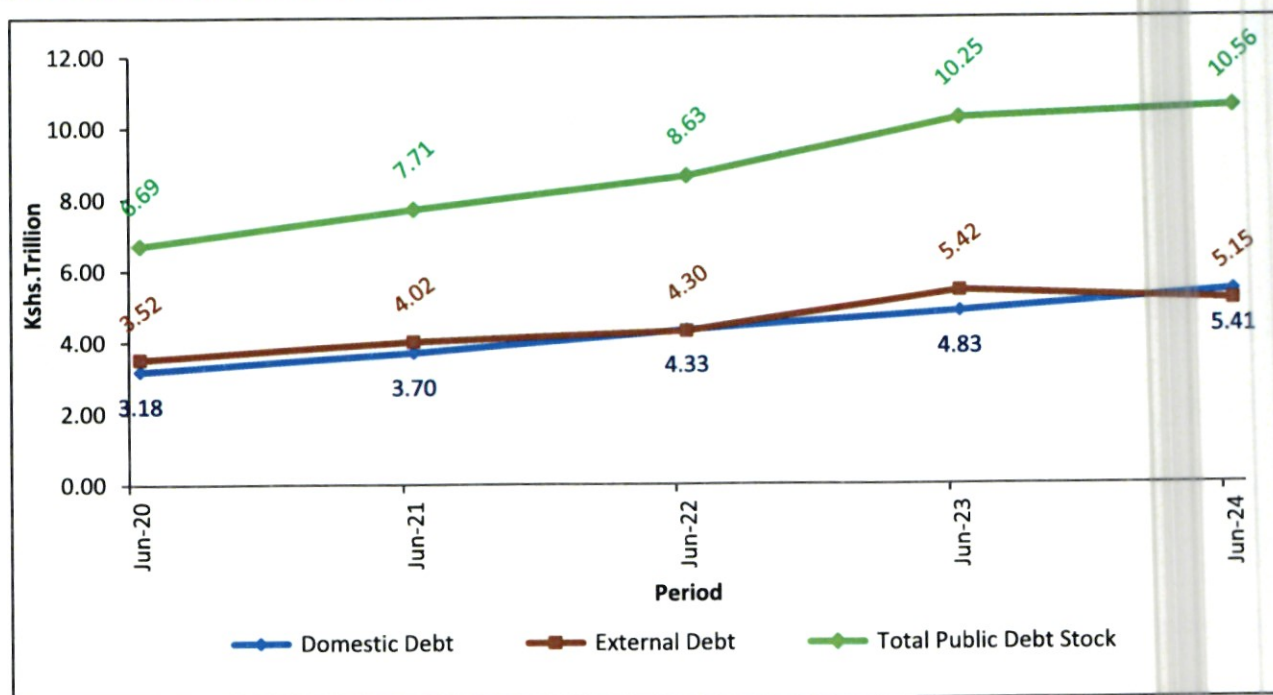
The public debt stock increased by 3 per cent from Kshs.10.28 trillion as of 30th June 2023, to Kshs.10.56 trillion as of 30th June 2024. External debt declined by 5 per cent, while domestic debt recorded 12 per cent growth. The decline in external debt is due to the strengthening of the Kenya Shilling against major foreign currencies. Table 3.4 illustrates the effect of the exchange rate on the external public debt portfolio between March 2024 and June 2024.

Table 3.4: Foreign Exchange Effect on External Public Debt Stock

External Debt (PPG) in USD	USD Exchange Rate	External Debt (PPG) in Kshs
a	b	c
(1) 39,176,038,652	Mar 2024 = 131.8005	5,163,423,339,660
(2) 39,176,038,652	June 2024 = 129.5267	5,074,345,008,740
Change in Public Debt Portfolio = (2-1)		(89,078,330,920)
% Change in Public Debt Portfolio		-2%

Figure 3.4 Depicts the trend in public debt stock from 30th June 2020 to 30th June 2024.

Figure 3.4: Trend in Public Debt Stock



Source: National Treasury

The original allocation for public debt servicing in FY 2023/24 amounted to Kshs.1.75 trillion. This amount was revised to Kshs.1.87 trillion in Supplementary Estimates I and Kshs.1.78 trillion in Supplementary Estimates II, representing 90 per cent of the CFS budget, an increase of 29 per cent compared to Kshs.1.39 trillion allocated in FY 2022/23.

The revised Public debt allocation for FY 2023/24 of Kshs.1.78 trillion, comprised of Kshs.850.56 billion for interest payments and Kshs.931.84 billion for redemptions (principal payments). Allocation towards servicing external debt amounted to Kshs.763.35 billion, comprising Kshs.542.17 billion for redemption and Kshs.221.19 billion for interest payments. Allocation to domestic debt amounted to Kshs.1.02 trillion, comprising Kshs.389.67 billion for redemption and Kshs.629.37 billion for interest-payments.

Total expenditure on public debt in FY 2023/24 was Kshs.1.59 trillion, representing 89 per cent of the revised annual estimates, compared to Kshs.1.15 billion (83 per cent) recorded in FY 2022/23. The expenditure comprised Kshs.834.85 billion towards principal redemption, Kshs.750.51 billion towards interest payments, Kshs.1.58 billion as commitment fees, and Kshs.361.71 million as other charges.

External debt servicing amounted to Kshs.757.08 billion, consisting of Kshs.538.84 billion for debt redemption, Kshs.216.30 billion for interest payment, Kshs.1.58 billion as commitment fees, and Kshs.361.71 million as other charges. The total domestic debt payment was Kshs.830.22 billion, comprising of Kshs.296.01 billion and Kshs.534.22 billion for redemption and interest payments, respectively. Other domestic debt charges include commission for Stock Brokers (0.15 per cent, Central Bank of Kenya (1.5 per cent), withholding tax, Capital Market Authority approval fees and Nairobi Security Exchanges listing Fees. Analysis of the cost of debt shows that domestic debt accrued high-interest payments compared to external debt, which is attributed to the favourable rate on government securities attracting more investors and commercial banks' lending to the government due to high returns and minimal risk.

3.3.2 Overdraft Facility

The overdraft facility is a temporary source of funds primarily used to finance the shortfall in domestic debt instruments such as matured Treasury Bills and foreign debt payments. The Central Bank of Kenya (CBK) manages the government overdraft, which is restricted to a maximum of 5 per cent of the most recently audited revenues. According to Section 15 (3) of the PFM Act, it must be paid off by the end of the financial year.

For the financial year 2023/24, the overdraft limit is set at Kshs.97.05 billion and charged at the prevailing CBK rate on the amount outstanding at the end of each month. In FY 2023/24, the CBK interest rate applied was 10.5 per cent (July to December 2023), 12.5 per cent (December 2023 to February 2024), and 13.0 per cent (February to June 2024).

During FY 2023/24, the total charge on the overdraft facility amounted to Kshs.9.63 billion, an increase of 87 per cent compared to the overdraft facility charges of Kshs.5.16 billion in FY 2022/23. This increase is due to the gradual change in the CBK rate and increased use due to revenue shortfalls at the National Treasury. Further, the overdraft limit increased from Kshs.80.05 billion in FY 2022/23 to Kshs.97.05 billion in FY 2023/24. Table 3.5 shows the monthly charges for overdraft facilities in FY 2023/24.

Table 3.5: Charges on Overdraft Facility by Month

Month	FY 2023/24, (Kshs.)	FY 2022/23, (Kshs.)	Variance in Per Cent
	a	b	c=(a-b)/b*100
July	589,087,532	327,533,507	80
August	639,594,587	325,712,817	96
September	660,806,400	279,606,848	136
October	683,890,855	318,941,010	114
November	697,958,319	356,100,815	96
December	936,398,170	436,922,401	114
January	947,904,264	441,552,347	115
February	866,235,074	432,991,812	100
March	1,004,732,202	514,284,464	95
April	897,374,654	575,690,877	56
May	964,748,762	566,255,351	70
June	740,834,942	582,313,599	27
Total	9,629,565,761	5,157,905,848	87

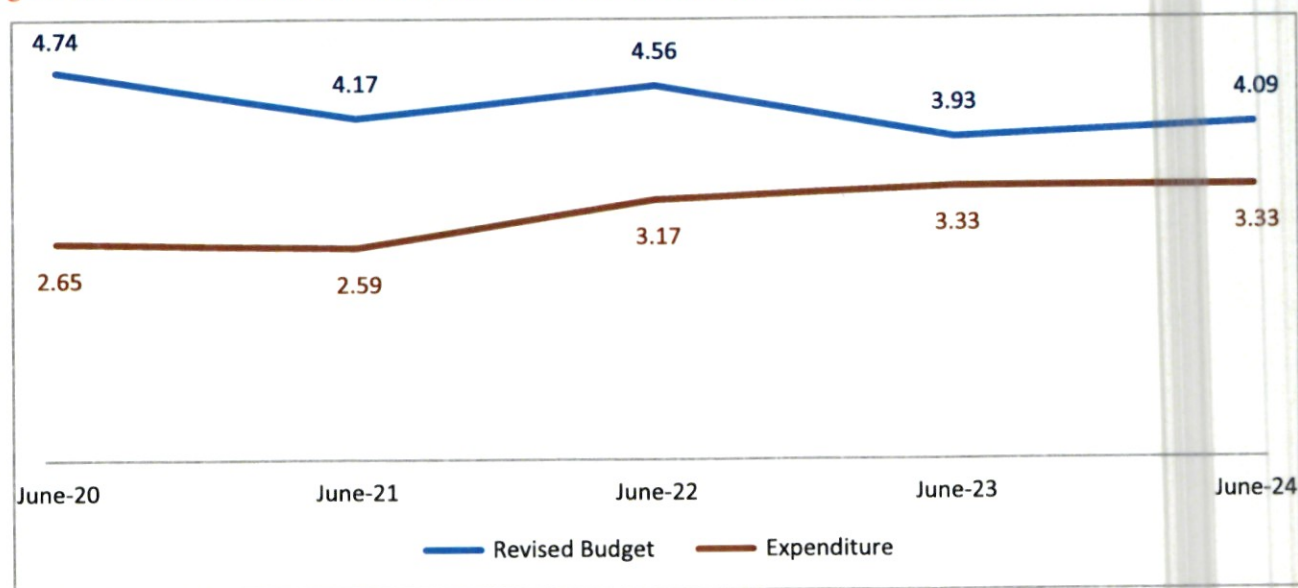
Source: National Treasury

3.3.3 Salaries and Allowances and Miscellaneous Services

In FY 2023/24, the allocations for Salaries and allowances and Miscellaneous Services (SAM) amounted to Kshs.4.74 billion. This was revised to Kshs.4.80 billion in Supplementary Estimates I and Kshs.4.09 in Supplementary Estimates II, compared to Kshs.3.92 billion allocated in FY 2022/23. The 4 per cent growth in the budget was attributed to allocation for Employer Contribution to the Housing Levy following the enactment of Finance Act 2023 and a 12 per cent increase in allocation for the Judicial Service Commission.

In FY 2023/24, the total expenditure on SAM was Kshs.3.33 billion, 82 per cent of the revised annual estimates, compared to Kshs.3.33 billion (84.9 per cent) recorded in FY 2022/23. Figure 3.5 shows the trends in budgetary allocations and expenditures for Salaries, Allowances, and Miscellaneous Services from FY 2019/20 to FY 2023/24.

Figure 3.5: Trend in Salaries, Allowances, and Miscellaneous Services (Kshs. Billion)



Source: National Treasury

Unfunded pension obligations can explain the gap between budget provision and actual expenditure.

Table 3.6 shows SAM performance in the FY 2023/24.

Table 3.6: Salaries, Allowances, and Miscellaneous Services Budget Performance

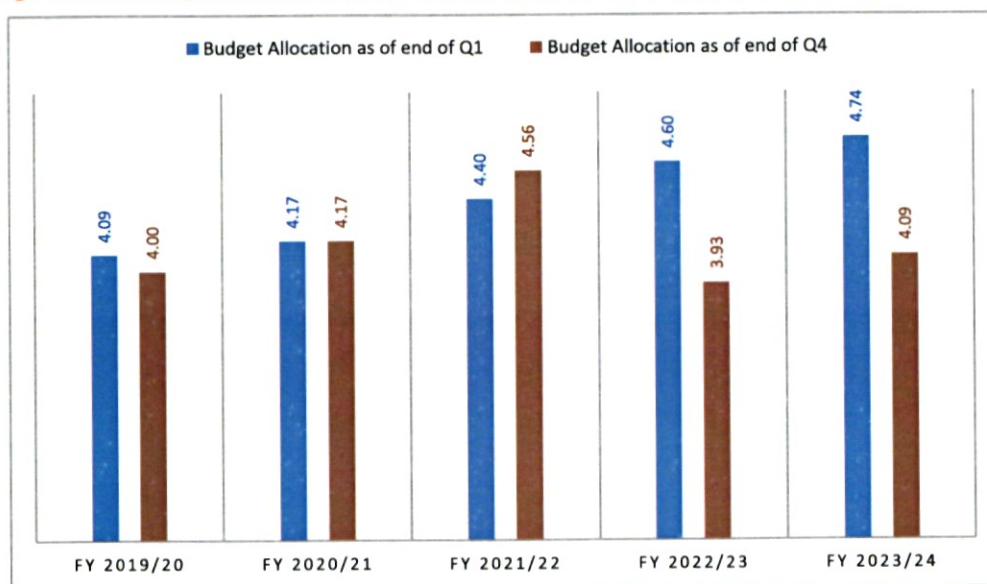
Name of the Office	FY 2023/24					FY 2022/23		
	Original Estimates (Kshs.)	Revised Estimates (Kshs.)	Exchequer (Kshs.)	Expenditure (Kshs.)	Budget Performance (%)	Revised Estimates (Kshs.)	Expenditure (Kshs.)	Budget Performance (%)
Salaries & Allowance								
Office of the Attorney General	19,305,659	12,441,000	11,534,000	11,534,000	93	17,002,020	22,510,396	132
Director of Public Prosecutions	9,618,404	9,618,404	17,050,238	17,050,238	177	21,118,404	9,338,256	44
The Judicial Service Commission	3,656,204,200	3,246,947,236	2,558,458,746	2,558,458,746	79	2,905,119,707	2,467,236,798	85
Auditor General	21,559,008	12,441,000	11,534,000	11,534,000	93	14,722,302	11,206,000	76
Public Service Commission	86,780,050	80,723,747	81,359,897	81,359,897	101	84,729,723	71,582,256	84
Teachers Service Commission	93,779,919	80,723,747	74,964,228	74,964,228	93	84,285,924	72,032,256	85
Ethics and Anti-Corruption Commission	22,866,000	20,866,000	20,585,408	20,585,408	99	26,954,873	25,367,710	94
Kenya National Commission on Human Rights	42,502,950	42,502,950	42,412,228	42,412,228	100	42,193,174	44,490,321	105
Commission on Administrative Justice	27,379,724	27,379,724	26,943,215	26,943,215	98	28,451,213	25,664,205	90
National Gender & Equality Commission	17,491,725	45,675,747	42,412,228	42,412,228	93	61,238,882	40,688,318	66
National Cohesion & Integration Commission	128,895,693	62,874,747	58,388,228	58,388,228	93	70,040,918	51,072,032	73
Commission on Revenue Collection	79,427,372	79,427,372	66,447,687	66,447,687	84	153,609,834	145,034,994	94
Salaries & Remuneration Commission	96,595,724	89,485,747	83,102,228	83,102,228	93	81,982,386	76,815,039	94
National Land Commission	145,082,448	80,871,921	74,904,228	74,904,228	93	86,976,924	71,802,256	83
Controller of Budget	18,357,787	9,560,228	9,560,228	9,560,228	100	10,157,724	9,232,256	91
National Police Service Commission	88,738,966	54,437,747	50,550,228	50,550,228	93	64,363,924	49,419,207	77
Independent Electoral & Boundaries Commission	105,815,122	21,915,456	224,238	224,238	1	100,257,304	76,708,431	77
Sub-Total	4,660,400,751	3,977,892,773	3,230,431,253	3,230,431,253	81	3,853,205,236	3,270,200,731	85
Office of the President / Deputy President: (a) President	42,439,881	33,463,929	17,325,000	17,325,000	95	37,835,627	19,888,000	97
(b) Deputy President			14,550,944	14,550,944			16,829,550	
(a) Former Presidents	24,179,127	22,679,127	13,167,000	13,167,000	87	24,960,148	16,469,600	96
(b) Former First Lady			6,583,500	6,583,500			7,524,000	
Sub-Total	66,619,008	56,143,056	51,626,444	51,626,444	92	62,795,775	60,711,150	97

Name of the Office	FY 2023/24					FY 2022/23		
	Original Estimates (Kshs.)	Revised Estimates (Kshs.)	Exchequer (Kshs.)	Expenditure (Kshs.)	Budget Performance (%)	Revised Estimates (Kshs.)	Expenditure (Kshs.)	Budget Performance (%)
Total Salaries and Allowances	4,727,019,759	4,034,035,829	3,282,057,697	3,282,057,697	81	3,916,001,011	3,330,911,881	85
Miscellaneous Services								
Employer Contribution to Housing Levy	-	50,000,000	48,248,830	48,248,830	96			
Employer Contribution to N.S.S. F	12,500,000	3,000,000	2,171,480	2,171,480	72			
Total Miscellaneous Services	12,500,000	53,000,000	50,420,310	50,420,310	95	-	-	
Grand Total	4,739,519,759	4,087,035,829	3,332,478,007	3,332,478,007	82	3,916,001,011	3,330,911,881	85

Source: The National Treasury

The 177 per cent absorption by the Director of Public Prosecution is attributed to a budget cut from Kshs.19.62 million in the first Supplementary budget to Kshs.9.62 million in Supplementary Budget II despite having processed gratuity for the former Director of Public Prosecution. A review of Figure 3.6 shows that since FY 2019/20, there has been a noticeable gap between the SAM budget estimates and actual expenditures at the end of the financial year. This gap has been narrowing, particularly in FY 2022/23 and FY 2023/24.

Figure 3.6: Budget Allocation Trend for SAM from FY 2019/20 to FY 2023/24



Source: National Treasury

Figure 3.6 displays the budget allocation for Salaries, Allowances, and Miscellaneous services expenses for FY 2019/20 through FY 2023/24. It compares the budget allocation at the end of the first quarter (Q1) and the end of the fourth quarter (Q4) to represent the revised estimates.

In FY 2019/20, the budget allocation decreased by 2 per cent from Kshs.4.09 billion (Q1) to Kshs.4.00 billion (Q4), while allocation remained constant at Kshs.4.17 billion in FY 2020/21. In FY 2021/22, there was a 4 per cent increase in the allocation from Kshs.4.40 billion (Q1) to Kshs.4.56 billion (Q4). However, in FY 2022/23, there was a notable decrease of 15 per cent decrease in the allocation from Kshs.4.60 billion (Q1) to Kshs.3.93 billion (Q4). In FY 2023/24, the budget allocation dropped by 14 per cent from Kshs.4.74 billion (Q1) to Kshs.4.09 billion (Q4). Overall, there

have been fluctuations in budget allocations over the years between Q1 and Q4.

Table 3.7 analyses the expenditure and budget utilisation patterns spanning from FY 2019/20 to FY 2023/24.

Table 3.7: SAM Budget Absorption Rate from FY 2019/20 to FY 2023/24

Financial Year	Budget (Kshs. Billion)	Expenditure (Kshs. Billion)	Budget Absorption Rate (%)
2019/2020	4.00	2.65	66
2020/2021	4.17	2.59	62
2021/2022	4.56	3.17	70
2022/2023	3.93	3.33	85
2023/2024	4.09	3.33	81

Source: National Treasury

The Controller of Budget has observed that while the budget has fluctuated year to year, expenditures have shown an increasing trend except in FY 2020/21. The average absorption rate of 75 per cent indicates that the SAM budget allocations may not have been fully financed.

3.3.4 Guaranteed Debt

As of 30 June 2024, the guaranteed debt stock stood at Kshs.92.8 billion, compared to Kshs.170.23 billion as of 30 June 2023. The decrease is attributed to the conclusion of Kenya Airways' novation process, which resulted in the government of Kenya assuming the Kenya Airways Guarantee (Tsavo). The debt is considered part of the public debt under the national government. In addition, a loan for rehabilitating and upgrading the Geothermal Plant Olkaria matured during the review period. Table 3.8 shows a list of guaranteed loans as of 30th June 2024.

Table 3.8: List of Guaranteed Loans as of 30th June 2024

Agency	Year	Classification		Loans portfolio as of 30th June 2023 (Kshs. Mn)	FY 2023/24		Loans portfolio as of 30th June 2024 (Kshs. Mn)	Composition (%) of Loan Portfolio
		Purpose of the loan	Creditor		Loan Disbursements (Kshs. Mn)	Loans paid (Principal amount) (Kshs. Mn)		
Kenya Airways	2017	Kenya Airways Guarantee (Tsavo)	EXIM Bank USA	56,610.82	-	14,321.37	-	-
	2017	Kenya Airways Guarantee (for Local Banks)	MTC Trust & Corporate Service Limited (Security Agent for Local Banks)	31,613.05	-	-	29,139.21	31
Kenya Electricity Generating Company	1995	Mombasa Diesel Generating Power Plant	Government of Japan	825.20	-	-	343.46	-
	1997	Sondo Miriu Hydro-power Project	Government of Japan	1,148.28	-	-	682.77	1
	2004	Sondo Miriu Hydro-power II	Government of Japan	7,049.34	-	-	5,588.73	6
	2007	Sondo - Miriu Hydro-power Project Sangoro Power Plant	Government of Japan	3,296.13	-	-	2,629.51	3
	2010	Olkaria 1 Unit 4 and 5 Geothermal Power Project	Government of Japan	14,938.45	-	-	11,272.67	12
	2010	Rehabilitation and Expansion of the Hydropower Plant Kindaruma	Government of Federal Republic of Germany - GiZ	598.16	-	-	-	-
	2011	Rehabilitation and Upgrade of the Geothermal Plant Olkaria	Government of Federal Republic of Germany - GiZ	1,916.42	-	-	1,377.15	1
2021	DSSI Japan for Ken-Gen Loans Phase 1	Government of Japan	1,272.20	-	-	76.86	-	

Classification				Loans portfolio as of 30th June 2023 (Kshs. Mn)	FY 2023/24		Loans portfolio as of 30th June 2024 (Kshs. Mn)	Composition (%) of Loan Portfolio
Agency	Year	Purpose of the loan	Creditor		Loan Disbursements (Kshs. Mn)	Loans paid (Principal amount) (Kshs. Mn)		
Kenya Ports Authority	2007	Mombasa Port Development Programme	Government of Japan	20,174.54	-	-	16,097.19	17
	2015	Kenya Port Development Project - Phase II	Government of Japan	30,040.24	-	-	25,006.75	27
	2021	DSSI Japan - Kenya Ports Authority (KE-P25)	Government of Japan	351.14	-	-	271.15	-
	2021	DSSI Japan - Kenya Ports Authority (KE-P25) - Phase II	Government of Japan	394.98	-	-	309.84	-
Total				170,228.96	0.00	14,321.37	92,795.31	

Source: National Treasury

In FY 2023/24, the allocation towards payment for guaranteed debt was Kshs.17.19 billion, revised to Kshs.18.92 billion in Supplementary Estimates I and Kshs.17.44 billion in Supplementary Estimates II. The total amount paid on guaranteed loans during FY 2023/24 amounted to Kshs.17.44 billion, which was payment for Kenya Airways Guarantee, with Kshs.14.32 billion being loan redemption and Kshs.3.11 billion being interest payment.

3.3.5 Pensions and Gratuities

The allocation to Pensions and Gratuities for the FY 2023/24 amounted to Kshs.189.09 billion, revised to Kshs.187.09 billion in Supplementary II, an 8.6 per cent increase from the previous financial year's allocation of Kshs.172.64 billion. This allocation is in four categories: Ordinary Pensions of Kshs.85.75 billion, Commuted Pensions and Gratuities of Kshs.68.56 billion, Other Pension Schemes of Kshs.134.10 million, and the Public Service Superannuation Scheme (PSSS) at Kshs.33.05 billion.

The Pensions and Gratuities Budget increase for FY 2023/24 was attributed to a 29 per cent increase in the ordinary pensions from Kshs.66.65 billion in FY 2022/23 to Kshs.85.75 billion in FY 2023/24. Also, the allocation towards PSSS increased by 4 per cent from Kshs.31.9 billion in FY 2022/23 to Kshs.33.05 billion in FY 2023/24.

Total payments towards Pensions and Gratuities in FY 2023/24 amounted to Kshs.148.95 billion, representing 79 per cent of the gross estimates, compared to Kshs.136.36 billion (79 per cent) recorded in FY 2022/23. Table 3.9 shows the performance for various pension categories in the FY 2023/24.

Table 3.9: Pension and Gratuities Budget Performance

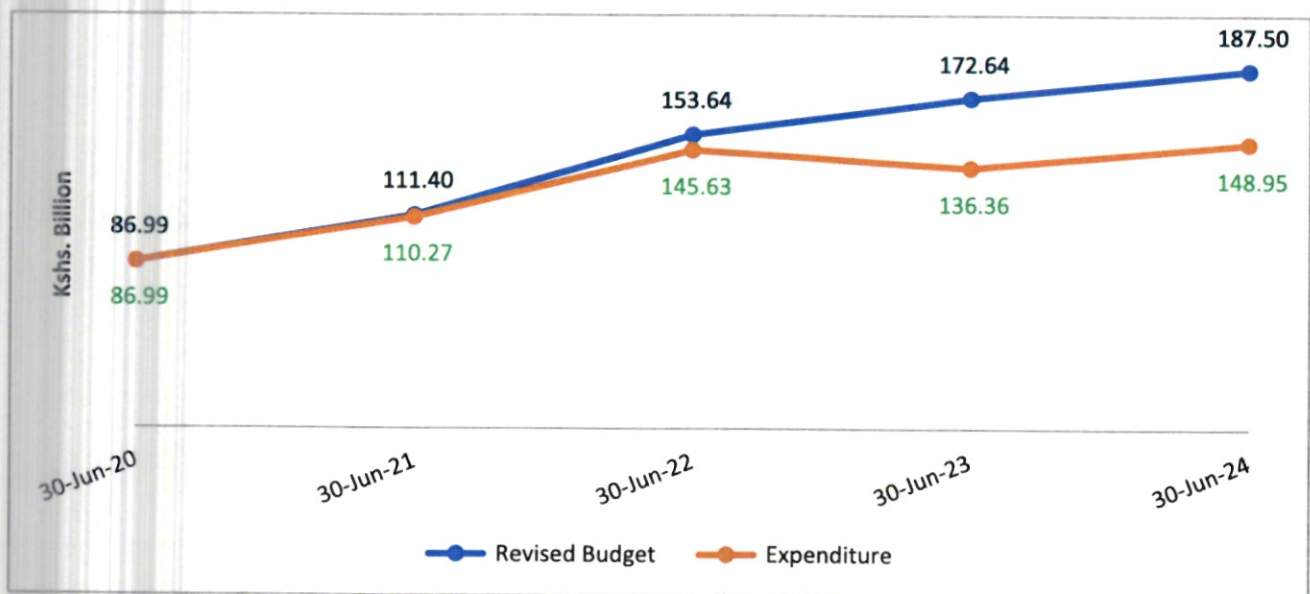
Classification of Pensions & Gratuities	FY 2023/24				FY 2022/23			
	Revised Estimates (Kshs. Mn)	Exchequer (Kshs. Mn)	Expenditure (Kshs. Mn)	Budget Performance %	Revised Net Estimates (Kshs. Mn)	Exchequer (Kshs. Mn)	Expenditure (Kshs. Mn)	Budget Performance %
Ordinary Pension	85,753.58	73,690.17	73,690.17	86	66,654.25	65,508.01	65,508.01	98
Commuted Pension	68,557.27	43,650.37	43,650.37	64	73,847.95	41,278.00	41,278.00	56
Other Pension Schemes	134.1				242.1			

Public Service Superannuation Scheme	33,054.83	31,608.04	31,608.04	96	31,895.25	29,572.71	29,572.71	93
Total	187,499.78	148,948.58	148,948.58	79	172,639.55	136,358.72	136,358.72	79

Source: National Treasury

Notably, the budget implementation of Pensions and Gratuities has been impacted by exchequer underfunding of Kshs.23.27 billion as evidenced by the processed Pensions and Gratuities of Kshs.172.22 billion vis-a-vis the Kshs.148.95 billion exchequer receipts. Further, the processing of Pensions and Gratuities was also negatively influenced by downtime of the Pension Information System. Figure 3.7 shows the Pensions and gratuities performance trend from 30th June 2020 to 30th June 2024.

Figure 3.7: Trend in Pensions and Gratuities Performance Trend



Source: National Treasury

The Controller of Budget recommends timely exchequer release for the Pensions and Gratuities in FY 2024/25.

3.4. Ministries, Departments, and Agencies Expenditure by Economic Classification

3.4.1 Introduction

This section presents MDAs' expenditure breakdown by economic items for development and recurrent activities in FY 2023/24. They are further disaggregated into specific budget economic items per the Standard Chart of Accounts. Development expenditure major budget items include Capital Transfers to SAGAs, Civil Works and Construction of Residential and Non-Residential Buildings, Refurbishment of Buildings/infrastructure, Purchase of Specialised Plant, Equipment, and Machinery and Pre-Feasibility studies.

Recurrent expenditure major economic items are Compensation to Employees and the use of Goods and Services, Current Transfer to SAGAs in Grants, Emergency Relief and Subsidies. Others included Social security Benefits and the Acquisition of Fixed and Non-fixed Assets. Some economic items under the use of Goods and Services include Travelling, Printing and Advertising, Rentals and Rates for Non-Residential Buildings, Training, Hospitality, Maintenance Expenses for Motor vehicles and Other assets.

3.4.2 Ministries, Departments, and Agencies Economic Items Analysis

Ministerial allocation in FY 2023/24 amounts to Kshs.2.37 trillion, revised to Kshs.2.46 trillion in Supplementary Budget I and Kshs.2.44 trillion in Supplementary Budget II. The gross Ministerial allocation comprised Kshs.708.85 billion for development activities and Kshs.1.73 trillion for recurrent programmes. Actual expenditure was Kshs.2.13 trillion (absorption rate of 87 per cent), consisting of Kshs.516.43 billion for development activities, representing 73 per cent, and Kshs.1.62 trillion for recurrent activities, representing 93 per cent. Annex VIII, referenced on page 174, gives a breakdown of MDAs' recurrent performance by economic classification expenditure.

3.4.3 Ministries, Departments, and Agencies Development Expenditure

In FY 2023/24, gross allocations towards ministerial development activities amounted to Kshs.807.64 billion, revised to Kshs.783.22 billion in Supplementary Budget I, and Kshs.708.85 billion in Supplementary Budget II, compared to Kshs.584.29 billion allocated in FY 2022/23. Gross ministerial development expenditure in FY 2023/24 amounted to Kshs.516.43 billion, recording an absorption rate of 73 per cent, compared to 81 per cent (Kshs.473.55 billion), recorded in FY 2022/23. Table 3.10 shows the ministerial development expenditure breakdown analysis in FY 2023/24.

Table 3.10: Breakdown of Recurrent Expenditure by MDAs (Kshs. Million)

MINISTRY/STATE DEPARTMENT	Capital Transfers	Construction of Non-residential Building	Refurbishment of Buildings/ Infrastructure	Construction of Residential (Including Hostels.)	Construction and Civil Works	Purchase of Specialised Plant, Equipment and Machinery	Pre-Feasibility and Appraisal Studies	Other Expenses	Gross Expenditure	(A-I-A)	Net Expenditure
The Executive Office of the President	-	59.30	50.00	-	211.00	334.83	20.56	-	675.69	-	675.69
Office of the Deputy President	-	-	365.92	-	-	32.88	-	-	398.80	-	398.80
State House	-	616.79	583.54	-	40.00	61.95	-	-	1,302.27	-	1,302.27
State Department for Correctional Services	-	306.13	37.08	-	240.03	51.84	-	-	635.08	-	635.08
State Department for Immigration and Citizen Services	-	14.98	-	59.82	-	194.26	4,388.80	-	4,657.86	750.00	3,907.86
National Police Service	-	841.63	80.36	-	11.38	849.19	-	504.52	2,287.08	-	2,287.08
State Department for Internal Security and National Administration	-	-	24.22	-	-	6,500.00	0.53	-	6,524.75	-	6,524.75
State Department for Devolution	-	-	-	-	-	-	-	74.56	74.56	-	74.56
State Department for the ASALs and Regional Development	5,095.65	-	-	-	-	-	-	128.20	5,223.85	-	5,223.85
Ministry of Defence	2,275.97	-	-	-	-	-	-	-	2,275.97	-	2,275.97
State Department for Foreign Affairs	-	-	294.32	626.68	-	100.00	-	150.00	1,171.00	-	1,171.00
State Department for Vocational and Technical Training	5,567.55	116.88	-	-	-	38.56	17.04	495.19	6,235.22	1,843.29	4,391.93
State Department for Higher Education and Research	2,652.00	-	-	-	-	-	-	-	2,652.00	-	2,652.00
State Department for Basic Education	15,561.63	-	-	-	-	-	-	-	15,561.63	-	15,561.63

MINISTRY/STATE DEPARTMENT	Capital Transfers	Construction of Non-residential Building	Refurbishment of Buildings/ Infrastructure	Construction of Residential (Including Hostels.)	Construction and Civil Works	Purchase of Specialised Equipment and Machinery	Pre-Feasibility and Appraisal Studies	Other Expenses	Gross Expenditure	(A-I-A)	Net Expenditure
The National Treasury	5,732.25	15.00	195.06	-	-	420.84	5,351.25	20,307.52	32,021.92	3,583.49	28,438.43
State Department for Economic Planning	45,751.51	-	-	-	-	-	93.09	-	45,844.60	13.73	45,830.87
State Department for Medical Services	27,010.10	1,387.33	-	-	-	5,782.52	400.00	4,227.55	38,807.51	421.51	38,386.00
State Department for Public Health and Professional Standards	5,189.39	15.47	-	-	-	-	-	-	5,204.86	-	5,204.86
State Department for Roads	57,789.12	4.97	425.57	90.00	17,804.33	222.94	541.75	1,746.05	78,624.72	41,389.12	37,235.59
State Department of Transport	40,001.49	60.00	-	-	-	16.42	-	434.14	40,512.05	38,352.44	2,159.61
State Department for Shipping and Maritime Affairs	-	-	-	-	-	-	18.10	524.28	542.38	304.00	238.38
State Department for Housing and Urban Development	5,274.60	-	1,012.45	-	16,653.46	7.15	288.43	2,050.72	25,286.79	15,962.25	9,324.54
State Department for Public Works	-	142.60	17.59	14.00	104.57	10.00	-	108.28	397.04	-	397.04
State Department for Irrigation	17,107.70	-	-	-	943.77	-	196.41	-	18,247.89	6,313.51	11,934.37
State Department of Water and Sanitation	36,474.54	-	-	-	-	-	70.00	-	36,544.54	13,364.14	23,180.40
State Department for Lands and Physical Planning	2,907.00	108.57	92.23	-	-	49.58	344.69	1,142.67	4,644.74	618.62	4,026.12
State Department for Information Communications and Technology & Digital Economy	11,327.10	-	-	-	-	277.91	-	1,002.85	12,607.86	9,444.54	3,163.33

MINISTRY/STATE DEPARTMENT	Capital Transfers	Construction of Non-residential Building	Refurbishment of Buildings/ Infrastructure	Construction of Residential (Including Hostels.)	Construction and Civil Works	Purchase of Specialised Plant, Equipment and Machinery	Pre-Feasibility and Appraisal Studies	Other Expenses	Gross Expenditure	(A-I-A)	Net Expenditure
State Department for Broadcasting & Telecommunications	426.00	-	-	-	-	-	-	62.46	488.46	-	488.46
State Department for Sports	14,429.96	-	-	-	52.00	26.75	-	-	14,508.71	14,429.96	78.75
State Department for Culture and Heritage	99.70	34.30	13.15	-	-	-	-	-	147.15	-	147.15
State Department for Youth Affairs and the Arts	70.89	-	-	-	-	26.16	13.25	620.62	730.92	160.84	570.08
State Department for Energy	9,167.94	-	15,897.33	-	119.42	-	388.95	618.70	26,192.34	2,659.56	23,532.78
State Department for Livestock Development	3,297.97	12.00	20.89	-	554.29	73.21	13.11	901.14	4,872.62	2.20	4,870.42
State Department for the Blue Economy and Fisheries	5,431.64	5.73	-	-	156.06	83.71	1,603.73	40.58	7,321.45	636.07	6,685.38
State Department for Crop Development	28,248.29	179.83	61.68	-	670.20	2,289.14	1,295.63	6,130.34	38,875.12	1,076.49	37,798.62
State Department for Cooperatives	2,000.00	21.69	-	-	-	-	5.88	55.37	2,082.94	-	2,082.94
State Department for Trade	50.00	-	-	-	-	-	-	-	50.00	-	50.00
State Department for Industry	5,059.85	-	-	-	14.06	-	635.63	32.68	5,742.22	-	5,742.22
State Department for Micro, Small and Medium Enterprises Development	5,924.19	-	-	-	-	-	-	-	5,924.19	-	5,924.19
State Department for Investment Promotion	1,256.50	-	-	-	-	-	-	-	1,256.50	-	1,256.50

MINISTRY/STATE DEPARTMENT	Capital Transfers	Construction of Non-residential Building	Refurbishment of Buildings/ Infrastructure	Construction of Residential (Including Hostels.)	Construction and Civil Works	Purchase of Specialised Plant, Equipment and Machinery	Pre-Feasibility and Appraisal Studies	Other Expenses	Gross Expenditure	(A-I-A)	Net Expenditure
State Department for Labour and Skills Development	316.12	153.47	-	-	6.66	5.85	-	141.36	623.47	-	623.47
State Department for Social Protection and Senior Citizen Affairs	661.36	-	-	-	14.91	14.58	-	1,703.03	2,393.88	245.00	2,148.88
State Department for Mining	-	-	12.52	-	-	521.25	0.74	-	534.52	-	534.52
State Department for Petroleum	430.00	-	-	-	0.49	471.59	799.91	512.38	2,214.37	-	2,214.37
State Department for Tourism	50.00	16.76	-	-	-	-	-	20.03	86.79	20.03	66.76
State Department for Wildlife	359.25	-	8.00	-	112.80	-	167.80	-	647.84	65.94	581.91
State Department for Gender and Affirmative Action	3,310.73	-	-	-	-	-	232.91	-	3,543.63	118.35	3,425.28
State Department for Public Service	268.00	51.99	1.27	-	99.17	296.62	14.25	268.66	999.97	250.64	749.33
The State Law Office	32.00	7.63	64.89	-	-	-	-	67.66	172.18	-	172.18
The Judiciary Fund	-	284.66	17.85	9.15	-	499.12	219.59	43.15	1,073.51	-	1,073.51
Ethics and Anti-Corruption Commission	-	-	59.57	-	-	-	-	-	59.57	-	59.57
Office of the Director of Public Prosecutions	-	34.69	-	-	-	-	-	19.67	54.36	-	54.36
State Department for Environment and Climate Change	989.02	-	-	-	76.95	260.96	-	460.67	1,787.61	-	1,787.61
State Department for Forestry	2,951.13	-	-	-	-	-	-	-	2,951.13	-	2,951.13
National Land Commission	-	-	-	-	-	103.52	-	165.00	268.52	-	268.52

MINISTRY/STATE DEPARTMENT	Capital Transfers	Construction of Non-residential Building	Refurbishment of Buildings/ Infrastructure	Construction of Residential (Including Hostels.)	Construction and Civil Works	Purchase of Specialised Plant, Equipment and Machinery	Pre-Feasibility and Appraisal Studies	Other Expenses	Gross Expenditure	(A-I-A)	Net Expenditure
Independent Electoral and Boundaries Commission	71.68	-	-	-	-	-	-	-	71.68	-	71.68
Parliamentary Joint Services	-	650.42	87.13	-	-	579.13	145.00	0.00	1,461.69	-	1,461.69
Public Service Commission	-	42.71	-	-	-	-	-	-	42.71	-	42.71
Teachers Service Commission	-	59.28	-	-	-	-	-	611.12	670.40	43.00	627.40
Auditor General	-	32.31	-	-	-	-	4.94	4.94	42.19	-	42.19
National Gender and Equality Commission	-	-	-	-	-	-	-	-	-	-	-
Total	370,619.83	5,277.09	19,422.60	799.65	37,885.56	20,202.49	17,271.95	45,376.11	516,855.27	152,068.72	364,786.55

Source: MDAs

An Analysis of MDAs' development expenditure by economic classifications shows that the highest expenditure by category was on Capital Transfers by MDAs at Kshs.370.91 billion, representing 72 per cent of the gross development expenditure. Capital Transfers by the MDAs may be in the form of subsidies, grants, or direct transfers to Semi-Autonomous Government Agencies (SAGAs), which are meant to complement activities and mandates executed on behalf of parent ministries. A summary of the Capital Transfers is annexed to this report (see Annex II referenced on page 139).

Other budget items with significant expenses included Construction and Civil Works at Kshs.37.89 billion and the Purchase of Specialised Plant, Equipment and Machinery at Kshs.20.20 billion, representing 7 per cent and 4 per cent, respectively.

Further analysis shows that the State Department for Roads had the highest Capital Transfers at Kshs.57.79 billion, representing 16 per cent of the total Capital Transfers, followed by the State Department for Economic Planning at Kshs.45.75 billion and the State Department for Transport at Kshs.40.00 billion, which represented 12 per cent and 11 per cent of the total capital transfers respectively.

Analysis of Other Expenses by economic classification, recorded Kshs.45.09 billion, representing 9 per cent of the gross development expenditure. MDAs recording the highest amount under other expenses include:

- **National Treasury** - Kshs.20.31 billion comprises Kshs.11.74 billion for Other Transfers and Emergency Relief, Kshs.3.78 billion for Specialised Materials and Supplies, Kshs.1.42 billion for Contracted Technical Services, Kshs.544.40 million for Professional Contracted Services and Kshs.1.98 billion for Other Operating Expenses.

State Department for Housing and Urban Development -Kshs.2.05 billion comprises Kshs.1.8 billion for Other Operating, Expenses, Kshs.156.72 million for Domestic Travel and other transportation costs, Kshs.42.26 million for Printing, Advertising and Information Supplies and Services, Kshs.19.20 million on Hospitality Supplies and Services, Kshs.14,21 million for office and general supplies and services, and Kshs.10.94 million for fuel, oil and lubricants.

- **The State Department for Roads** -Kshs.1.75 billion for Use of Goods and Services.

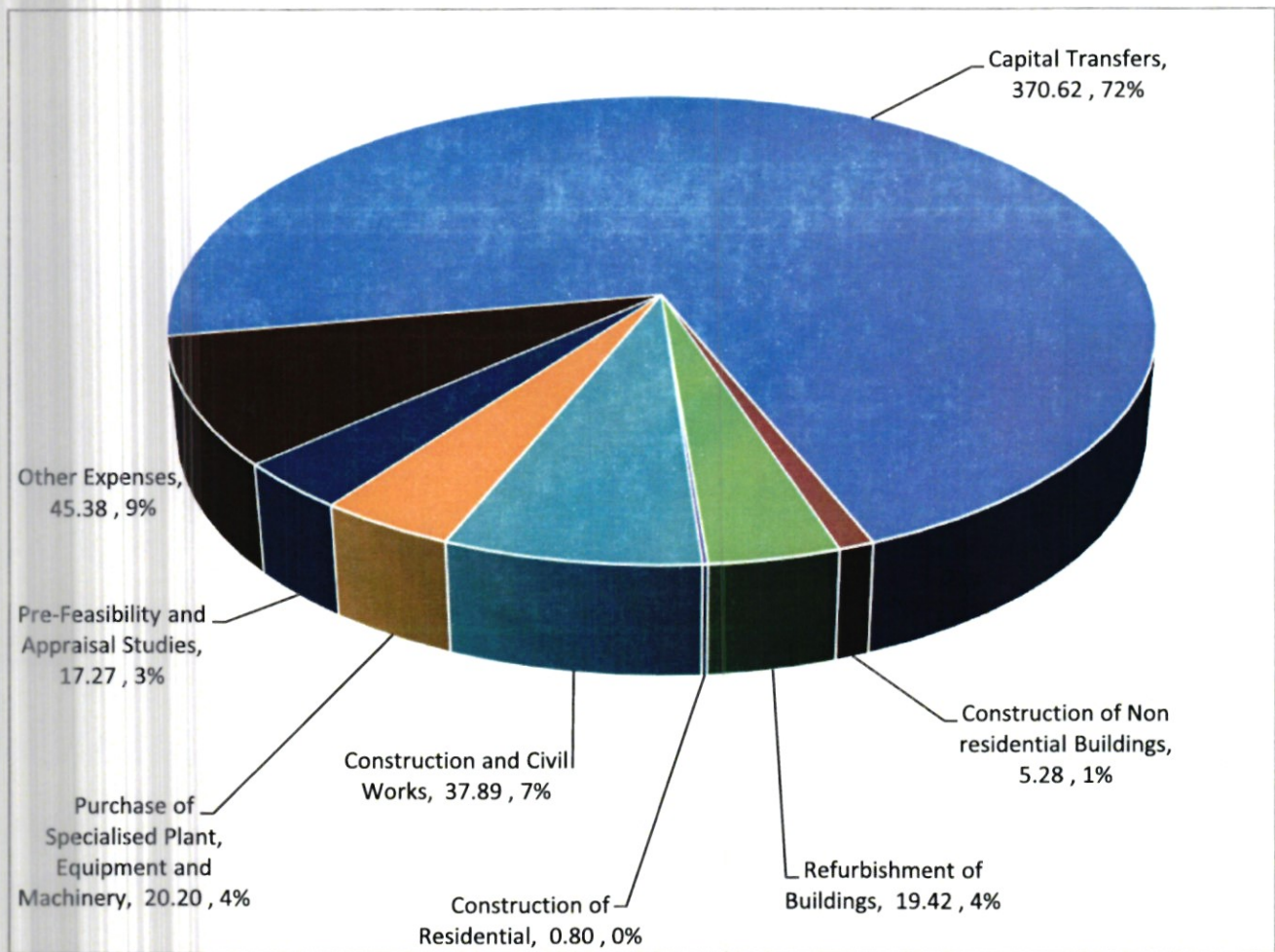
- **State Department for Social Protection and Senior Citizen Affairs** -Kshs.1.70 billion comprises Kshs.1.67 billion for Use of Goods and Services, Kshs.31.97 million for Compensation for Employees.

- **State Department for Lands and Physical Planning**-Kshs.1.14 billion comprises Kshs.523.12 million for Specialised Materials and supplies, Kshs.349.74 million for Legal dues, and Kshs.214.15 million for contracted technical services

State Department for Information Communications and Technology and Digital Economy Kshs.1 billion comprises Kshs.541.12 million for Contracted professional services, Kshs.242.06 million for acquisition of financial assets, Kshs.142.10 million for Monitoring and Evaluation, Kshs.47.17 million for Routine Maintenance and other assets, and Kshs30.40 million for purchasing computers, printers, and other IT equipment.

Figure 3.8 shows the composition of MDAs' development expenditure in the FY 2023/24.

Figure 3.8: Breakdown Summary of MDAs' Development Expenditure (Kshs. Billion)



Source: MDAs and National Treasury

3.4.4 Ministries, Departments, and Agencies Recurrent Expenditure

In FY 2023/24, gross allocation to ministerial recurrent expenditure amounted to Kshs.1.56 trillion, revised to Kshs.1.68 trillion in Supplementary Budget I, and to Kshs.1.73 trillion in Supplementary Budget II compared to Kshs.1.51 trillion allocated in FY 2022/23. Gross recurrent expenditure by MDAs in the FY 2023/24 was Kshs.1.62 trillion, representing 93 per cent of the revised gross recurrent budget, compared to Kshs.1.40 billion (93 per cent) recorded in FY 2022/23.

A breakdown of expenses by economic items for ministerial recurrent expenditure in the FY 2023/24 is presented in Table 3.11.

Table 3.11: Breakdown of Recurrent Expenditure by MDAs (Kshs. Million)

Ministries/ Departments/ Agencies	Compen- sation to Employees	Use of Goods and Services												Subsidies		Social Security Benefits (Kshs. Billion)	Grants and Other Transfers			Acqui- sition of Financial Assets	Acquisition of Non-Financial Assets			Gross Ex- penditure	(A-I-A)	Net Expen- diture				
		Utilities, Supplies and Services	Com- muni- cation, Supplies and Services	Domestic Travel	Foreign Travel	Printing and Adverti- sing	Rentals and Rates Non-Resi- dential	Training	Hopi- tality	Spe- cialised Materi- als and Supplies	Main- tenance Ex- penses- Motor Vehicles	Main- tenance Ex- penses- Other Assets	Insurance Cost	Office and General Supplies and Services	Fuel Oil and Lubri- cants		Other Expenses	Subsi- dies to Public Corpor- ations	Subsi- dies to Private enter- prise		Grants and Other Trans- fers to Internal Organi- sations	Grants and Other Trans- fers to Others Govern- ment Units)	Other Transfers and Others to Others Emergen- cy Relief				Refur- bish- ment of Build- ings	Pur- chase of Vehicles and Other Trans- port Equip- ment	Pur- chase of Office Furni- ture and General Equip- ment	Pur- chase of Specialised Plant, Equipment and Ma- chinery
The Executive Office of the President	1,516.64	23.00	13.94	65.88	36.65	6.52	187.76	19.20	305.12	103.44	19.50	31.47	1.02	24.01	28.40	1,499.30	-	-	-	-	-	-	9.94	103.95	21.68	46.14	181.71	4,120.29	12.21	4,108.08
Office of the Dep- uty President	758.54	32.09	42.01	441.73	114.92	11.45	52.19	222.49	746.02	24.41	114.64	48.33	-	53.67	138.51	1,048.97	-	-	-	-	-	-	9.59	139.65	51.34	192.79	393.37	4,274.05	-	4,274.05
Office of the Prime Cabinet Secretary	382.47	-	14.89	110.15	44.33	5.69	111.54	19.37	62.56	3.73	22.38	2.97	1.12	28.98	36.68	230.53	-	-	-	-	-	-	170.00	50.00	10.21	23.13	253.34	1,367.61	-	1,367.61
State Department for Parliamentary Affairs	98.87	-	9.36	78.31	15.99	8.25	-	27.03	28.82	1.67	5.60	3.55	-	15.75	7.30	59.76	-	-	-	-	-	-	-	-	-	-	360.26	-	360.26	
State Department for Performance and Delivery Management	143.64	17.41	5.95	41.36	10.80	4.27	-	9.46	30.89	2.35	2.29	1.21	-	12.77	8.17	0.00	-	-	-	-	-	-	6.66	24.13	-	30.79	321.38	-	321.38	
State Department for Cabinet Affairs	32.88	-	2.66	55.54	3.30	1.05	-	21.50	18.66	-	1.80	0.49	-	3.95	7.05	122.05	-	-	-	-	-	-	29.00	52.22	3.25	84.47	355.41	0.00	355.41	
State House	2,741.80	92.85	143.77	1,345.85	298.16	64.38	195.58	34.25	1,168.11	76.61	166.16	104.42	109.49	131.46	407.92	1,972.43	-	-	-	-	-	-	1.81	548.21	219.99	193.15	10,026.20	2.10	10,024.10	
State Department for Correctional Services	34,985.17	90.52	3.25	166.84	1.80	1.08	104.86	9.28	19.14	1,297.21	86.92	1,450.00	20.80	290.07	316.17	-	-	-	-	-	-	-	-	-	115.74	-	29,412.37	-	29,412.37	
State Department for Immigration and Citizen Services	6,249.25	56.67	123.55	538.44	115.80	17.65	504.42	67.16	114.81	568.71	92.39	76.83	76.83	121.70	161.91	557.86	-	-	-	-	-	-	1.36	38.63	97.68	137.68	9,276.28	950.79	8,775.49	
National Police Service	82,861.90	1,211.90	19.80	814.71	1.90	0.25	75.44	88.57	3.37	3,464.48	621.85	26.07	11,138.35	17.81	1,028.67	8,040.23	-	-	-	-	-	-	4.96	29.25	18.09	1,006.02	10,992.22	110,668.51	-	110,668.51
State Department for Internal Secu- rity and National Administration	14,216.33	207.30	6.85	853.96	6.18	0.98	47.39	38.79	551.67	133.79	35.56	72.88	-	8.10	51.81	11,955.06	-	-	-	-	-	-	-	-	62.53	-	30,479.37	26.08	30,453.29	
State Department of Devolution	218.87	-	4.49	67.08	9.85	9.81	110.30	8.84	178.38	1.45	8.94	4.38	1.44	7.18	17.20	255.82	-	-	-	-	-	-	1.12	-	2.78	34.83	2,010.43	23.93	1,986.50	
State Department for the ASALs and Regional Development	253.51	1.73	3.89	50.22	9.64	0.23	101.26	1.88	18.82	0.12	2.50	183.31	-	4.18	6.66	674.38	-	-	-	-	-	-	-	-	18.42	-	19,056.54	-	19,056.54	
Ministry of Devance	1,723.10	-	10.00	90.48	26.87	12.10	-	47.92	63.47	39.73	17.82	6.25	-	41.69	28.64	121.50	-	-	-	-	-	-	1.95	12.70	19.64	3.09	37.36	154,799.51	1,891.36	152,888.15
State Department for Foreign Affairs	11,016.77	486.68	254.63	208.75	3,011.98	30.94	3,011.98	8.43	614.81	45.89	67.04	163.37	113.05	156.38	121.49	1,330.14	-	-	-	-	-	-	11.11	204.18	144.26	16.91	22,055.25	220.64	21,834.62	
State Department for Diaspora Affairs	97.27	2.85	7.16	52.55	484.29	9.36	38.50	11.55	76.27	0.67	4.75	0.13	-	9.43	5.30	69.39	-	-	-	-	-	-	86.40	37.40	41.30	56.35	1,091.12	-	1,091.12	
State Department for Vocational and Technical Training	8,217.89	0.22	4.46	44.77	2.04	4.84	54.13	108.58	13.23	0.31	3.17	3.21	-	8.33	4.97	84.73	-	-	-	-	-	-	-	-	20.47	3.05	25,452.21	4,740.15	20,394.06	
State Department for Higher Education and Research	251.07	10.15	12.18	63.37	10.58	3.56	70.60	11.54	26.55	3.02	9.16	8.12	-	13.57	14.46	36,730.03	-	-	-	-	-	-	-	-	6.89	11.32	148,817.58	57,680.71	91,127.87	

Ministries/ Departments/ Agencies	Use of Goods and Services															Subsidies			Grants and Other Transfers				Acquisition of Non-Financial Assets			Gross Expenditure	(A+I-A)	Net Expenditure			
	Use of Goods and Services															Subsidies			Grants and Other Transfers				Acquisition of Non-Financial Assets								
	Compen- sation to Employees	Utilities, Supplies and Services	Communi- cations, Supplies and Services	Domestic Travel	Foreign Travel	Printing and Advertising	Rentals and Rates- Non-Resi- dential	Training	Hospit- ality	Speci- alised Materi- als and Supplies	Mainte- nance Ex- penses- Motor Vehicles	Mainte- nance Ex- penses- Other Assets	Insurance Cost	Office and General Supplies and Services	Fuel Oil and Lubri- cants	Other Expenses	Subsi- dies to Public Corpora- tions	Subsi- dies to Private enter- prise	Social Security Benefits (Kds. Billion)	Grants and Other Transfers to International Organ- izations	Grants and Other Transfers to Other Govern- ment Units	Other Transfers and Emergen- cy Relief	Acqui- sition of Financial Assets	Refur- bish- ment of Build- ings	Pur- chase of Vehicles and Other Trans- port Equip- ment				Pur- chase of Office Furniture and General Equip- ment	Pur- chase of Specialised Plant, Equipment and Ma- chinery	Acqui- sition of Non-Financial Assets (Sum- mary)
State Department for Basic Education	4,394.7	-	2.89	59.16	1.63	1.93	33.13	2.12	6.47	-	6.87	5.19	79.89	25.27	9,280.37	93,615.41	-	-	17,181.10	-	-	-	-	-	-	-	-	-	134,618.91	-	134,618.91
The National Treasury	3,432.62	148.36	34.28	160.62	60.30	18.54	77.35	92.13	292.16	11.66	21.42	2,102.86	65.27	15.09	13,107.45	-	-	15.55	8,138.77	37,955.93	450.77	-	-	4.26	51.63	88.25	5.56	149.21	65,834.35	8,026.77	57,807.58
State Department of Economic Planning	431.60	1.61	6.40	72.53	4.66	4.04	40.61	165.99	33.44	12.30	10.50	20.61	17.90	-	36.55	-	-	1.11	-	2,925.04	-	-	-	2.63	16.17	366.17	-	384.97	4,163.05	271.00	3,892.05
State Department for Medical Services	8,402.94	99.04	5.61	419.14	7.85	7.79	3.86	561.99	226.81	998.04	11.88	184.02	23.70	57.48	479.37	-	-	51.50	-	32,913.04	71.20	-	-	-	-	-	-	-	44,525.29	-	44,525.29
State Department for Public Health and Professional Standards	6,127.82	5.27	4.61	226.64	2.89	7.46	-	171.90	67.62	64.59	8.43	23.32	19.02	16.21	480.19	-	-	8,359.29	-	-	18.87	-	-	-	-	-	64.28	64.28	15,668.86	2,254.58	13,414.28
State Department for Roads	1,161.19	18.79	1.04	9.53	1.21	0.23	-	0.08	3.86	26.37	1.97	6.88	5.59	1.84	225.60	-	-	68,890.21	-	-	-	-	-	-	0.40	8.80	9.20	70,366.84	68,890.21	1,476.63	
State Department of Transport	184.35	13.22	5.83	45.04	20.15	6.73	4.70	14.40	16.37	19.79	4.46	10.56	15.44	19.87	33.01	-	-	-	-	10,121.97	-	-	7.40	4.36	2.08	13.83	10,349.71	10,352.34	197.37		
State Department for Shipping and Maritime Affairs	116.59	-	4.35	21.67	8.04	7.04	30.19	13.88	10.05	5.09	1.22	6.40	5.33	8.48	29.57	-	-	1.34	-	1,887.65	-	-	-	-	-	51.28	51.28	2,208.18	1,583.05	625.13	
State Department for Housing and Urban Development	919.03	8.74	1.30	22.74	12.02	10.55	200.97	2.74	16.39	4.82	6.82	4.01	9.75	9.76	115.37	-	-	10.92	-	-	-	-	-	-	-	-	-	1,355.84	85.04	1,270.80	
State Department for Public Works	780.73	10.95	1.62	1.62	0.90	0.80	78.96	2.71	6.73	6.40	2.61	23.08	9.85	7.52	78.91	-	-	-	-	2,346.00	-	-	-	-	1.48	-	1.48	3,340.87	950.00	2,390.87	
State Department for Irrigation	210.21	5.97	3.77	17.62	9.11	0.74	-	14.15	8.71	1.20	7.77	1.02	4.23	14.70	2.80	-	-	-	-	1,078.85	-	-	-	5.68	10.65	2.78	19.11	1,399.98	265.85	1,134.13	
State Department of Water and Sanitation	535.27	5.71	0.73	10.95	2.81	0.85	-	1.19	2.85	1.77	3.07	1.54	1.26	1.92	39.02	-	-	4,208.40	-	-	-	-	-	-	-	3.16	3.16	4,820.51	2,017.42	2,803.09	
State Department for Lands and Physical Planning	2,780.86	69.02	9.47	154.01	-	3.99	292.47	20.58	123.95	124.57	16.99	4.87	26.24	78.14	65.06	-	-	6.00	-	-	-	-	-	9.83	-	-	9.83	3,766.04	423.51	3,342.53	
State Department for Information Communications Technology and Digital Economy	261.26	0.07	4.13	27.26	3.18	1.36	114.08	7.25	11.71	0.32	5.39	1.18	1.72	6.56	22.41	-	-	0.59	2,961.41	-	-	-	-	-	2.54	-	2.54	3,438.83	947.45	2,491.37	
State Department for Broadcasting and Telecommunications	448.10	1.99	10.45	66.33	4.09	726.47	31.74	1.84	30.94	2.78	5.74	5.77	2.17	15.25	37.44	-	-	2.79	-	3,516.95	-	-	-	33.69	1.17	0.58	35.45	4,946.28	707.99	4,238.29	
State Department for Sports	175.55	-	4.21	15.61	5.92	2.98	50.53	3.23	9.31	5.05	5.06	2.30	4.73	6.98	5.85	-	-	1.57	983.30	-	-	-	-	-	0.12	0.08	0.19	1,282.39	-	1,282.39	
State Department for Culture and Heritage	200.83	2.60	4.69	52.91	11.44	15.31	42.57	20.42	45.64	30.22	4.40	1.78	3.20	11.34	0.00	-	-	3.16	1,716.11	-	-	-	-	-	5.46	-	5.46	2,192.73	-	2,192.73	
State Department for Youth Affairs and the Arts	755.34	9.49	6.63	52.86	8.48	7.45	101.63	12.65	28.37	34.39	5.59	5.23	13.47	7.10	27.56	-	-	1.13	-	1,913.76	-	-	0.06	0.13	2.60	5.40	8.19	2,986.33	151.94	2,834.39	
State Department for Energy	322.15	11.83	12.04	37.11	4.98	1.12	-	8.44	30.49	3.68	5.48	5.66	11.39	20.34	37.58	-	-	3.64	-	5,457.58	-	-	-	9.24	8.93	2.62	27.68	5,994.31	5,121.48	872.83	

Ministries/ Departments/ Agencies	Compensation to Employees	Use of Goods and Services												Subsidies		Grants and Other Transfers			Acquisition of Non-Financial Assets				Gross Expenditure	(A+A)	Net Expenditure							
		Utilities, Supplies and Services	Communication, Supplies and Services	Domestic Travel	Foreign Travel	Printing and Advertising	Rentals and Non-Residential	Training	Hospitality	Specialised Materials and Supplies	Maintenance Expenses-Motor Vehicles	Maintenance Expenses-Other Assets	Insurance Cost	Office and General Supplies and Services	Fuel Oil and Lubricants	Other Expenses	Subsidies to Public Corporations	Subsidies to Private enterprise	Social Security Benefits (Kshs. Billion)	Grants and Other Transfers	Grants and Other Transfers to International Organizations	Current Transfers (Grants and Others) to Other Government Departments (Units)				Other Transfers and Emergency Relief	Acquisition of Financial Assets	Reimbursement of Buildings	Purchase of Vehicles and Other Transport Equipment	Purchase of Office Furniture and General Equipment	Purchase of Specialised Plant, Equipment and Machinery	Acquisition of Non-Financial Assets (Summary)
State Department for Livestock Development	1434.82	40.91	4.47	91.31	14.34	6.64	84.14	17.60	34.24	286.18	17.44	2.13	0.12	17.83	15.99	116.20	-	-	-	-	3,066.35	-	-	-	5.95	10.10	4.92	235.67	254.64	5,495.32	2,446.89	3,048.43
State Department for the Blue Economy and Fisheries	239.10	0.50	0.34	9.11	2.33	0.57	25.84	5.98	3.31	7.07	3.72	0.29	3.10	5.26	41.65	-	-	3.15	-	-	-	-	-	-	24.15	-	1.51	0.23	25.89	2,751.48	65.24	2,686.25
State Department for Crop Development	726.06	11.83	6.35	15.41	-	1.01	36.18	6.78	6.32	62.08	1.57	10.95	-	5.86	1.81	32.12	-	434.03	1.27	-	-	-	-	-	-	-	-	1.17	19,574.79	7,384.76	11,990.02	
State Department for Cooperatives	253.35	-	4.97	61.88	7.02	47.72	75.17	35.10	39.75	4.25	2.98	1.46	-	8.80	14.67	94.64	-	-	-	-	1,079.48	-	-	-	-	15.65	-	-	1,738.87	1,016.33	722.55	
State Department for Trade	587.63	8.05	9.17	62.44	38.09	13.01	197.44	17.68	30.65	14.12	4.56	4.35	5.57	8.78	15.45	143.57	-	-	0.21	-	1,916.51	-	22.87	-	54.51	3.91	4.70	3,183.26	1,355.68	1,827.58		
State Department for Industry	429.18	0.20	5.06	45.23	25.78	4.15	85.40	4.18	27.50	44.40	10.69	1.19	-	10.53	20.96	69.74	-	-	2.21	-	2,211.65	-	-	-	-	-	73.56	3,071.58	589.70	2,481.89		
State Department for Micro, Small and Medium Enterprises Development	81.45	4.49	3.86	39.99	12.57	2.85	12.00	17.57	34.71	-	1.16	1.33	-	8.05	6.16	10.34	-	-	-	-	1,361.67	-	-	-	34.48	2.86	2.85	1,628.39	-	1,628.39		
State Department for Investment Promotion	69.50	4.95	-	61.70	43.57	5.32	34.56	7.70	12.82	0.42	4.10	1.49	-	8.51	6.62	25.56	-	-	-	-	996.98	-	-	25.83	27.01	14.17	2,116	1,361.99	490.70	871.29		
State Department for Labour and Skills Development	926.94	19.74	19.40	141.61	107.52	4.78	274.22	20.21	95.29	4.46	9.72	3.99	0.83	18.98	23.63	21.21	-	-	-	-	2,157.60	-	5.54	-	-	-	17.50	3,873.17	2,585.30	1,287.87		
State Department for Social Protection and Senior Citizen Affairs	1,939.53	2.64	25.19	357.43	3.68	41.30	32.92	10.05	53.49	7.91	12.67	2.57	-	17.80	23.08	810.97	-	-	-	-	1,547.82	177.72	-	0.69	-	3.14	0.60	32,072.91	41.77	32,031.14		
State Department for Mining	383.35	8.89	14.48	332.63	12.07	2.78	5.00	34.39	28.47	14.58	34.17	9.56	-	49.95	63.52	95.83	-	-	-	-	336.00	-	-	-	234.24	7.99	23,223	1,647.90	-	1,647.90		
State Department for Petroleum	211.24	2.11	1.57	13.74	2.27	0.62	50.50	0.99	4.56	0.91	2.26	0.62	-	1.73	3.72	6.24	47,263.76	-	-	-	-	-	-	47.05	7.61	3.77	58.43	47,625.26	-	47,625.26		
State Department for Tourism	190.86	3.91	1.12	27.95	19.77	2.57	50.50	34.27	45.10	35.48	3.21	0.75	-	3.32	6.39	54.44	-	-	-	-	602.63	-	-	-	79.96	1.16	86.31	1,148.56	157.23	991.33		
State Department for Wildlife	115.76	-	1.16	21.33	7.04	0.13	57.29	3.12	4.68	0.72	1.60	0.08	787.00	1.70	2.99	11,288.7	-	-	-	-	9,989.83	-	-	-	0.11	4.35	20.93	12,158.71	7,563.83	4,594.87		
State Department for Gender and Affirmative Action	287.31	-	3.17	62.59	12.72	5.12	41.26	21.87	54.22	0.66	2.60	1.56	-	863.86	4.86	34.48	-	-	1.98	-	683.75	-	-	-	-	26.77	8.94	2,117.90	101.65	2,016.25		
State Department for Public Service	6,974.49	30.74	154.08	173.12	9.69	12.84	305.67	59.40	84.70	40.97	13.17	65.29	117.69	74.00	25.93	142.14	-	-	-	-	13,901.95	39.94	-	-	-	200.66	21,799.41	2,436.77	19,362.64			
State Department for East African Community	306.08	-	7.95	108.62	173.43	4.55	96.90	3.35	46.74	1.31	8.96	1.65	-	8.94	13.03	8.67	-	-	-	-	2,892.86	-	-	69.47	48.54	45.05	7.49	960.72	-	960.72		
The State Law Office	1,857.46	34.11	12.54	270.19	72.35	5.36	135.08	37.45	38.34	11.23	15.92	17.12	-	89.44	24.04	394.93	-	-	-	-	5.97	-	-	-	26.77	15.09	8.44	6,389.35	381.88	5,807.47		
The Judiciary	13,921.33	122.04	333.01	1,930.52	203.45	99.73	121.04	50.92	556.99	72.20	89.44	34.04	1,595.25	89.44	24.04	990.49	-	-	142.20	-	-	-	-	-	257.38	69.15	-	326.73	20,073.38	-	20,073.38	
Ethics and Anti-Corruption Commission	2,475.80	19.63	67.34	331.72	50.05	20.27	85.69	94.50	61.45	0.02	22.56	12.44	-	21.40	41.12	197.36	-	-	-	-	1.10	-	-	100.32	-	-	-	3,267.13	-	3,267.13		
National Intelligence Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	52,499.17	-	-	-	-	-	-	52,499.17	-	52,499.17		

This report has disaggregated ministerial recurrent expenditure into Compensation to Employees, Use of Goods and Services and Current Transfer to SAGAs in the form of Grants, Subsidies and Emergency Reliefs. Others include Social benefits, Acquisition of Fixed assets and Non-fixed Assets. This report annexes the current expenditure performance for Semi-Autonomous Government Agencies/State-Owned Enterprises/State Corporations (see Annex IV referenced on page 154).

3.4.5 Compensation to Employees

The total expenditure on Compensation to Employees, which encompassed basic salaries for permanent employees, wages for temporary employees, personal allowances, and other payments, amounted to Kshs.597.87 billion, representing 27 per cent of the ministerial gross recurrent spending. It's important to note that the total excludes expenditure for the National Intelligence Services and Kenya Defence Forces under the National Security Sector and compensation to employees under SAGAs, State Corporations, and State-Owned Enterprises. In FY 2023/24, the total revenue and grants collected stood at Kshs.2,724.70 billion (as reported in the Quarterly Economic and Budgetary Review Report for FY 2023/24). Consequently, considering the exclusions, compensation to employees accounted for 22 per cent of the revenue collected, which is in line with the requirement in PFM Regulations 26(1) of 2015 that ministerial expenditure should not exceed 35 per cent of the national government's equitable share of the revenue raised nationally plus other revenues generated by the national government under Article 209(4) of the Constitution.

3.4.6 Use of Goods and Services

Some of the budget items under this category include Traveling, Printing and advertising, Rent and rates for non-residential buildings, Training, Hospitality, Legal fees, Insurance, Maintenance expenses for motor vehicles and other assets.

In FY 2023/24, travel expenditure amounted to Kshs.27.34 billion, compared to Kshs.20.37 billion recorded in FY 2022/23. This comprises domestic travel at Kshs.18.15 billion and foreign travel at Kshs.9.19 billion. Insurance expenditure was Kshs.20.36 billion, and rent and rates on non-residential buildings were Kshs.9.58 billion, Specialised materials and supplies Kshs.8.58 billion, and hospitality recorded Kshs.7.62 billion.

During the review period, the Government released several guidelines regarding foreign travel. These guidelines include directives on travel conditions, delegation sizes, application procedures, and timelines. Some of the directives include limiting the delegation headed by Cabinet Secretaries to four persons and limiting the cumulative days away to a maximum of 7 days per travel, 15 days per quarter, and 45 days per year. Travel clearance applications should also be submitted at least seven working days before the travel date. Annex XII referenced on page 181 shows foreign travels undertaken by MDAs in FY 2023/24.

3.4.7 Grants

Grants by the MDAs may be in the form of Grants and other transfers, Current Transfers, and emergency relief, which are meant to complement activities and mandates executed on behalf of the parent ministry. In the FY 2023/24, the total grants reported by MDAs amounted to Kshs.638.79 billion, representing 28 per cent of the MDAs' gross recurrent expenditure. Grants comprise of:

- i. **Grants and other transfers-** The total expenditure reported by MDAs was Kshs.382.94 billion, with the State Department for Defense reporting the highest transfers of Kshs.152.49 billion followed by the State Department for Roads at Kshs.68.89 billion.

- ii. **Current transfers (Grants and transfers to other Government Units)**- Total expenditure by MDAs was Kshs.212.46 billion, with The State Department for Higher Education and Research reporting the highest at Kshs.57.69 billion, followed by the National Treasury at Kshs.37.40 billion.
- iii. **Other transfers and Emergency Relief**- The total expenditure by MDAs was Kshs.35.08 billion, with the State Department for Higher Education and Research reporting the highest transfer of Kshs.21.98 billion, followed by the State Department for the ASALs and Regional Development at Kshs.6.9 billion.

3.4.8 Subsidies

This category includes Subsidies to Private enterprises and Subsidies to Public Corporations. In the FY 2023/24, the total Subsidies reported by MDAs amounted to Kshs.141.30 billion, representing 6 per cent of the gross recurrent expenditure.

3.4.9 Social Benefits

This category includes government pensions and retirement benefits, Social Security benefits, Employer social benefits, and Gratuities. MDAs reported a total expenditure of Kshs.663.45 million in the FY 2023/2024. The Judiciary recorded the highest Social Benefits at Kshs.142.20 million.

3.4.10 Acquisition of Financial Assets

This category includes domestic loans to other levels of government, Domestic loans to Financial Institutions, Domestic loans to Individuals and households and Domestic Lending and on-lending. MDAs reported a total expenditure of Kshs.32.26 billion in FY 2023/2024, and the State Department for Higher Education and Research recorded the highest at Kshs.31.90 billion for the Higher Education Loans Board.

3.4.11 Acquisition of Non-Financial Assets

This category includes Refurbishment of Buildings, Purchase of vehicles and other transport equipment, Purchase of furniture and General equipment, and Purchase of Specialized Plant Equipment and Machinery. MDAs reported a total expenditure of Kshs.8.35 billion under the category. National Police Service recorded the highest at Kshs.1.06 billion, followed by the State House at Kshs.963 million.

3.4.12 Other Expenses

In analysing expenses by economic classification, the report has classified budget line items under other expenses amounting to Kshs.100.95 billion, representing 4 per cent of the gross recurrent expenditure. MDAs recording the highest under other expenses include:

The National Treasury -Kshs.13.12 billion includes Kshs.11.74 billion for Security Operations, Kshs.52.97 million for training expenses, Kshs.704.5 million for Temporary Committee Expenses and Kshs.358.82 for Legal Dues/fees, Arbitration and Compensation Payments.

• **State Department for Basic Education** -Kshs.9.23 billion, including Kshs.8.82 billion for school invigilation and examination.

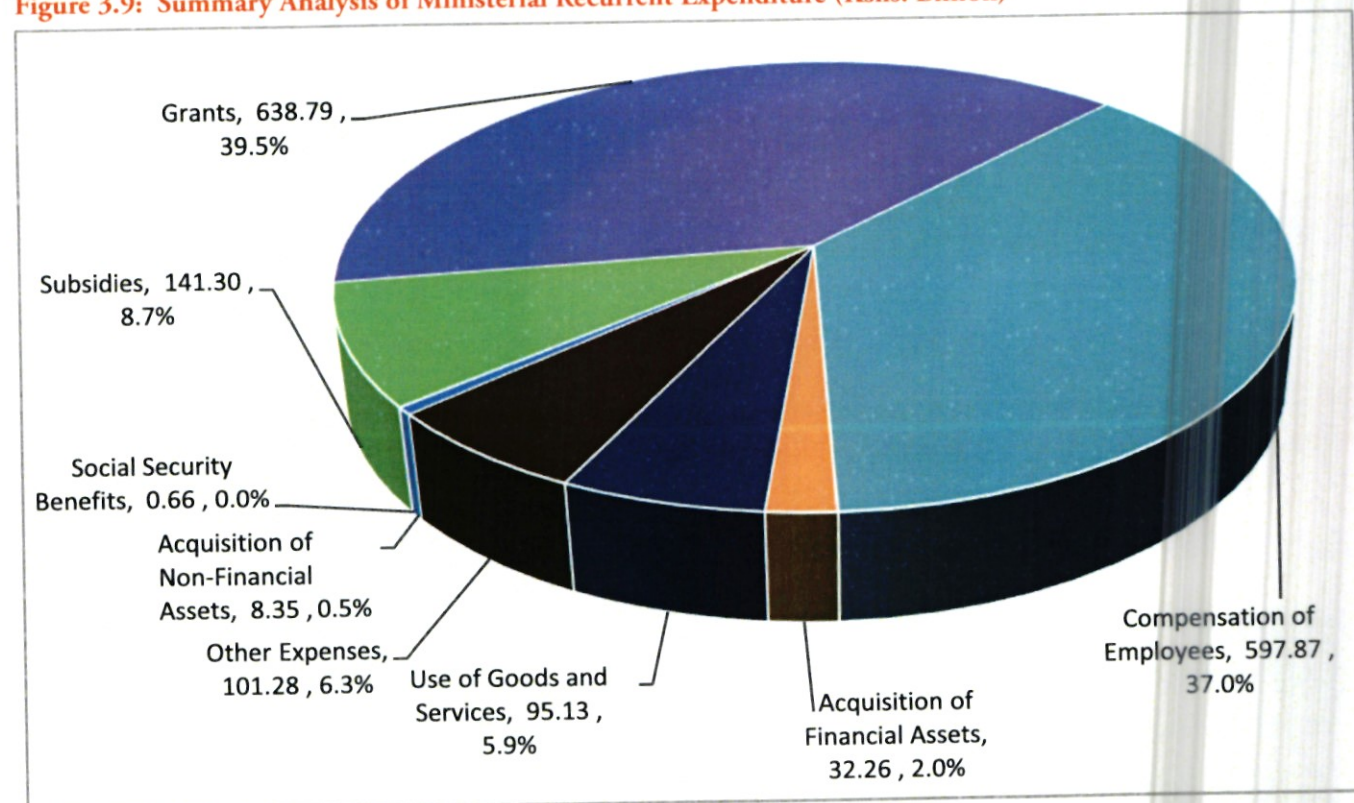
• **National Police Service** -Kshs.8.04 billion includes shs.6.89 billion for Security operations and Kshs.1.13 billion for confidential expenditures.

• **National Assembly** -Kshs.2.77 billion, including Kshs.2.73 billion for constituency expenses.

The Executive Office of the President - Kshs.1.50 billion, including Kshs.450 million for Security operations, Kshs.338.51 million for temporary committee expenses and Kshs.265.13 million for confidential expenditures.

Figure 3.9 shows the composition of MDAs' recurrent expenditure in FY 2023/24

Figure 3.9: Summary Analysis of Ministerial Recurrent Expenditure (Kshs. Billion)



Source: MDAs and National Treasury

3.5. Pending Bills for National Government

The total National government pending bills as of 30th June 2024 amounted to Kshs.516.27 billion, compared to Kshs.622.82 billion reported as of 30th June 2023. This comprised Kshs.379.81 billion (74 per cent) for State Corporations (compared to Kshs.443.60 billion) and Kshs.136.45 billion (26 per cent) for MDAs compared to Kshs.179.22 billion recorded in a similar period FY 2022/23 respectively. Table 3.12 presents a summary of pending bills as of 30th June 2024.

Table 3.12: National Government Pending Bills Summary

CATEGORY	Pending Bill as of 30th June 2024 (Kshs.)	Per cent of MDA or SAGA Sub-Total (%)	Per cent of Total Pending Bills (%)
a) MDAs			
Recurrent	100,735,013,033	74	20
Development	35,717,790,513	26	7
Sub-Total*	136,452,803,546	100	26
b) State Corporations/State Owned Enterprises/SAGAs			
Recurrent			
Pay as You Earn (PAYE)	19,034,497,235	5	4
National Social Security Fund	640,932,445	0	0
National Hospital Insurance Fund	76,452,756	0	0
Unremitted Sacco Deductions	2,527,183,117	1	0
Unremitted Staff Loan Deductions	2,232,413,341	1	0

CATEGORY	Pending Bill as of 30th June 2024 (Kshs.)	Per cent of MDA or SAGA Sub-Total (%)	Per cent of Total Pending Bills (%)
Pension Arrears	33,023,104,435	9	6
Others	49,454,494,443	13	10
Consumables and General Supplies	37,826,960,450	10	7
Subtotal (Recurrent)	144,816,038,223	38	28
Contractors/Projects (Development)	234,999,223,023	62	46
Sub-Total SCs /SAGAs /SOEs	379,815,261,245	100	74
Total (National Government)	516,268,064,791		100

Source: The National Treasury

**MDAs pending bills do not include bills under litigation which are handled by the Office of the Attorney General*

MDAs' pending bills are mainly historical pending bills comprising Kshs.100.73 billion (74 per cent) for recurrent expenditure and Kshs.35.72 billion (26 per cent) for development expenditure. In FY 2023/24, MDAs pending bills declined by Kshs.42.18 billion, comprising Kshs.30.81 billion for recurrent and Kshs.11.37 billion for development expenditure. Ineligible pending bills declared in FY 2023/24 amounted to Kshs.592.41 million.

The State Corporations' pending bills include payments due to contractors/projects, suppliers, unremitted statutory and other deductions, and pension arrears for Local Authorities Pension Trust. The highest percentage of the State Corporations' pending bills (Kshs.235.00 billion as of 30th June 2024) was for Contractors/Projects at 62 per cent followed by Pension Arrears at 13 per cent.

4. BUDGET PERFORMANCE BY SECTOR

4.1. Introduction

MDAs are classified into ten sectors according to the Classification of Functions of Government, which is designed to support fiscal analysis by breaking down Government Fiscal Statistics for comparability. This chapter presents the performance of MDAs by Sector in FY 2023/24. It provides budget allocations per Sector detailing specific MDAs' exchequer issues, expenditures, and budget absorption. The chapter also presents the performance of MDAs' programmes and sub-programmes and spending on development projects in FY 2023/24.

Sector performance is presented in alphabetical order as follows: (i) Agriculture, Rural and Urban Development (ARUD), (ii) Education, (iii) Energy, Infrastructure and Information Communications Technology (EI and ICT), (iv) Environment Protection, Water and Natural Resources (EWNR) (v) General Economic and Commercial Affairs (GECA) (vi) Governance, Justice, Law and Order (GJLO) (vii) Health (viii) National Security (ix) Public Administration and International Relations (PAIR) (x) Social Protection, Culture and Recreation (SPCR) Sectors.

4.2. Agriculture, Rural and Urban Development Sector

4.2.1 Introduction

Agriculture is a devolved function under the fourth schedule of the Constitution of Kenya. It is a critical sector in the economic pillar of the Kenya Vision 2030. The ARUD Sector comprises five sub-sectors, namely: The State Department for Lands and Physical Planning; the State Department for Livestock Development; the State Department for the Blue Economy and Fisheries; the State Department for Crop Development and the National Land Commission (NLC) together with affiliated Semi-Autonomous Government Agencies (SAGAs) and Training Institutions.

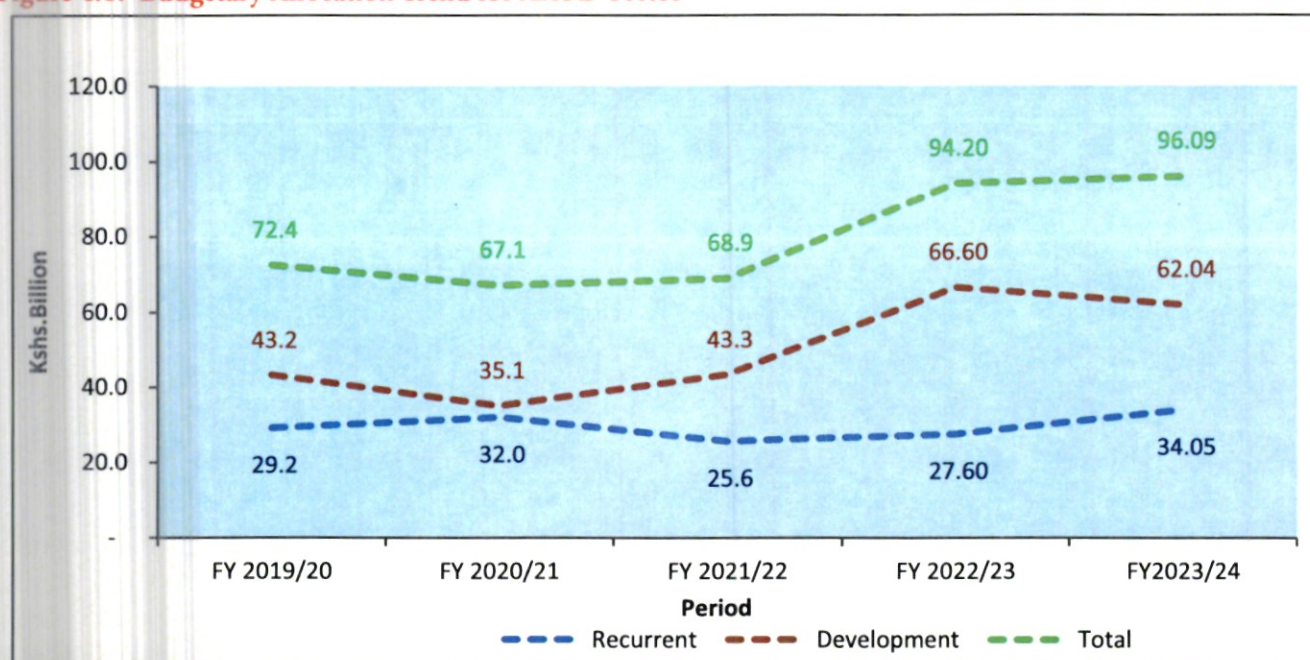
The Sector is a significant player in the delivery of national development agendas, namely, Kenya Vision 2030, the government plan –the Bottom-Up Economic Transformation Agenda (2022-27), the Sustainable Development Goals, and the Agricultural Sector Transformation and Growth Strategy among other national and international policies and obligations. During the MTEF period 2023/24-2025/26, the Sector has planned to implement programmes to facilitate food and nutrition security, agro-processing, employment creation, and utilisation of the blue economy.

4.2.2 Budget Performance for ARUD Sector

The budget allocated to the ARUD sector for the FY 2023/24 was Kshs.87.94 billion, which was revised to Kshs.98.09 billion in Supplementary Budget I and Kshs.96.09 billion in Supplementary Budget II, compared to the Kshs.94.16 billion allocated in the FY 2022/23. This amount represents 2 per cent of the revised gross national budget of Kshs.4.43 trillion and 4 per cent of the MDAs' revised budget of Kshs.2.44 trillion. The allocation included Kshs.62.04 billion (65 per cent) for development activities and Kshs.34.05 billion (35 per cent) for recurrent expenditure. The State Department for Crop Development received the highest budgetary allocation of Kshs.62.73 billion (65 per cent of the Sector's budget), while the State Department for National Land Commission was allocated Kshs.1.75 billion (2 per cent of the Sector's allocation).

The high allocation to the State Department for Crop Development is due to its vital role in Agricultural policy and research management, National food policy, strategic food reserves, crop development, phytosanitary services, international standard compliance, agricultural farmers' training, and agricultural land resources inventory management. The growth of the National Land Commission is attributed to additional funding compensation of persons affected by the compulsory acquisition of land for government projects. Figure 4.1 shows the trend of budgetary allocation for the ARUD sector from FY 2019/20 to FY 2023/24.

Figure 4.1: Budgetary Allocation Trend for ARUD Sector



Source: National Treasury

The total exchequer issues to the ARUD sector amounted to Kshs.73.63 billion, representing 93 per cent of the Sector's revised net budget. This amount comprised Kshs.51.38 billion for development expenditure, representing 91 per cent of the development revised net budget, and Kshs.22.24 billion for recurrent activities, representing 96 per cent of recurrent revised net budget. Table 4.1 shows the ARUD sector analysis of exchequer issues and expenditures FY 2023/24.

Table 4.1: ARUD Sector-Analysis of Exchequer Issues and Expenditure

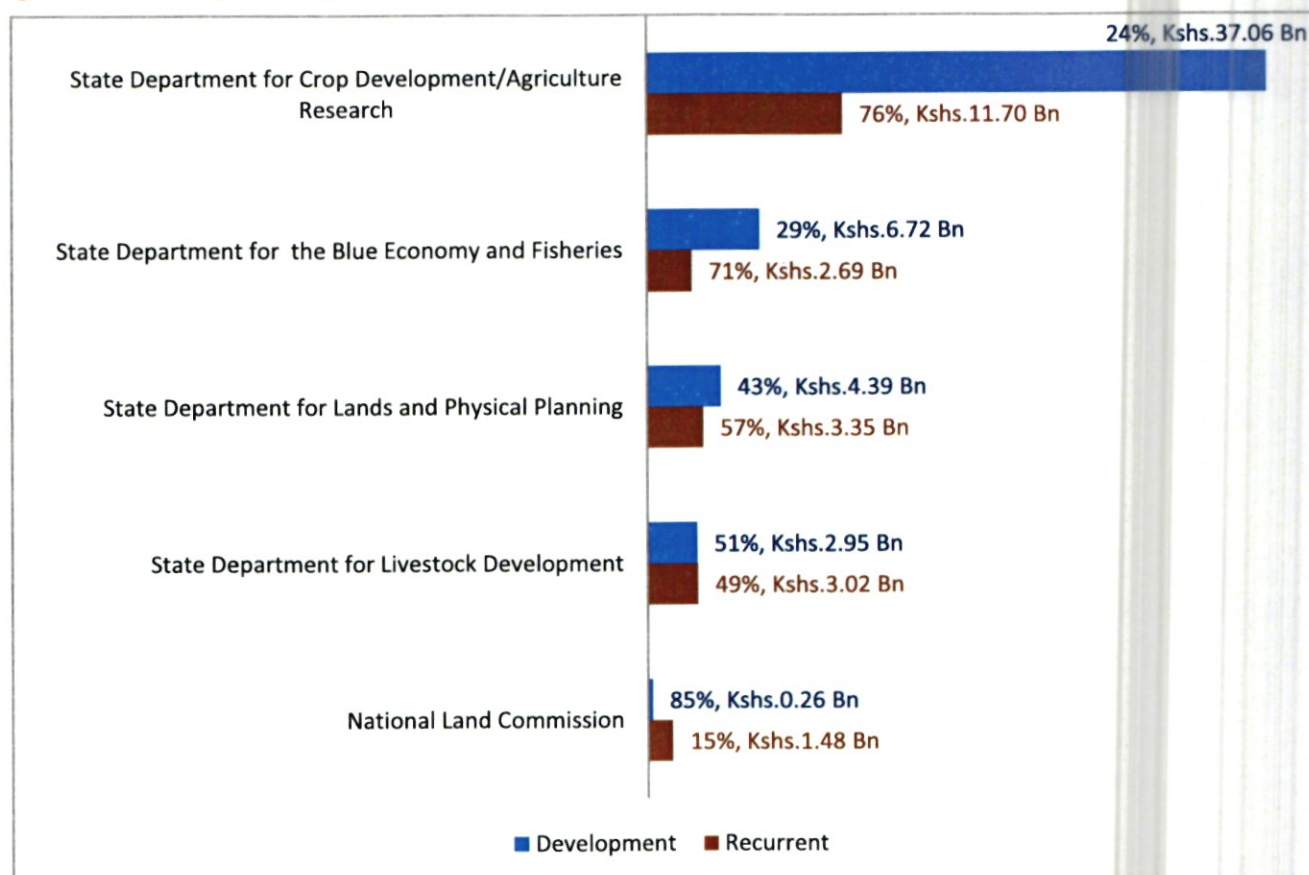
VOTE	Development (Kshs. Bn)						Recurrent (Kshs. Bn)					
	Revised Gross Budget	Revised Net Budget	Exchequer Issues	Expenditure	% of Exchequer to Revised Net Budget	% of Expenditure to Revised Gross Budget	Revised Gross Budget	Revised Net Budget	Exchequer Issues	Expenditure	% of Exchequer to Revised Net Budget	% of Expenditure to Revised Gross Budget
State Department for Lands and Physical Planning	5.23	4.60	4.39	4.64	95	89	4.00	3.38	3.35	3.77	99	94
State Department for Livestock Development	5.69	3.38	2.95	4.87	87	86	5.93	3.34	3.02	5.50	90	93
State Department for Crop Development	42.91	40.70	37.06	38.88	91	91	19.82	12.22	11.70	19.57	96	99
State Department for the Blue Economy and Fisheries	7.94	7.28	6.72	7.32	92	92	2.82	2.75	2.69	2.75	98	98
National Land Commission	0.27	0.27	0.26	0.27	96	99	1.48	1.48	1.48	1.43	100	96
Total	62.04	56.23	51.38	55.98	91	90	34.05	23.17	22.24	33.02	96	97

VOTE	Development (Kshs. Bn)						Recurrent (Kshs. Bn)					
	Revised Gross Budget	Revised Net Budget	Exchequer Issues	Expenditure	% of Exchequer to Revised Net Budget	% of Expenditure to Revised Gross Budget	Revised Gross Budget	Revised Net Budget	Exchequer Issues	Expenditure	% of Exchequer to Revised Net Budget	% of Expenditure to Revised Gross Budget
Sector Summary												
Development			62.04	56.23	51.38		55.98		91			90
Recurrent			34.05	23.17	22.24		33.02		96			97
Total			96.09	79.40	73.63		89.00		93			93

Source: MDAs and National Treasury

In FY 2023/24, the National Land Commission received the highest proportion of exchequer issues to the revised net budget for both development and recurrent budgets, 96 per cent and 100 per cent, respectively, while the State Department for Livestock Development recorded the lowest proportion of exchequer issues to the revised net estimate for both development and recurrent, 87 per cent and 90 per cent, respectively. Figure 4.2 shows the exchequer issues in the ARUD Sector in FY 2023/24.

Figure 4.2: Exchequer Issues to ARUD Sector



Source: National Treasury

The total expenditure for the ARUD Sector amounted to Kshs.89.00 billion, representing 93 per cent of the revised

gross budget, compared to 84 per cent (Kshs.77.41 billion) recorded in FY 2022/23. This amount comprised Kshs.55.98 billion for the revised development budget, representing an absorption rate of 90 per cent, compared to 78 per cent recorded in FY 2022/23, and Kshs.33.02 billion for recurrent expenditure, representing 97 per cent of the revised recurrent gross budget, compared to 96 per cent recorded in FY 2022/23.

The National Land Commission recorded the highest absorption of the revised development budget at 99 per cent, while the State Department for Livestock Development recorded the lowest at 86 per cent. The State Department for Crop Development recorded the highest recurrent expenditure to the revised gross budget at 99 per cent, while the State Department for Livestock Development recorded the lowest at 93 per cent.

Section 15 of the Public Finance Management Act, 2012, read together with Regulation 26 of the Public Finance Act 2012, requires that personnel emolument at most thirty-five per cent of a government entity's revenue. Table 4.2 below summarizes PE costs as a percentage of revenue for the four MDAs in the ARUD Sector.

Table 4.2: PE Costs as a Percentage of Revenue

MDA	Revenue (in Kshs. million)	PE costs (in Kshs. million)	PE to Revenue as a percentage (%)
State Department for Lands and Physical Planning	9,952.41	2,760.86	28
State Department for Livestock Development	8,413.92	1,434.82	17
State Department for the Blue Economy and Fisheries	10,107.14	239.10	2
State Department for Crop Development	57,033.20	726.06	1
National Land Commission	1,743.20	914.31	52
Total	87,249.88	6,075.14	7

Source: MDAs

Aggregately, the ARUD sector spent 7 per cent of revenue on personnel emoluments. The National Land Commission had the highest percentage at 52 per cent, while the State Department for Crop Development had the lowest at 1 per cent.

4.2.3 Budget Execution by Programmes and Sub-Programmes for ARUD Sector

The allocation to the ARUD sector was to fund twelve (12) programmes. Table 4.3 summarises the budget execution by programmes and sub-programmes in FY 2023/24.

Table 4.3: ARUD Sector Budget Performance by Programme

Programmes	Sub-Programmes	Revised Approved Budget II (Kshs. Millions.)			Expenditure (Kshs. Millions)			Absorption Rate (%)
		Recurrent	Development	Total	Recurrent	Development	Total	
State Department for Livestock Development								
Livestock Resource Management and Development	Livestock Policy Development and Capacity Building Programme	2,263.44	2,503.00	4,766.44	2,022.97	2,332.37	4,355.34	91
	Livestock Production and Management	610.31	2,462.00	3,072.31	452.47	1,990.43	2,442.90	80
	Livestock Products Value Addition and Marketing	2,087.27	575.00	2,662.27	2,076.61	395.64	2,472.24	93
	Food Safety and Animal Products Development	288.63	5.00	293.63	280.07	4.97	285.03	97
	Livestock Diseases Management and Control	684.91	149.00	833.91	663.21	149.21	812.42	97
	Sub-Total	5,934.57	5,694.00	11,628.57	5,495.32	4,872.62	10,367.93	89
State Department for Crop Development								

Programmes	Sub-Programmes	Revised Approved Budget II (Kshs. Millions.)			Expenditure (Kshs. Millions)			Absorption Rate (%)
		Recurrent	Development	Total	Recurrent	Development	Total	
General administration, Planning and Support Services	Agricultural Policy and Regulatory Frameworks	6,376.34	1,397.00	7,773.34	2,582.35	1,056.76	3,639.11	47
	Agricultural Planning and Financial Management	571.67	-	571.67	509.90	-	509.90	89
Crop Development and Management	Land and Crops Development	2,845.92	13,980.00	16,825.92	396.23	12,615.99	13,012.22	77
	Food Security Initiatives	4,124.00	25,629.15	29,753.15	3,897.00	23,388.41	27,285.41	92
	Quality Assurance and Monitoring	515.40	925.00	1,440.40	221.35	854.13	1,075.47	75
Agribusiness and Information Management	Agribusiness and Market Development	92.48	718.50	810.98	1.11	677.69	678.79	84
	Agricultural Information Management	57.11	-	57.11	42.42	-	42.42	74
Agricultural Research and Development	Crop Research and Development	5,231.31	80.00	5,311.31	4,339.66	79.75	4,419.41	83
	Livestock Research and Development	-	179.00	179.00	-	166.00	166.00	93
	Sub-Total	19,814.22	42,908.65	62,722.87	11,990.02	38,838.73	50,828.75	81
State Department for the Blue Economy and the Fisheries								
Fisheries Development and Management	Fisheries Policy, Strategy and Capacity Building	908.92	-	908.92	908.92	-	908.92	100
	Aquaculture Development	0.82	2,428.60	2,429.42	-	2,056.79	2,056.79	85
	Management and Development of Capture Fisheries	50.53	145.00	195.53	25.14	81.00	106.14	54
	Assurance of Fish Safety, Value addition and Marketing	-	20.00	20.00	-	20.00	20.00	100
	Marine and Fisheries Research	1,508.00	2,508.00	4,016.00	1,476.92	2,449.99	3,926.91	98
General administration, Planning and Support Services	General Administration, Planning and Support Services	270.89	-	270.89	270.50	-	270.50	100
Development and Coordination of the Blue Economy	Development and Management of Fishing of Ports and Assorted Infrastructure	-	69.50	69.50	-	19.48	19.48	28
	Blue Economy Policy, Strategy and Coordination	11.98	-	11.98	4.76	-	4.76	40
	Promotion of Kenya as a Centre for Agro-based Blue Economy	-	2,106.20	2,106.20	-	2,058.13	2,058.13	98
	Sub-Total	2,751.15	7,277.30	10,028.45	2,686.25	6,685.38	9,371.63	93
State Department for Lands and Physical Planning								
Land Policy and Planning	Development Planning and Land Reforms	-	1,280.73	1,280.73	-	1,043.71	1,043.71	81
	Land Information Management	1,218.62	35.80	1,254.42	1,149.41	15.40	1,164.81	93
	Land Settlement	460.97	2,550.00	3,010.97	457.85	2,506.64	2,964.49	98
	Land Use	154.89	69.00	223.89	152.20	38.06	190.26	85
	Land Survey	950.03	137.50	1,087.53	887.65	87.78	975.43	90
Land Information Management	Digitization of Land Records and Processes	-	831.50	831.50	-	746.75	746.75	90
	Infrastructure Development	-	267.47	267.47	-	148.43	148.43	55

Programmes	Sub-Programmes	Revised Approved Budget II (Kshs. Millions.)			Expenditure (Kshs. Millions)			Absorption Rate (%)
		Recurrent	Development	Total	Recurrent	Development	Total	
General administration, Planning and Support Services	General administration, Planning and Support Services	1,215.47	58.00	1,273.47	-	57.98	1,176.90	92
	Sub-Total	3,999.98	5,230.00	9,229.98	3,766.04	4,644.74	8,410.78	91
National Land Commission								
Land Administration and Management	General administration, Planning and Support Services	1,111.57	-	1,111.57	1,099.44	-	1,099.44	99
	Land Administration and Management	236.58	165.00	401.58	205.51	165.00	370.51	92
	Public Land Information Management	42.07	106.00	148.07	34.58	103.52	138.10	93
	Land Dispute and Conflict Resolution	92.64	-	92.64	87.92	-	87.92	95
	Sub-Total	1,482.86	271.00	1,753.86	1,427.45	268.52	1,695.97	97
Total		33,982.77	61,380.95	95,363.72	25,365.08	55,309.99	80,675.07	85

Source: MDAs

An analysis of programme and sub-programmes shows that the fisheries policy, strategy, capacity building, and general administration, planning, and support services sub-programmes within the State Department for Blue Economy and Fisheries recorded 100 per cent absorption rates, while the development and management of fishing in ports and assorted infrastructure under the same State Department recorded the lowest absorption rate at 28 per cent.

We also observed sub-programmes with less than 50 per cent absorption rates in FY 2023/24. We advise MDAs within the Sector to review the reasons for the underperformance of some of their sub-programmes and address them to avoid a repeat in subsequent financial years.

4.2.4 Key Achievements by MDAs in the ARUD sector.

The State Department for Crop Development, under the Kenya School of Agriculture delivery unit, trained 119 students in the diploma in general agriculture programme against a target of 60. The department, through the Kenya Plant Health Inspectorate Services, gazetted 81 crop varieties against a target of 80, surpassing the achievement as a result of the government policy on improved livestock production, leading to breeders focusing on improved pasture and support of the Bottom-up Transformation Agenda (BETA) programme on oil crops, inspected 631,742 number of consignments for phytosanitary compliance against a target of 550,000. The over-achievement resulted from increased fresh produce exports during peak season, especially for the avocado season. Further, the Agriculture and Food Authority delivery unit recorded 100 per cent compliance with scheduled crop regulations, achieving its target, and the National Biosafety Authority delivery unit also analysed 250 samples of bio-safety testing services, surpassing a target of 115, which was achieved through innovative ways of Genetically Modified Organism analysis.

The State Department of Livestock Development, under the Livestock Policy Development and Capacity Building Programme, conducted 81,961 milk quality and safety tests against 70,000 to improve compliance with the quality and safety requirements of market dairy produce. The National Dairy Regulatory Laboratory and the administrative block were also completed 100 per cent. The State Department also, under the livestock production and management sub-programme, maintained 4,958 livestock (sheep, goat, and cattle heads) in livestock genetic conservation farms

against a target of 4700.

The National Land Commission, under the land administration and management services sub-programme, developed a guidelines manual on land management and disposition by public institutions and is being implemented. The Commission, under the Land Disputes and Conflict Resolutions sub-programme, 85 per cent of litigations and complaints received from institutions and individuals due to historical land injustices and disputes were resolved against a target of 80 per cent.

Under the Aquaculture Development sub-program, the State Department of Blue Economy and Fisheries supported 3500 smallholder aquaculture farmers with pond rehabilitation/construction materials against 3000, surpassing the target. The State Department, under the management and development of the capture fisheries sub-programme, recruited and trained 24 monitoring control and surveillance officers against a target of 24 and procured 16 support patrol vessels against a target of 6.

The State Department for Blue Economy and Fisheries, under the Management and Development of Capture Fisheries sub-programme, developed and reviewed the national fisheries and ocean policy, which is one of the fisheries governance instruments approved by the Cabinet and now called the Kenya Fisheries Policy, 2023.

The State Department for Lands and Physical Planning, under development planning and land reforms sub-programs, registered and issued 422,313 title deeds from sub-divisions, leases, adjudication sections and settlement schemes against a target of 405,000. Further, under the Land use sub-programme, 80 per cent of National spatial plan guidelines were implemented for 5 sectors and all 47 counties.

4.2.5 Project Implementation for ARUD Sector

Most of the projects are multi-year in nature and implemented over some time. Table 4.4 summarises some of the projects with the highest expenditure in the reporting period for the ARUD sector.

Table 4.4: ARUD Sector Projects with the Highest Expenditure

MDA	Project Name (a)	Project commence date(b)	Expected Duration of the Project (c)	Source of Funds (d)	Estimated Value of the Project (Kshs. Million) (e)	Total Funding in FY 2023/24 (Kshs. Million) (f)*	Actual Expenditure in FY 2023/24 (Kshs. Million) (g)*	Cumulative Expenditure as of 30th June 2024 (Kshs. Million) (h)*	Percentage (%) of Completion (i=h/e)
State Department for Crop Development	Fertilizer Subsidy programme	01.04.2021	84 Months	GoK	100,000.00	12,200.00	12,200.00	18,062.00	18
	Emergency Locust Response	28.06.2020	48 Months	GoK and World Bank	7,800.00	3,600.00	3,045.07	6,706.07	80
	Crop Post- Harvest Management	01.07.2023	72 Months	GoK	3,344.40	2,344.00	2,092.48	2,092.48	63
State Department of Lands and Physical Planning	Processing and registration of Title deeds	01.07.2013	15 yrs.	GoK	30,000.00	1,280.70	1,043.70	13,268.00	44
	Digitization of land registries	01.07.2014	12 yrs.	GoK	20,000.00	831.5	747	7,591.00	38
	Development of Geo-Spatial Data	01.07.2013	15 yrs.	GoK	5,700.00	10.5	0	4,281.00	75
	Settlement of the landless - BETA	01.07.2013	13 yrs.	GoK	15,000.00	2,550.00	2,507.00	2,882.00	19
	Surveying and Maintenance of National and International Boundaries	01.07.2013	15 yrs.	GoK	4,950.00	15	5.1	2,674.20	54

MDA	Project Name (a)	Project commence date(b)	Expected Duration of the Project (c)	Source of Funds (d)	Estimated Value of the Project (Kshs. Million) (e)	Total Funding in FY 2023/24 (Kshs. Million) (f)*	Actual Expenditure in FY 2023/24 (Kshs. Million) (g)*	Cumulative Expenditure as of 30th June 2024 (Kshs. Million) (h)*	Percentage (%) of Completion (i=h/e)
State Department for the Blue Economy and Fisheries	Kenya Marine Fisheries & Socio-Economic Development Project	01.03.2018	100 Months	Donor	11,500.00	2,477.00	24.75	5,757.00	50
	Aquaculture Business Development Project (ABDP)	01.01.2018	99 Months	Donor	14,373.00	2,321.00	2,091.00	6,477.00	45
	Exploitation of Living Resources under the Blue Economy	01.07.2018	120 Months	GoK	5,033.00	2,104.00	1,796.00	2,545.00	51
National Land Commission	ICT Networking & Infrastructure	15.01.2015	7 yrs.	GoK	552	106	103.52	321.52	58

Source: MDAs

An analysis of the project implementation status by MDAs within this Sector revealed a mismatch between the project completion percentage and the expected duration of the project, for example, ICT Networking Infrastructure under the National Land Commission had a project completion rate of 58 per cent despite commencing in January 2015 and a time frame of seven years that has already lapsed.

We recommend that measures be taken to fast-track the implementation of multi-year projects whose completion levels are behind the timeline target.

4.3. Education Sector

4.3.1 Introduction

The Education Sector comprises four MDAs: The State Department for Vocational and Technical Training, the State Department for Higher Education and Research, the State Department for Basic Education and the Teachers Service Commission (TSC) and their affiliated Agencies and Institutions.

The Sector envisions attaining “*Quality and inclusive education, training and research for sustainable development*” in Kenya. The Sector's strategic objectives include enhancing access, equity, quality and relevance in education, training and research; establishing, maintaining and managing professional teaching and learning services for all early learning centres, primary, secondary and tertiary institutions; enhancing development capacities for Science Technology and Innovations; enhance mechanisms for dissemination and commercialisation of research findings; improve data quality and sharing in education, training, research and labour market; promote vibrant industry - institutional linkages in the area of skilling for employability; and integrate ICT in Education, Training and Research for management, teaching and learning at all levels.

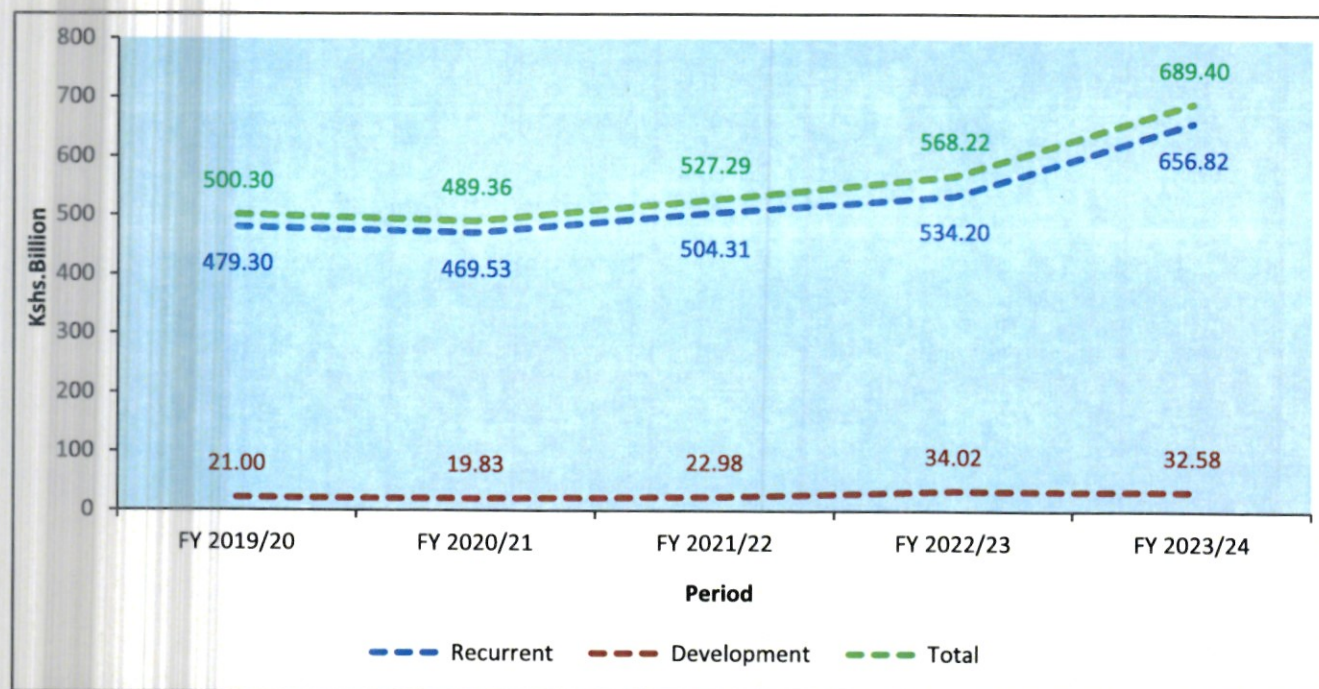
It is worth noting that the ongoing education transitions from the 8-4-4 to the 2-6-6-3 system require substantial infrastructure, equipment and human capital in FY 2023/24 and the medium-term 2023/24 to 2025/26.

4.3.2 Budget Performance for the Education Sector

The budget for the Education Sector in FY 2023/24 amounted to Kshs.628.58 billion, later revised to Kshs.689.61 billion in Supplementary Budget I and Kshs.689.40 billion in Supplementary Budget II, compared to Kshs.568.22 billion allocated in FY 2022/23. This amount represents 16 per cent of the revised gross national budget of Kshs.4.43 trillion and 28 per cent of the ministerial revised budget of Kshs.2.44 trillion. The allocation comprised Kshs.32.58 billion (5 per cent) for development activities and Kshs.656.82 billion (95 per cent) for recurrent expenditure. The Teachers Service Commission received the highest budgetary allocation of Kshs.340.75 billion (49 per cent of the Sector's budget), while the State Department for Vocational and Technical Training was allocated Kshs.33.61 billion (5 per cent of the Sector's allocation).

The high allocation for the Teachers Service Commission is attributed to its vital role in Teacher Management for primary and secondary schools under the Teacher Resource Management Programme and General Administration, Planning and Support Services Programme. Figure 4.3 shows the budgetary allocation trends of the Education sector from FY 2019/20 to FY 2023/24.

Figure 4.3: Budgetary Allocation Trend for the Education Sector



Source: National Treasury

The total exchequer issues to the Education sector amounted to Kshs.582.57 billion, representing 95 per cent of the Education sector's net revised budget, comprised of Kshs.21.24 billion for development expenditures, representing 71 per cent of the development revised net budget, and Kshs.561.33 billion for recurrent activities, representing 96 per cent of the recurrent revised net budget. Table 4.5 shows the Education sector analysis of exchequer issues and expenditures for the FY 2023/24.

Table 4.5: Education Sector-Analysis of Exchequer Issues and Expenditure

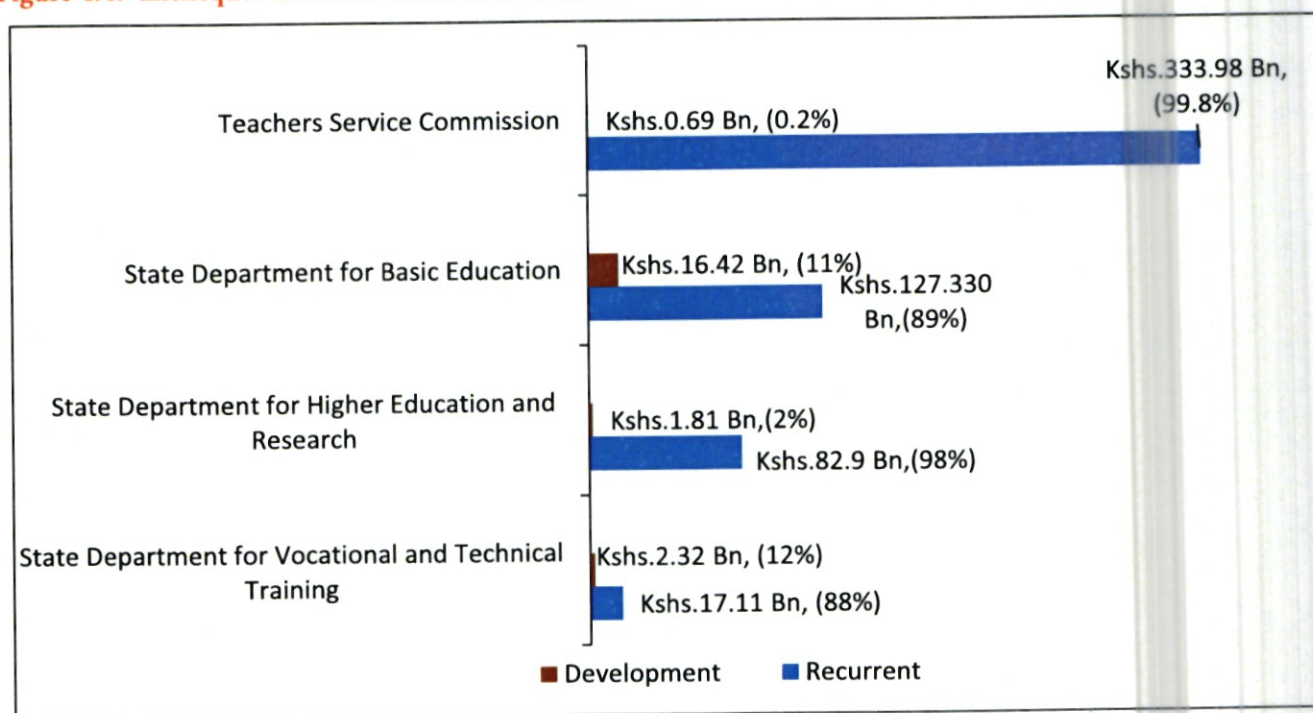
VOTE	Development (Kshs. Bn)						Recurrent (Kshs. Bn)					
	Revised Gross Budget	Revised Net Budget	Exchequer Issues	Expenditure	% of Exchequer to Revised Net Budget	% of Expenditure to Revised Gross Budget	Revised Gross Budget	Revised Net Budget	Exchequer Issues	Expenditure	% of Exchequer to Revised Net Budget	% of Expenditure to Revised Gross Budget
State Department for Vocational and Technical Training	7.01	4.77	2.32	6.24	49	89	26.60	20.92	17.11	25.14	82	95
State Department for Higher Education and Research	3.74	3.72	1.81	2.65	49	71	155.94	91.19	82.90	148.82	91	95
State Department for Basic Education	20.63	20.20	16.42	15.56	81	75	134.73	132.61	127.33	124.62	96	92
Teachers Service Commission	1.20	1.16	0.69	0.67	59	56	339.55	338.54	333.98	342.38	99	101
Total	32.58	29.84	21.24	25.12	71	77	656.82	583.26	561.33	640.96	96	98

VOTE	Development (Kshs. Bn)						Recurrent (Kshs. Bn)					
	Revised Gross Budget	Revised Net Budget	Exchequer Issues	Expenditure	% of Exchequer to Revised Net Budget	% of Expenditure to Revised Gross Budget	Revised Gross Budget	Revised Net Budget	Exchequer Issues	Expenditure	% of Exchequer to Revised Net Budget	% of Expenditure to Revised Gross Budget
Sector Summary												
Development				32.58	29.84	21.24			25.12	71		77
Recurrent				656.82	583.26	561.33			640.96	96		98
Total				689.40	613.10	582.57			666.08	95		97

Source: MDAs and National Treasury

In the FY 2023/24, the State Department for Basic Education received the highest proportion of development exchequer issues to revised development net budget at 81 per cent, while the State Department for Vocational and Technical Training and the State Department for Higher Education and Research received the lowest at 49 per cent each. The Teachers Service Commission recorded the highest proportion of recurrent exchequer issues in the recurrent revised net budget at 99 per cent. The State Department for Vocational and Technical Training recorded the lowest ratio of 82 per cent. Figure 4.4 shows the exchequer issues in the Education Sector in the FY 2023/24.

Figure 4.4: Exchequer Issues in the Education Sector



Source: National Treasury

The total expenditure for the Education Sector amounted to Kshs.666.08 billion, representing 97 per cent of the revised gross budget, compared to 88 per cent (Kshs.499.60 billion) recorded in FY 2022/23. This amount comprised Kshs.25.12 billion for the development budget representing an absorption rate of 77 per cent, compared to 65 per cent recorded in FY 2022/23, and Kshs.640.96 billion for recurrent expenditure representing 98 per cent of the revised recurrent gross budget, compared to 90 per cent recorded in FY 2022/23.

The State Department for Vocational and Technical Training recorded the highest per cent of the revised development budget at 89 per cent absorption. The Teachers Service Commission recorded the lowest at 56 per cent. This is attributed to the increased AIA for affiliated institutions and personal emoluments to cater to a Competency-Based Curriculum's needs. The Teachers Service Commission recorded the highest recurrent expenditure to the revised gross budget at 101 per cent. In comparison, the State Department for Basic Education recorded the lowest at 92 per cent, attributed to reduced allocation under the Free Primary Education programme for recurrent expenditure and reduced donor commitment for capital projects.

Section 15 of the Public Finance Management Act, 2012, and Regulation 26 of the Public Finance Management Act, National Government, requires that personnel emoluments be at most thirty-five per cent of a government entity's revenue. Table 4.6 below summarises PE costs as a percentage of revenue for the four MDAs in the education sector.

Table 4.6: PE Costs as a Percentage of Revenue

MDAs	Revenue (in Kshs. million)	PE costs (in Kshs million)	PE to Revenue as a percentage
State Department for Vocational and Technical Training	26,021.57	8,217.89	32
State Department for Higher Education and Research	142,401.29	251.07	0.2
State Department for Basic Education	143,754.39	4,309.47	3
Teachers Service Commission	335,721.77	340,070.75	101
Total	647,899.02	352,849.18	54

Source: MDAs

On aggregate, the education sector spent 54 per cent of revenue on personnel emoluments. TSC had the highest percentage at 101 per cent while the State Department for Higher Education and Research had less than one per cent.

4.3.3 Budget Implementation by Programmes and Sub-Programmes for Education Sector

The Education sector's budget funded thirteen programmes. Table 4.7 summarises the budget execution by programmes in the FY 2022/23.

Table 4.7: Education Sector's Programme Performance

Programmes	Sub-Programmes	Revised Approved Budget II (Kshs. Million)			Expenditure (Kshs. Million)			Absorption Rate (%)
		Recurrent	Development	Total	Recurrent	Development	Total	
State Department for Basic Education								
Primary Education	Free Primary Education	12,660.05	13,745.07	26,405.11	11,848.56	10,041.73	21,890.29	83
	Special Needs Education	1,024.99	505.00	1,529.99	902.84	155.00	1,057.84	69
	Early Child Development and Education	2.97	-	2.97	2.50	-	2.50	84
	Primary Teachers Training and In-Servicing	396.42	44.20	440.62	396.23	19.20	415.43	94
	Alternative Basic Adult and Continuing Education	56.57	-	56.57	54.05	-	54.05	96
	School Health, Nutrition and Meals	6,033.40	-	6,033.40	2,466.70	-	2,466.70	41
Secondary Education	Free Day Secondary Education	103,033.00	6,238.80	109,271.80	100,629.63	5,444.73	106,074.36	97
	Secondary Teachers Education Services	243.70	-	243.70	243.70	21.25	264.95	109
	Secondary Teachers In-Service	414.73	-	414.73	387.34	-	387.34	93
	Special Needs Education	200.00	-	200.00	199.99	-	199.99	100
Quality Assurance and Standards	Curriculum Development	1,240.29	-	1,240.29	1,170.29	-	1,170.29	94
	Examination and Certification	2,569.41	133.00	2,702.41	742.41	51.35	793.76	29
	Co-Curriculum Activities	1,275.96	-	1,275.96	1,080.23	-	1,080.23	85
General Administration, Planning and Support Services	Headquarters and Administrative Services	2,388.78	-	2,388.78	1,985.50	-	1,985.50	83
	County Administrative Services	3,151.71	-	3,151.71	2,508.94	-	2,508.94	80
	Sub-Total	134,691.97	20,666.07	155,358.04	124,618.91	15,733.26	140,352.18	90
State Department for Higher Education and Research								
University Education	University Education	96,501.53	3,657.00	100,158.53	38,506.82	2,651.90	41,158.72	41
	Quality Assurance	583.05	-	583.05	235.05	-	235.05	40
	Higher Education Support Services	57,859.09	-	57,859.09	52,416.33	-	52,416.33	91
Research Science, Technology and Innovation	Research Management and Science	414.68	86.00	500.68	421.55	66.80	488.35	98
	Science	260.42	-	260.42	170.41	-	170.41	65
General Administration, Planning and Support Services	General Administration, Planning and Support	365.55	-	365.55	359.33	-	359.33	98
	Sub-Total	155,984.33	3,743.00	159,727.33	92,109.49	2,718.70	94,828.19	59

Programmes	Sub-Programmes	Revised Approved Budget II (Kshs. Million)			Expenditure (Kshs. Million)			Absorption Rate (%)
		Recurrent	Development	Total	Recurrent	Development	Total	
State Department for Technical, Vocational Education and Training								
Technical Vocational Education and Training	Technical Accreditation and Quality Assurance	1,141.50	-	1,141.50	971.50	-	971.50	85
	Special Needs in Technical and Vocational Education	220.00	-	220.00	220.00	-	220.00	100
	Technical Trainers and Instructors Services	24,708.78	-	24,708.78	18,712.20	-	18,712.20	76
	Infrastructure Development and Expansion	-	7,005.00	7,005.00	-	4,391.93	4,391.93	63
Youth Training and Development	Revitalisation of Youth Polytechnic	50.37	-	50.37	39.26	-	39.26	78
General Administration, Planning and Support Services	Planning and Monitoring Services	2.92	-	2.92	2.07	-	2.07	71
	Headquarters and Administrative Services	478.21	-	478.21	358.23	-	358.23	75
Sub-Total		26,601.78	7,005.00	33,606.78	20,303.26	4,391.93	24,695.19	73
Teachers Service Commission								
Teacher Research Management	Teacher Resource Planning -Primary	209,561.65	215.00	209,776.65	211,570.75	72.61	11,643.36	101
	Teacher Resource Planning -Secondary	117,095.62	900.00	117,995.62	118,095.62	538.51	18,634.13	101
	Teacher Resource Planning -Tertiary	3,726.12	-	3,726.12	3,726.12	-	3,726.12	100
Governance and Teaching Standards	Quality Assurance and Standards	5.32	-	5.32	5.23	-	5.23	98
	Teacher Professional Development	11.58	-	11.58	10.33	-	10.33	89
	Teacher Capacity Development	1,300.16	-	1,300.16	1,292.41	-	1,292.41	99
General Administration, Planning and Support Services	Policy Planning and Support Services	7,341.14	87.00	7,428.14	7,282.80	59.28	7,342.08	99
	Field Administrative Services	259.38	-	259.38	212.02	-	212.02	82
	Automation of TSC Operations	249.39	-	249.39	182.00	-	182.00	73
Sub-Total		39,550.36	1,202.00	340,752.36	42,377.29	670.40	43,047.69	101
Total		656,828.45	32,616.07	689,444.52	579,408.95	23,514.30	602,923.25	87

Source: MDAs and National Treasury

An analysis of programmes and sub-programmes revealed that Special needs education, special needs in technical and vocational education, and teacher resource planning and tertiary sub-programmes within the State Department for Basic Education, Technical, Vocational Education and Training and Teachers Services Commission recorded an absorption rate of 100 per cent each. In contrast, the Examination and Certification sub-programme within the quality assurance and standard programme of the State Department of Basic Education recorded the lowest absorption rate, at 29 per cent.

Some sub-programmes overabsorbed the budget in FY 2023/24, while others underabsorbed it. To ensure sound budget implementation practices, the entities within the Sector should review their performance in liaison with the National Treasury and reallocate budgets within the budget implementation period.

4.3.4 Critical Achievements by MDAs in the Education Sector

During the period under review, the State Department for Higher Education and Research, under the Kenya Universities and College Central Placement Services delivery unit within the university education sub-programme, placed 295,955 students in universities against the annual target of 144,000 surpassing the target due to placement of two-cycle in the same financial year. The department placed 318,068 students in Technical, Vocational Education and Training, exceeding an annual target of 149,971 in the same delivery unit. The State Department also audited 11 universities against the annual target of 9 under the quality and assurance standard sub-programme within the University Education Programme. The State Department further awarded 835,396 student loans under the Higher Education Loan Board delivery unit, exceeding its annual target of 611,282 students by 224,114.

Under the technical accreditation and quality assurance sub-programme, the State Department for Technical and Vocational Education Training enrolled 298,951 trainees in National Polytechnics and 467,890 trainees in Technical and Vocational College due to enhanced publicity, surpassing the target. Also, under the same sub-programme, the Department inspected 790 Technical, Vocational Education and Training (TVET) Institutions for accreditation against 400, surpassing the annual target by 390, and accredited 4,749 TVETs against the annual target of 2500. Further, the department also trained 4,912 trainers on continuous professional development against the annual target of 2000 trainers, recruited 2000 technical, vocational and education training, trainers achieving a target of 2000 trainers, and enrolled 9,739 trainees in Kenya School of TVET, surpassing the target of 4,280 trainees of trainees by 5,459 under the technical trainers and instructor services sub-programme.

The Teachers Service Commission, under the teacher professional development sub-programme, trained 100 field officers, 6,000 newly appointed heads of institutions and the Board of Management on the management of discipline cases against a target of 100 field officers and 6,000 heads of institution and board of management members, respectively. Under the teacher capacity development sub-programme, the Commission also trained 90,000 teachers and 1,100 tutors on the Competency-Based Programme against an annual target of 90,000 and 1,100 teachers and tutors, respectively. Further, under the teacher management secondary sub-programme, the commission recruited 18,000 intern teachers against a target of 18,000 and trained 25,000 teachers on School-Based Teacher Support Systems against a target of 25,000 teachers.

4.3.5 Project Implementation for the Education Sector

Most of the projects and programs are multi-year in nature and implemented over some time. Table 4.8 summarises some of the projects with the highest expenditure in the reporting period in the Education sector.

Table 4.8: Education Sector Projects with the Highest Expenditure

Name of MDA	Project Name (a)	Project Commencement Date (b)	Expected date of Completion of the Project (c)	Source of Funds (d)	Estimated Value of the Project (Kshs. Million) (e)	Total Funding in FY 2023/24 (Kshs. Million) (f)*	Actual Expenditure in FY 2023/24 (Kshs. Million) (g)*	Cumulative Expenditure as of 30th June 2024 (Kshs. Million) (h)*	Percentage (%) of Completion (i=h/e)
State Department for Early Learning and Basic Education	Kenya Primary Education Equity in Learning Programmes	01/03/2022	30/06/2027	GoK and Donor (World Bank)	45,377.00	12,694.10	10,976.00	11,397.00	29
	Kenya Secondary Education Quality Improvement Project	01/01/2018	01/01/2025	GoK	20,000.00	2,700.00	1,500.00	2,691.00	80
	Secondary Infrastructure Improvement	25/07/2012	29/06/2025	GoK	59,559.00	2,690.00	420.00	2,510.00	29
State Department for Higher Education and Research	Construction of Centres of Excellence	06/07/2017	06/06/2023	GoK and Donor	1,800.00	1,464.00	1,464.00	1,464.00	81
	ICT Centre	07/01/2009	01/12/2024	GoK	984.00	964.00	964.00	964.00	98
	Construction of Administration Block & Lecture Theatre (Bomet University)	07/01/2017	07/10/2026	GoK	1,392.00	836.00	836.00	836.00	60
	Construction of Men's Hostels	06/06/2014	02/06/2026	GoK	1,300.00	746.00	746.00	746.00	57
	Engineering Complex	12/01/2023	6/30/2026	Donor	3,958.00	730.00	730.00	730.00	18
State Department for Technical, Vocational Education and Training	East Africa Skills for Transformation and Regional Integration Project (EASTRIP)	01/01/2020	30/06/2024	Foreign Borrowings	4,440.00	1,825.00	1,208.00	4,562.00	98
	GoK-AfDB Technical, Vocational Education Training & Entrepreneurship	02/01/2021	30/06/2025	GoK and Foreign Borrowings	4,397.00	980.00	960.00	1,865.00	37
	GoK Infrastructure Development and Facilities Upgrading for Public TVET Institutions	07/01/2020	6/30/2026	GoK	3,690.00	820.00	3,360.00	3,360.00	81
	GoK-AfDB TVET Phase II Headquarters	30/06/2019	31/12/2023	GoK and Foreign Borrowings	6,700.00	817.00	744.00	6,675.00	98
Teachers Service Commission	Kenya Secondary Education Quality Improvement	12/11/2017	12/31/2023	Donor	2,300.00	900.00	538.51	1,714.19	9

Source: MDAs

An analysis of the project implementation status by MDAs for the education sector revealed that some projects are behind the targeted completion date. For example, the construction of the Centres of Excellence sub-programme within the State Department for Higher Education and Research had a completion status of 81 per cent as of 30th June 2024 despite having an expected completion date of June 2023.

The National Treasury should ensure adequate funding for ongoing development projects to ensure timely completion. For multi-year projects whose completion is lagging behind the desired timelines, the cause for the delay must be identified, and adequate measures should be taken to fast-track their implementation in the subsequent financial years.

4.4. Energy, Infrastructure, and Information Communications Technology (EIICT) Sector

4.4.1 Introduction

This Sector consists of nine MDAs: the State Department for Roads, Transport, Shipping and Maritime Affairs, Housing and Urban Development, Public Works, Information Communications Technology and Digital Economy, Broadcasting and Telecommunications, Energy, and Petroleum.

The EIICT sector aims to provide sustainable infrastructure development, a vibrant shipping and maritime industry, universal access to Information Communications Technology (ICT), Transport and built environment services, and accessible, affordable, quality and competitive energy and petroleum products.

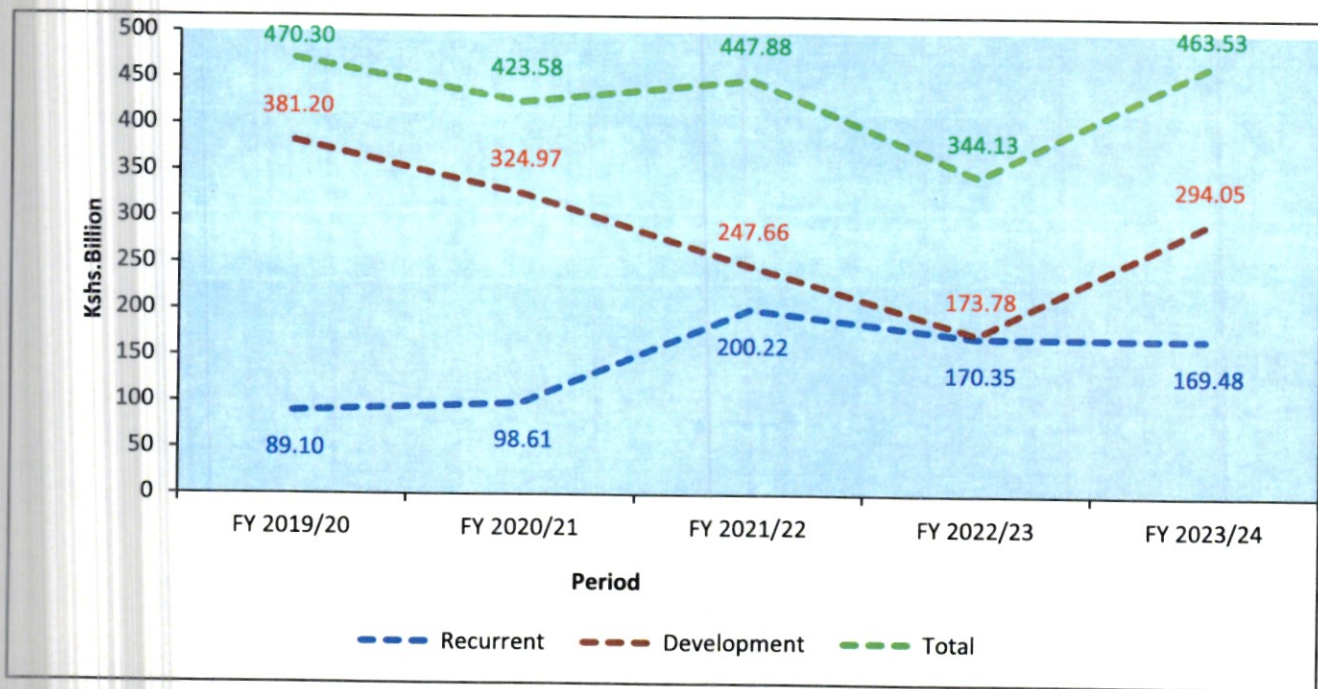
The EIICT Sector plays a vital role as an enabler of the country's socio-economic development. It is a crucial sector in realising Vision 2030 and the BETA Agenda.

4.4.2 Budget Performance for EIICT Sector

The budget allocated to the EIICT sector in FY 2023/24 was Kshs.532.36 billion, revised to Kshs.528.15 billion in Supplementary Budget I, and Kshs.463.53 billion in Supplementary Budget II, compared to Kshs.344.13 billion allocated in FY 2022/23. This amount represents 9 per cent of the revised gross national budget of Kshs.4.43 trillion and 11 per cent of the MDAs' budget of Kshs.2.44 trillion. The allocation comprises Kshs.294.05 billion (63 per cent) for development activities and Kshs.169.48 billion (36 per cent) for recurrent expenditure. The State Department for Roads received the highest budgetary allocation of Kshs.178.06 billion (38 per cent of the Sector's revised budget), while the State Department for Shipping and Maritime Affairs was allocated Kshs.3.22 billion (1 per cent of the Sector's revised budget).

The high allocation to the State Department for Roads is attributed to the road's infrastructural projects and maintenance. Figure 4.5 shows the budgetary allocation trend for the EIICT Sector from FY 2019/20 to FY 2023/24.

Figure 4.5: Budgetary Allocation Trend for the EIICT Sector



Source: National Treasury

The total exchequer issues to the EIICT sector amounted to Kshs.108.23 billion, representing 73 per cent of the Sector's revised net budget. This amount comprised Kshs.66.22 billion for development expenditure, representing 63 per cent of the revised development net budget and Kshs.42.02 billion for recurrent activities, representing 97 per cent of the revised recurrent net budget. Table 4.9 shows an EIICT sector analysis of exchequer issues and expenditures in the FY 2023/24.

Table 4.9: EIICT-Analysis of Exchequer Issues and Expenditure

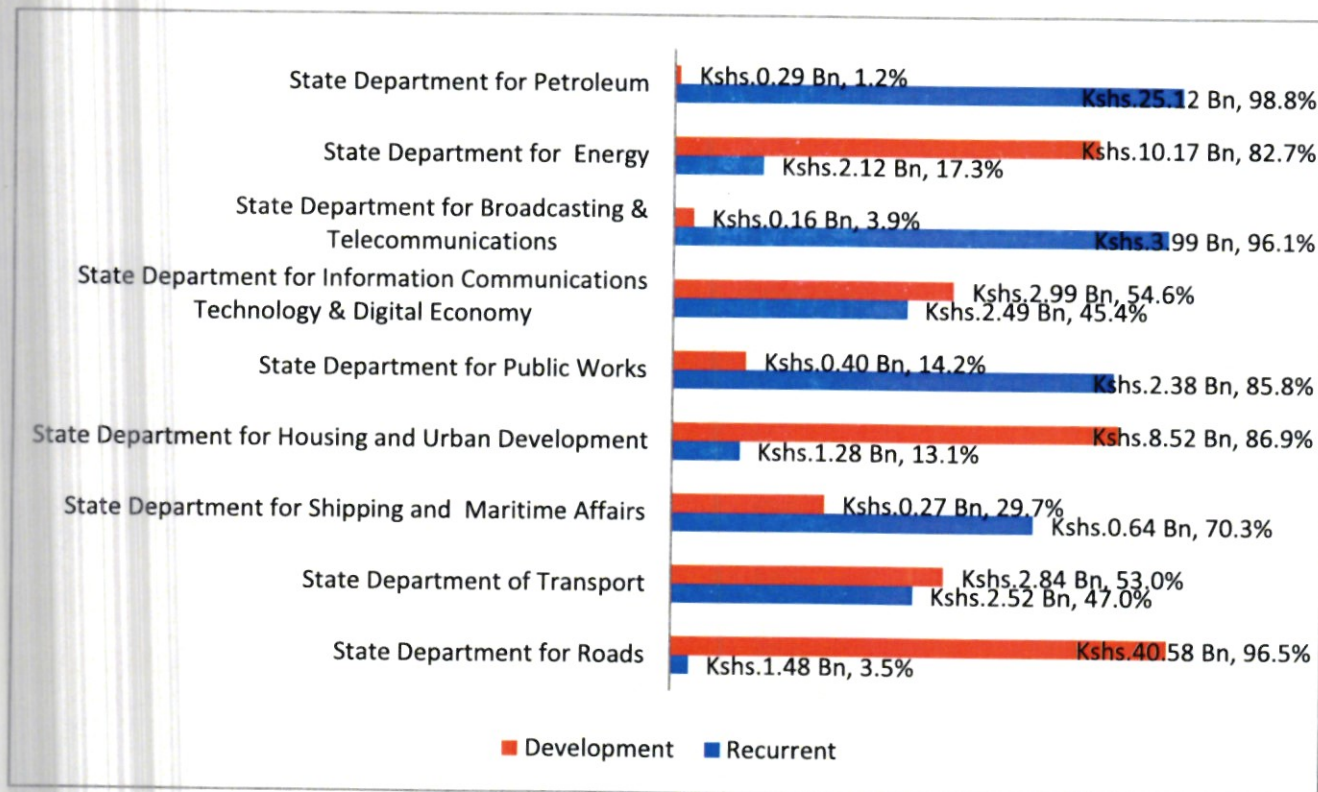
VOTE	Development (Kshs. Bn)						Recurrent (Kshs. Bn)					
	Revised Gross Budget	Revised Net Budget	Exchequer Issues	Expenditure	% of Exchequer to Revised Net Budget	% of Expenditure to Revised Gross Budget	Revised Gross Budget	Revised Net Budget	Exchequer Issues	Expenditure	% of Exchequer to Revised Net Budget	% of Expenditure to Revised Gross Budget
State Department for Roads	107.75	63.27	40.58	78.62	64	73	70.31	1.54	1.48	70.37	96	100
State Department of Transport	43.25	4.79	2.84	40.51	59	94	16.47	3.18	2.52	10.55	79	64
State Department for Shipping and Maritime Affairs	0.75	0.27	0.27	0.54	100	72	2.47	0.64	0.64	2.21	100	89
State Department for Housing and Urban Development	76.82	12.57	8.52	25.29	68	33	1.37	1.28	1.28	1.36	100	99
State Department for Public Works	0.83	0.73	0.40	0.40	54	48	3.38	2.43	2.38	3.34	98	99

VOTE	Development (Kshs. Bn)						Recurrent (Kshs. Bn)					
	Revised Gross Budget	Revised Net Budget	Exchequer Issues	Expenditure	% of Exchequer to Revised Net Budget	% of Expenditure to Revised Gross Budget	Revised Gross Budget	Revised Net Budget	Exchequer Issues	Expenditure	% of Exchequer to Revised Net Budget	% of Expenditure to Revised Gross Budget
State Department for Information Communications Technology & Digital Economy	15.39	3.71	2.99	12.61	81	82	3.99	2.53	2.49	3.44	99	86
State Department for Broadcasting & Telecommunications	0.53	0.53	0.16	0.49	30	93	6.92	4.26	3.99	4.95	94	71
State Department for Energy	46.37	19.33	10.17	26.19	53	56	10.00	2.12	2.12	5.99	100	60
State Department for Petroleum	2.36	0.29	0.29	2.21	100	94	54.57	25.13	25.12	47.63	100	87
Total	294.05	105.48	66.22	186.87	63	64	169.48	43.11	42.02	149.83	97	88
Sector Summary												
	Revised Gross Budget	Revised Net Budget	Exchequer Issues	Expenditure	of Exchequer to Revised Net Budget	% of Expenditure to Revised Gross Budget						
Development	294.05	105.48	66.22	186.86	63	64						
Recurrent	169.48	43.11	42.02	149.83	97	88						
Total	463.53	148.59	108.23	336.7	73	73						

Source: MDAs and National Treasury

The State Department for Shipping and Maritime Affairs and The State Department for Petroleum received the highest proportion of development exchequer issues to develop a revised net budget at 100 per cent, and the State Department for Broadcasting & Telecommunications received the lowest at 30 per cent. The State Department for Shipping and Maritime Affairs and the State Department for Housing and Urban Development recorded the highest proportion of recurrent exchequer issues to the revised recurrent net budget of 100 per cent compared to the State Department for Transport, which recorded the lowest ratio of 79 per cent. Figure 4.6 shows the EICT sector's exchequer issues in the FY 2022/23.

Figure 4.6: Exchequer Issues to the EIICT Sector



Source: National Treasury

The total expenditure for the EIICT Sector amounted to Kshs.336.69 billion, representing 73 per cent of the revised gross budget, compared to 90 per cent (Kshs.309.58 billion) recorded in FY 2022/23. This amount comprised Kshs.186.87 billion for the revised development budget, representing an absorption rate of 63 per cent, compared to 88 per cent recorded in FY 2022/23, and Kshs.149.83 billion for recurrent expenditure, representing 88 per cent of the recurrent revised gross budget, compared to 93 per cent recorded in FY 2022/23.

The State Department for Transport and Petroleum recorded the highest absorption of the revised development budget at 94 per cent, and the State Department for Housing and Urban Development recorded the lowest at 33 per cent. The State Department for Roads recorded the highest recurrent expenditure to revised gross budget at 100 per cent. The State Department of Energy recorded the lowest at 60 per cent.

Section 15 of the Public Finance Management Act, 2012 requires that personnel emoluments do not exceed thirty-five per cent of a government entity's revenue. Table 4.10 below summarises PE costs as a percentage of revenue for the nine MDAs in the EIICT Sector.

Table 4.10: PE Costs as a Percentage of Revenue

MDA	Revenue (in Kshs. million)	PE costs (in Kshs million)	PE to Revenue as a Percentage
State Department for Roads	128,091.33	1,161.19	1
State Department of Transport	5,655.85	184.35	3
State Department for Shipping and Maritime Affairs	2,750.95	116.59	4
State Department for Public Works	3,807.67	760.73	20

MDA	Revenue (in Kshs. million)	PE costs (in Kshs million)	PE to Revenue as a Percentage
State Department for Broadcasting & Telecommunications	4,858.82	448.10	9
State Department for Petroleum	49,916.37	211.24	0.4
TOTAL	1,972,664.62	597,871.01	30

Source: MDAs

In aggregate, the Energy, Infrastructure, and Information Communications Technology (EIICT) Sector spent 30 per cent of revenue on personnel emoluments. The State Department for Petroleum had the highest percentage at 30 per cent, while the State Department for Petroleum recorded the lowest at 0.4 per cent.

4.4.3 Budget Performance by Programmes and Sub-Programmes for EIICT Sector

The EIICT sector budgetary allocation was to fund twenty-six programmes. Table 4.11 shows budget execution by programmes.

Table 4.11: EIICT Sector's Programme Performance

Programmes	Sub-Programmes	Revised Approved Budget II (Kshs. Million)			Expenditure (Kshs. Million)			Absorption Rate (%)
		Recurrent	Development	Total	Recurrent	Development	Total	
State Department for Shipping and Maritime Affairs								
Shipping and Maritime Affairs	Administrative Services	244.42	20.00	264.42	203.61	18.10	221.71	84
	Shipping Affairs	186.89	-	186.89	193.86	-	193.86	104
	Maritime Affairs	2,040.61	730.00	2,770.61	1,810.70	524.28	2,334.99	84
	Sub-Total	2,471.91	750.00	3,221.91	2,208.18	542.38	2,750.56	85
State Department for Petroleum								
Exploration and Distribution of Oil and Gas	Exploration of Oil and Gas	61.77	1,650.26	1,712.03	56.41	1,715.53	1,771.94	103
	Distribution of Oil and gas	-	712.74	712.74	-	498.84	498.84	70
	General Administration, Planning, and Support Services	54,509.64	-	54,509.64	47,568.85	-	47,568.85	87
	Sub-Total	54,571.40	2,363.00	56,934.40	47,625.26	2,214.37	49,839.62	88
State Department for Roads								
Road Transport	General Administration, Planning, and Support Services	2,202.92	3,344.20	5,547.12	1,476.63	3,124.54	4,601.16	83
	Construction of Roads and Bridges	-	65,411.42	65,411.42	-	50,599.62	50,599.62	77
	Rehabilitation of Roads and Bridges	-	37,997.05	37,997.05	-	24,900.56	24,900.56	66
	Maintenance of Roads and Bridges	68,104.21	1,000.00	69,104.21	68,890.21	-	68,890.21	100
	Sub-Total	70,307.13	107,752.67	178,059.80	70,366.84	78,624.72	148,991.55	84
State Department for Transport								

Programmes	Sub-Programmes	Revised Approved Budget II (Kshs. Million)			Expenditure (Kshs. Million)			Absorption Rate (%)
		Recurrent	Development	Total	Recurrent	Development	Total	
General Administration, Planning and Support Services	Financial Management Services	14.84	26.00	40.84	14.74	26.00	40.74	100
	Human Resources and Support Services	2,251.61	1,008.57	3,260.18	2,249.76	848.15	3,097.91	95
	Information Communication	11.37	-	11.37	10.06	-	10.06	88
Road Transport Safety and Regulation	Road Transport Safety and Regulation	2,875.43	1,307.00	4,182.43	2,875.26	644.78	3,520.04	84
Rail Transport	Rail Transport	100.00	39,560.50	39,660.50	100.00	37,795.05	37,895.05	96
Marine Transport	Marine Transport	605.57	935.00	1,540.57	579.40	835.00	1,414.40	92
Air Transport	Air Transport	10,613.74	412.50	11,026.24	10,482.39	416.42	10,898.81	99
	Sub-Total	16,472.57	43,249.57	59,722.14	16,311.60	40,565.39	56,877.00	95
State Department for ICT and Digital Economy								
General Administration, Planning and Support Services	General Administration, Planning, and Support Services	323.83	-	323.83	312.03	-	312.03	96
ICT Infrastructure Development	ICT Infrastructure Connectivity	-	5,112.20	5,112.20	-	4,643.35	4,643.35	91
	ICT and BPO Development	819.96	9,121.00	9,940.96	814.60	7,175.11	7,989.71	80
E-Government Services	E-Government Services	2,841.51	1,160.00	4,001.51	2,312.20	789.41	3,101.61	78
	Sub-Total	3,985.30	15,393.20	19,378.50	3,438.83	12,607.86	16,046.69	83
State Department of Energy								
General Administration, Planning and Support Services	Administrative services	214.81	140.00	354.81	189.58	139.96	329.54	93
	Financial services	142.82	135.00	277.82	136.64	134.77	271.41	98
	Planning and project monitoring	23.98	-	23.98	23.53	-	23.53	98
Power Generation	Development of Nuclear Energy	795.00	214.51	1,009.51	795.00	240.00	1,035.00	103
	Coal Exploration and Mining	-	180.00	180.00	48.92	180.00	228.92	127
	Geothermal generation	2,456.76	10,421.40	12,878.17	2,410.00	9,189.60	11,599.60	90
Power Transmission and Distribution	National Grid System	4,211.01	23,756.02	27,967.02	3,044.73	13,366.49	16,411.21	59
	Rural Electrification	2,080.00	9,899.87	11,979.87	2,080.00	2,397.34	4,477.34	37
Alternative Energy Technology	Alternative Energy Technologies	73.40	1,627.69	1,701.09	71.38	684.13	755.52	44
	Sub-Total	9,997.78	46,374.49	56,372.27	8,799.77	26,152.30	34,903.16	62
State Department for Housing and Urban Development								

Programmes	Sub-Programmes	Revised Approved Budget II (Kshs. Million)			Expenditure (Kshs. Million)			Absorption Rate (%)
		Recurrent	Development	Total	Recurrent	Development	Total	
Human Development and Urban Settlement	Housing Development	474.22	7,287.00	7,761.22	473.62	6,332.88	6,806.51	88
	Estate Management	409.23	992.00	1,401.23	399.54	964.62	1,364.16	97
	Affordable Housing	-	64,819.85	64,819.85	-	16,652.77	16,652.77	26
Urban and Metropolitan Development	Metropolitan Planning	124.65	661.00	785.65	123.08	359.37	482.44	61
	Urban Development	30.07	3,055.83	3,085.90	29.24	979.55	1,008.79	33
General Administration Planning and Support Services	General Administration, Planning & Support Services	329.53	-	329.53	330.37	-	330.37	100
	Sub-Total	1,367.70	76,815.68	78,183.38	1,355.84	25,289.19	26,645.04	34
State Department for Broadcasting and Telecommunication								
General Administration Planning and Support Services	General Administration, Planning and Support Services	287.00	-	287.00	232.27	-	232.27	81
Information and Communication Services	News and Information	4,502.33	375.50	4,877.83	1,958.35	337.96	2,296.32	47
	Kenya Year Book Initiative	316.00	10.00	326.00	273.17	10.00	283.17	87
	ICT and Media Regulatory Services	1,550.50	-	1,550.50	1,535.50	-	1,535.50	99
Mass Media Skills Development	Mass Media Skills Development	269.00	140.50	409.50	239.00	140.50	379.50	93
	Sub-Total	6,924.83	526.00	7,450.83	4,238.29	488.46	4,726.76	63
State Department for Public Works								
Government Buildings	Stalled and New Government Building	506.30	567.05	1,073.35	503.15	229.47	732.62	68
Coastline Infrastructure Development	Coastline Infrastructure Development	80.84	46.75	127.59	73.80	51.23	125.04	98
	Pedestrian Access	-	57.11	57.11	-	58.34	58.34	102
General Administration, Planning and Support Services	Administration, Planning and Support Services	294.82	-	294.82	286.48	-	286.48	97
	Procurement, Warehousing and Supply	69.06	6.00	75.06	67.88	6.00	73.88	98
Regulation and Development of Construction Industry	Regulation of the Construction Industry	2,335.70	100.00	2,435.70	1,409.70	-	1,409.70	58
	Research Services	17.67	7.00	24.67	4.73	7.00	11.73	48
	Building Standards	77.23	45.00	122.23	69.13	45.00	114.12	93
	Sub-Total	3,381.61	828.92	4,210.53	2,414.87	397.04	2,811.91	67
	Total	169,480.24	294,053.53	463,533.77	156,759.49	186,881.71	345,375.41	74

Source: MDAs and National Treasury

An analysis of the programme and sub-programme performance across various State Departments reveals a moderate overall budget absorption rate of 74 per cent, with notable differences between recurrent and development expenditures. Development expenditures generally exhibit lower absorption rates, suggesting potential project implementation delays or fund release challenges. The State Department for Shipping and Maritime Affairs performed

well overall, with the Shipping Affairs sub-programme exceeding its revised budget at 104 per cent, indicating either underestimation in budget allocation or over-expenditure. The State Department for Petroleum showed strong absorption in the Exploration of Oil and Gas sub-programme (103 per cent) but lagged in the Distribution of Oil and Gas (70 per cent).

In the State Department for Roads, the Maintenance of Roads and Bridges sub-programme fully utilised its revised budget, achieving a 100 per cent absorption rate. In comparison, the Rehabilitation of Roads and Bridges recorded 66 per cent, suggesting delays or challenges in execution. The State Department for Transport recorded varied performance, with the Human Resources and Support Services sub-programme significantly overshooting its revised budget above 100 per cent, raising concerns about budget forecasting. ICT and Digital Economy initiatives saw good progress, particularly in ICT Infrastructure Connectivity with a 91 per cent absorption rate, though e-government Services recorded 78 per cent.

The State Department of Energy had mixed results, with the Alternative Energy Technologies sub-programme showing a low absorption rate of 44 per cent, indicating challenges in implementing activities to alternative energy sources. The National Grid System also had a relatively low absorption rate of 59 per cent, pointing to delays in expanding the national electricity grid. Housing and Urban Development faced significant challenges in the Affordable Housing sub-programme, with a low absorption rate of 26 per cent, reflecting delays in project implementation.

Under the State Department for Broadcasting and Telecommunication, the ICT and Media Regulatory Services sub-programme recorded an absorption rate of 99 per cent. In comparison, News and Information recorded the lowest at 47 per cent. The State Department for Public Works recorded varied performance, with the Government Buildings sub-programme absorbing only 68 per cent of its revised budget, indicating a delay in project execution, and the Regulation and Development of Construction Industry sub-programme at 58 per cent.

4.4.4 Key Achievements by MDAs in The EIICT Sector

The State Department for ICT and Digital Economy made notable strides in expanding ICT infrastructure, particularly with the ICT Infrastructure Connectivity sub-programme, which achieved a high absorption rate, reflecting its successful implementation. This progress has been pivotal in enhancing connectivity and digital access nationwide, laying a solid foundation for further digital transformation initiatives.

Additionally, despite facing some challenges in budget absorption, the E-Government Services sub-programme has contributed to the ongoing efforts to digitise government services, improving efficiency and accessibility for citizens. The State Department for Broadcasting and Telecommunication also recorded successes, particularly in the Mass Media Skills Development sub-programme, which achieved a commendable absorption rate, indicating effective utilisation of resources to enhance media skills in the country.

Further, the continued investment in the ICT and Business Processes Outsourcing Development sub-programme reflects a growing emphasis on developing Kenya's digital economy, fostering innovation, and creating employment opportunities in the technology sector. These achievements underscore the sector's critical role in driving economic growth and enhancing service delivery through digital solutions.

4.4.5 Project Implementation for the EIICT Sector

Most of the projects are multi-year in nature. Table 4.12 summarises the development of some of the projects with the highest spending in the reporting period in the EIICT sector.

Table 4.12: EIICT Sector Projects with the Highest Expenditure

Name of MDA	Project Name (a)	Project Commencement Date (b)	Expected date of Completion of the Project (c)	Source of Funds (d)	Estimated Value of the Project (Kshs. Million) (e)	Total Funding in FY 2023/24 (Kshs. Million) (f)*	Actual Expenditure in FY 2023/24 (Kshs. Million) (g)*	Cumulative Expenditure as of 30th June 2024 (Kshs. Million) (h)*	Percentage (%) of Completion (i=h/e)
State Department for Roads	MPARD Package 2 - Mwache – Tsunza – Mteza	13/03/2020	12/03/2024	Gok/ Dev Partner Loan	24,236.39	4,363.00	4,359.40	18,509.60	76
	NUTRIP: James Gich-uru junction – Rironi (Uhuru Highway) (26 km)	04/08/2017	28/02/2022	Gok/ Dev Partner Loan	20,414.79	1,450.00	1,450.00	11,187.80	55
State Department of Transport	Standard Gauge Railway: Land acquisition and Construction of Public institutions and land acquisition under Phase 1 and 2A	28/11/2013	30/06/2026	GoK	68,337.00	6,367.60	-	60,460.00	88
	Special Economic Zone Development Project Dongo Kundu (BETA)	07/01/2020	30/06/2026	GoK/ Foreign	60,627.00	635.00	535.00	2,217.00	4
State Department for Housing and Urban Development	National Housing Development Fund	01/07/2018	01/06/2026	GoK	627,000.00	64,820.00	16,653.00	20,679.00	3
State Department for Energy	132 KV Rabai Bamburi Kilifi power line	12/01/2018	08/01/2024	GoK Spanish Govt	3,670.00	588.00	482.00	2,352.00	77
	Bogoria Silali Geothermal Projects	01/06/2010	01/06/2028	GoK, Local AIA, Donor	78,029.00	15,823.09		15,933.67	20
	Nanyuki - Isiolo – Meru Line - 132 KV Transmission Line	10/01/2012	09/01/2025	GoK and Foreign	5,588.00	107.00	107.00	4,081.00	73

Source: MDAs

An analysis of project implementation under the EIICT sector revealed that Most of the key projects are multi-year and long-term, with completion dates extending into 2026-2029 for many major initiatives. There is significant variation in project completion percentages, ranging from as low as 1per cent to as high as 80 per cent. Some projects, like the Standard Gauge Railway land acquisition and construction, show substantial progress at 80 per cent completion. However, others, like the National Housing Development Fund and the 300MW Suswa Geothermal project, are behind schedule at 3 per cent and 1 per cent completion, respectively, despite being initiated several years ago. Additionally, there are discrepancies between funding allocated and actual expenditure in several projects, as reported by MDAs, indicating potential issues with fund utilisation or project management.

The CoB recommends that a comprehensive review of project management practices across all MDAs in the sector be conducted to identify bottlenecks and inefficiencies. Particular attention should be paid to projects with low completion percentages despite significant time elapsed since commencement. Secondly, more robust monitoring and evaluation systems would track project progress and fund utilisation more effectively. Thirdly, there should

be a look into the reasons for discrepancies between allocated funding and actual expenditure in certain projects. Fourth, there should be action plans for delayed projects to accelerate progress and meet revised timelines. Finally, coordination between different MDAs involved in related projects should be enhanced to improve overall sector efficiency and avoid duplication of effort. These measures should help improve project implementation rates and ensure more effective use of resources in the EIICT sector.

4.5. Environmental Protection, Water, and Natural Resources Sector

4.5.1 Introduction

The Environmental Protection, Water, and Natural Resources (EPWNR) Sector comprises six MDAs: State Departments for Environment & Climate Change; Forestry; Water and Sanitation; Irrigation; Wildlife; and Mining. The sector has several autonomous and semi-autonomous government agencies. In addition, the Sector has the following entities: The National Environmental Complaint Committee, the National Environment Tribunal, the Hydrologists Registration Board, and the Wildlife Clubs of Kenya.

The sector's goal is to ensure sustainable development in a clean and secure environment. Its objectives include enhancing climate change resilience and low carbon emissions, improving land use through irrigation and land reclamation, and promoting equitable and sustainable use of wildlife resources.

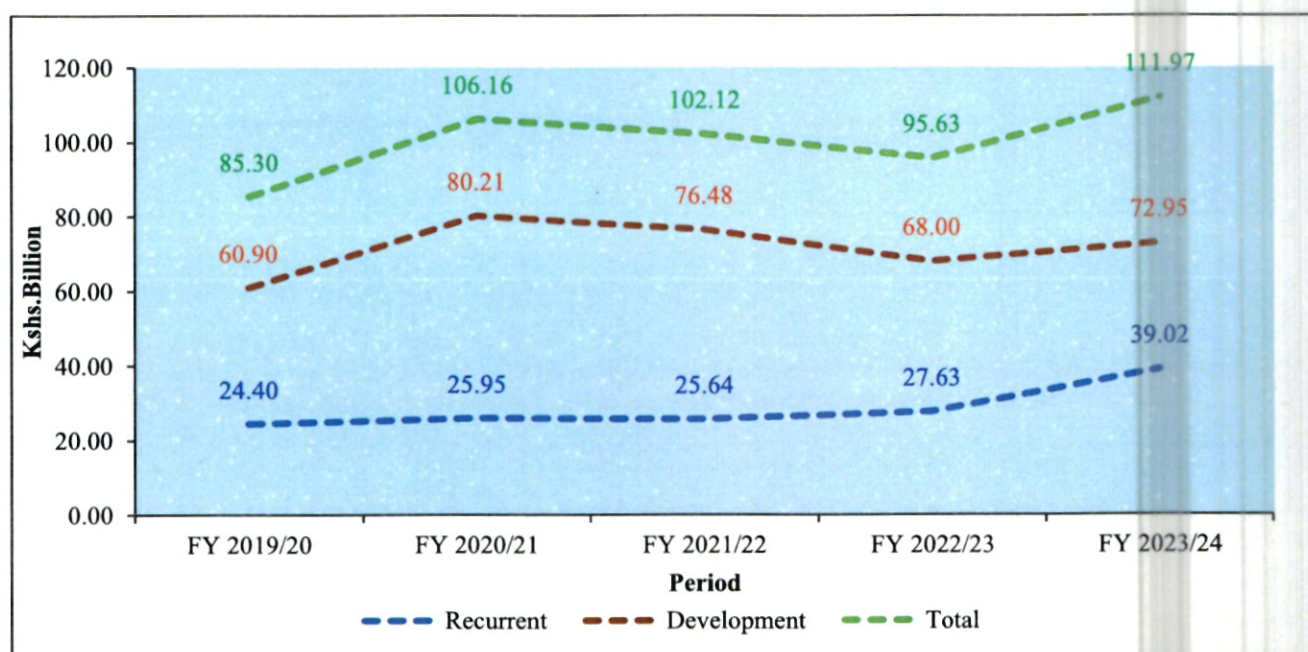
The Sector plays a pivotal role in securing, stewarding, and sustaining the environment, Kenya's natural capital, water provision, and foreign exchange generation for the country. It promotes socio-economic development to realise the Kenya Vision 2030 and BETA Agenda.

4.5.2 Budget Performance for EPWNR Sector

The annual budgetary allocation to the EPWNR Sector in FY 2023/24 amounted to Kshs.120.56 billion, revised to Kshs.125.52 billion in Supplementary Budget I, and Kshs.111.97 billion in Supplementary Budget II, compared to Kshs.95.63 billion allocated in FY 2022/23. This amount represents 3 per cent of the revised gross national budget of Kshs.4.43 trillion and 5 per cent of the MDAs' revised budget of Kshs.2.44 trillion. The allocation comprised Kshs.72.95 billion (65 per cent) for development activities and Kshs.39.02 billion (35 per cent) for recurrent expenditure. The State Department for Water and Sanitation received the highest budgetary allocation of Kshs.51.50 billion (46 per cent of the Sector's revised budget), while the State Department for Mining had the lowest budgetary allocation of Kshs.2.81 billion (3 per cent of the Sector's revised budget).

The high allocation to the State Department for Water and Sanitation is attributed to the essential nature of making water accessible to every citizen, accompanied by the need for intense infrastructural investment in water facilities. Figure 4.7 shows the budgetary allocation trend for the EPWNR Sector for FY 2019/20 to FY 2023/24.

Figure 4.7: Budgetary Allocation Trend for the EPWNR Sector



Source: National Treasury

The total exchequer issues to the EPWNR sector amounted to Kshs.59.32 billion, representing 81 per cent of the Sector's revised net budget. This amount comprised Kshs.37.59 billion for development expenditure, representing 75 per cent of the development revised net budget, and Kshs.21.73 billion for recurrent activities, representing 93 per cent of recurrent revised net budget. Table 4.13 shows EPWNR sector analysis of exchequer issues and expenditure in the FY 2023/24.

Table 4.13: EPWNR Sector-Analysis of Exchequer Issues and Expenditure

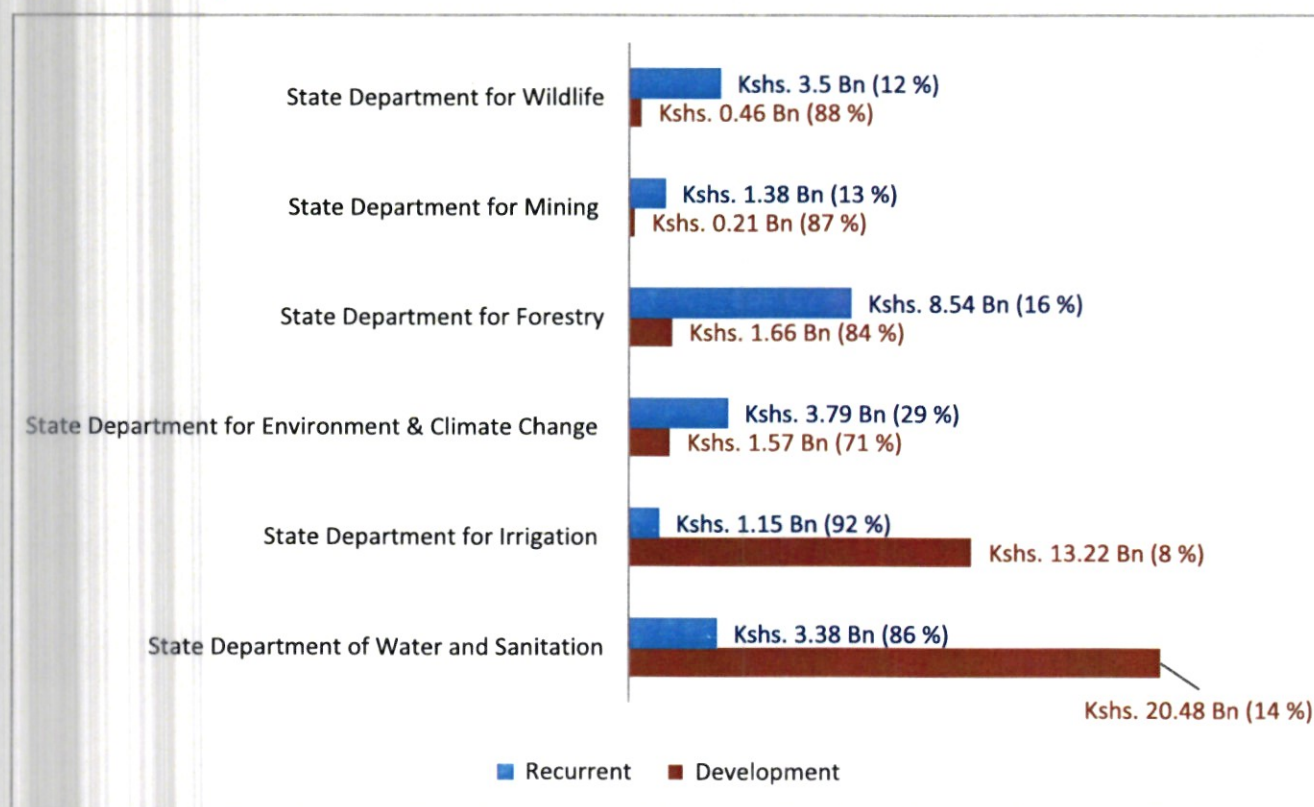
VOTE	Development (Kshs. Bn)						Recurrent (Kshs. Bn)					
	Revised Gross Budget	Revised net Budget	Exchequer Issues	Expenditure	% of Exchequer to Revised net budget	% of Expenditure to Revised Gross Budget	Revised Gross Budget	Revised net budget	Exchequer Issues	Expenditure	% of Exchequer to Revised net Budget	% of Expenditure to Revised Gross Budget
State Department of Water and Sanitation	44.68	30.25	20.48	36.54	68	82	6.82	3.43	3.38	4.82	99	71
State Department for Irrigation	20.60	13.75	13.22	18.25	96	89	1.55	1.15	1.15	1.40	100	90
State Department for Environment & Climate Change	2.26	2.00	1.57	1.79	79	79	4.74	3.82	3.79	3.75	99	79
State Department for Forestry	3.41	2.20	1.66	2.95	75	87	10.12	8.54	8.54	10.04	100	99
State Department for Mining	0.89	0.89	0.21	0.53	23	60	1.92	1.82	1.38	1.65	75	86
State Department for Wildlife	1.11	0.97	0.46	0.65	47	59	13.86	4.66	3.50	12.16	75	88
Total	72.95	50.07	37.59	60.71	75	83	39.02	23.42	21.73	33.81	93	87

VOTE	Development (Kshs. Bn)						Recurrent (Kshs. Bn)					
	Revised Gross Budget	Revised net Budget	Exchequer Issues	Expenditure	% of Exchequer to Revised net budget	% of Expenditure to Revised Gross Budget	Revised Gross Budget	Revised net budget	Exchequer Issues	Expenditure	% of Exchequer to Revised net Budget	% of Expenditure to Revised Gross Budget
Sector Summary												
		Revised Gross Budget (Kshs. Bn)	Revised Net Budget (Kshs. Bn)	Exchequer Issues (Kshs. Bn)	Expenditure (Kshs. Bn)	% of Exchequer to Revised Net Budget (Kshs. Bn)					% of Expenditure to Revised Gross Budget (Kshs. Bn)	
Development		72.95	50.07	37.59	60.71	75					83	
Recurrent		39.02	23.42	21.73	33.81	93					87	
Total		111.96	73.48	59.32	94.53	81					84	

Source: MDAs and National Treasury

The State Department for Irrigation recorded the highest proportion of development exchequer issues to revised development net budget of 96 per cent, and the State Department for Mining recorded the lowest ratio of 23 per cent. The State Department for Irrigation and the State Department for Forestry received the highest proportion of recurrent exchequer issues to revised recurrent net budget at 100 per cent. In comparison, the State Department for Mining and the State Department for Wildlife received the lowest at 75 per cent. Figure 4.8 shows the exchequer issues to the EPWNR Sector in the FY 2023/24.

Figure 4.8: Exchequer Issues to EPWNR Sector



Source: National Treasury

The total expenditure for the EPWNR Sector amounted to Kshs.94.53 billion, representing 84 per cent of the revised gross budget, compared to 80 per cent (Kshs.75.99 billion) recorded in FY 2022/23. This amount comprised

Kshs.60.71 billion for the development budget representing an absorption rate of 83 per cent, compared to 76 per cent recorded in FY 2022/23, and Kshs.33.81 billion for recurrent expenditure representing 87 per cent of the revised recurrent gross budget, compared to 87 per cent recorded in FY 2022/23.

The State Department for Irrigation recorded the highest development expenditure to revised gross budget at 89 per cent, while the State Department for Wildlife recorded the lowest at 59 per cent. The State Department for Forestry recorded the highest absorption of the recurrent budget at 99 per cent, while the State Department for Water and Sanitation recorded the lowest at 71 per cent.

Section 15 of the Public Finance Management Act, 2012 read together with the PFM Regulations 2015 Section 26(1) requires that personnel emoluments do not exceed thirty-five per cent of a government entity's revenue. Table 4.14 below summarizes PE costs as a percentage of revenue for the four MDAs in the Environmental Protection, Water and Natural Resources sector.

Table 4.14: PE Costs as a Percentage of Revenue

MDA	Revenue (in Kshs. million)	PE costs (in Kshs million)	PE to Revenue as a percentage
State Department for Water and Sanitation	26,478.00	535.00	2
State Department for Irrigation	15,016.00	210.00	1
State Department for Environment and Climate Change	6,537.00	1,135.00	17
State Department for Forestry	12,512.00	99.00	0.8
State Department for Mining	1,623.00	383.00	24
State Department for Wildlife	11,656.00	125.00	1
Total	73,822.00	2,487.00	3

Source: MDAs

In aggregate, the Environmental Protection, Water and Natural Resources sector spent 3 per cent of revenue on personnel emoluments. The State Department for Mining had the highest percentage at 24 per cent while the State Department for Forestry had the lowest at 0.8 per cent.

4.5.3 Budget Performance by Programmes and Sub-Programmes for EPWNR Sector

The budgetary allocation to the EPWNR sector was to fund eleven programmes. Table 4.15 shows budget execution by programmes and sub-programmes in the FY 2023/24.

Table 4.15: EPWNR Sector's Programme

Programmes	Sub-Programmes	Revised Budget (Kshs. Million)			Expenditure (Kshs. Million)			Absorption Rate (%)
		Recurrent	Development	Total	Recurrent	Development	Total	
State Department for Water and Sanitation								
General Administration, Planning and Support Services	Water Policy Management	703.70	860.00	1,563.70	669.95	817.20	1,487.16	95
Water Resources Management	Water Resources Conservation and Protection	2,428.76	7,064.76	9,493.52	803.76	5,284.16	6,087.92	64
	Transboundary Waters	-	90.00	90.00	-	90.00	90.00	100

Programmes	Sub-Programmes	Revised Budget (Kshs. Million)			Expenditure (Kshs. Million)			Absorption Rate (%)
		Recurrent	Development	Total	Recurrent	Development	Total	
Water and Sewerage Infrastructure Development	Sewerage Infrastructure Development	3,683.34	36,668.00	40,351.34	3,303.49	29,487.04	32,790.53	81
	Sanitation Infrastructure Development and Management	-	7,471.00	7,471.00	-	866.13	866.13	12
	Sub-Total	6,815.80	52,153.76	58,969.56	4,777.20	36,544.54	41,321.74	70
State Department for Irrigation								
Irrigation and Land Reclamation	Land Reclamation	35.95	10.00	45.95	33.57	8.29	41.86	91
	Irrigation and Drainage	770.60	17,054.00	17,824.60	679.78	14,737.44	15,417.22	86
	Irrigation Water Management	49.75	140.00	189.75	46.97	108.94	155.91	82
Water Storage and Flood Control	Water Storage and Flood Control	497.50	1,880.00	2,377.50	444.30	1,899.99	2,344.30	99
Water Harvesting and Storage for Irrigation	Water Storage for Irrigation	-	630.00	630.00	-	618.12	618.12	98
	Water Harvesting for Irrigation	31.25	890.00	921.25	30.05	875.10	905.15	98
Water Harvesting and Storage for Irrigation	Administrative Services	168.70	-	168.70	156.08	-	156.08	93
	Sub-Total	1,553.76	20,604.00	22,157.76	1,390.75	18,247.89	19,638.63	93
State Department for Environment and Climate Change								
Environment Management and Protection	Climate Change Adaptation and Mitigation	-	80.00	80.00	-	45.83	45.83	57
	Policy and Governance in Environment Management	182.60	-	182.60	164.43	-	164.43	90
	National Environment Management	2,606.00	1,650.21	4,256.21	1,704.19	966.07	2,670.26	63
General Administration, Planning and Support Services	General Administration, Planning and Support Services	912.70	-	912.70	900.71	-	900.71	99
Modernisation of Meteorological Services	Modernisation of Meteorological Services	1,020.45	271.00	1,291.45	907.12	98.46	1,005.59	78
	Advertent Weather Modification	-	182.00	182.00	-	114.73	114.73	63
Water Towers Rehabilitation and Conservation	Water Towers Rehabilitation and Conservation	-	75.00	75.00	-	75.00	75.00	100
	Sub-Total	4,721.75	2,258.21	6,979.95	3,676.46	1,300.10	4,976.56	71

Programmes	Sub-Programmes	Revised Budget (Kshs. Million)			Expenditure (Kshs. Million)			Absorption Rate (%)
		Recurrent	Development	Total	Recurrent	Development	Total	
State Department for Wildlife								
Wildlife Conservation and Management	Wildlife Security, Conservation and Management	12,864.58	857.98	13,722.56	11,240.80	443.84	11,684.64	85
	Wildlife Research and Development	733.54	249.00	982.54	695.61	204.00	899.61	92
	Administrative Services	265.30	-	265.30	222.30	-	222.30	84
	Sub-Total	13,863.42	1,106.98	14,970.40	12,158.70	647.84	12,806.55	86
State Department for Mining								
General Administration, Planning and Support Services	General Administration, Planning and Support Services	840.59	-	840.59	728.64	-	728.64	87
Mineral Resources Management	Mineral Resources Development	5.83	12.00	17.83	5.69	11.42	17.12	96
	Geological survey and mineral exploration	245.39	178.00	423.39	193.33	101.08	294.41	70
Geological Survey and Geoinformation Management	Geological Survey	832.25	665.50	1,497.75	720.24	415.98	1,136.23	76
	Geo-information Management	-	30.00	30.00	-	6.04	6.04	20
	Sub-Total	1,924.05	885.50	2,809.55	1,647.90	534.52	2,182.42	78
State Department for Forestry								
Forest Management and Water Towers Conservation	Forest Resources Conservation Management	8,239.34	3,034.76	11,274.10	8,198.85	2,587.56	10,786.41	96
	Forest Research and Development	1,747.00	363.58	2,110.58	1,746.00	363.58	2,109.57	100
	Water Towers Rehabilitation and Conservation	-	10.00	10.00	-	-	-	-
	General administration and planning	133.03	-	133.03	97.42	-	97.42	73
	Sub-Total	10,119.37	3,408.34	13,527.71	10,042.26	2,951.13	12,993.40	96
Grand Total		38,998.14	80,416.78	119,414.93	33,693.27	60,226.02	93,919.29	79

Source: MDAs and National Treasury

An analysis of Programmes and sub-programmes shows that the Forest Research and Development sub-programme under the Forest Management and Water Towers Conservation programme within the State Department for Forestry, Transboundary Waters sub-programme under the Water Resources Management programme within the State Department for Water and Sanitation, and Water Towers Rehabilitation and Conservation sub-programme under

the Water Towers Rehabilitation and Conservation programme within the State Department for Environment and Climate Change absorbed 100 per cent of their budgets. In contrast, the Sanitation Infrastructure Development and Management sub-programme under the Water and Sewerage Infrastructure Development programme within the State Department for Water and Sanitation absorbed only 12 per cent of its budget, followed by the Geo-information Management sub-programme under the Geological Survey and Geoinformation Management programme in the State Department for Mining with absorption of 20 per cent of its revised budget.

Further analysis shows that some sub-programmes under-absorbed their budget allocations in FY 2023/24. We recommend that the entities within the Sector review their performance in liaison with the National Treasury and take corrective measures in subsequent financial years for effective budget execution.

4.5.4 Key Achievements by MDAs in the EPWNR Sector

The State Department for Irrigation, Lower Kuja Irrigation Scheme, targeted an area of 1,000 hectares for irrigation, but it was surpassed by 330 hectares. Meanwhile, the Mwea Irrigation Development Project (Thiba Dam and Irrigation Area) 's acreage for rice production produced 131,760 tonnes against a target of 93,720 due to the availability of water from the Rivers Thiba and Nyamindi.

The State Department for Wildlife, through the Kenya Wildlife Service, conserved wildlife habitat restoration through tree planting of 1,875,125 seedlings in various ecosystems, nurturing them to ensure survival.

The State Department for Environment and Climate Change engaged 90 stakeholders for capacity-building purposes for the implementation of the National Climate Change Action Plan. This was achieved through robust capacity building of 52 MDAs and 38 counties on financing locally led climate action programs, against a target of 15. Similarly, the number of inspections undertaken on existing environmental regulations was 2,963, against a target of 2,400.

4.5.5 Project Implementation for EWP&NR Sector

Most of the projects are multi-year in nature and implemented over time. Table 4.16 This section summarises the development of some of the projects in the EWP&NR sector with the highest expenditures in the reporting period.

Table 4.16: EPWNR Sector Projects with the Highest Expenditure

MDA	Project Name (a)	Project commence Date(b)	Expected date of Completion of the Project (c)	Source of Funds (d)	Estimated Value of the Project (Kshs. Million) (e)	Total Funding in FY 2023/24 (Kshs. Million) (f)*	Actual Expenditure in FY 2023/24 (Kshs. Million) (g)*	Cumulative Expenditure As of 30th June 2024 (Kshs. Million) (h)	Per centage (%) of Completion (i=h/e)
State Department for Forestry	Green Zones Development Support Project Phase II	1st Mar 2019	1st March 2025	GoK	5,498.00	1,045.76	1,045.66	3,351.11	61
	National Tree Growing Campaign and Rangeland Restoration Project	1st July 2019	1st July 2032	GoK	600,000.00	851.00	834.98	2,777.11	1
	Capacity Development Project for Technologies in the Forest Fire Management in Kenya	1st July 2022	1st July 2027	GoK	3,339.00	932.50	472.37	1,218.92	37

MDA	Project Name (a)	Project commence Date(b)	Expected date of Completion of the Project (c)	Source of Funds (d)	Estimated Value of the Project (Kshs. Million) (e)	Total Funding in FY 2023/24 (Kshs. Million) (f)*	Actual Expenditure in FY 2023/24 (Kshs. Million) (g)*	Cumulative Expenditure As of 30th June 2024 (Kshs. Million) (h)	Per centage (%) of Completion (i=h/e)
State Department for Wildlife	Maintenance of Access Roads in National Parks	1 st July 2008	31 st July 2034	GoK	100,000.00	-	37.50	3,247.50	3
	Combating Poaching and Illegal Wildlife Trafficking Int. Approach (IWT)-UNDP	1 st July 2020	30 th June, 2025	Gok/Donor	502.00	107.00	156.00	493.00	98
	Provision of Water for Wildlife in Protected Areas-Drilling Bor-BETA	1 st July 2023	30 th June 2031	GoK	885.00	227.00	113.00	113.00	13
State Department for Environment and Climate Change	National Solid Waste Management	1st July 2017	30 th June 2030	GoK	5,000.00	4,742.00	80.00	4,822.00	96
	Implementation of National Climate Change Action Plan	1 st July 2019	30 th June 2027	GoK	2,000.00	1,578.00	230.00	1,808.00	90
	Weather Radar Surveillance Network	1 st Jan 2017	30 th June 2026	GoK	2,000.00	1,429.00	182.00	1,611.00	81
State Department for Water and Sanitation	Thwake Multi-purpose Water Development Programme Phase 1-BETA	Apr-15	Dec-26	GoK/Donor	42,000.00	3,229.70	2,516.40	37,880.00	90
	Nairobi Metro Area Bulk water sources - Karimenu II	01-Jan-18	01-Dec-24	GoK/Donor	35,749.00	-	35,449.00	35,449.00	98
	Kenya Town Sustainable Water Supply and Sanitation Programme	01-Jul-17	01-Dec-26	GoK/Donor	18,026.00	2,622.00	2,011.20	12,627.80	82
State Department for Mining	Geological Mapping and Mineral Exploration	01-Jul-15	30-Jun-32	GoK	1,861.00	438.50	279.60	279.60	12
	Mineral Certification Laboratory	01-Jul-15	30-Jun-26	GoK	1,326.00	227.00	136.40	136.40	7
	1192100801 Mineral Audit Support - Headquarters	01-Jul-16	08-Jun-26	GoK	800.00	75.00	49.00	49.00	17

Source: MDAs

A review of Table 4.16 shows that several of the listed projects were lagging behind their timelines. For Example, within the State Department for Mining, the Mineral Certification Laboratory Project was only 7 per cent complete. This project began on July 1, 2015, and is expected to be completed on June 30, 2026. Entities in the sector should make sure that all multi-year projects are budgeted for and completed within the designated timelines.

4.6. General Economic and Commercial Affairs Sector

4.6.1 Introduction

The General Economic and Commercial Affairs (GECA) sector consists of eight MDAs, namely the State Departments for Trade; Arid and Semi-arid Lands (ASALs) and Regional Development; Cooperatives; Industry; Micro, Small and Medium Enterprises Development; Investment Promotion; East African Community; and Tourism together with their affiliated Agencies and Institutions.

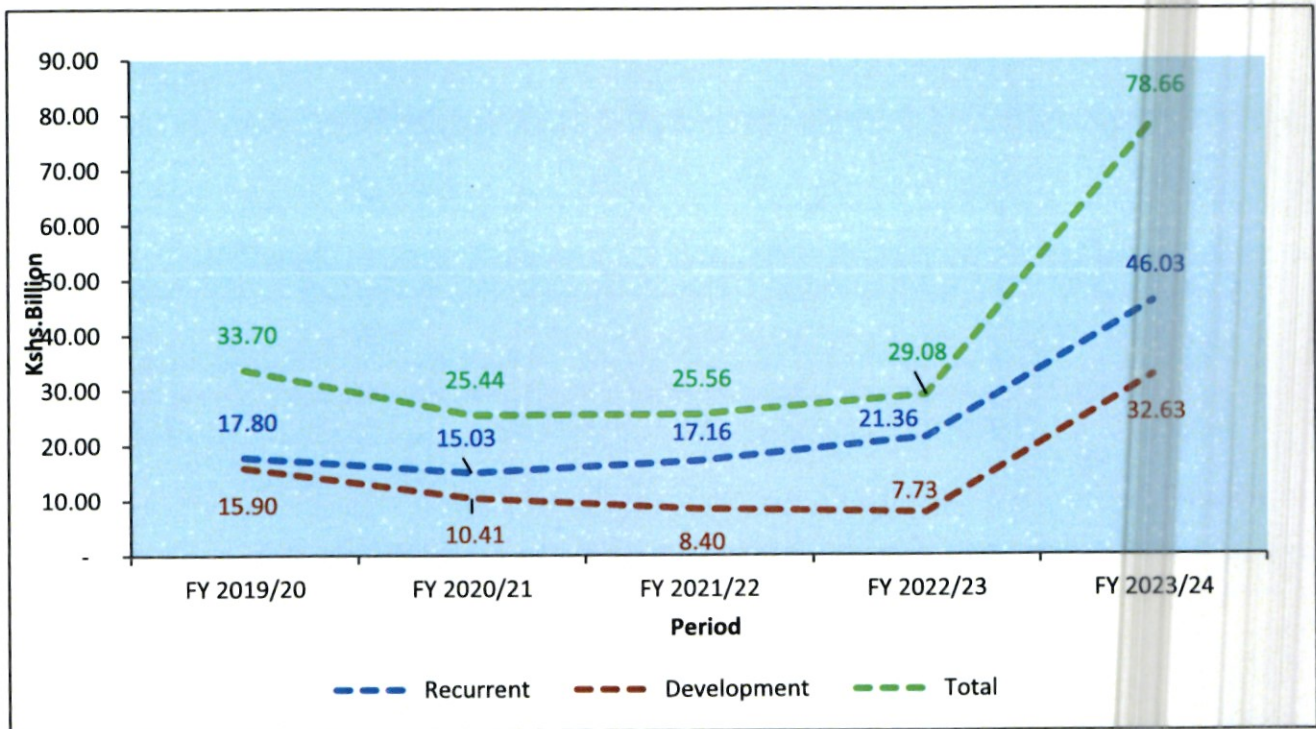
The main objectives of the Sector over the MTEF period are to transform Micro, Small, and Medium Enterprises (MSMEs), promote and sustain tourism, promote industrial development investments, enhance trade and ease of doing business, promote growth and development of cooperatives and the MSMEs Sector, promote regional integration, and promote equitable and sustainable ASAL and regional development.

4.6.2 Budget Performance for the GECA Sector

The budget allocated to the GECA sector in FY 2023/24 amounted to Kshs.61.42 billion, revised to Kshs.72.44 billion in Supplementary Budget I and Kshs.78.66 billion in Supplementary Budget II, compared to Kshs.29.08 billion allocated in FY 2022/23. This amount represents 2 per cent of the revised gross national budget of Kshs.4.43 trillion and 3 per cent of the MDAs' budget of Kshs.2.44 trillion. The growth is attributed to moving the State Department for Cooperatives from the Agriculture, Rural and Urban Development Sector and the State Department for Arid and Semi-arid Lands from the Social Protection, Culture and Recreation Sector, where they were budgeted in FY 2022/23. The allocation comprises Kshs.32.63 billion (41 per cent) for development activities and Kshs.46.03 billion (59 per cent) for recurrent expenditure. The State Department for ASALs and Regional Development received the highest budget allocation of Kshs.29.45 billion (37 per cent of the Sector's budget), while the State Department for East African Community was allocated Kshs.982.71 million (1 per cent of the Sector's allocation).

Figure 4.9 shows the budgetary allocation trend for the GECA sector from FY 2019/20 to FY 2023/24.

Figure 4.9: Budgetary Allocation Trend for the GECA Sector



Source: National Treasury

The total exchequer issues to the GECA sector amounted to Kshs.41.06 billion, representing 66 per cent of the Sector's revised net budget. This amount comprised Kshs.13.83 billion for development expenditures, representing 43 per cent of the revised development net budget, and Kshs.27.23 billion for recurrent activities, representing 91 per cent of the revised recurrent net budget. Table 4.17 analyses exchequer issues and expenditures to the GECA sector in the FY 2023/24.

Table 4.17: GECA Sector-Analysis of Exchequer Issues and Expenditure

VOTE	Development (Kshs. Bn)						Recurrent (Kshs. Bn)					
	Revised Gross Budget	Revised Net Budget	Exchequer Issues	Expenditure	% of Exchequer to Revised Net Budget	% of Expenditure to Revised Gross Budget	Revised Gross Budget	Revised Net Budget	Exchequer Issues	Expenditure	% of Exchequer to Revised Net Budget	% of Expenditure to Revised Gross Budget
State Department for Trade	0.05	0.05	0.05	0.05	100	100	3.50	2.13	1.81	3.18	85	91
State Department for the ASALs and Regional Development	9.60	9.35	6.15	5.22	66	54	19.85	19.37	17.80	19.06	92	96
State Department for Industry	5.74	5.74	2.50	5.74	43	100	3.28	2.65	2.60	3.07	98	94
State Department for Micro, Small and Medium Enterprises Development	5.93	5.93	1.72	5.92	29	100	2.10	1.76	1.47	1.63	83	77
State Department for Investment Promotion	5.52	5.52	1.26	1.26	23	23	1.68	1.17	0.88	1.36	75	81
State Department for East African Community	-	-	-	-	-	-	0.98	0.98	0.96	0.96	98	98
State Department for Cooperatives	5.65	5.65	2.09	2.08	37	37	1.88	0.73	0.73	1.74	100	92

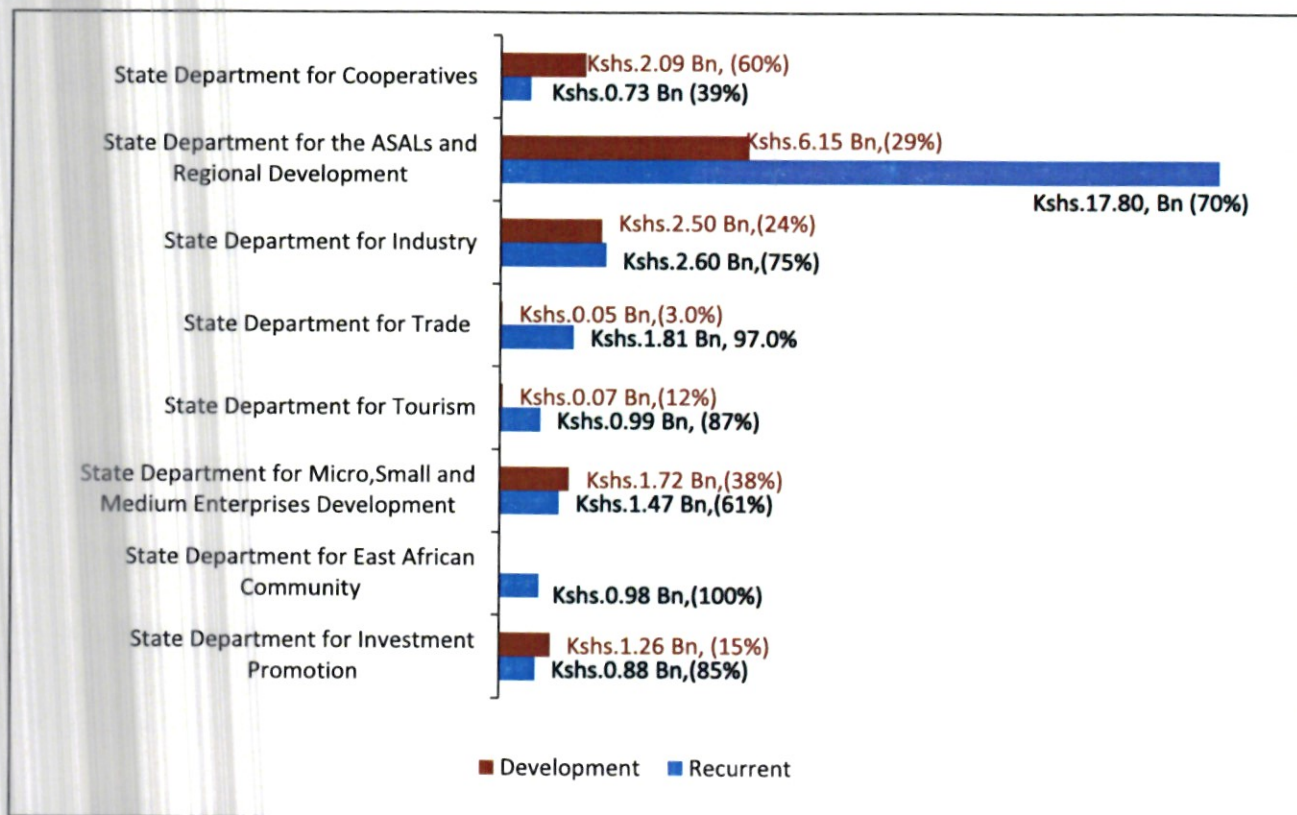
VOTE	Development (Kshs. Bn)						Recurrent (Kshs. Bn)					
	Revised Gross Budget	Revised Net Budget	Exchequer Issues	Expenditure	% of Exchequer to Revised Net Budget	% of Expenditure to Revised Gross Budget	Revised Gross Budget	Revised Net Budget	Exchequer Issues	Expenditure	% of Exchequer to Revised Net Budget	% of Expenditure to Revised Gross Budget
State Department for Tourism	0.14	0.12	0.07	0.09	57	61	12.76	1.01	0.99	1.15	98	9
Total	32.63	32.36	13.83	20.37	43	62	46.03	29.80	27.23	32.15	91	70

Sector Summary						
	Revised Gross Budget	Revised Net Budget	Exchequer Issues	Expenditure	% of Exchequer to Revised Net Budget	% of Expenditure to Gross Budget
Development	32.63	32.36	13.83	20.37	43	62
Recurrent	46.03	29.80	27.23	32.15	91	70
Total	78.67	62.16	41.06	52.52	66	67

Source: MDAs and National Treasury

The State Department for Trade received the highest proportion of development exchequer issues to the revised development net budget at 100 per cent. In comparison, the State Department for Investment Promotion received the lowest at 23 per cent. The State Department for Cooperatives recorded the highest proportion of recurrent exchequer issues to the revised recurrent net budget of 100 per cent. The State Department for Investment Promotion recorded the lowest ratio of 75 per cent. Figure 4.10 shows the exchequer issues to the GECA Sector in the FY 2023/24.

Figure 4.10: Exchequer Issues to the GECA Sector



Source: National Treasury

The total expenditure for the GECA Sector amounted to Kshs.52.52 billion, representing 67 per cent of the revised gross budget, compared to Kshs.23.63 billion (81 per cent) recorded in FY 2022/23. This amount comprised

Kshs.20.37 billion for the development budget representing an absorption rate of 62 per cent, compared to 72 per cent recorded in FY 2022/23, and Kshs.32.15 billion for recurrent expenditure representing 70 per cent of the revised recurrent gross budget, compared to 85 per cent recorded in FY 2022/23.

The State Department for Micro, Small and Medium Enterprises, State Department for Trade and State Department for Industry recorded the highest absorption of development budget at 100 per cent, while the State Department for Investment Promotion recorded the lowest at 23 per cent. The State Department for East African Community recorded the highest recurrent expenditure to the revised gross budget at 98 per cent, while the State Department for Tourism recorded the lowest at 9 per cent. The State Department for Tourism attributes the low budget absorption to the delay in granting authority to spend AIA collected by the Treasury, especially for the Tourism Fund and Tourism Promotion Fund by the National Treasury.

Section 15 of the Public Finance Management Act, 2012 requires that personnel emoluments do not exceed thirty-five per cent of a government entity's revenue. Table 4.18 summarizes PE costs as a percentage of revenue for the eight MDAs in the GECA sector.

Table 4.18: PE Costs as a Percentage of Revenue

Name of the MDA	Revenue (in Kshs. Million)	PE costs (in Kshs Million)	PE to Revenue as a percentage (%)
State Department for Trade	3,211.31	587.63	18
State Department for the ASALs and Regional Development	23,952.04	253.51	1
State Department for Industry	5,689.09	429.18	8
State Department for Micro, Small and Medium Enterprises Development	3,189.79	81.45	3
State Department for Investment Promotion	2,623.08	69.50	3
State Department for East African Community	960.72	306.08	32
State Department for Cooperatives	3,831.78	255.35	7
State Department for Tourism	1,235.86	190.86	15
Total	44,693.67	2,173.55	5

Source: MDAs

Aggregately, the GECA sector spent 5 per cent of revenue on personnel emoluments, within the legal threshold of 35 per cent. The State Department for East African Community had the highest percentage at 32 per cent, while the State Department for ASALs and Regional Development had the lowest at 1 per cent.

4.6.3 Budget Performance by Programmes and Sub-Programmes for GECA Sector

The budgetary allocation was to fund twenty programmes. Table 4.19 shows budget execution by programmes and sub-programmes by the GECA sector in the FY 2023/24.

Table 4.19: GECA Sector Budget Performance by Programmes

Programmes	Sub-Programmes	Revised Approved Estimates II (Kshs. Million)			Expenditure (Kshs. Million)			Absorption Rate (%)
		Recurrent	Development	Total	Recurrent	Development	Total	
State Department for Trade								
Domestic Trade and Enterprise Development	Promotion of Local Content	77.57	-	77.57	73.47	-	73.47	95
	Development Promotion and Regulation of wholesale and Retail Trade	1,353.68	50.00	1,403.68	1,353.12	50.00	1,403.12	100

Programmes	Sub-Programmes	Revised Approved Estimates II (Kshs. Million)			Expenditure (Kshs. Million)			Absorption Rate (%)
		Recurrent	Development	Total	Recurrent	Development	Total	
Fair Trade Practices and Compliance Standards	Enforcement of Intellectual Property Rights and Trade Remedies Measures	4.10	-	4.10	4.10	-	4.10	100
	Enforcement of Legal Metrology	90.21	-	90.21	72.82	-	72.82	81
	Consumer Protection	2.20	-	2.20	2.20	-	2.20	100
International Trade Development and Promotion	Market Diversification and Access	471.50	-	471.50	469.97	-	469.97	100
	Export Trade Development, Promotion and National Branding	716.60	-	716.60	562.81	-	562.81	79
General Administration, Support Services and Planning	General Administration, Support Services and Planning	786.93	-	786.93	644.77	-	644.77	82
Sub-Total		3,502.79	50.00	3,552.79	3,183.26	50.00	3,233.26	91
State Department for Micro, Small and Medium Enterprises Development								
Promotion and Development of MSMEs	MSMEs Development and Promotion	403.50	738.20	1,141.70	395.23	631.56	1,026.79	90
	Entrepreneurship and Business Development Services	47.83	-	47.83	34.99	-	34.99	73
Product and Market Development MSMEs	Market Linkages for MSMEs	4.85	-	4.85	2.48	-	2.48	51
	Value Addition, Innovation and Incubation for MSMEs	505.10	80.00	585.10	285.99	80.00	365.99	63
Digitization and Financial Inclusion for MSMEs	Financial Inclusion (Hustler Fund)	120.00	5,000.00	5,120.00	-	5,000.00	5,000.00	98
	Youth Employment Services	634.78	25.00	659.78	634.78	122.91	757.69	115
	Youth, Women and PWDs Empowerment	-	86.00	86.00	-	86.00	86.00	100
General Administration, Planning and Support Services	General Administration, Planning and Support Services	387.93	-	387.93	219.01	-	219.01	56
Sub Total		2,103.97	5,929.20	8,033.17	1,572.48	5,920.47	7,492.94	93
State Department for Industry								
General Administration, Support Services and Planning	General Administration, Planning and Support Services	551.82	-	551.82	260.85	-	260.85	47
Industrial Development and Development	Promotion of Industrial Development	1,187.61	4,885.09	6,072.70	368.72	1,010.52	1,379.24	23
	Industrial Training and Capacity Development	253.17	48.69	301.86	191.21	103.56	294.77	98

Programmes	Sub-Programmes	Revised Approved Estimates II (Kshs. Million)			Expenditure (Kshs. Million)			Absorption Rate (%)
		Recurrent	Development	Total	Recurrent	Development	Total	
Standards, Quality Infrastructure and Research	Standards Metrology and Conformity	550.45	100.08	650.53	123.98	2,207.45	2,331.43	358
	Business Financing and Incubation	10.42	636.39	646.81	-	867.38	867.38	134
	Industrial Research, Development and Innovation	726.15	72.94	799.09	30.24	360.46	390.69	49
	Sub-Total	3,279.61	5,743.19	9,022.80	974.99	4,549.37	5,524.36	61
State Department for Investments Promotion								
Investment Development and Promotion	Business Environment and Investment Promotion	897.85	5,415.00	6,312.85	770.82	1,194.50	1,965.32	31
	Investments Profiling and Development	409.58	102.00	511.58	294.43	62.00	356.43	70
	General Administration, Planning and Support Services	371.49	-	371.49	296.74	-	296.74	80
	Sub-Total	1,678.92	5,517.00	7,195.92	1,361.99	1,256.50	2,618.49	36
State Department for Tourism								
Tourism Promotion and Marketing	Destination Marketing	437.30	100.00	537.30	276.65	100.00	376.65	70
	Tourism Promotion	492.30	-	492.30	275.80	-	275.80	56
Tourism Product Development and Diversification	Niche Tourism Product Development and Diversification	6,226.78	25.00	6,251.78	243.40	20.03	263.43	4
	Tourism Infrastructure Development	4,750.00	-	4,750.00	-	-	-	-
	Tourism Training and Capacity Building	560.37	-	560.37	101.27	-	101.27	18
General Administration, Planning and Support Services	291.02	17.15	308.17	251.44	16.73	268.16	87	
	Sub-Total	12,757.77	142.15	12,899.92	1,148.56	136.76	1,285.31	10
State Department for Cooperatives								
Cooperative Development and Management	Governance and Accountability	81.13	-	81.13	65.31	-	65.31	81
	Cooperative Advisory Services	1,403.36	10.00	1,413.36	1,259.03	9.53	1,268.56	90
	Marketing, Value Addition and Research	32.57	4,439.85	4,472.42	31.80	573.41	605.21	14
	General Administration, Planning and Support Services	365.99	-	365.99	382.73	-	382.73	105
	Cooperative Development and Investments	-	1,200.00	1,200.00	-	1,500.00	1,500.00	125
	Sub-Total	1,883.05	5,649.85	7,532.90	1,738.87	2,082.94	3,821.81	51

Programmes	Sub-Programmes	Revised Approved Estimates II (Kshs. Million)			Expenditure (Kshs. Million)			Absorption Rate (%)
		Recurrent	Development	Total	Recurrent	Development	Total	
State Department for the ASALs and Regional Development								
Accelerated Asals Development	ASAL Development	8,421.15	74.10	8,495.25	8,398.52	6.00	8,404.52	99
	Drought Management	7,725.94	1,324.29	9,050.23	7,510.96	760.51	8,271.47	91
	Peace Building and Conflict Management	11.13	2,830.00	2,841.13	10.68	119.98	130.66	5
Integrated Regional Development	Integrated Basin-Based Development	3,087.99	5,371.59	8,459.58	2,594.87	4,337.35	6,932.22	82
General Administration and Support Services	General Administration, Planning and Support Services	599.43	-	599.43	541.51	-	541.51	90
	Sub-Total	19,845.64	9,599.98	29,445.62	19,056.54	5,223.85	24,280.39	82
State Department for East African Community								
East African Affairs and Regional Integration	East African Customs Union	26.35	-	26.35	22.73	-	22.73	86
	East African Common Market	550.78	-	550.78	542.84	-	542.84	99
	EAC Monetary Union	28.46	-	28.46	26.25	-	26.25	92
	Management of Northern Corridor Integration	44.92	-	44.92	41.47	-	41.47	92
	General Administration, Planning and Support Services	332.21	-	332.21	327.50	-	327.50	99
	Sub-Total	982.71	-	982.71	960.84	-	960.84	98
	Grand Total	46,034.46	32,631.37	78,665.83	29,997.53	19,219.88	49,217.41	63

Source: MDAs and National Treasury

Analysis of programmes and sub-programmes shows that several sub-programmes absorbed their allocated funds, including the Youth, Women, and Persons Living with Disabilities Empowerment sub-programmes under the State Department for Micro, Small, and Medium Enterprises Development, which had a 100 per cent absorption rate. However, the Infrastructure development sub-programme under the State Department for Tourism did not spend the budgeted amount. (Many programmes are below 20% absorption! This means that they are overbudgeted or understaffed!)

4.6.4 Key achievements by MDAs in the GECA sector

During the period under review, the State Department for East African Community coordinated and participated in negotiations that culminated in the admission of the Federal Republic of Somalia to the East African Community. This expanded the market for Kenyan goods to a population of 12 million people in Somalia. The Department contributed to the Conference Tourism Pillar by hosting the East African Regional Tourism Expo and opening up Machakos, Kajiado, and Kisumu for regional conference tourism. In addition, the Department coordinated and participated in developing a common East Africa Community position in preparation for the Global Climate Change Conference (UNFCCC COP 28). Lastly, the East Africa Legislative Assembly managed to pass 3 bills that were assented to by

the Summit. The bills were The East African Competition (Amendment) Bill 2022, The East African Community Appropriation Bill 2022, and The East African Community Supplementary Appropriation (No.2) Bill 2022.

The State Department for Industry had the following key achievements during the period under review: They initiated and launched 18 County Aggregation and Industrial Parks; Modernization of the Rift Valley Textile (RIVATEX) Machinery recorded a 99 per cent level of achievement. Furthermore, 1,588 bales of cotton lint were sourced locally and distributed 3,253 litres of pesticides to 6,781 cotton farmers. Further, 39 tonnes of industrial castings and 174,159 industrial and automotive parts were produced. In support of the housing program, 235.2 tons of cement were produced, 654 scrap metal dealers were licensed, and 4,004 students were trained on industrial and entrepreneurship skills. In conclusion, performance improvement grants worth Kshs.146 million committed to SMEs and Firms for innovation and productivity improvement were issued.

The State Department for Cooperatives carried out several activities geared towards the improvement of governance and accountability in cooperatives, such as registration of audited accounts, generation of annual lists of approved cooperative auditors, formulation of technical updates cum guidelines, carrying out compliance audits in 47 counties and coordinating the filing of 20,695 declarations of income, assets, and liabilities (DIALs) by cooperative society officials among others.

The State Department for Micro, Small & Medium Enterprises Development held several engagements with development partners, County Governments, County Commissioners, and public and private institutions to discuss measures, initiatives, and interventions to improve their working conditions. For example, a forum with County Chief Officers and Directors of Trade in charge of Trade and MSME Development from all 47 counties, the Kenya National Chambers of Commerce and Industrialization, and representatives from the International Labor Organization. The meeting discussed ways to create an enabling working environment for MSMEs through decriminalising MSMEs, addressing multiple licensing and taxation, as well as identifying & setting aside work space for MSMEs across the country.

The State Department for Trade held a Joint Trade Committee meeting between the Republic of Kenya and the United Republic of Tanzania to acknowledge that tea exports to Tanzania have resumed. Further, they agreed to harmonise levies, charges, and other conditions that affect trade between the two countries. The Department branded 291 products with the mark of identity, trained 10 SMEs on exporting, and trained 212 depositors on warehouse receipt financing. Furthermore, the Department built capacity for 65 manufacturers and producer groups on trade remedies and verified 42 national installations such as KeNHA Weigh Bridges at Mtwapa, Dongo Kundu, Mariakani, Athi River, Kajiado, Juja, Gilgil, Suswa, Webuye, Rongo, and Busia virtual weighbridges.

4.6.5 Project Implementation for the GECA Sector

Most of the projects are multi-year in nature and implemented over some time. Table 4.20 summarises some of the Projects with the Highest Expenditure in the reporting period in the GECA sector.

Table 4.20: GECA Sector Projects with the Highest Expenditure

Name of MDA	Project Name (a)	Project Commencement Date (b)	Expected date of Completion of the Project (c)	Source of Funds (d)	Estimated Value of the Project (Kshs. Million) (e)	Total Funding FY 2023/24 (Kshs. Million) (f)*	Actual Expenditure FY 2023/24 (Kshs. Million) (g)*	Cumulative Expenditure as of 30th June 2024 (Kshs. Million) (h)*	Percentage (%) of Completion (i=h/e)
State Department for Cooperatives	Acquisition of Equipment and Machinery New KCC	01-Jul-15	30-Jun-28	GoK	3,025.00	-	-	2,565.00	85
	Dairy Processing (Powdered Milk)	07-Jan-19	30-Jun-25	GoK	2,000.00	1,200.00	1,500.00	2,650.00	78
State Department for Industry	Construction and equipping of Industrial Research, Laboratories, Nairobi- KIRDI South B	01-Jul-13	30-Jun-27	GoK	6,273.00	4,764.80	4,670.00	4,670.00	74
	Establishment of County Integrated Agro-Industrial Parks	01-Jul-23	30-Jun-23	GoK	7,700.00	4,500.00	4,500.00	4,500.00	58
State Department for Investment Promotion	Development of Athi River Textile hub-EPZA	01-Jul-14	30-Jun-26	GoK	8,240.00	5,418.00	-	5,418.00	66
State Department for Micro, Small and Medium Enterprises Development	Financial Inclusion Fund (Hustler Fund)	11-Feb-22	Continuous	GoK	50,000.00	5,000.00	1,250.00	11,250.00	23
	Provision of financial support for MSMEs (Credit to MSMEs)	01-Jul-15	30-Jun-26	GoK	5,350.00	80.00	80.00	3,698.41	44
	UWEZO FUND	Continuous	Continuous	GoK	11,000.00	80.00	72.00	6,380.00	58
State Department for Tourism	Developing new and sustaining markets & siting booths in Tourism Target	01/01/2015	01/01/2027	GoK	6,669.00	2,998.00	100.00	3,048.00	46
State Department for ASALs And Regional Development	Tana Delta Rice Irrigation Project - Headquarters - BETA	01/08/2009	30/06/2027	GoK	3,901.00	1,880.00	1,880.00	1,880.00	48
	Ewaso Ngiro Leather Factory - Headquarters	01/07/2013	30/06/2026	GoK	1,590.00	1,500.00	1,343.00	1,343.00	84

Source: MDAs within the GECA Sector

We observed that the implementation of some projects had surpassed the expected completion time. For example, the establishment of the County Integrated Agro-Industrial Parks project under the State Department for Industry had a project completion status of 60 percent despite a projected completion timeline of 30 June 2023. We recommend that the Government prioritize the timely completion of multi-year projects already in progress and provide adequate funding in subsequent financial years.

4.7. Governance, Justice, Law and Order Sector

4.7.1 Introduction

The Governance, Justice, Law and Order (GJLO) Sector consists of sixteen MDAs, which include the State Department for Correctional Services; the State Department for Immigration and Citizen Services; the National Police Service; the State Department for Internal Security and National Administration; the State Law Office; the Judiciary; the Ethics and Anti-Corruption Commission (EACC); the Office of the Director of Public Prosecutions (ODPP); the Office of the Registrar of Political Parties (ORPP); the Witness Protection Agency (WPA); the Kenya National Commission on Human Rights (KNHCR); the Independent Electoral and Boundaries Commission (IEBC); the Judicial Service Commission (JSC); the National Police Service Commission (NPSC); the National Gender and Equality Commission (NGEC); and the Independent Policing Oversight Authority (IPOA), as well as SAGAs and tribunals each with specific functions and mandates.

The Sector creates a conducive environment for the country's economic, social, and political development necessary for fulfilling the objectives of the Kenya Vision 2030. It comprises institutions with linkages to peace- and security-building, interpretation of the law, correctional services, immigration and population management, legal advisory services to government agencies, representation of the national government in civil proceedings and matters before foreign courts and tribunals, and dispensation of justice. Further, the Sector promotes good governance and integrity and spearheads the fight against corruption, public prosecutions, registration and regulation of political parties, protection of witnesses, protection and promotion of human rights, delimitation of electoral boundaries and management of electoral process, promotion of gender equality, inclusion of marginalised groups and communities.

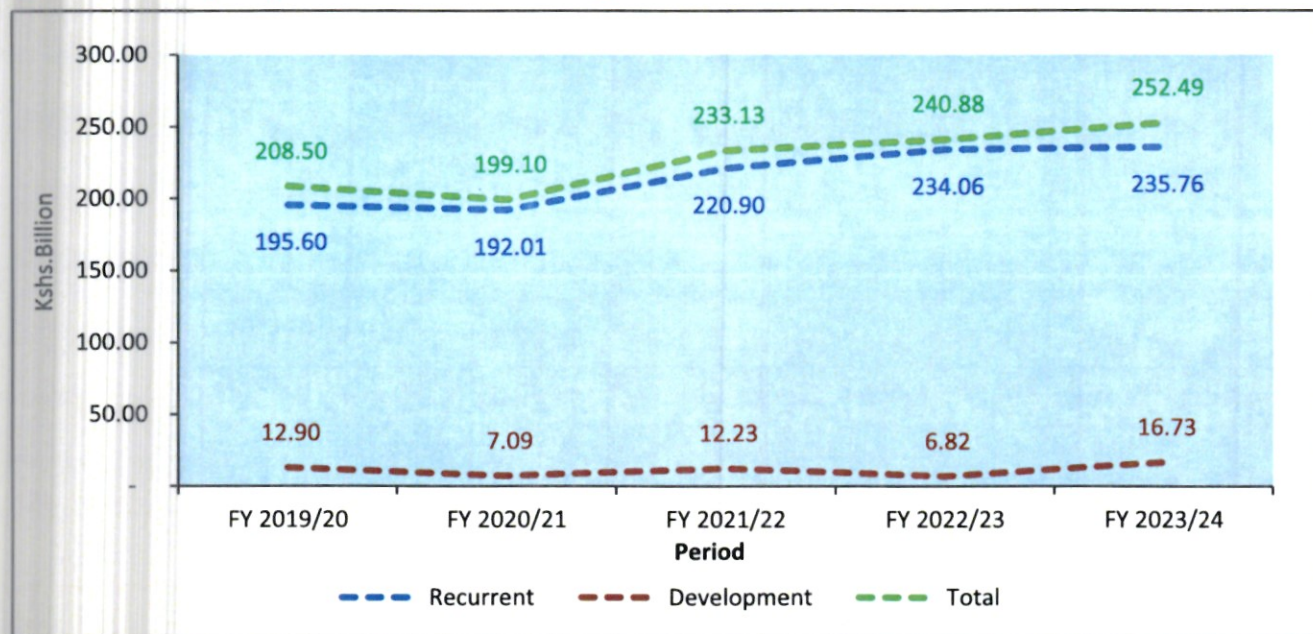
The Sector is also responsible for developing and implementing citizenship and refugee management and immigration services, regulating the gaming industry, providing population management, eradicating drugs and substance abuse, conducting crime research, printing government documents, and overseeing policing.

4.7.2 Budget Performance for the GJLO Sector

The budget allocated to the GJLO Sector in FY 2023/24 was Kshs.230.40 billion, revised to Kshs.240.34 billion in Supplementary Budget I, and Kshs.252.49 billion in Supplementary Budget II, compared to the Kshs.240.88 billion allocated in the FY 2022/23. This amount represents 6 per cent of the revised gross national budget of Kshs.4.43 trillion and 10 per cent of the MDAs' revised budget of Kshs.2.44 trillion. The allocation comprises Kshs.16.73 billion (7 per cent) for development activities and Kshs.235.76 billion (93 per cent) for recurrent expenditure. The State Department for National Police Service received the highest budgetary allocation of Kshs.113.29 billion (45 per cent of the Sector's revised budget), while the State Department for National Gender and Equality Commission was allocated Kshs.451.87 million (less than 1 per cent of the Sector's revised budget).

The high allocation to the State Department for the National Police Service is due to its vital role in facilitating the transformation of human resource management in the national police service for efficiency and effectiveness. Figure 4.11 shows the budgetary allocation trend for the GJLO sector from FY 2019/20 to FY 2023/24.

Figure 4.11: Budgetary Allocation Trend for the GJLO Sector



Source: National Treasury

The total exchequer issues to the GJLO sector amounted to Kshs.241.22 billion, representing 97 per cent of the Sector's revised net budget. This comprised Kshs.13.10 billion for development expenditure, representing 85 per cent of the revised development net budget, and Kshs.228.13 billion for recurrent activities, representing 97 per cent of the revised recurrent net budget. Table 4.21 shows the GJLO sector analysis of exchequer issues and expenditure in FY 2023/24.

Table 4.21: GJLO Sector-Analysis of Exchequer Issues and Expenditure

VOTE	Development (Kshs. Bn)						Recurrent (Kshs. Bn)					
	Revised Gross Budget	Revised Net Budget	Exchequer Issues	Expenditure	% of Exchequer to Revised Net Budget	% of Expenditure to Revised Gross Budget	Revised Gross Budget	Revised Net Budget	Exchequer Issues	Expenditure	% of Exchequer to Revised Net Budget	% of Expenditure to Revised Gross Budget
State Department for Correctional Services	0.80	0.80	0.60	0.64	76	80	34.57	34.57	32.34	29.41	94	85
State Department for Immigration and Citizen Services	4.39	3.05	2.72	4.66	89	106	9.82	8.85	8.72	9.73	99	99
National Police Service	2.29	2.29	1.15	2.29	50	100	111.00	111.00	108.72	110.67	98	100
State Department for Internal Security and National Administration	7.48	7.48	7.48	6.52	100	87	33.75	33.62	33.62	30.48	100	90
The State Law Office	0.18	0.18	0.03	0.17	18	98	6.49	5.91	5.54	6.39	94	98
The Judiciary	1.40	1.40	0.93	1.07	66	77	21.03	21.02	20.63	20.07	98	95

VOTE	Development (Kshs. Bn)						Recurrent (Kshs. Bn)					
	Revised Gross Budget	Revised Net Budget	Exchequer Issues	Expenditure	% of Exchequer to Revised Net Budget	% of Expenditure to Revised Gross Budget	Revised Gross Budget	Revised Net Budget	Exchequer Issues	Expenditure	% of Exchequer to Revised Net Budget	% of Expenditure to Revised Gross Budget
Ethics and Anti-Corruption Commission	0.07	0.07	0.06	0.06	87	87	3.92	3.92	3.78	3.77	97	96
Office of the Director of Public Prosecutions	0.06	0.06	0.05	0.05	93	97	4.11	4.11	4.09	4.10	100	100
Office of the Registrar of Political Parties	-	-	-	-	-	-	1.46	1.46	1.43	1.43	98	98
Witness Protection Agency	-	-	-	-	-	-	0.79	0.79	0.78	0.77	98	98
Kenya National Commission on Human Rights	-	-	-	-	-	-	0.54	0.54	0.52	0.53	97	98
Independent Electoral and Boundaries Commission	0.08	0.08	0.07	0.07	93	93	4.70	4.70	4.41	4.63	94	99
Judicial Service Commission	-	-	-	-	-	-	0.90	0.90	0.89	0.87	99	97
National Police Service Commission	-	-	-	-	-	-	1.18	1.18	1.17	1.18	99	100
National Gender and Equality Commission	0.005	0.005	-	-	-	-	0.45	0.45	0.44	0.45	98	100
Independent Policing Oversight Authority	-	-	-	-	-	-	1.05	1.05	1.04	1.04	99	98
Total	16.73	15.39	13.10	15.54	85	93	235.76	234.06	228.13	225.51	97	96

Sector Summary

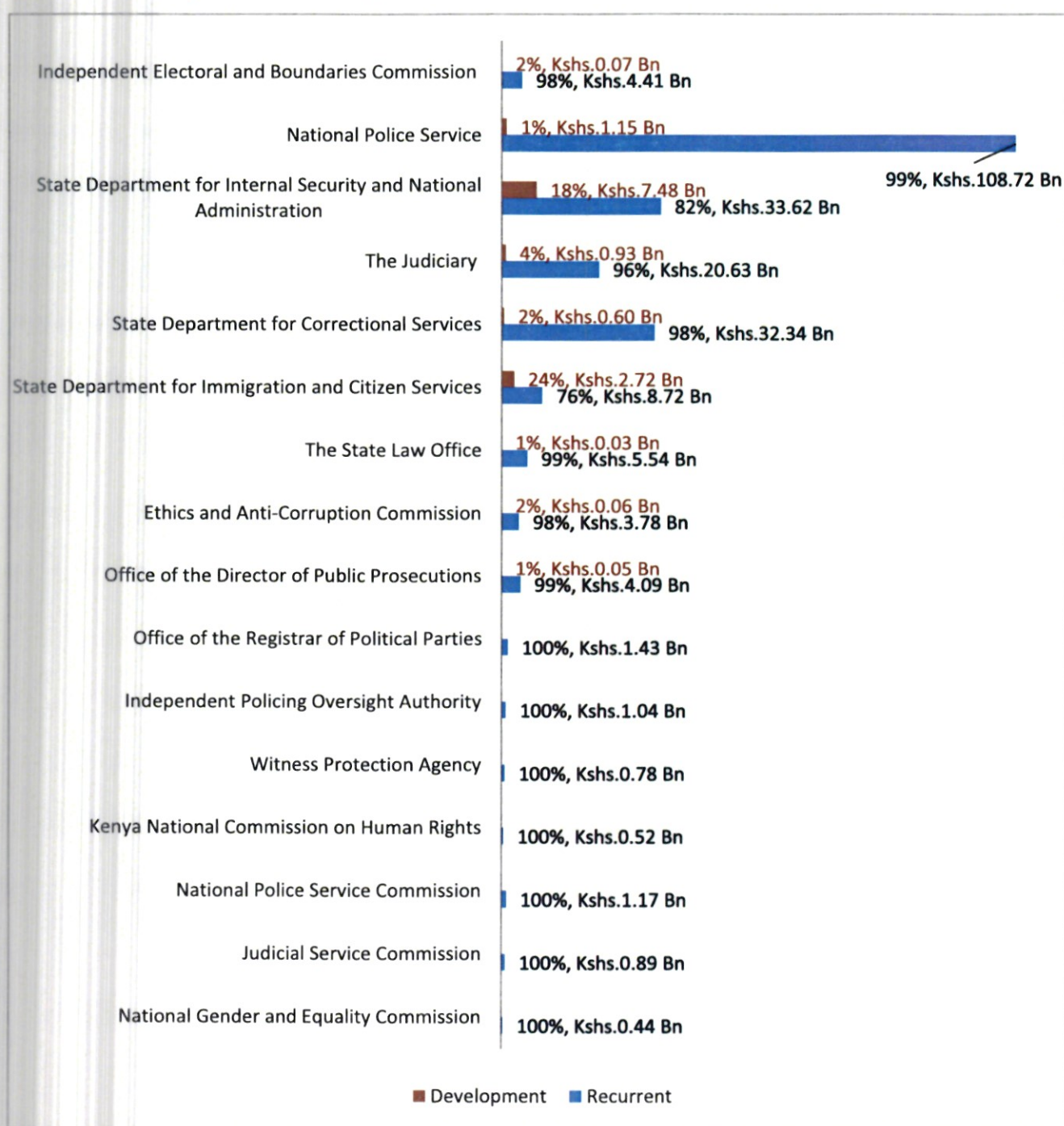
	Revised Gross Budget (Kshs. Bn)	Revised Net Budget (Kshs. Bn)	Exchequer Issues (Kshs. Bn)	Expenditure (Kshs. Bn)	% of Exchequer to Revised Net Budget (Kshs. Bn)	% of Expenditure to Gross Budget (Kshs. Bn)
Development	16.73	15.39	13.10	15.54	85	93
Recurrent	235.76	234.06	228.13	225.51	97	96
Total	252.49	249.46	241.22	241.05	97	95

Source: MDAs and National Treasury

The total exchequer issues to the GJLO Sector amounted to Kshs.241.22 billion, representing 97 per cent of exchequer issues to the revised net budget compared to 97 per cent (Kshs.229.52 billion) recorded in FY 2022/23. This comprised Kshs.13.10 billion for development activities, recording 85 per cent of the revised net budget, and Kshs.228.13 billion for recurrent activities, recording 97 per cent of the revised recurrent net budget.

The State Department for Internal Security and National Administration received 100 per cent of development exchequer issues to the revised development net budget. The State Law Office received the lowest at 18 per cent. The State Department for Internal Security and National Administration and the Office of the Director of Public Prosecution recorded the highest proportion of recurrent exchequer issues to the revised recurrent net budget of 100 per cent each. The State Department for Correctional Services, State Law Office and Independent Electoral and Boundaries Commission recorded the lowest recurrent exchequer issues at 94 per cent each. Figure 4.12 shows the exchequer issues to the GJLO Sector in FY 2023/24.

Figure 4.12: Exchequer Issues to the GJLO Sector



Source: National Treasury

The total expenditure for the GJLO Sector amounted to Kshs.241.05 billion, representing 95 per cent of the revised gross budget, compared to 99 per cent (Kshs.235.67 billion) recorded in FY 2022/23. This amount comprised Kshs.15.54 billion for the revised development budget, representing an absorption rate of 93 per cent, compared to 90 per cent recorded in FY 2022/23, and Kshs.225.51 billion for recurrent expenditure, representing 96 per cent of the recurrent revised gross budget, compared to 99 per cent recorded in FY 2022/23.

The State Department for Immigration and Citizen Services recorded the highest absorption of the revised development budget at 106 per cent reason, exceeding 100 per cent, which is attributed to budget cuts on incurred expenditures and not funded during budget rationalisation, and the Judiciary recorded the lowest at 77 per cent. The National Police Service, Office of the Director of Public Prosecutions, National Police Service Commission, and National Gender and Equality Commission recorded the highest recurrent expenditure to revised gross budget at 100 per cent, while the State Department for Correctional Services recorded the lowest at 85 per cent.

Section 15 of the Public Finance Management Act, 2012, read together with Regulation 26 of the Public Finance Management Act, National Government requires that personnel emoluments be at most thirty-five per cent of a government entity's revenue. Table 4.22 below summarises PE costs as a percentage of revenue for the four MDAs in the GJLO sector.

Table 4.22: PE Costs as a Percentage of Revenue

MDA	Revenue (in Kshs. million)	PE costs (in Kshs million)	PE to Revenue as a percentage
State Department for Correctional Services	32,943	24,985	76
State Department for immigration and citizen services	13,147	6,249.25	48
National Police Service	109,865	82,861.90	75
State Department for Internal Security and National Administration	41,070	14,216	35
The State Law Office	6,162	1,837.46	30
The Judiciary	21,562.90	13,921.33	65
Ethics and Anti-Corruption Commission	3,844	2,475.80	64
Office of the Director of Public Prosecutions	4,144	2,668	64
Office of the Registrar of Political Parties	1,432	222.01	16
Witness Protection Agency	777.16	378.07	49
Kenya National Commission on Human Rights	525	345.26	66
Independent Electoral and Boundaries Commission	4,485	2,476.25	55
Judicial Service Commission	892	218.61	25
National Police Service Commission	1,171	605.91	52
National Gender and Equality Commission	440	277.56	63
Independent Policing Oversight Authority	1,041	658.53	63
Total	243,499.96	154,397.13	63

Source: MDAs

Aggregately, the GJLO sector spent 63 per cent of revenue on personnel emoluments. The State Department for Correctional Services had the highest percentage, at 76 per cent, while the Office of the Registrar of Political Parties had the lowest, at 16 per cent. This is attributed to the nature of the GJLO sector's activities, which include providing services to citizens and few development activities.

4.7.3 Budget Execution by Programmes and Sub-Programmes for GJLO Sector

The GJLO sector allocation was to fund twenty-five programmes. **Table 4.23** shows budget execution by programmes and sub-programmes by the GJLO sector in FY 2023/24.

Table 4.23: GJLO Sector's Programme and Sub-Programmes

Programmes	Sub-Programmes	Revised Approved Budget II (Kshs. Mn)			Expenditure (Kshs. Mn)			Absorption Rate (%)
		Recurrent	Development	Total	Recurrent	Development	Total	
Witness Protection Agency								
Witness Protection Programme	Witness Protection Programme	791.44	-	791.44	791.44	-	791.44	100
	Sub-Total	791.44	-	791.44	791.44	-	791.44	100
Office of the Registrar of Political Parties								
Registration, Regulation and Finding of Political Parties	Registration and Regulation of Political Parties	635.07	-	635.07	601.51	-	601.51	95
	Funding of Political Parties	808.30	-	808.30	808.30	-	808.30	100
	Political Parties Liaisons Committee	16.89	-	16.89	16.89	-	16.89	100
	Sub-Total	1,460.26	-	1,460.26	1,426.70	-	1,426.70	98
Independent Electoral and Boundaries Commission								
Management of the Electoral Process	Administrative Planning and Financial Services	3,348.31	77.00	3,425.31	3,299.35	71.68	3,371.03	98
	Voter Registration and Electoral Operations	710.12	-	710.12	705.68	-	705.68	99
	Voter Education and Partnership	35.60	-	35.60	34.05	-	34.05	96
	Electoral Information and Communication Technology	543.21	-	543.21	530.85	-	530.85	98
Delimitation of Electoral Boundaries	Delimitation of Electoral Boundaries	61.76	-	61.76	61.57	-	61.57	100
	Sub-Total	4,699.01	77.00	4,776.01	4,631.51	71.68	4,703.19	98
Judicial Service Commission								
Judicial Oversight Services	Administration of Judicial Services	619.15	-	619.15	608.39	-	608.39	98
	Judiciary Training	277.45	-	277.45	259.26	-	259.26	93
	Sub-Total	896.60	-	896.60	867.65	-	867.65	97
The Judiciary								
Dispensation of Justice	Access to Justice	14,912.68	1,400.00	16,312.68	14,051.37	751.46	14,802.82	91
	General Administration and Planning	6,114.72	-	6,114.72	6,022.01	322.05	6,344.07	104
	Sub-Total	21,027.40	1,400.00	22,427.40	20,073.38	1,073.51	21,146.89	94

Programmes	Sub-Programmes	Revised Approved Budget II (Kshs. Mn)			Expenditure (Kshs. Mn)			Absorption Rate (%)
National Police Service Commission								
National Police Service Human Resource Management	Human Resource Management	666.75	-	666.75	665.92	-	665.92	100
	Counselling Management Services	125.61	-	125.61	125.45	-	125.45	100
	Administration and Standard Setting	390.41	-	390.41	389.23	-	389.23	32
	Sub-Total	1,182.76	-	1,182.76	1,180.61	-	1,180.61	33
Ethics and Anti-Corruption Commission								
Ethics and Anti-Corruption	Ethics and Anti-Corruption	3,915.62	68.14	3,983.76	3,767.13	59.57	3,826.70	96
	Sub-Total	3,915.62	68.14	3,983.76	3,767.13	59.57	3,826.70	96
Independent Policing Oversight Authority								
Policing Oversight Services	Policing Oversight Services	1,054.49	-	1,054.49	1,036.06	-	1,036.06	98
	Sub-Total	1,054.49	-	1,054.49	1,036.06	-	1,036.06	98
Office of the Director of Public Prosecution								
Public Prosecution Services	Prosecution of criminal offences	4,107.04	56.00	4,163.04	4,104.79	54.36	4,159.15	100
	Sub-Total	4,107.04	56.00	4,163.04	4,104.79	54.36	4,159.15	100
Kenya National Commission on Human Rights								
Promotion, Protection and Observation of Human Rights	Promotion, Protection and Observation of Human Rights	539.80	-	539.80	529.46	-	529.46	98
	Sub-Total	539.80	-	539.80	529.46	-	529.46	98
National Gender and Equality Commission								
Promotion of Gender Equality and Freedom from Discrimination	Legal Compliance and Redress	14.93	-	14.93	24.10	-	24.10	161
	Mainstreaming and Coordination	10.26	-	10.26	18.00	-	18.00	175
	Public Education Advocacy and Research	13.46	-	13.46	25.00	-	25.00	186
	General Administration and Planning and Support Services	408.54	-	408.54	374.78	-	374.78	92
	Agency of Disabled and their Networks to Fight Against Corruption	-	4.04	4.04	-	4.04	4.04	100
	Sub-Total	447.19	4.68	451.23	441.88	4.04	445.92	99
National Police Service								
Policing Services	General Administration	16,679.52	1,138.00	17,817.52	15,581.33	1,137.19	16,718.53	94
	Kenya Police Service	51,952.09	121.57	52,073.66	53,444.55	120.07	53,564.63	103
	Administration Police Service	8,987.56	893.43	9,880.99	8,668.48	891.92	9,560.40	97
	Criminal Investigation Services	23,813.97	72.62	23,886.60	23,633.80	72.56	23,706.36	99
	General Paramilitary Services	9,568.18	66.28	9,634.46	9,224.98	65.34	9,290.31	96
	Sub-Total	111,001.32	2,291.91	113,293.23	110,553.14	2,287.08	112,840.22	100

Programmes	Sub-Programmes	Revised Approved Budget II (Kshs. Mn)			Expenditure (Kshs. Mn)			Absorption Rate (%)
State Law Office								
Legal Services	Civil Litigation, Promotion of legal services	1,606.95	-	1,606.95	1,596.55	-	1,596.55	99
	Legislations, Treaties and Advisory Services	350.05	-	350.05	341.57	-	341.57	98
	Public Trusts and Estates Management	385.97	-	385.97	374.51	-	374.51	97
	Registration Services	743.33	-	743.33	727.41	-	727.41	98
Governance Legal Training and Constitutional	Governance Reforms	312.20	32.00	344.20	304.71	31.94	336.64	98
	Constitutional and Legal Reforms	801.94	-	801.94	791.88	-	791.88	99
	Legal Education Training and Policy	899.14	-	899.14	351.56	-	351.56	39
General Administration, Planning and Support Services	Transformation and Public Services	226.00	-	226.00	202.00	-	202.00	89
	Administrative Services	1,166.75	143.50	1,310.25	1,117.47	140.18	1,257.65	96
	Sub-Total	6,492.33	175.50	6,667.83	5,807.67	172.12	5,979.78	90
State Department for Correctional Services								
Prison Services	Offender Services	31,127.02	650.23	31,777.25	26,583.87	536.49	27,120.36	85
	Capacity Development	710.42	-	710.42	636.88	-	636.88	90
Probation and After-care Services	Probation Services	2,010.41	85.49	2,095.91	1,604.41	59.00	1,663.41	79
	After Care Services	160.53	59.27	219.80	98.69	39.59	138.27	63
General Administration, Planning and Support Services	Planning, Policy Coordination and Support Service	566.15	-	566.15	488.52	-	488.52	86
	Sub-Total	34,574.53	795.00	35,369.53	29,412.37	635.08	30,047.45	86
State Department for Immigration and Citizen Services								
Migration and Citizen Services	Population Registration Services	70.96	-	70.96	-	-	-	-
	Immigration Services	3,576.80	2,815.00	6,391.80	3,575.91	2,775.31	6,351.22	99
	Refugee Affairs	131.25	-	131.25	124.79	-	124.79	95
	E-Citizen Services	182.24	-	182.24	182.68	182.46	365.14	200
Population Management Services	National Registration Bureau	3,311.88	1,325.00	4,636.88	3,329.51	1,309.44	4,638.95	100
	Civil Registration Services	1,291.56	62.00	1,353.56	1,271.57	61.09	1,332.66	98
	Integrated Personal Registration Services	182.09	130.00	312.09	171.01	274.58	445.59	143
General Administration and Support Services	Administration and Planning	1,071.88	55.00	1,126.88	1,070.80	55.00	1,125.80	100
	Sub-Total	9,818.64	4,387.00	14,205.64	9,726.28	4,657.86	14,384.14	101
State Department for Internal Security and National Administration								
General Administration and Support Services	National Government Coordination Services	31,262.27	7,413.22	38,675.49	28,094.72	6,524.22	34,618.94	90
	Disaster Risk Reduction	40.72	-	40.72	36.31	-	36.31	89
	Peace Building, National Cohesion and Values	545.85	-	545.85	545.85	0.53	546.38	100
	Government Chemist Services	443.43	-	443.43	377.57	-	377.57	85

Programmes	Sub-Programmes	Revised Approved Budget II (Kshs. Mn)			Expenditure (Kshs. Mn)			Absorption Rate (%)
Policy Coordination Services	National Campaign Against Drug and Substance Abuse	963.06	66.00	1,029.06	963.06	-	963.06	94
	Non-Governmental Organisation Regulatory Services	282.74	-	282.74	222.64	-	222.64	22
	Crime Research	211.99	-	211.99	211.99	-	211.99	75
	Sub-Total	33,750.05	7,479.22	41,229.27	30,452.14	6,524.75	36,976.89	90
Total		235,758.50	16,734.45	252,492.31	224,783.16	15,540.05	240,323.21	95

Source: MDAs and National Treasury

Analysis of programs and sub-programs shows that some sub-programs had a 100 per cent budget absorption rate. These included the funding of political parties, the political liaisons committee sub-program within the Office of the Registrar of Political Parties, the counselling management services sub-programme of the National Police Service Commission, the delimitation of electoral boundaries sub-programme within the Independent Electoral and Boundaries Commission, and the peacebuilding, national cohesion, and values sub-programme within the State Department for Internal Security and National Administration. The Non-Governmental Organisation regulatory services sub-program within the State Department for Internal Security and National Administration recorded the lowest absorption rate of the budget at 22 per cent.

4.7.4 Key Achievements by MDAs In the GJLO Sector

The GJLO Sector achieved various targets and milestones as budgeted in FY 2023/24. The State Department for Immigration and Citizen Services received 490,140 passport applications and processed and issued 538,810 passports due to the fast-tracking backlog from the previous financial year. The State Department also implemented a visa-free country directive and processed 666,475 Electronic Travel Authorizations. In addition, under the refugees' affairs sub-programme, 100,308 asylum seekers were processed and registered, meeting its target. The e-citizen sub-programme successfully onboarded 15,055 government services on the e-citizen platform against a target of 2000.

The Independent Policing Oversight Authority, under the police oversight services sub-programme, received and processed 4095 complaints on police misconduct, achieving the target for the financial year. The authority also investigated and closed 895 cases, making recommendations including prosecution and disciplinary action. Additionally, 120 files were submitted to the Office of the Director of Public Prosecution for action.

The National Police Service accomplished 100 per cent implementation of community policing in all police stations, public safety directives, and security coverages in all counties. The State Department provided full security coverage for all government buildings, Very Important Persons, and critical infrastructures and 614 officers were trained in specialised investigation, surpassing the target by 314 officers.

The National Police Service Commission successfully reviewed and implemented a management succession plan, finalised appointments, adjudicated disciplinary cases and appeals, and approved early retirement for officers. Additionally, three counselling units were operationalised, meeting the set target of three units.

The National Gender and Equality Commission participated in and contributed to developing a country position paper for the 68th Session of the United Nations Commission on the Status of Women and planned for the 14th session of the Open-Ended Working Group on Ageing. They also reviewed legal, policy, and administrative instruments for the National and County Governments.

The Kenya National Commission on Human Rights trained state and non-state actors on Economic and Social rights, surpassing the targets with support from partners and the Human Rights network.

The Ethics and Anti-Corruption Commission issued advisories on bribery and corruption prevention, trained people in ethics and integrity, sensitised learners to value-based education, and supported institutions in implementing relevant registers.

4.7.5 Project Implementation for the GJLO Sector

Most of the projects are multi-year in nature and implemented over some time. **Table 4.24** summarises the development of some of the projects with the highest expenditure in the reporting period in the GJLO sector.

Table 4.24: GJLO Sector Projects with the Highest Expenditure

Name of MDA	Project Name (a)	Project Commencement Date (b)	Expected date of Completion of the Project (c)	Source of Funds (d)	Estimated Value of the Project (Kshs. Million) (e)	Total funding as of 30th June 2024 (Kshs. Million) (f)	Actual Expenditure As of 30th June 2024 (Kshs. Million) (g)*	Cumulative Expenditure as of 30th June 2024 (Kshs. Million) (h)*	Percentage (%) of Completion (i=h/e)
State Department for Internal Security and National Administration	National Police Service Modernization Project	01-Jul-23	7 yrs.	GoK	45,500.00	6,500.00	6,500.00		14
	Construction of sub-county Headquarters	01-Jul-18	7 yrs.	GoK	7,500.00	157	186.85		23
	Purchase of e-passport books	01-Jul-16	30-Jun-27	GOK	6,400.00	1,470.00	2,052.36	4,494.50	70
State Department for Immigration and Citizen Services	Supplies for ID card materials	01-Jul-14	30-Jun-28	GOK	12,000.00	980	1289.47	8231.84	69
	Supplies for Passport Production	01-Jul-17	30-Jun-26	GOK	7,000.00	377.5	478.26	857.31	12
National Police Service	Police Modernisation Programme.	01-Jul-13	15-May-28	GOK	143,000.00	500	499.19	42533.63	30
	Equipping and training for the National Forensics Lab	07-Jan-17	30-Jun-25	GOK	7,000.00	350	349.98	3631.41	52
	Upgrade and expansion of APFIS	07-Jan-23	30-Jun-26	GOK	2,620.15	306	304.64	304.64	12
	Refurbishment of Non-residential Buildings AIEs	10.01.2023	32 wks.	GOK	122.12	172.7	122.12		95
The Judiciary	Generators/ Solar Power & Battery supply	Ongoing	Ongoing	GOK	Ongoing	120	120		100
State Department for Correctional Services	Construction of Magereza Level 4 Referral Hospital	29-Oct-21	30-Jun-25	GoK	1,200.00	216.71	216.71		100
	Overhaul of Sewerage System at Kibos GK Prison(repetition)	07-Jan-20	30-Jun-25	GOK	58.96	30.53	30.25		51

The State Law Office	Automation of State Law Office Services	01.07.2016	30.06.2025	GOK	262	62.5	62.29	62.29	24
Ethics and Anti-Corruption Commission	Refurbishment of EACC Headquarters	2018/2019	6yrs	GOK	828.19	68.14	59.57	111.01	13
Independent Electoral and Boundaries Commission	Construction of office block and Warehouse-Isiolo County	09-Sep-21	54 weeks	GOK	40	3.18		37.11	93
Office of the Director of Public Prosecutions	Construction of PTI Moot Court	2020/21	2 Year	GOK	3,000.00	34.69	34.69		100

Source: MDAs

Analysis of the projects being implemented by MDAs within this sector shows a discrepancy between the percentage of completion and the expected project duration for some projects. For multi-year projects that are behind schedule, we recommend implementing measures to expedite their progress in the subsequent financial years.

4.8. Health Sector

4.8.1 Introduction

Health is largely a devolved function under the Fourth Schedule of the Constitution of Kenya. The health sector is responsible for providing and coordinating health policy formulation, ensuring quality service delivery, and regulating health care at the national level. The sector comprises two MDAs: The State Department for Medical Services and the State Department for Public Health and Professional Standards. The Sector delivers services through several SAGAs and entities, including the Kenyatta National Hospital, Moi Teaching and Referral Hospital, Kenya Medical Research Institute, Kenya Medical Supplies Authority, Kenya Medical Training College, National Syndemic Disease Control Council, Kenyatta University Teaching, Referral and Research Hospital, National Cancer Institute of Kenya and the Kenya Nuclear Regulatory Authority.

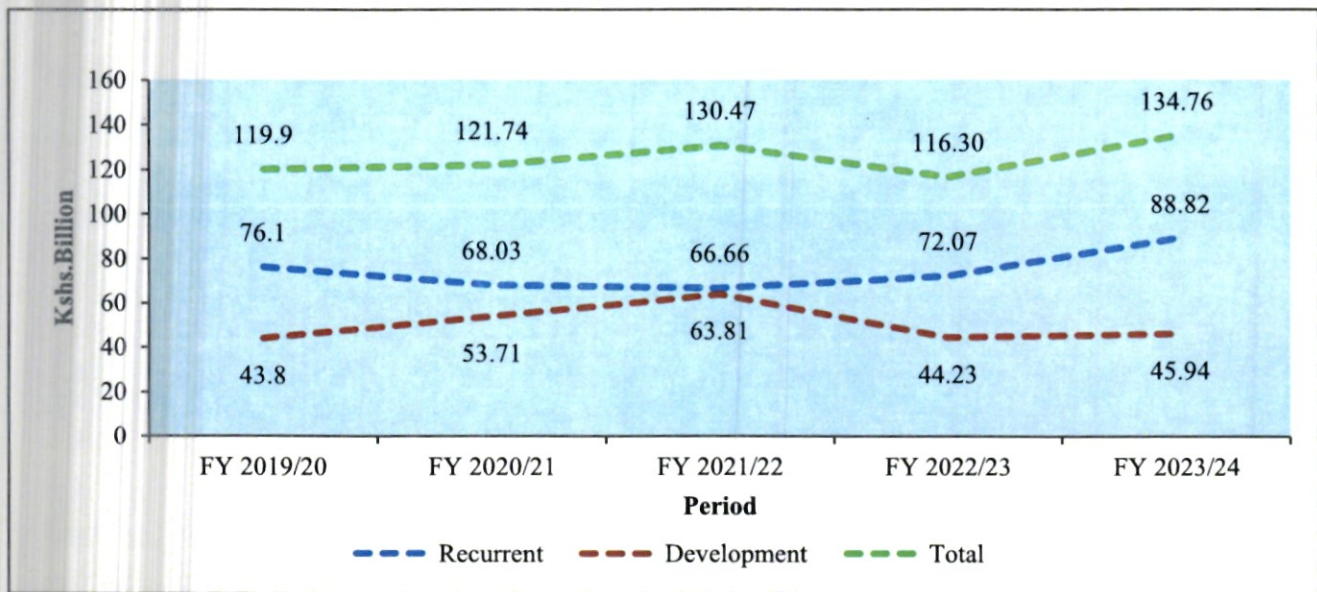
The Sector envisions "a healthy, productive and globally competitive nation" achieved through strategic objectives under equity, efficiency, and people-centred principles with a multi-sectoral approach as outlined in the Kenya Health Policy (2014-2030). The Health Sector implements its strategic objectives through eight budgetary programmes, four under the State Department for Medical Services and four under the State Department for Public Health and Professionals.

4.8.2 Budget Performance for the Health Sector

The budget allocated to the Health sector in FY 2023/24 was Kshs.141.19 billion, revised to Kshs.138.85 billion in Supplementary Budget I and Kshs.134.76 billion in Supplementary Budget II, compared to the Kshs.116.30 billion allocated in FY 2022/23. This amount represents 3 per cent of the revised gross national budget of Kshs.4.43 trillion and 6 per cent of the MDAs' budget of Kshs.2.44 trillion. The allocation comprises Kshs.45.94 billion (34 per cent) for development activities and Kshs.88.83 billion (66 per cent) for recurrent expenditure. The State Department for Medical Services received the highest budgetary allocation of Kshs.105.65 billion (78 per cent of the Sector's budget), while the State Department for Public Health and Professional Standards was allocated Kshs.29.11 billion (22 per cent of the Sector's allocation).

Figure 4.13 shows the budgetary allocation for the Health Sector for FY 2019/20 to FY 2023/24.

Figure 4.13: Budgetary Allocation Trend for the Health Sector



Source: National Treasury

Total exchequer issues to the Health sector amounted to Kshs.79.07 billion, representing 80 per cent of the Sector's revised net estimates. This amount comprised Kshs.21.97 billion for development expenditure, representing 57 per cent of the revised development net estimates, and Kshs.57.10 billion for recurrent activities, representing 95 per cent of recurrent net estimates. Table 4.25 shows the Health Sector analysis of exchequer issues and expenditure in the FY 2023/24.

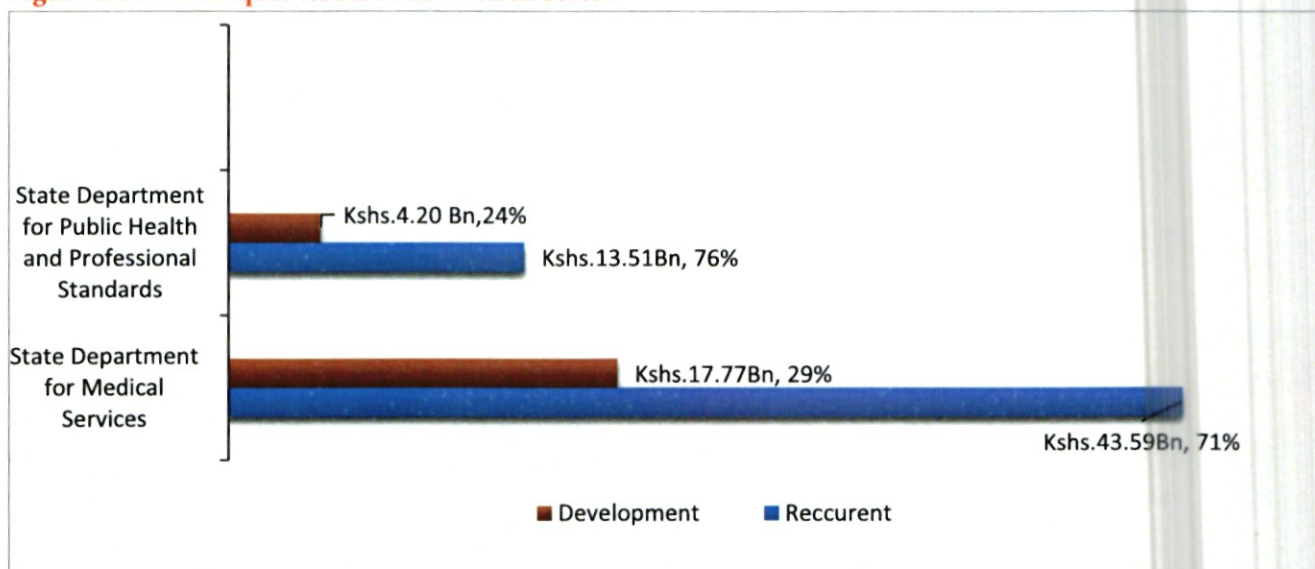
Table 4.25: Health Sector-Analysis of Exchequer Issues and Expenditure

VOTE	Development (Kshs. Bn)						Recurrent (Kshs. Bn)					
	Revised Gross estimates	Revised Net estimates	Exchequer Issues	Expenditure	% of Exchequer to Revised Net Estimates	% of Expenditure to Revised Gross estimates	Revised Gross estimates	Revised Net estimates	% of Exchequer Issues to Revised Net Estimates	Expenditure	% of Exchequer to Revised Net Estimates	% of Expenditure to Revised Gross estimates
State Department for Medical Services	39.44	31.86	17.77	38.39	56	97	66.21	45.59	43.59	44.53	96	67
State Department for Public Health and Professional Standards	6.50	6.48	4.20	5.20	65	80	22.61	14.64	13.51	15.67	92	69
Total	45.94	38.34	21.97	43.59	57	95	88.83	60.22	57.10	60.19	95	68
Sector Summary												
		Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	Expenditure	% of Exchequer to Revised Net Estimates	% of Expenditure to Revised Gross estimates					
Development		45.94	38.34	21.97	43.59	57	95					
Recurrent		88.83	60.22	57.10	60.19	95	68					
Total		134.76	98.56	79.07	103.79	80	77					

Source: MDAs and National Treasury

In the reporting period, the State Department for Public Health and Professional Standards received the highest development exchequer issues to development net estimates at 65 per cent. The State Department for Medical Services recorded received the highest recurrent exchequer issues to revised recurrent net estimates at 96 per cent. The State Department for Medical Services received the lowest development exchequer issues of the revised net estimates at 56 per cent. The State Department for Public Health and Professional Services received the lowest at 92 per cent against a target of 100 per cent. Figure 4.14 shows the exchequer issues to the Health Sector in the FY 2023/24.

Figure 4.14: Exchequer Issues to the Health Sector



Source: National Treasury

The total expenditure for the Health Sector amounted to Kshs.103.79 billion, representing 77 per cent of the gross budget compared to Kshs.110.02 billion (94 per cent) recorded in FY 2022/23. This amount is comprised of Kshs.43.59 billion spent on development activities, representing an absorption rate of 95 per cent, compared to Kshs.40.23 billion (90 per cent) recorded in FY 2022/23 and Kshs.60.19 billion on recurrent activities, representing 68 per cent on recurrent gross estimates, compared to Kshs.69.79 billion (96 per cent) recorded in FY 2022/23.

Section 15 of the Public Finance Management Act, 2012, requires that Personnel Emoluments (PE) do not exceed thirty-five percent of a government entity's revenue. Table 4.26 summarises PE as a percentage of revenue for the two MDAs in the Health sector.

Table 4.26: Health Sector PE Costs as a Percentage of Revenue

Name of MDAs	Revenue (in Kshs. million)	PE costs (in Kshs million)	PE to Revenue as a percentage
State Department for Medical Services	61,361,406,230	8,402,942,985	14
State Department for Public Health and Professional Standards	20,926,377,464	6,127,820,015	29
Total	82,287,783,694	14,530,763,000	18

Source: MDAs

Note: The PE figure is exclusive of SAGAs under the Health Sector.

Aggregately, the Health sector spent 18 per cent of revenue on PE, which does not exceed the legal threshold of 35 per cent. State Department for Public Health and Professional Standards had the highest percentage at 29 per cent, while the State Department for Medical Services had the lowest at 14 per cent.

4.8.3 Budget Execution by Programmes and Sub-Programmes for Health Sector

The Health sector allocation was to fund eight (8) programmes. Table 4.27 shows budget execution by programmes and sub-programmes in the Health sector in the FY 2023/24.

Table 4.27: Health Sector's Performance by Programme

Programmes	Sub-Programmes	Revised Approved Estimates (Kshs. Million)			Expenditure (Kshs. Million)			Absorption Rate (%)
		Recurrent	Development	Total	Recurrent	Development	Total	
State Department for Medical Services								
National Referral and Specialized Services	National Referral Services	44,129.69	5,106.33	49,236.02	27,127.55	3,870.18	30,997.73	63
	Forensic and Diagnostics	-	279.00	279.00	-	279.00	279.00	100
	Health Products and Technologies	5,982.17	919.24	6,901.41	1,086.50	910.00	1,996.50	29
	Specialised Medical Equipment	-	2,956.68	2,956.68	-	1,927.69	1,927.69	65
	National Blood Transfusion Service	235.35	1,000.00	1,235.35	158.48	1,760.06	1,918.53	155
Curative and Reproductive Maternal New Born Child Adolescent Health (RM-NCAH)	Reproductive Maternal New Born Child Adolescent Health (RMNCAH)	23.69	2,010.00	2,033.69	15.14	450.00	465.14	23
	Immunization Management	38.08	7,670.15	7,708.23	29.00	3,793.13	3,822.12	50
	Communicable Disease Control	1,074.78	4,760.95	5,835.73	1,026.00	4,283.27	5,309.27	91
	Non-Communicable Disease Prevention and Control	214.65	605.00	819.65	248.21	506.26	754.47	92
Health Research and Innovations	Health Innovations	150.00	580.00	730.00	150.00	645.17	795.17	109
	Medical Research	3,307.00	600.00	3,907.00	3,087.00	600.00	3,687.00	94

Programmes	Sub-Programmes	Revised Approved Estimates (Kshs. Million)			Expenditure (Kshs. Million)			Absorption Rate (%)
General Administration	Social Protection in Health	7,174.77	12,948.00	20,122.77	7,535.02	15,867.46	23,402.48	116
	Finance and Planning	352.23	-	352.23	830.16	-	830.16	236
	General Administration and Human Resource Management and Development	3,531.88	-	3,531.88	3,232.23	-	3,232.23	92
	Sub-Total	66,214.28	39,435.34	105,649.62	44,525.29	34,892.21	79,417.50	75
State Department for Public Health and Professional Standards								
Preventive and Promotive Services	Communicable Disease Control	73.75	3,531.35	3,605.10	57.94	3,041.27	3,099.22	86
	Disease Surveillance and Epidemic Response	153.90	-	153.90	116.74	-	116.74	76
	Public Health Services	1,172.16	40.00	1,212.16	242.02	15.47	257.49	21
	Radiation Safety and Nuclear Security	339.00	-	339.00	174.00	-	174.00	51
	Primary Health Care	826.02	-	826.02	562.40	-	562.40	68
Health Resource Development and Innovation	Capacity Building and Training	9,263.00	2,356.00	11,619.00	5,023.00	2,356.00	7,379.00	64
	Research and Innovation on Health	273.80	324.34	598.14	273.80	324.34	598.14	100
	Health Professional Services	5,955.45	-	5,955.45	5,560.14	-	5,560.14	93
Health Policy, Standards and Regulations	Health Standards and Quality Assurance	3,711.91	250.00	3,961.91	1,011.60	250.00	1,261.60	32
	Health Policy and Regulations	98.55	-	98.55	94.86	-	94.86	96
General Administration and Support Services	General Administration and Human Resource Management and Development	696.73	-	696.73	597.76	-	597.76	86
	Finance and Planning	47.83	-	47.83	26.89	-	26.89	56
	Sub-Total	22,612.10	6,501.69	29,113.79	13,741.15	5,987.08	19,728.23	68
Grand Total		88,826.38	45,937.04	134,763.41	58,266.43	40,879.29	99,145.73	74

Source: MDAs and National Treasury

Analysis of Programme and Sub-programme performance shows that some over-absorbed (above 100 per cent), implying they spent more than the budget, and others under-absorbed the budget against optimal absorption at 100 per cent. The Controller of Budget recommends timely reallocation of funds between Programmes and Sub-programmes to ensure sound financial practices to curb under and over-absorption of budgets.

4.8.4 Project Implementation for the Health Sector

Most government projects are multi-year and implemented in phases. Table 4.28 summarises projects with the highest expenditure in the reporting period in the Health sector.

Table 4.28: Health Sector Projects with the Highest Expenditure

Programme	Project Name (a)	Project Commencement Date (b)	Expected date of Completion of the Project (c)	Source of Funds (d)	Estimated Value of the Project (Kshs. Million) (e)	Total Funding FY 2023/24 (Kshs. Million) (f)*	Actual Expenditure FY 2023/24 (Kshs. Million) (g)*	Cumulative Expenditure as of 30th June 2024 (Kshs. Million) (h)*	Percentage (%) of Completion (i=h/e)
Immunization Management	Vaccines Programme	02/07/2015	02/06/2026	GoK and Donor	78,889.00	2,000.00	2,000.00	73,100.00	93
Health Infrastructure and Equipment	Managed Equipment Service-Hire of Medical Equipment for 98 Hospital	07/10/2015	07/10/2026	GoK	79,502.00	1,000.00	1,000.00	53,672.59	68
Social Protection in Health	Free Maternity Program (Strategic Intervention)	10/07/2013	10/07/2026	GoK	70,088.00	4,098.00	4,098.00	42,635.30	61
Health Infrastructure and Equipment	Transforming Health Systems for Universal care Project	15/09/2016	30/11/2023	Donor	25,290.00	600		24,389.96	96
National Referral and Specialized Services	KNH Burns and Paediatrics Centre	03/03/2018	30/06/2025	GoK and Donor	5,459.00	700.99	700.87	4,825.37	88
Immunization Management	Kenya COVID-19 Emergency Response Project	01/02/2020	30/06/2026	GoK and Donor	40,072.00	1,762.96	1,761.97	4,614.96	12
Communicable Disease Control	Special Global Fund HIV Grant NFM3-NASCOP	07/01/2021	30/06/2027	GoK and Donor	31,641.00	3,775.70	3,555.50	4,492.43	14
National Referral and Specialized Services	Refurbishment/ Renovation and Replacement of Obsolete Equipment - KNH	07/01/2021	30/06/2026	GoK	8,059.00	1,100.00	1,050.00	2,050.00	25
Immunization Management	Supply of Medical Equipment and Associated Services and Fight for Maternal and Infant Mortality	07/07/2020	06/06/2026	Donor	4,254.00	400	175.36	3,433.00	81

Source: Ministry of Health

4.9. National Security Sector

4.9.1 Introduction

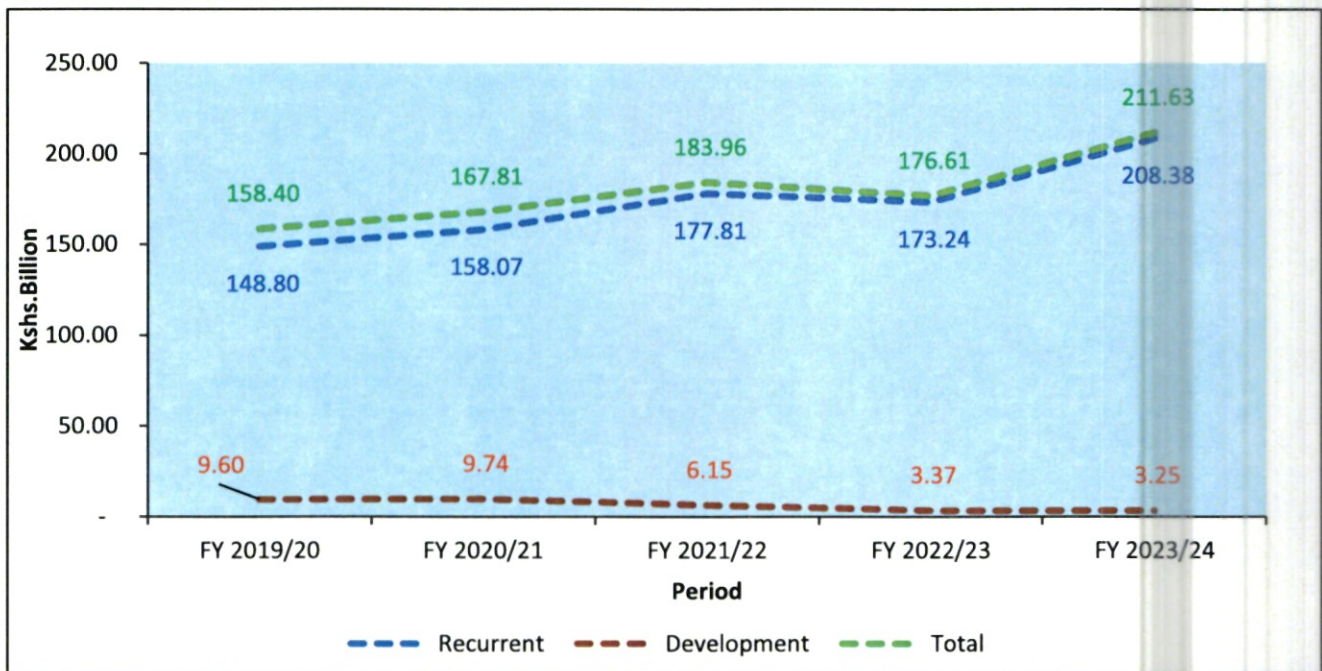
The National Security sector comprises the Ministry of Defence and the National Intelligence Service (NIS). Its mandate is to ensure the country's security against threats from within or outside the Kenyan borders, defend the country, and support the civil powers in maintaining peace and order.

4.9.2 Budget Performance for the National Security Sector

The budget allocated to the National Security sector in FY 2023/24 amounts to Kshs.189.24 billion, revised to Kshs.199.29 billion in Supplementary Budget I, and revised to Kshs.211.63 billion in Supplementary Budget II, compared to Kshs.175.58 billion allocated in the FY 2022/23. This amount represents 5 per cent of the revised gross national budget of Kshs.4.43 trillion and 9 per cent of MDAs' revised budget of Kshs.2.44 trillion. The allocation comprised Kshs.3.25 billion for development expenditure (2 per cent of the Sector's revised budget) and Kshs.208.38 billion for recurrent expenditure (98 per cent of the Sector's revised budget). Ministry of Defence was allocated Kshs.159.09 billion (75 per cent of the Sector's revised budget), while NIS was allocated Kshs.52.55 billion (25 per cent of the Sector's revised budget).

Figure 4.15 below shows the budgetary allocation trend for the National Security sector for FY 2019/20 to FY 2023/24.

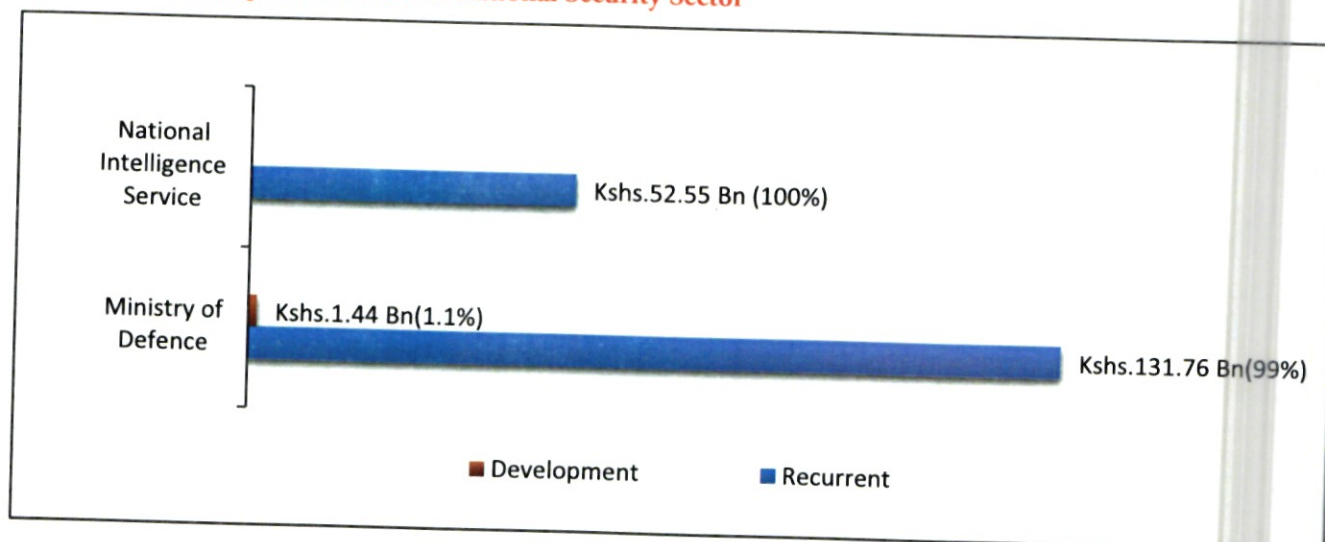
Figure 4.15: Budget Allocation for five years for the National Security Sector



Source: National Treasury

The budget trends from FY 2019/20 to FY 2023/24 show a consistent increase in recurrent expenditure attributed to additional funding to NIS to carry out its activities and to the Ministry of Defence for Security operations. In contrast, development expenditures significantly decreased over the same period, dropping from 9.60 billion to 3.25 billion. This shift indicates a growing focus on recurrent spending at the expense of development projects.

Figure 4.16: Exchequer Issues to the National Security Sector



Source: National Treasury

The total expenditure for the National Security sector in FY 2023/24 amounted to Kshs.209.53 billion, representing 99 per cent of the revised gross budget, compared to 99 per cent (Kshs.174.85 billion) recorded in FY 2022/23. The Ministry of Defence spent Kshs.2.28 billion on development activities, recording an absorption rate of 70 per cent compared to 99.7 per cent (Kshs.3.35 billion) recorded in FY 2022/23, and Kshs.154.76 billion on recurrent activities, representing 99 per cent of the revised gross budget compared to 99 per cent (Kshs.135.52 billion) recorded in FY 2022/23. NIS spent Kshs.52.5 billion on recurrent activities, recording 100 per cent of its revised gross budget compared to 96 per cent (Kshs.35.98 billion) recorded in FY 2022/23.

Section 15(b) of the Public Finance Management Act, 2012, requires that personnel emoluments be at most thirty-five per cent of a government entity's revenue. Table 4.30 below summarises PE costs as a percentage of revenue for the four MDAs in the National Security sector.

Table 4.30: PE Costs as a Percentage of Revenue

MDA	Revenue (in Kshs. million)	PE costs (in Kshs million)	PE to Revenue as a percentage
Ministry of Defence	135,623,140,877	1,723,098,812	1.3
National Intelligence Service	N/A	N/A	N/A
Total			

Source: MDAs

Aggregately, the Ministry of Defence sector spent 1.3 per cent of revenue on personnel emoluments. However, payments to Kenya Defence Forces were expensed under Current Transfers. The National Intelligence Service did not provide data on personnel emoluments due to the nature of their work.

4.9.3 Budget Execution by Programmes and Sub-Programmes for National Security

The National Sector allocation in FY 2023/24 funds five programmes. Table 4.31 shows budget execution by programmes and sub-programmes by the National Security sector in the FY 2023/24.

Table 4.31: National Security Sector's Programme Performance

Programmes	Sub-Programmes	Revised Approved Budget (Kshs. million)			Expenditure (Kshs. million)			Absorption Rate (%)
		Recurrent	Development	Total	Recurrent	Development	Total	
Ministry of Defence								
National Defence	Defence Policy and Management	26,005.47	-	26,005.47	26,005.47	-	26,005.47	100
	Land Defence	68,624.50	-	68,624.50	68,624.50	-	68,624.50	100
	National Air Defence	37,055.60	-	37,055.60	37,055.60	-	37,055.60	100
	Territorial Waters Defence	16,469.20	-	16,469.20	16,469.20	-	16,469.20	100
	Military Modernization	4,500.00	3,254.00	7,754.00	4,500.00	2,275.97	6,775.97	87
Civil Aid	Civil Aid	500.00	-	500.00	-	500.00	500.00	100
National Space Management	National Space Management	250.00	-	250.00	250.00	-	250.00	100
General Administration, Planning and Support Services	Headquarters Administrative Services	2,273.14	-	2,273.14	2,113.81	-	2,113.81	93
	Defence Policy and Planning	52.00	-	52.00	52.00	-	52.00	100
	Defence Cooperation and Diplomacy	42.89	-	42.89	42.89	-	42.89	100
	Defence Financial Management & Oversight	58.22	-	58.22	58.22	-	58.22	100
Sub-Total		155,831.03	3,254.00	159,085.03	155,171.69	2,775.97	157,947.66	99
National Intelligence Service								
National Security Intelligence	Security Intelligence	52,551.00	-	52,551.00	52,499.17	-	52,499.17	100
Sub-Total		52,551.00	-	52,551.00	52,499.17	-	52,499.17	100
Total		208,382.03	3,254.00	211,636.03	207,670.86	2,775.97	210,446.83	99

Source: MDAs and National Treasury

Analysis of Programme and Sub-Programme expenditures shows high performance in terms of budget absorption, which is attributed to the timely release of the exchequers by the National Treasury. The Ministry of Defence recorded an absorption rate of 99 per cent. Specifically, the National Defence sub-programmes, including Defence Policy and Management, Land Defence, National Air Defence, and Territorial Waters Defence, achieved a 100% absorption rate for both recurrent and development expenditures. However, the Military Modernization sub-programme had a slightly lower absorption rate of 87 per cent for development expenditures, reflecting some delays in project execution. Similarly, the General Administration, Planning, and Support Services sub-programme under the Headquarters Administrative Services recorded a 93 per cent absorption rate, slightly below the target, suggesting room for improvement in financial execution. Overall, the Ministry of Defence's fiscal performance aligns closely with its budgetary goals, ensuring optimal use of resources.

4.9.4 Key Achievements of MDAs in the National Security Sector

Significant strides were made in implementing the FY 2023/24 budget, resulting in various significant achievements. National security was bolstered by efforts to defend and protect the Republic's sovereignty and integrity, alongside enhancing regional and international peace and security. Modernising military equipment and systems supported a secure and conducive socio-economic environment. The land, air, maritime, information, and cyber domains were secured against external threats, ensuring comprehensive protection.

Defence cooperation and diplomacy were strengthened by signing Memoranda of Understanding (MoUs) and bilateral agreements. The appropriate 'Force Posture' was sustained, contributing to the successful execution of multi-agency operations and the implementation of national security projects. Moreover, defence-related policies and strategies were developed, reviewed, and implemented, further solidifying national security efforts. These initiatives collectively fostered international peace and security, underscoring the nation's commitment to global stability.

4.10. Public Administration and International Relations Sector

4.10.1 Introduction

The Public Administration and International Relations (PAIR) sector consists of twenty-three MDAs, namely The Executive Office of the President, Office of the Deputy President, Office of the Prime Cabinet Secretary, State Department for Parliamentary Affairs, State Department for Performance and Delivery Management; State Department for Cabinet Affairs; State House; State Department for Devolution; State Department of Economic Planning; State Department for Foreign Affairs; State Department for Diaspora Affairs; The National Treasury; State Department for Public Service; Parliamentary Service Commission; National Assembly; Parliamentary Joint Services; Senate; The Commission on Revenue Allocation (CRA); Public Service Commission; Salaries and Remuneration Commission; The Auditor General ; The Controller of Budget and The Commission on Administrative Justice (CAJ) together with affiliated SAGAs and entities.

The Sector provides national leadership, oversight, and policy direction towards realising the country's development agenda. It promotes prudent public finance management and accountability in the Public Sector, coordinates national and sectoral development planning, and oversees an efficient and effective Public Service. It also coordinates Kenya's foreign policy and diaspora affairs, wage bill management, development of a sound legislative and regulatory framework, and enforces administrative justice and the right to information.

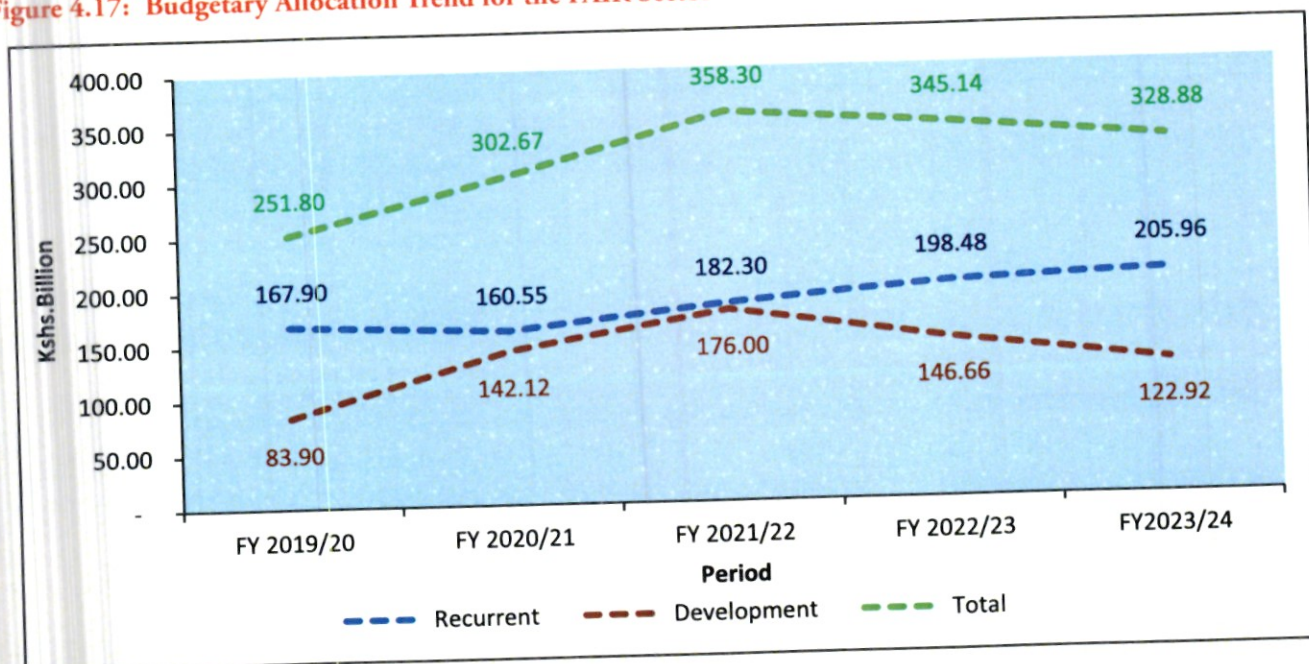
The sector has prioritised programmes and projects aligned with the Post-COVID-19 Economic Recovery Stimulus Programme (PC-ERS), the Bottom-Up Economic Transformation Agenda, and the Fourth Medium Term Plan of Kenya Vision 2030. Priority was also accorded to ongoing interventions supporting the "Big Four" agenda and the newly established institutions.

4.10.2 Budget Performance for the PAIR Sector

The budget allocated to the PAIR sector in FY 2023/24 amounted to Kshs.310.19 billion, revised to Kshs.299.33 billion in Supplementary Budget I and Kshs.328.88 billion in Supplementary Budget II, compared to the Kshs.345.14 billion allocated in FY 2022/23. This amount represents 19 per cent of the revised gross national budget of Kshs.4.43 trillion and 13 per cent of the MDAs' budget of Kshs.2.44 trillion. The allocation included Kshs.122.92 billion (37 per cent) for development activities and Kshs.205.96 billion (62 per cent) for recurrent expenditure. The National Treasury received the highest budgetary allocation of Kshs.131.9 billion (40 per cent of the Sector's revised budget), while the State Department for Performance and Delivery Management was allocated Kshs.0.34 billion (less than 1 per cent of the Sector's allocation).

The high allocation to the National Treasury is due to its vital role in public finance management. Figure 4.17 shows the budgetary allocation trend for the PAIR Sector for FY 2019/20 to FY 2023/24.

Figure 4.17: Budgetary Allocation Trend for the PAIR Sector



Source: National Treasury

The total exchequer issues to the PAIR sector amounted to Kshs.254.51 billion, representing 84 per cent of the Sector's revised net budget. This comprised Kshs.80.45 billion for development expenditure, representing 71 per cent of the revised development net budget and Kshs.174.07 billion for recurrent activities, representing 92 per cent of the revised recurrent net budget. Table 4.32 shows an analysis of exchequer issues and expenditure in the FY 2023/24 for the PAIR Sector.

Table 4.32: PAIR Sector-Analysis of Exchequer Issues and Expenditure

VOTE	Development (Kshs. Bn)						Recurrent (Kshs. Bn)					
	Revised Gross Budget	Revised Net Budget	Exchequer Issues	Expenditure	% of Exchequer to Revised Net Budget	% of Expenditure to Revised Gross Budget	Revised Gross budget	Revised Net budget	Exchequer Issues	Expenditure	% of Exchequer to Revised Net Budget	% of Expenditure to Revised Gross Budget
The Executive Office of the President	0.70	0.70	0.60	0.68	86	97	4.52	4.51	4.00	4.12	89	91
Office of the Deputy President	0.40	0.40	0.38	0.40	94	100	4.36	4.36	4.35	4.27	100	98
Office of the Prime Cabinet Secretary	-	-	-	-	-	-	1.42	1.42	1.27	1.37	90	97

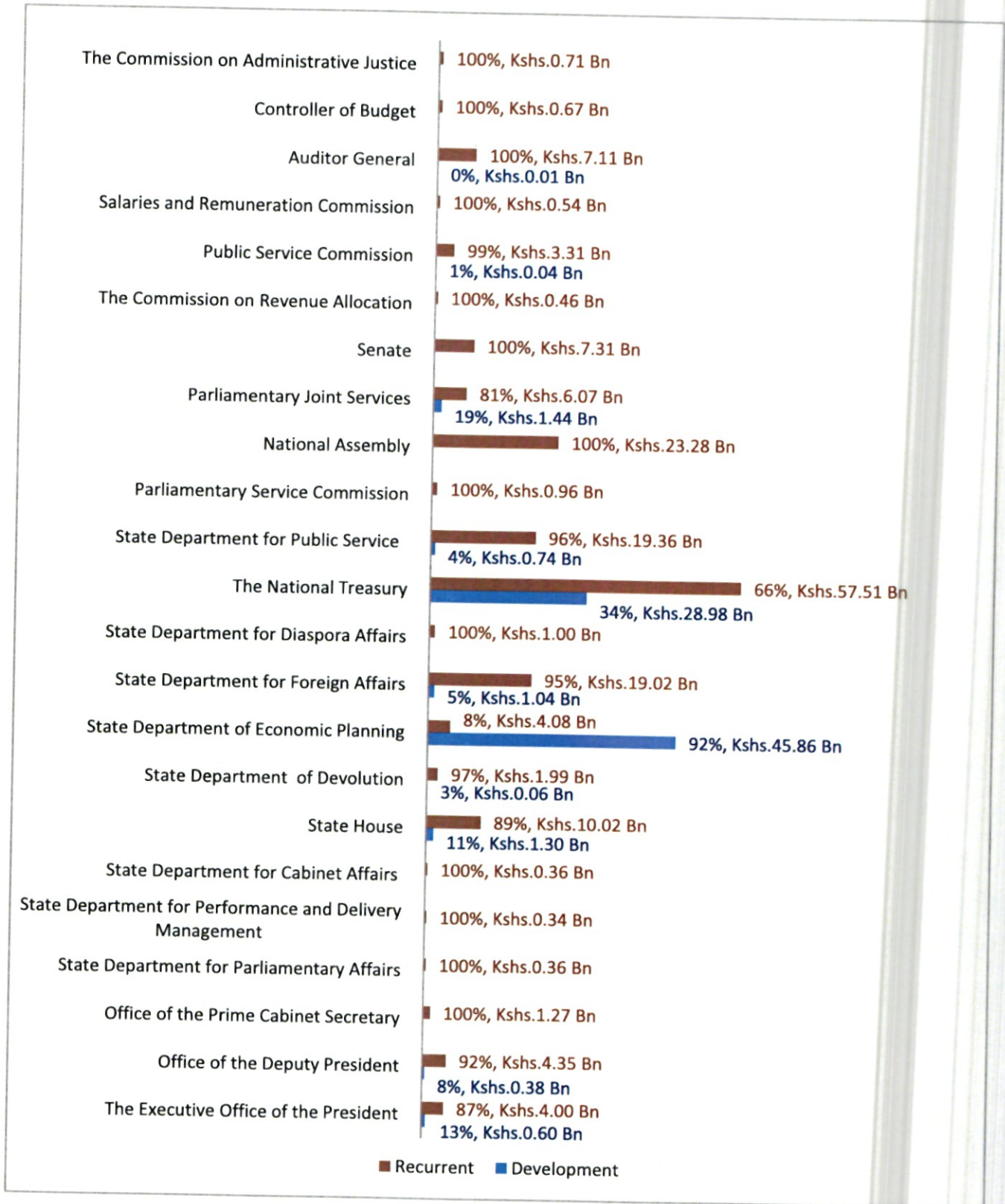
VOTE	Development (Kshs. Bn)						Recurrent (Kshs. Bn)					
	Revised Gross Budget	Revised Net Budget	Exchequer Issues	Expenditure	% of Exchequer to Revised Net Budget	% of Expenditure to Revised Gross Budget	Revised Gross budget	Revised Net budget	Exchequer Issues	Expenditure	% of Exchequer to Revised Net Budget	% of Expenditure to Revised Gross Budget
State Department for Parliamentary Affairs	-	-	-	-	-	-	0.39	0.39	0.36	0.36	93	93
State Department for Performance and Delivery Management	-	-	-	-	-	-	0.34	0.34	0.34	0.32	100	95
State Department for Cabinet Affairs	-	-	-	-	-	-	0.52	0.52	0.36	0.36	68	68
State House	1.31	1.31	1.30	1.30	99	99	10.03	10.03	10.02	10.03	100	100
State Department of Devolution	0.20	0.20	0.06	0.07	29	37	2.17	2.15	1.99	2.01	93	92
State Department of Economic Planning	59.71	59.41	45.86	45.84	77	77	4.39	4.12	4.08	4.16	99	95
State Department for Foreign Affairs	1.17	1.17	1.04	1.17	88	100	22.06	21.84	19.02	22.06	87	100
State Department for Diaspora Affairs	-	-	-	-	-	-	1.19	1.19	1.00	1.09	84	92
The National Treasury	56.65	46.85	28.98	32.02	62	57	75.34	61.93	57.51	65.83	93	87
State Department for Public Service	1.09	0.83	0.74	1.00	90	92	25.29	22.71	19.36	21.80	85	86
Parliamentary Service Commission	-	-	-	-	-	-	1.10	1.10	0.96	0.96	87	87
National Assembly	-	-	-	-	-	-	24.94	24.93	23.28	23.22	93	93
Parliamentary Joint Services	1.57	1.57	1.44	1.46	92	93	6.39	6.37	6.07	6.06	95	95
Senate	-	-	-	-	-	-	7.40	7.40	7.31	6.90	99	93
The Commission on Revenue Allocation	-	-	-	-	-	-	0.52	0.52	0.46	0.50	89	96

VOTE	Development (Kshs. Bn)						Recurrent (Kshs. Bn)					
	Revised Gross Budget	Revised Net Budget	Exchequer Issues	Expenditure	% of Exchequer to Revised Net Budget	% of Expenditure to Revised Gross Budget	Revised Gross budget	Revised Net budget	Exchequer Issues	Expenditure	% of Exchequer to Revised Net Budget	% of Expenditure to Revised Gross Budget
Public Service Commission	0.05	0.05	0.04	0.04	95	94	3.54	3.53	3.31	3.33	94	94
Salaries and Remuneration Commission	-	-	-	-	-	-	0.55	0.55	0.54	0.53	98	96
Auditor General	0.07	0.07	0.01	0.04	10	60	8.05	7.64	7.11	7.77	93	97
Controller of Budget	-	-	-	-	-	-	0.72	0.72	0.67	0.67	93	93
The Commission on Administrative Justice	-	-	-	-	-	-	0.73	0.73	0.71	0.69	98	94
Total	122.92	112.55	80.45	84.04	71	68	205.96	188.96	174.07	188.39	92	91
Sector Summary												
	Revised Gross Budget	Revised Net Budget	Exchequer Issues	Expenditure	% of Exchequer to Revised Net Budget	% of Expenditure to Revised Gross Budget						
	(Kshs. Bn)	(Kshs. Bn)	(Kshs. Bn)	(Kshs. Bn)	(Kshs. Bn)	(Kshs. Bn)						
Development	122.92	112.55	80.45	84.04	71.5	68						
Recurrent	205.96	188.96	174.07	188.39	92	91						
Total	328.88	301.51	254.51	272.42	84	83						

Source: MDAs and National Treasury

In the FY 2023/24, the Office of the Deputy President received the highest proportion of development exchequer issues to the revised development net budget at 94.2 per cent, while the Auditor General received the lowest at 10 per cent. The State Department for Performance and Delivery Management and State House recorded the highest proportion of recurrent exchequer issues in the revised recurrent net budget at 100 per cent. The State Department for Cabinet Affairs recorded the lowest ratio of 68 per cent. Figure 4.18 shows the PAIR sector's exchequer issues in the FY 2023/24.

Figure 4.18: Exchequer Issues to the PAIR Sector



Source: National Treasury

The total expenditure for the PAIR Sector amounted to Kshs. 272.42 billion, representing 83 per cent of the revised gross budget compared to 84 per cent (Kshs.289.86 billion) recorded in FY 2022/23. This comprised Kshs.84.04 billion for the revised development budget, representing an absorption rate of 68 per cent, compared to 79 per cent (Kshs.116.11 billion) recorded in FY 2022/23, and Kshs.188.39 billion for recurrent expenditure representing 91 per cent of the revised recurrent gross budget, compared to 88 per cent (Kshs.173.75 billion) recorded in FY 2022/23.

The State Department for Foreign Affairs and the Office of the Deputy President recorded the highest absorption of the development budget at 100 per cent, and the State Department for Devolution recorded the lowest at 37 per cent. This is attributed to delays in project implementation and disbursement of funds. The State Department for Foreign Affairs and the State House recorded the highest recurrent expenditure of the revised gross budget at 100 per cent. However, the State Department for Cabinet Affairs recorded the lowest at 68 per cent, attributed to the delay in releasing funds and lower-than-expected expenditures on certain operational activities.

Section 15 of the Public Finance Management Act, 2012, requires that personnel emoluments be at most thirty-five per cent of a government entity's revenue. Table 4.33 below summarises PE costs as a percentage of revenue for the four MDAs in the Public Administration and International Relations sector.

Table 4.33: PE Costs as a Percentage of Revenue

MDA	Revenue (in Kshs. million)	PE costs (in Kshs million)	PE to Revenue as a percentage
The Executive Office of the President	4,613.64	1,516.64	33
Office of the Deputy President	4,728.28	758.54	16
Office of the Prime Cabinet Secretary	1,271.29	382.47	30
State Department for Parliamentary Affairs	361.43	98.87	27
State Department for Performance and Delivery Management	338.17	143.64	42
State Department for Cabinet Affairs	356.06	32.88	9
State House	11,326.37	2,741.80	24
State Department of Devolution	2,073.01	218.87	11
State Department for Foreign Affairs	20,279.26	11,016.77	54
State Department for Diaspora Affairs	997.20	97.27	10
The National Treasury	98,099.27	3,432.62	3
State Department for Public Service	22,793.17	6,292.49	28
Parliamentary Service Commission	956.25	604.74	63
National Assembly	23,279.84	12,385.40	53
Parliamentary Joint Services	7,504.68	2,462.13	33
Senate	7,309.68	3,638.00	50
The Commission on Revenue Allocation	459.17	189.48	41
Public Service Commission	3,363.48	2626.87	78
Salaries and Remuneration Commission	539.11	298.22	55
Auditor General	7,449.94	4805.29	65
Controller of Budget	670.75	376.27	56
The Commission on Administrative Justice	714.20	411.65	58
Total	1,971,183.65	596,934.92	30

Source: MDAs

Aggregately, the sector spent 30 per cent of revenue on personnel emoluments. The Public Service Commission had the highest percentage at 78 per cent, while the National Treasury had the lowest at 3 per cent.

4.10.3 Budget Execution by Programmes and Sub-Programmes for the PAIR Sector

The PAIR sector allocation in FY 2023/24 was to fund forty-eight programmes.

Table 4.34 shows budget execution by programmes and sub-programmes in the PAIR sector in FY 2023/24.

Table 4.34: PAIR Sector's Programme Performance

Programmes	Sub-Programmes	Revised Approved Estimates II (Kshs.)			Expenditure (Kshs.)			Absorption Rate (%)
		Recurrent	Development	Total	Recurrent	Development	Total	
Executive Office of the President								
Government Printing Services	Government Printing Services	673.4	313.7	987.1	645.1	307.55	952.65	97
General Administration, Planning and Support Services	General Administration, Planning and Support Services	3,194.78	383.3	3,578.08	2,854.68	368.14	3,222.82	90
Government Advisory Services	Kenya-South Sudan Advisory Services	72.47	-	72.47	68.46	-	68.46	94
	Power of Mercy Advisory Services	58.95	-	58.95	40.67	-	40.67	69
	Counter Terrorism Services	450	-	450	450	-	450	100
	Advisory Services on Economic and Social Affairs	28.65	-	28.65	26.1	-	26.1	91
	Strategic Policy Advisory Services	45.95	-	45.95	35.28	-	35.28	77
	Sub-Total	4,524.20	697	5,221.20	4,120.29	675.69	4,795.98	92
Office of the Deputy President								
Deputy President Services	General Administration, Planning and Support	495.29	400.4	895.69	509.97	398.8	908.77	101
	Coordination and Supervision	3,566.76	-	3,566.76	3,048.36	-	3,048.36	85
	Office of the Spouse of the Deputy President	299.08	-	299.08	715.71	-	715.71	239
	Sub-Total	4,361.14	400.4	4,761.54	4,274.05	398.8	4,672.85	98
Office of the Prime Cabinet Secretary								
Government Coordination and Supervision	Coordination and Supervision Services	919.36	-	919.36	904.07	-	904.07	98
	Government Coordination and Supervision	497.49	-	497.49	463.54	-	463.54	93
	Sub-Total	1,416.85	-	1,416.85	1,367.61	-	1,367.61	97
State Department for Parliamentary Affairs								
Parliamentary Liaison and Legislative Affairs	Parliamentary Liaison Affairs	79.45	-	79.45	77.51	-	77.51	98
	Legislative Coordination Services	25.84	-	25.84	21.51	-	21.51	83
Policy Coordination and Strategy	Policy Coordination Services	45.16	-	45.16	41.38	-	41.38	92
	Policy Advisory Services	105.29	-	105.29	12.9	-	12.9	12
General Administration, Planning and Support Services	Administrative Services	224.51	-	224.51	208.11	-	208.11	93
	Sub-Total	480.25	-	480.25	361.41	-	361.41	75
State Department for Performance and Delivery Management								
Public Service Performance Management and Delivery Services	Performance Management	106.27	-	106.27	106.2	-	106.2	100
	Programs and Projects Co-ordination and Monitoring	25.46	-	25.46	25.04	-	25.04	98
General Administration, Planning and Support Services	Administrative Services	206.44	-	206.44	190.13	-	190.13	92
	Sub-Total	338.17	-	338.17	321.38	-	321.38	95

Programmes	Sub-Programmes	Revised Approved Estimates II (Kshs.)			Expenditure (Kshs.)			Absorption Rate (%)
		Recurrent	Development	Total	Recurrent	Development	Total	
State Department for Cabinet Affairs								
Cabinet Affairs Delivery	Cabinet Decision and Presidential Directives	191.97	-	191.97	143.59	-	143.59	75
	Coordination of Development Partners and Implementation of Special Government Initiatives	60.45	-	60.45	32.07	-	32.07	53
	Public Sector Reforms	23.2	-	23.2	8.59	-	8.59	37
	General Administration, Planning and Support Services	246.44	-	246.44	171.52	-	171.52	70
	Sub-Total	522.06	-	522.06	355.76	-	355.76	68
State House								
State House Affairs	Coordination of State House Functions	9,380.76	1,309.70	10,690.46	9,378.28	1,302.27	10,680.55	100
	Administration of statutory Benefits for the retired Presidents and Deputy Presidents	648.09	-	648.09	647.92	-	647.92	100
	Sub-Total	10,028.86	1,309.70	11,338.56	10,026.20	1,302.27	11,328.47	100
State Department for Devolution								
Devolution Services	Management of devolution affairs	173.65	44.01	217.66	194.47	41.75	236.22	109
	Intergovernmental Relations	1,041.73	0.99	1,042.72	1,026.57	-	1,026.57	98
	Capacity Building and Civic Education	108.94	159	267.94	99.63	32.81	132.45	49
	Administrative Services	778.99	-	778.99	656.17	-	656.17	84
	Financial Management Services	37.71	-	37.71	27.2	-	27.2	72
	Information Communication Technology	6.52	-	6.52	6.38	-	6.38	98
	Sub-Total	2,147.54	204	2,351.54	2,010.43	74.56	2,084.99	89
State Department for Economic Planning								
Economic Policy and National Planning	Economic Planning Coordination Services	673.3	-	673.3	580.73	-	580.73	86
	Community Development	55.3	57,975.50	58,030.80	55.16	44,419.04	44,474.20	77
	Macro-Economic Policy Planning and Regional Integration	703.75	9	712.75	685.1	11.34	696.44	98
	Policy Research	694.38	46	740.38	619.39	46	665.39	90
	Population Management Services	522.96	85.25	608.21	522.96	64.26	587.22	97
	Infrastructure, Science, Technology and Innovation	35.02	-	35.02	34.19	-	34.19	98
	Sectoral Policy and Planning	63.78	23	86.78	57.58	23.94	81.52	94
National Statistical	Census and Surveys	1,286.62	1,546.45	2,833.07	1,268.50	1,273.60	2,542.10	90
Public Investment Management and Monitoring Services	National Integrated Monitoring and Evaluation	81.13	29.49	110.62	80.91	11.52	92.43	84
General Administration, Planning and Support Services	Human Resources and Support Services	215.44	-	215.44	197.91	-	197.91	92
	Financial Management Services	42.5	-	42.5	41.13	-	41.13	97
	information Communications Services	15.69	-	15.69	14.39	-	14.39	92
	Sub-Total	4,389.86	59,714.69	64,104.55	4,157.94	45,849.71	50,007.65	78
State Department for Foreign Affairs								
General Administration, Planning and Support Services	Administrative Services	3,962.96	326.68	4,289.64	3,960.97	326.68	4,287.65	100

Programmes	Sub-Programmes	Revised Approved Estimates II (Kshs.)			Expenditure (Kshs.)			Absorption Rate (%)
		Recurrent	Development	Total	Recurrent	Development	Total	
Foreign Relations and Diplomacy	International Relations and Cooperation	17,936.52	844.32	18,780.84	17,930.14	844.32	18,774.46	100
Economic Cooperation and Commercial Diplomacy	Economic Cooperation and Commercial Diplomacy	49.86	-	49.86	49.85	-	49.85	100
	Sub-Total	21,949.34	1,171.00	23,120.34	21,940.96	1,171.00	23,111.96	100
State Department for Diaspora Affairs								
Management for Diaspora and Consular Affairs	Diaspora Economic, Commercial and Cultural Affairs	130.05	-	130.05	118.32	-	118.32	91
	Management of Consular Services	63.57	-	63.57	41.87	-	41.87	66
	Diaspora Interests Abroad	21.42	-	21.42	19.56	-	19.56	91
	General Administration, Planning and Support Services	972.68	-	972.68	911.37	-	911.37	94
	Sub-Total	1,187.71	-	1,187.71	1,091.12	-	1,091.12	92
The National Treasury								
Planning and Support Services	Administration Services	90.07	-	90.07	89.94	-	89.94	100
	Human Resource Management Services	23,554.70	7,514.96	31,069.65	21,747.15	3,655.54	25,402.69	82
	Financial Services	41,047.65	1,164.46	42,212.12	33,305.89	537.43	33,843.32	80
	ICT Services	72.79	1,000.85	1,073.64	76.81	1,000.85	1,077.66	100
Public Financial Management	Public Financial Management Reforms	63.98	526.73	590.72	61.21	496.2	557.41	94
	Supply Chain Management Services	619.63	530	1,149.63	601.45	529.11	1,130.55	98
	Resource Mobilisation	1,550.11	18,422.23	19,972.34	1,547.53	10,986.16	12,533.69	63
	Budget Formulation coordination and Management	1,514.86	11,277.40	12,792.26	1,509.58	2,230.00	3,739.58	29
	Accounting Services	2,259.38	1,663.65	3,923.03	2,412.86	1,656.44	4,069.30	104
	Audit Services	810.97	-	810.97	801.66	-	801.66	99
Economic and Financial Policy Formulation and Management	Government Investment and Assets	1,779.63	1,673.25	3,452.88	1,719.40	673.25	2,392.65	69
	Micro Finance Sector Support and Development	1,197.93	12,110.00	13,307.93	1,191.33	9,619.02	10,810.35	81
	Debt Management	151.97	-	151.97	147.87	-	147.87	97
Market Competition	Fiscal Policy Formulation Development and Management	220.7	743.17	963.87	218.55	610.91	829.47	86
	Elimination of Restrictive Trade Practices	403.1	27	430.1	403.1	27	430.1	100
	Sub-Total	75,337.46	56,653.70	131,991.16	65,834.35	32,021.92	97,856.26	74
State Department for Public Service								
General Administration Planning and Support Services	Human Resources and Support Services	534.91	60	594.91	502.83	60	562.83	95
	Financial Management Services	85.16	-	85.16	78.92	-	78.92	93
	Information Communications Services	6.94	-	6.94	6.45	-	6.45	93
Public Service Transformation	Human Resource Management	7,022.89	-	7,022.89	5,966.50	-	5,966.50	85
	Human Resource Development	2,370.03	486.95	2,856.98	2,318.34	476.64	2,794.98	98
	Management Consultancy Services	110.5	-	110.5	109.56	-	109.56	99
	Huduma Kenya Service Delivery	1,379.62	357	1,736.62	1,080.76	281.33	1,362.09	78
	Public Service Reforms	46.54	-	46.54	44.91	-	44.91	97

Programmes	Sub-Programmes	Revised Approved Estimates II (Kshs.)			Expenditure (Kshs.)			Absorption Rate (%)
		Recurrent	Development	Total	Recurrent	Development	Total	
National Youth Service	Paramilitary Training and Service Regimentation	8,609.55	182	8,791.55	6,495.37	182	6,677.37	76
	Technical and Vocational Training	4,342.86	-	4,342.86	4,342.86	-	4,342.86	100
	Enterprise Development	852.9	-	852.9	852.9	-	852.9	100
	Sub-Total	25,361.90	1,085.95	26,447.85	21,799.41	999.97	22,799.38	86
Parliamentary Service Commission								
General Administration, Planning and Support Services	General Administrative Services	1,016.31	-	1,016.31	889.78	-	889.78	88
	Public Participation and Outreach	13.03	-	13.03	8.79	-	8.79	67
	Diplomacy and Parliamentary Democracy	5.5	-	5.5	4.76	-	4.76	87
	Internal Audit Services	25.63	-	25.63	24.48	-	24.48	96
Human Resources Management and Development	Human Resources Management	19.61	-	19.61	14.63	-	14.63	75
	Human Resources Development	17.05	-	17.05	13.39	-	13.39	79
	Sub-Total	1,097.13	-	1,097.13	955.83	-	955.83	87
The National Assembly								
National Legislation, Representation & Oversight	Legislation and Representation	24,931.00	-	24,931.00	23,216.89	-	23,216.89	93
	Sub-Total	24,931.00	-	24,931.00	23,216.89	-	23,216.89	93
Parliamentary Joint Services								
General Administration and Support Services	General Administration and Support Services	6,198.81	1,565.00	7,763.81	5,887.14	1,461.69	7,348.82	95
Legislative Training and Knowledge Management Programmes	Legislative Training and Knowledge Management Programmes	102.4	-	102.4	94.36	-	94.36	92
Curriculum, Training and Knowledge Management	Curriculum, Training and Knowledge Management	88.79	-	88.79	73.8	-	73.8	83
	Sub-Total	6,390.00	1,565.00	7,955.00	6,055.30	1,461.69	7,516.98	94
Senate								
Senate Legislation and Oversight	Legislative, Procedural and Oversight	2,961.15	-	2,961.15	2,812.63	-	2,812.63	95
	Legislative Support Services	151	-	151	132.54	-	132.54	88
Senate Representation, Liaison and Intergovernmental Relations	Senate Representation	1,781.20	-	1,781.20	1,647.13	-	1,647.13	92
	Liaison and Outreach	155.5	-	155.5	145.48	-	145.48	94
General Administration, Planning and Support Services	General Administration	2,158.10	-	2,158.10	1,999.86	-	1,999.86	93
	Planning and Support Services	197.05	-	197.05	162.59	-	162.59	83
	Sub-Total	7,404.00	-	7,404.00	6,900.23	-	6,900.23	93
Public Service Commission								
General Administration Planning and Support Services	Administration	816.17	45.3	861.47	775.56	42.71	818.28	95
	Board Management	40.54	-	40.54	40.17	-	40.17	99
Human Resource Management and Development	Establishment and Management Consultancy Services	82	-	82	81.3	-	81.3	99
	Human Resource Management	204.89	-	204.89	192.81	-	192.81	94
	Human Resource Development	2,188.26	-	2,188.26	2,040.02	-	2,040.02	93

Programmes	Sub-Programmes	Revised Approved Estimates II (Kshs.)			Expenditure (Kshs.)			Absorption Rate (%)
		Recurrent	Development	Total	Recurrent	Development	Total	
Governance and National Values	Compliance and Quality Assurance	65.28	-	65.28	61.46	-	61.46	94
	Ethics Governance and National Values	58.36	-	58.36	55.29	-	55.29	95
Performance and Productivity Management	Performance and Productivity Management	54	-	54	52.8	-	52.8	98
Administration of Quasi-Judicial Functions	Court Litigation and Regulations	17.68	-	17.68	15.4	-	15.4	87
	Admin of County Appeal	13.06	-	13.06	11.17	-	11.17	86
	Sub-Total	3,540.24	45.3	3,585.54	3,325.98	42.71	3,368.69	94
Office of the Auditor General								
Audit Services	National Government Audit	6,489.78	70.00	6,559.78	6,185.55	32.81	6,218.35	95
	NGCDF Audit	99.78	-	99.78	35.71	-	35.71	36
	County Government Audit	897.68	-	897.68	756.61	-	756.61	84
	Specialised Unit	561.65	-	561.65	400.11	-	400.11	71
	Sub-Total	8,048.88	70.00	8,118.88	7,377.97	32.81	7,410.78	91
Office of the Controller of Budget								
Control and Management of Public Finance	Authorisation of withdrawals from Public Funds	165.1	-	165.1	155.04	-	155.04	94
	Budget Review and Analysis	63.05	-	63.05	57.16	-	57.16	91
	Administrative and Support Services	454.7	-	454.7	417.56	-	417.56	92
	Research and Planning	41.03	-	41.03	39.85	-	39.85	97
	Sub-Total	723.87	-	723.87	669.62	-	669.62	93
Commission on Administrative Justice								
Promotion of Administrative Justice	General Administration and Support Services	536.46	-	536.46	503.11	-	503.11	94
	Administrative Justice Services	158.5	-	158.5	152.61	-	152.61	96
	Access to Information Services	35.24	-	35.24	30.71	-	30.71	87
	Sub-Total	730.19	-	730.19	686.43	-	686.43	94
Salaries and Remuneration Commission								
Salaries and Remuneration Management	Remuneration and Benefits Management	548.96	-	548.96	529.52	-	529.52	96
	Sub-Total	548.96	-	548.96	529.52	-	529.52	96
Commission on Revenue Allocation								
Intergovernmental Revenue and Financial Matters	General Administration and Support Services	484.25	-	484.25	465.14	-	465.14	96
	Equitable Sharing of Revenue	18.66	-	18.66	18.66	-	18.66	100
	Public Financial Management	11.75	-	11.75	11.73	-	11.73	100
	Transitional Equalisation	2.16	-	2.16	2.15	-	2.15	100
	Sub-Total	516.82	-	516.82	497.69	-	497.69	96
	Total	205,976.42	122,916.73	328,893.16	187,836.21	84,071.29	271,907.50	83

Source: MDAs and National Treasury

An analysis of programme and sub-programmes shows that the State House Affairs sub-programme on "Coordination of State House Functions" under the State House programme had the highest absorption rate at 100 per cent, with an expenditure of Kshs.10.7 billion Kenyan shillings. The National Treasury's "Accounting Services" sub-programme under the Public Financial Management programme had an absorption rate of 104 per cent, the highest percentage among all sub-programmes. The State Department for Foreign Affairs showed consistently high

absorption rates across its sub-programmes, with most at 100 per cent or very close to it. Some sub-programmes, such as the "Community Development" under the State Department for Economic Planning, had relatively low absorption rates. This sub-programme spent Kshs.44.47 billion out of the allocated Kshs.58.03 billion, resulting in an absorption rate of 77 per cent. The Parliamentary Service Commission's "Public Participation and Outreach" sub-programme had one of the lowest absorption rates at 67 per cent, spending only Kshs.8.79 million out of the allocated Kshs.13.03 million. Several large programmes, such as those under the National Treasury, showed varied absorption rates across their sub-programmes, ranging from 29 per cent for "Budget Formulation Coordination and Management" to 104 per cent for "Accounting Services." Overall, the Sector recorded an absorption rate of 83 per cent across all programmes and sub-programmes, with a total expenditure of Kshs.271.91 billion against the revised gross budget of Kshs.328.82 billion.

4.10.4 Key Achievements of MDAs in the PAIR Sector

In FY 2023/24, the PAIR sector demonstrated progress across various programs, achieving significant milestones in service delivery and fiscal responsibility. The Executive Office of the President, through its multiple sub-programs such as Government Printing Services and Counter Terrorism Services, recorded high absorption rates, with most exceeding 90 per cent. The Office of the Deputy President had an absorption rate of 98 per cent but surpassed the budget in some areas, such as the Office of the Spouse of the Deputy President. Similarly, the State House achieved a remarkable absorption rate of 100 per cent in its operations, including the administration of statutory benefits for retired presidents.

Other notable achievements include the State Department for Parliamentary Affairs with a 75 per cent absorption rate, reflecting efficient resource management in legislative coordination. The State Department for Economic Planning effectively utilised funds for vital economic policies, particularly in National Statistical services, achieving a 90 per cent absorption rate. The National Treasury absorbed 74 per cent of its budget, ensuring continued financial services and public financial management reforms.

During the review period, the Office of the Controller of Budget processed 599 exchequer requests for the National Government and 8,598 for County Governments. This averages 12 requests and 165 per week, respectively, surpassing the set targets. In addition, the Office prepared and published eight budget implementation review reports, four for the National Government and an equal number for County Governments. The office also monitored budget implementation activities in the counties and prepared 38 county monitoring reports.

The State Department for Foreign Affairs achieved a 100% absorption rate in international relations, ensuring Kenya's robust global diplomatic presence. The Office of the Auditor General maintained a high absorption rate, particularly in the audit of national government services. Generally, the PAIR sector has maintained strong fiscal discipline and operational efficiency across its various departments and programs, as evidenced by the absorption rates in Table 4.34.

4.10.5 Project Implementation for PAIR Sector

Most of the projects are multi-year in nature and implemented over some time. Table 4.35 summarises some of the Projects with the Highest Expenditure in the reporting period in the PAIR sector.

Table 4.35: PAIR Sector Projects with the Highest Expenditure

MDA	Project Name (a)	Project Commencement Date (b)	Expected date of Completion (c)	Source of Funds (d)	Estimated Value of the Project (Kshs. Million) (e)	Total Funding in FY 2023/24 (Kshs. Million) (f)	Total Expenditure FY 2023/24 (Kshs. Million) (g)	Cumulative Expenditure As of 30th June 2024 (Kshs. Million) (h)	Percentage (%) of Completion (I=h/e)
State Department for Public Service	Japanese Grants for Human Resource Development Scholarships	2021	2026	Donor	958	250.64	250.64	296.75	31
	Completion of hostels 112-bed capacity single rooms at KSG-Embu	2018	2026	GOK	1,200.00	130	130	189.18	16
	Implementation of Huduma Service Delivery Channels	2013	2026	GOK	25,030.00	124.96	124.96	8,420.00	34
The National Treasury	Kenya Financing Locally Led Climate Action Programme	01/03/2020	01/06/2025	GoK and Donor	46,793.00	9,665.00	7,733.83	9,566.53	20
	Infrastructure Finance and Public-Private Partnership Project 2	01/12/2017	30/06/2023	Foreign	5,000.00	6,273.00	5,328.32	6,392.32	128
	Supporting Access to Finance and Enterprise Recovery	01/05/2022	31/12/2026	GoK and Donor	11,912.40	2,040.00	1,377.88	1,501.88	13
	Kenya Affordable Housing Project	01/07/2020	30/06/2026	Foreign	25,000.00	1,250.00	1,077.00	5,191.05	21
	Special Global Fund - HIV NFM 3	07/01/2021	30/06/2025	GoK and Donor	24,705.00	8,634.49	4,279.92	16,671.92	67
State Department of Economic Planning	National Government Constituency Fund	07/01/2016	ongoing	GoK	359,979.00	57,931.50	44,400.00	236,429.63	66
	National Food and Nutrition Project KNBS	01/01/2028	Ongoing	Foreign	737.5	140	124.7	397.82	54
	East Africa Regional Statistics Programme for Results	07/01/2022	2027	GoK	13,700.00	1,000	1,000.00	1,000	7
Public Service Commission	Refurbishment of Old Commission House	01/07/2017	2025/2026	GoK	400	42.71	42.17	237.21	59
The Executive Office of the President	General Work-Re-refurbishment of Harambee House Office	01/07/2015	30/06/2026	GoK	103.2	59.3	59.3	59.3	57
	Modernisation of the Press and refurbishment of Buildings at the Government Printer	01/07/2013	30/06/2028	GoK	9,511.97	667.97	313.70	981.67	10
	National Fund for Disabled in Kenya	01/07/2016	30/06/2027	GoK	3,040.90	2,110.75	2,110.75	2,110.75	69

Source: MDAs

Analysis of project implementation by MDAs under the PAIR sector reported varied progress rates. Notably, the National Government Constituency Fund (NGCDF) under the State Department of Economic Planning has achieved significant progress with a 66 per cent transfer, indicating high fund utilisation. However, other projects, such as the Kenya Financing Locally Led Climate Action Programme and the East Africa Regional Statistics Programme for Results, show slower progress, with completion rates of 17 per cent and 7 per cent, respectively.

From the analysis, the Controller of Budget recommends a targeted review of projects with lower completion rates to identify and address the specific challenges hindering progress. This may involve enhancing project management practices, improving stakeholder coordination, and ensuring timely resource allocation. For high-value projects like the Kenya Financing Locally Led Climate Action Programme, it is crucial to reassess timelines and milestones to accelerate completion and achieve intended outcomes. Increased oversight and regular progress evaluations should be instituted to ensure that projects remain on track and funds are utilised efficiently.

4.11. Social Protection, Culture and Recreation Sector

4.11.1 Introduction

The Social Protection, Culture, and Recreation (SPCR) Sector comprises six MDAs: the State Departments for Youth Affairs and the Arts, Sports, Culture and Heritage, Labour and Skills Development, Social Protection and Senior Citizen Affairs, and Gender and Affirmative Action.

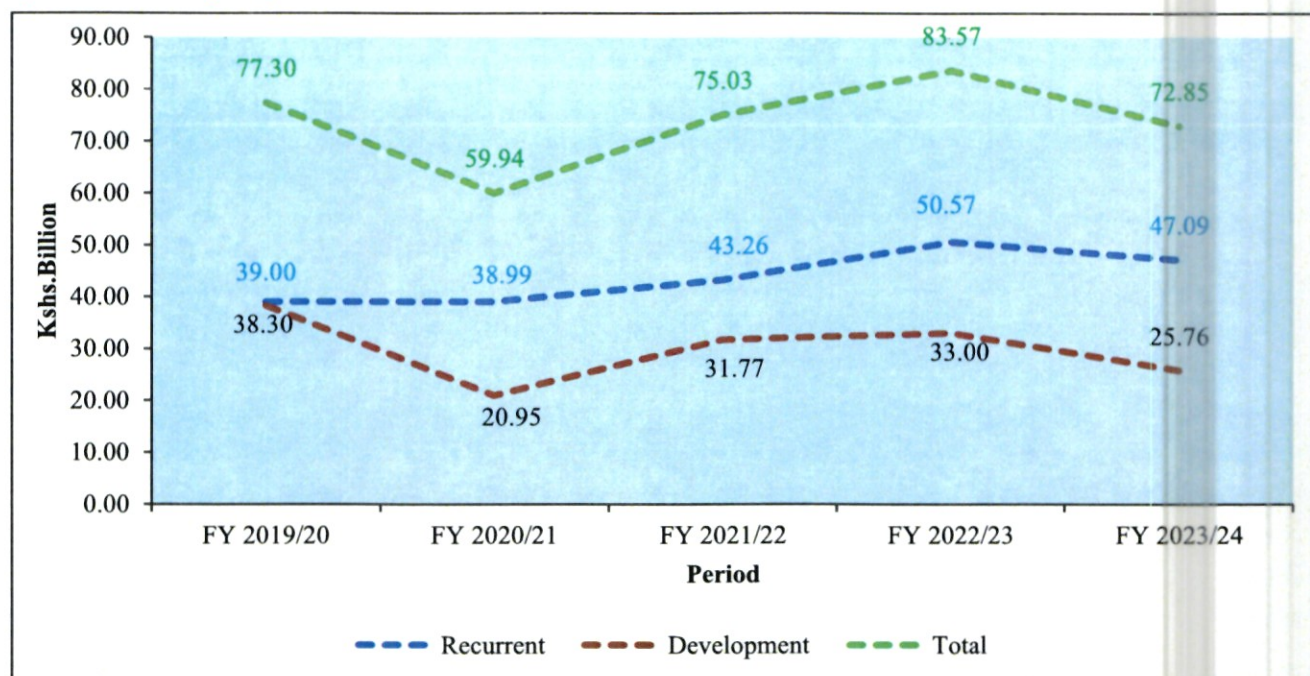
The strategic roles played by the Sector in the country's transformation and socio-economic development include Promoting and supporting youth empowerment and development; strengthening youth mainstreaming in all sectors; spearheading the management of youth policy and legislations; promoting engagement with youth for national development; promotion of sustainable employment, harmonious industrial relations, and productive workforce; promotion of gender equity and equality; empowerment of communities and vulnerable groups, safeguarding children's rights; and advancement of diverse cultures, arts and sports to enhance cohesiveness and Kenya's regional and international competitiveness.

4.11.2 Budget Performance for the SPCR Sector

The budget allocated to the SPCR sector in FY 2023/24 amounts to Kshs.70.64 billion, revised to Kshs.72.85 billion in Supplementary Budget I and Kshs.72.85 billion in Supplementary Budget II, compared to the Kshs.73.21 billion allocated in the FY 2022/23. This amount represents 2 per cent of the revised gross national budget of Kshs.4.43 trillion and 3 per cent of the MDAs' revised budget of Kshs.2.44 trillion. The allocation included Kshs.25.76 billion (35 per cent) for development activities and Kshs.47.09 billion (65 per cent) for recurrent expenditure. The State Department for Social Protection and Senior Citizen Affairs received the highest budgetary allocation of Kshs.36.83 billion (51 per cent of the Sector's revised budget), while the State Department for Culture and Heritage was allocated Kshs.2.78 billion (4 per cent of the Sector's revised budget).

The high allocation to the State Department for Social Protection and Senior Citizen Affairs is attributed to its vital role in promoting the welfare of senior citizens and other vulnerable groups through the National Safety Net Programme. Figure 4.19 shows the budgetary allocation trend for the SPCR sector for FY 2019/20 to FY 2023/24.

Figure 4.19: Budgetary Allocation Trend for the SPCR Sector



Source: National Treasury

The total exchequer issues to the SPCR sector amounted to Kshs.49.75 billion, representing 95 per cent of the Sector's revised net budget, comprised Kshs.7.84 billion for development expenditure, representing 86 per cent of revised development net budget, and Kshs.41.92 billion for recurrent activities, representing 97 per cent of revised recurrent net budget. Table 4.36 shows the SPCR sector analysis of exchequer issues and expenditure in FY 2023/24.

Table 4.36: SPCR Sector-Analysis of Exchequer Issues and Expenditure

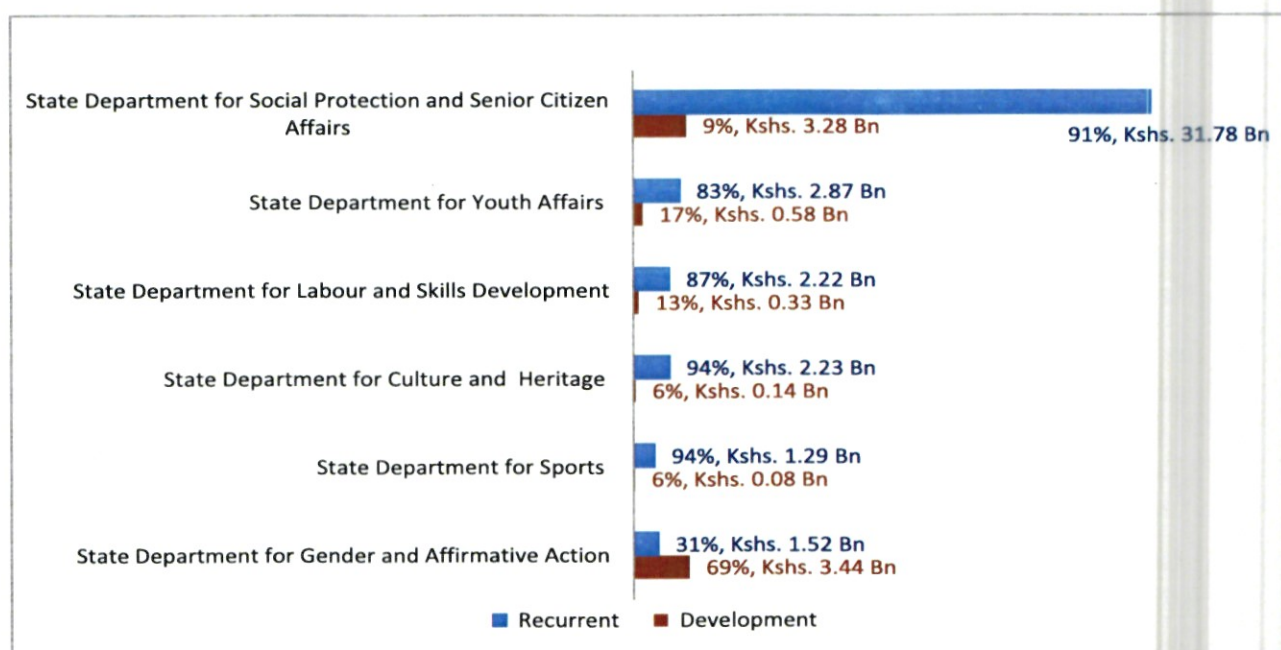
VOTE	Development (Kshs. Bn)						Recurrent (Kshs. Bn)					
	Revised Gross Budget	Revised Net Budget	Exchequer Issues	Expenditure	% of Exchequer to Revised Net Budget	% of Expenditure to Revised Gross Budget	Revised Gross Budget	Revised Net Budget	Exchequer Issues	Expenditure	% of Exchequer to Revised Net Budget	% of Expenditure to Revised Gross Budget
State Department for Youth Affairs and the Arts	1.08	0.78	0.58	0.73	74	67	3.13	2.87	2.87	2.99	100	96
State Department for Sports	16.08	0.08	0.08	14.51	95	90	1.53	1.31	1.29	1.28	99	84
State Department for Culture and Heritage	0.15	0.15	0.14	0.15	88	96	2.63	2.23	2.23	2.19	100	83

VOTE	Development (Kshs. Bn)						Recurrent (Kshs. Bn)					
	State Department for Labour and Skills Development	0.79	0.79	0.33	0.62	42	79	4.87	2.27	2.22	3.87	98
State Department for Social Protection and Senior Citizen Affairs	4.09	3.85	3.28	2.39	85	58	32.74	32.64	31.78	32.07	97	98
State Department for Gender and Affirmative Action	3.55	3.45	3.44	3.54	100	100	2.19	2.05	1.52	2.12	74	97
Total	25.76	9.11	7.84	21.95	86	85	47.09	43.37	41.92	44.53	97	95
Sector Summary												
	Revised Gross Budget	Revised Net budget	Exchequer Issues	Expenditure	% of Exchequer to Revised Net Budget	% of Expenditure to Revised Gross Budget						
Development	25.76	9.11	7.84	21.95	86	85						
Recurrent	47.09	43.37	41.92	44.53	97	95						
Total	72.85	52.48	49.75	66.48	95	91						

Source: MDAs and National Treasury

In the FY 2023/24, the State Department for Gender and Affirmative Action received the highest proportion of development exchequer issues to revised development net budget at 100 per cent, while the State Department for Labour and Skills Development received the lowest at 42 per cent. The State Department for Culture and Heritage and the State Department for Youth Affairs and the Arts recorded the highest proportion of recurrent exchequer issues to revised recurrent net budget of 100 per cent, and the State Department for Gender and Affirmative Action recorded the lowest ratio of 74 per cent. Figure 4.20 shows the exchequer issues to the SPCR sector in the FY 2023/24.

Figure 4.20: Exchequer Issues to the SPCR Sector



Source: National Treasury

The total expenditure for the SPCR Sector amounted to Kshs.66.48 billion, representing 91 per cent of the revised gross budget, compared to 89 per cent (Kshs.74.31 billion) recorded in FY 2022/23. This amount comprised Kshs.21.95 billion for the development budget representing an absorption rate of 85 per cent, compared to 78 per cent recorded in FY 2022/23, and Kshs.44.53 billion for recurrent expenditure representing 95 per cent of the revised recurrent gross budget, compared to 96 per cent recorded in FY 2022/23.

The State Department for Gender and Affirmative Action recorded the highest absorption of the development budget at 100 per cent. In comparison, the State Department for Social Protection and Citizen Affairs recorded the lowest at 58 per cent. This is attributed to insufficient funding as a result of budget cuts. The State Department for Social Protection and Citizen Affairs recorded the highest recurrent expenditure to the revised gross budget at 98 per cent, while the State Department for Labour and Skills Development recorded the lowest at 79 per cent, which is attributed to insufficient funds brought about by budget cuts.

In line with section 15 of the Public Finance Management Act 2012, as read together with section 26 of the Public Finance Management Regulations, 2015, personnel emoluments are at most thirty-five per cent of a government entity's revenue. Table 4.37 below summarizes PE costs as a percentage of revenue for the four MDAs in the Social Protection, Culture and Recreation sector.

Table 4.37: SPCR Sector PE Costs as a Percentage of Revenue

MDA	Revenue (in Kshs. million)	PE costs (in Kshs. million)	PE to Revenue as a percentage
State Department for Youth Affairs	3,609	775.00	21
State Department for Sports	15,800	175.00	1
State Department for Culture and Heritage	2,367	201.00	2
State Department for Labour and Skills Development	5,135	926.00	18
State Department for Social Protection and Citizen Affairs	35,306	755.00	2
State Department for Gender and Affirmative Action	5,203	287.00	6
Total	67,420	3099.00	5

Source: MDAs

Aggregately, the Social Protection Culture Recreation sector spent 5 per cent of revenue on personnel emoluments, which does not exceed the legal threshold of 35 per cent. The State Department for Youth Affairs had the highest percentage at 21 per cent while the State Department for Sports had the lowest at 1 per cent.

4.11.3 Budget Execution by Programmes and Sub-Programmes for SPCR Sector

The SPCR sector allocation was to fund eighteen programmes. Table 4.38 shows budget execution by programmes and sub-programmes by the SPCR sector in FY 2023/24.

Table 4.38: SPCR Sector's Programme Performance

Pro-grammes	Sub Programmes	Revised Budget (Kshs. Million)			Expenditure (Kshs. Million)			Absorption Rate (%)
		Recurrent	Development	Total	Recurrent	Development	Total	
State Department for Sports								
Sports	Sports Training and Competitions	693.80	79.20	773.00	778.87	78.75	857.61	111
	Development and Management of Sports Activities	619.00	16,000.00	16,619.00	332.25	14,429.96	14,762.22	89
	General Administration, Planning, and Support Services	219.96	-	219.96	171.27	-	171.27	78
	Sub-Total	1,532.76	16,079.20	17,611.96	1,282.39	14,508.71	15,791.10	90
State Department for Culture and Heritage								
Culture	Conservation of Heritage	1,578.21	35.00	1,613.21	1,278.21	30.00	1,308.21	81
	Development and Promotion of Culture	400.31	35.00	435.31	247.04	34.30	281.33	65
	Public Records and Archives Management	-	-	-	- 1.35	-	- 1.35	-
	Cultural Product Diversification	314.47	69.70	384.17	292.06	69.70	361.76	94

Programmes	Sub Programmes	Revised Budget (Kshs. Million)			Expenditure (Kshs. Million)			Absorption Rate (%)
		Recurrent	Development	Total	Recurrent	Development	Total	
Public Records and Archives Management	Archives and Documentation	104.89	13.15	118.04	81.21	13.15	94.36	80
	Records Management	18.68	-	18.68	14.65	-	14.65	78
General Administration, Planning and Support	General Administration, Planning and Support Services	213.51	-	213.51	186.77	-	186.77	87
	Sub-Total	2,630.06	152.85	2,782.91	2,098.59	147.15	2,245.73	81
State Department for Youth Affairs and the Arts								
Youth Empowerment Services	Youth Social and Sustainable Community Development	233.57	393.22	626.79	231.96	183.42	415.39	66
	Youth Mentorship, Leadership and Governance							
Youth Development Services	Youth Development Research and Quality Management	48.41	7.00	55.41	49.75	6.65	56.39	102
	Youth Entrepreneurship, Innovation, and Talent Development	280.27	454.88	735.15	208.23	384.55	592.78	81
	Youth Development Field Extension Services	467.38	136.00	603.38	665.10	71.87	736.97	122
General Administration, Planning and Support	Administration and Support Services	354.02	-	354.02	354.01	-	354.01	100
The Arts	Film Services	949.00	80.00	1,029.00	894.75	70.89	965.64	94
	Performing Arts	148.86	-	148.86	-	-	-	-
	Promotion of Kenyan Music and Dance	235.46	-	235.46	-	105.94	105.94	45
Library Services	Library Services	328.84	13.60	342.44	327.64	13.54	341.18	100
	Sub-Total	3,045.82	1,084.70	4,130.52	2,731.45	836.87	3,568.32	86
State Department for Gender and Affirmative Action								
Community Development	Affirmative Action	36.00	3,000.40	3,036.40	36.00	3,000.39	3,036.39	100
Gender Empowerment	Social Economic Empowerment	432.20	310.33	742.53	409.77	310.33	720.10	97
	Gender Mainstreaming	1,458.76	243.10	1,701.87	1,320.36	232.91	1,553.26	91
General Administration, Planning and Support	Administration and Support Services	258.74	-	258.74	255.63	-	255.63	99
	Gender Field Services	-	-	-	96.14	-	96.14	-
	Sub-Total	2,185.70	3,553.83	5,739.53	2,117.90	3,543.63	5,661.53	99
State Department for Social Protection and Senior Citizens Affairs								
Social Protection and Children Services	Social Welfare and Vocational Rehabilitation	667.34	318.00	985.34	600.19	273.91	874.11	89
	Community Mobilization and Development	833.15	13.63	846.78	778.69	-	778.69	92
	Child Community Support Services	2,695.74	-	2,695.74	2,566.66	-	2,566.66	95
	Child Rehabilitation and Custody	473.08	200.00	673.08	219.83	-	219.83	33

Programmes	Sub Programmes	Revised Budget (Kshs. Million)			Expenditure (Kshs. Million)			Absorption Rate (%)
		Recurrent	Development	Total	Recurrent	Development	Total	
National Safety Net	National Safety Net	27,777.18	3,560.84	31,338.02	27,640.98	2,119.96	29,760.94	95
General Administration, Planning and Support Services	General Administration and Support Services	294.71	-	294.71	266.56	-	266.56	90
	Sub-Total	32,741.20	4,092.47	36,833.67	32,072.91	2,393.88	34,466.79	94
State Department for Labour and Skills Development								
Promotion of the Best Labour Practice	Promotion for Harmonious Industrial Relations	454.49	10.00	464.49	454.57	8.87	463.44	100
	Regulation of Trade Unions	19.04	-	19.04	19.71	-	19.71	104
	Provision of Occupational Safety and Health	274.21	218.43	492.64	272.04	144.61	416.65	85
	Employment Promotion Services	322.77	301.12	623.89	264.44	301.12	565.56	91
Manpower Development, Employment and Productivity Management	Human Resource Planning and Development	73.80	235.87	309.67	73.47	150.57	224.04	72
	Provision of Industrial Skills	2,900.00	25.00	2,925.00	1,961.94	15.33	1,977.27	68
	Employment Promotion	73.55	-	73.55	73.44	-	73.44	100
	Management of Skills and Post-Training	60.89	2.00	62.89	60.63	2.97	63.61	101
General Administration Planning and Support Services	Policy, Planning and General Administrative Services	693.27	-	693.27	692.94	-	692.94	100
	Sub-Total	4,872.01	792.42	5,664.43	3,873.17	623.47	4,496.65	79
Grand Total		47,007.55	25,755.47	72,763.02	44,176.41	22,053.71	66,230.12	91

Source: MDAs and National Treasury

Analysis of Programmes and Sub-programmes Analysis shows that several programmes utilized their allocated funds in FY 2023/24, including the Library Services sub-programme under the Library Services programme in the State Department of Youth Affairs. In contrast, the Child Rehabilitation and Custody sub-programme under the Social Protection and Children Services programme in the State Department for Social Protection and Senior Citizens Affairs absorbed 33 per cent of its budget. The Promotion of Kenyan Music and Dance sub-programme under the Arts programme in the State Department of Youth Affairs and the Arts absorbed 45 per cent of its budget.

4.11.4 Key Achievements

In the State Department for Labour and Skills Development, Local labour-related disputes were resolved at a 99 per cent level against a target of 80 per cent. The number of County Child Labour Committees established and operationalised stood at 11 against a target of 10. Also, the number of workers in hazardous occupations medically examined stood at 193,282 against a target of 125,000, exceeding the target by 68,282.

In the State Department for Social Protection and Senior Citizen Affairs, 50,000 people living with disabilities registered and were issued disability cards against a target of 41,063. The number of children provided with psychosocial support was 105,814, against a target of 68,750. This was achieved by working directly with schools; thereby, the Child Welfare Society of Kenya achieved the target.

In the State Department for Culture and Heritage, the number of records digitized in the Records Management Unit exceeded 10,000 against a target of 500,000. The State Department for Gender and Affirmative Action enhanced awareness creation on Female Genital Mutilation (FGM) to eradicate it in 20 counties against a target of 4.

In the State Department of Youth Affairs and Creative Economy, 24,948 youths were engaged in the Intergenerational Dialogue Forum, against a target of 5,000 youth participation in the Leadership and Governance in Youth Empowerment Programme.

4.11.5 Project Implementation for the SPCR Sector

Most of the projects and programmes are multi-year in nature and implemented over a period of more than one financial year. Table 4.39 summarises some of the Projects with the Highest Expenditure in the reporting period in the SPCR sector.

Table 4.39: SPCR Sector Projects with the Highest Expenditure

MDA	Project Name (a)	Project commence Date(b)	Expected date of Completion of the Project (c)	Source of Funds (d)	Estimated Value of the Project (Kshs. Million) (e)	Total funding FY 2023/24 (Kshs. Million) (f)*	Actual Expenditure FY 2023/24 (Kshs. Million) (g)*	Cumulative Expenditure as of 30th June 2024 (Kshs. Million) (h)*	Percentage (%) of Completion (i=h/e)
State Department for Culture and Heritage	Rehabilitation of Basic Facilities at Bomas	03-Jun-22	04-Jun-26	GoK	235.00	137.70	-	137.70	59
	Establishment of an Integrated Records Management System (IRMS)	07-Jul-09	08-Jun-25	GoK	550.00	70.00	-	70.00	13
	Refurbishment of Archives Offices	04-Jul-23	04-Jun-26	GoK	43.60	30.45	-	30.45	70
State Department for Social Protection and Senior Citizen Affairs	Kenya Social and Economic Inclusion Project	03-Dec-21	30-Jun-27	GoK/ Donor (IDA)	10,359.59	3,560.84	2,120.00	7,984.34	77
	National Development Fund for Persons with Disabilities (PWDs)	14-Jun-21	30-Jun-27	GoK	6,092.00	259.00	259.00	2,784.30	46
	Construction of Foster Care Centres	03-Dec-21	30-Jun-27	GoK	1,205.90	200.00	-	827.70	69
State Department for Labour and Skills Development	Kenya Youth Empowerment Opportunities Project: Establishment of National Labour Market Information System	01-Jul-17	31-Dec-23	GoK/ World Bank	1,195.80	145.87	145.73	1,100.95	92
	Kenya Youth Employment and Opportunities Project: Improving Youth Employability	01-Jul-17	31-Dec-23	World Bank	3,138.00	-	-	3,190.62	100

MDA	Project Name (a)	Project commence Date(b)	Expected date of Completion of the Project (c)	Source of Funds (d)	Estimated Value of the Project (Kshs. Million) (e)	Total funding FY 2023/24 (Kshs. Million) (f)*	Actual Expenditure FY 2023/24 (Kshs. Million) (g)*	Cumulative Expenditure as of 30th June 2024 (Kshs. Million) (h)*	Percentage (%) of Completion (i=h/e)
State Department for Youth Affairs and the Arts	Kenya Youth Employment and Opportunities Project (KYEO-P)-BETA	30-Dec-16	31-Aug-23	GoK and World Bank	7,981.10	404.88		7,241.86	91
	Youth Empowerment Centres (YECs)-BETA	01-Jul-07	30-Jun-30	GoK	7,360.00	136.00	71.87	2,916.35	40
	Establishment of Kenya Film School	01-Jul-14	30-Jun-26	GoK	691.00	50.00	50.89	453.89	66
State Department for Gender and Affirmative Action	National Government Affirmative Action Fund	2015/2016	Ongoing	GoK	23,204.50	3,000.40	3,000.00	23,204.50	100
	Women Enterprise Fund	2007/2008	Ongoing	GoK	13,000.00	310.33	310.00	5,651.93	43
	Enhancing prevention and response to Gender Based Violence	2021/22	31-Aug-24	GoK/Donor	768.00	303.11	213.50	592.50	77
State Department for Sports	Kiprugut Chumo Stadium	01-Aug-23	31-Oct-23	GoK	408.00	408.00	408.00	408.00	100
	Phase 1B Kenya Academy of Sports Complex-Kasarani	01-Apr-22	31-Dec-23	GoK	424.00	176.00	167.35	167.35	37
	Ruringu Stadium-Nyeri County	01-Sep-16	30-Jun-24	GoK	358.26	97.21	18.55	97.21	75

Source: MDAs

The National Treasury should ensure adequate funding for ongoing development projects in FY 2024/25 to ensure timely completion. For multi-year projects that are behind schedule, it is essential to identify the causes of delay and take necessary corrective measures to expedite their implementation in the following financial years.

5. KEY ISSUES AND RECOMMENDATIONS

This chapter highlights critical issues identified by the COB in FY 2023/24 and provides recommendations for effective budget implementation.

5.1. Failure to Fully Consider Budget Performance During Supplementary Budgeting

Analysis of reports submitted by MDAs to the Controller of Budget and financial data extracted from IFMIS indicates that some MDAs' expenditures exceeded their budget. This was occasioned by failure to fully consider expenditure performance during supplementary budgeting, resulting in the budget reductions below an MDA's already incurred expenditure.

To avoid overdrawn budget line items, the Controller of Budget recommends that the National Treasury ensure that expenditure performance is updated and fully considered during Supplementary Budgeting.

5.2. Delay in Funding MDAs and County Governments

A review of MDA reports submitted to the Office of the Controller of Budget attributed low budget absorption to a delay in the release of funds and issuance of authority to spend appropriation-in-aid collected to implement planned activities. The delay in disbursing funds is attributed to the tight cash flow position occasioned by a shortfall in receipts into the Consolidated Fund, which was 89 per cent of the target of Kshs.4.26 trillion, indicating a shortfall of Kshs.466.71 billion.

The Controller of Budget recommends that the government enhance revenue mobilisation by widening the tax base through initiatives such as supporting economic production. This will create employment and thereby increase the number of taxpayers. Additionally, the National Treasury should streamline cash planning to ensure that funds to MDAs and County Governments are released on time based on the approved work plans and the cash flow projections. The National Treasury should also grant authority to MDAs to spend collected A-I-A in time to enhance effective budget implementation.

5.3. Submission of Quarterly Reports to the Controller of Budget

Article 228(6) of the Constitution and Section 9 of the Controller of Budget Act, Cap 429, requires the Controller of Budget to submit to Parliament quarterly budget implementation reports of the National and County Governments thirty days after the end of each quarter. These reports form the basis of Budget Implementation Review Reports prepared by the Controller of Budget. On this premise, the Office requests data from MDAs with specific templates and timelines to enhance data integrity and timely reporting.

In the reporting period, we observed late submission of quarterly reports, incomplete data on the submitted reports, inconsistency in cumulative reports submitted quarterly, especially on ongoing projects, and disparity of reported budget figures compared to budget books published by the National Treasury.

The Controller of Budget recommends that MDA Accounting Officers submit quarterly reports on time and in the prescribed format by the Office of the Controller of Budget to enable timely publishing of reports per the Law.

5.4. Projects Implementation by MDAs

A review of project implementation reports submitted by MDAs to the Controller of Budget indicates delays in project completion, as demonstrated by the low level of implementation, time-lapse on the expected completion date, and inconsistent data on funds released and expenditures recorded between quarterly reports. This is attributed to the non-provision of budgets for existing projects in the subsequent financial years, which, therefore, need more funding and delays by some contractors when undertaking project execution.

To avoid project stagnation and stalling, the Controller of Budget recommends budgeting on the multi-year project up to completion, timely release of funds on the ongoing projects as per the certified completion certificates, completion of ongoing projects before initiating new ones, and continuous monitoring of ongoing projects. In addition, accounting officers should ensure consistency in quarterly data reporting concerning funding, expenditure, and completion status on projects to make informed decisions by policymakers.

5.5. Linking Financial, Non-financial and Programme-Based Budget Performance

Section 12(2)(k) of the PFM Act requires the National Treasury to issue guidelines to national government entities concerning financial matters and monitor their implementation and compliance. In line with Sec.12(2)(k), at

the beginning of each financial year, the Cabinet Secretary of National Treasury and Economic Planning issues a Circular to all Accounting Officers/Principal secretaries for all MDAs, the Judiciary, Parliament, Constitutional Commissions and Independent Offices guiding on the implementation of the specific financial year. Guidelines for the implementation of the FY 2023/24 and the Medium-Term Budget were issued through Treasury Circular No.7/2023 dated 21st June 2023.

National government entities' analysis of the budget implementation report for the FY 2023/24 shows discrepancies between financial and non-financial performance with the Program Budget target and implementation. Some budgeted activities reported over 100 per cent achievement, whereas others recorded non-achievement. This makes it hard to relate the critical performance indicators and output as budgeted in the Programme Based Budget and to identify the implementation of the Government Agenda (Bottom Economic Transformation Approach). This is attributed to failure to stick to the work plans, spending funds from other votes without adhering to the reallocation requirement, and implementing activities outside the budget.

The Controller of Budget recommends that all accounting officers adhere to guidelines for implementing the financial year and the Medium-Term Budget to ensure seamless budget execution, promote service delivery, and spur economic growth.

5.6. Cost of Public Debt

As of June 30, 2024, the total public debt stood at Kshs.10.56 trillion, which is 65 per cent of the Gross Domestic Product (GDP) at current prices. This is an increase from Kshs.10.28 trillion reported in June 2023, which was 72 per cent of the GDP at current prices for that period. Total expenditure on public debt in FY 2023/24 was Kshs.1.59 trillion, representing 89 per cent of the revised annual estimates, compared to Kshs.1.15 billion (83 per cent) recorded in FY 2022/23. The expenditure comprised Kshs.834.85 billion towards principal redemption, Kshs.750.41 billion towards interest payments, Kshs.1.58 billion as commitment fees, and Kshs.361.71 million as other charges.

The cost of external debt includes various items such as interest rates, commitment fees, penalties paid, and other charges. It's worth noting that since external debt is mainly in foreign currency, the cost of debt is also influenced by exchange rate movements. The value of Kenya Shillings vis-à-vis the US dollar has fluctuated from an average of Kshs.117.9 per dollar in July 2022, to Kshs.141.4 per dollar as of June 2023, and Kshs.159.7 per dollar in January 2024 before appreciating to Kshs.129.4 per dollar in June 2024.

The cost of domestic debt has been influenced by increases in interest rates, mainly due to the rise in the Central Bank rate, which increased from 7.5 per cent in July 2022 to 8.75 per cent in November 2022, to 10.5 per cent in July 2023, 12.5 per cent in December 2024, and 13.0 per cent from February to June 2024. For example, the interest rate of the 91-day Treasury Bill increased from 8.097 per cent on July 4, 2023, to 15.9716 per cent as of June 24, 2024, an increase of 97 per cent.

The cost of public debt is influenced by many factors, including the type of debt, interest rate being charged, exchange rate, commitment fee, and maturity period. To minimize the cost of public debt, the Controller of Budget recommends that the National Treasury review the said factors and how they influence the cost of internal and external debt from time to time. It will also be essential to review public debt's need, urgency, and sustainability and ensure it adheres to Section 15 of the Public Finance Management Act 2012.

6. EMERGING ISSUE: ANALYSIS OF FOREIGN TRAVELS BY MDAs

6.1. Background Information

During the reporting period, the President's Executive Office issued Circular Ref: OP/CAB.308/018 on October 2, 2023, through the Chief of Staff and Head of the Public Service. The Circular reinforced Article 201 (d) of the Constitution on the prudent use of public funds. Specifically, it suspended the following categories of foreign travel:

- Benchmarking and Study Visits.
- Training and related Capacity Building Initiatives.
- Conferences and Meetings of general participation.
- Research, Academic Meetings and Symposia.
- Side Events, Showcase Events and Exhibitions.
- Caucus, Association Meetings and Events.
- Sponsored events requiring supplementation in per diem and ticket upgrades.

Further, the Circular provided that foreign travel will be permitted for the following engagements:

- Fulfillment of state obligations, under the conduct of critical state party engagements.
- To fulfill a statutory leadership or membership role in which critical decisions impacting the country's position are under consideration.

The Circular also provided for the delegation size and period of travel as summarised in Table 6.1.

Table 6.1: Summary of Guidelines in the Circular Ref: OP/CAB.308/018

No.	Official	Delegation Limit	Days
1	Cabinet Secretary	1+2	7 days inclusive of travel dates
2	Principal Secretary	1+1	
3	Chairperson/ CEO of State Corporation	1+0	
4	Chairperson/ CEO of Commissions/ Independent Offices	1+1	
5	Governors	1+2	
6	County Executive Committee Member	1+0	
7	Other Staff	Suspended (save for leave-based travel and representation)	

Source: Circular Ref: OP/CAB.308/018 dated October 2, 2023

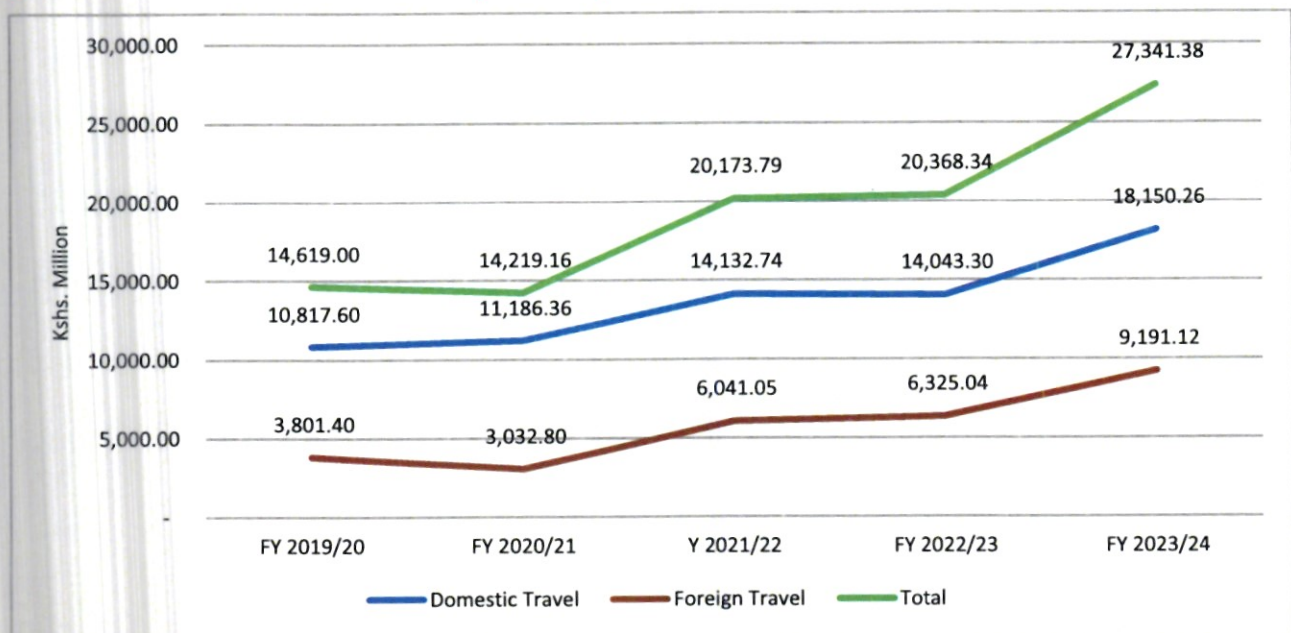
For delegations accompanying H.E. The President, the First Lady, the H.E. Deputy President, and the Prime Cabinet Secretary, the circular guided that the delegations shall be approved only for officials playing a direct role in the scheduled activities/ programmes of the principals. The Ministry of Foreign and Diaspora Affairs was directed to rationalise the numbers. In contrast, the National Treasury and Economic Planning was directed to equitably rationalise by 50 per cent all foreign and local travel budgets.

Based on the above, the Office of the Controller of Budget purposed to analyse the level of compliance with the Circular, but limited the analysis to expenditure.

6.2. Travel Expenditure by MDAs

Figure 6.1: Trend of Domestic and Foreign Travel by MDAs is provided in Figure 6.1 below.

Figure 6.1: Trend of Domestic and Foreign Travel by MDAs



Source: MDAs

From the data in Figure 6.1, expenditure on Domestic Travel has grown from Kshs.10.82 billion in FY 2019/20 to Kshs.18.15 billion in FY 2023/24. The percentage increase between FY 2022/23 (Kshs.14.04 billion) and FY 2023/24 (Kshs.18.15 billion) was 29 per cent. Similarly, the expenditure on Foreign Travel registered a 45 per cent increase between FY 2022/23 (Kshs.6.33 billion) and FY 2023/24 (Kshs.9.19 billion) despite the efforts to reduce non-essential travel in FY 2023/24.

In FY 2023/24, the Office of the Controller of Budget requested details on MDAs' foreign travel to review compliance with the circular. However, some MDAs did not submit a detailed breakdown of foreign travel expenditures. Further, there were discrepancies in the amount reported on foreign travel by economic line vis-a-vis the detailed breakdown. The discrepancies are shown in Table 6.2.

Table 6.2: Variance in reported Foreign Travel Expenditure by MDAs

Ministries/ Departments/ Agencies	Budget in FY 2023/24 (Kshs.)	Foreign Travel Expenditure reported by MDA by Economic Line Item (Kshs.)	Foreign Travel Expenditure reported by MDA in detailed format* (Kshs.)	Variance (Kshs.)
The Executive Office of the President	47,775,002	36,647,786	57,534,259	(20,886,473)
Office of the Deputy President	114,760,449	114,922,444	114,922,444	-
Office of the Prime Cabinet Secretary	48,781,560	44,330,969	25,020,660	19,310,309
State Department for Parliamentary Affairs	16,275,128	15,989,273	12,853,021	3,136,252
State Department for Performance and Delivery Management	11,862,376	10,799,595	-	10,799,595
State Department for Cabinet Affairs	18,773,968	3,303,136	2,605,682	697,454
State House	298,167,441	298,158,892	-	298,158,892
State Department for Correctional Services	1,935,523	1,796,208	-	1,796,208
State Department for Immigration and Citizen Services	116,221,092	115,795,232	-	115,795,232
National Police Service	1,997,754	1,899,998	1,899,998	-
State Department for Internal Security and National Administration	6,244,971	6,175,744	1,899,998	4,275,746
State Department of Devolution	10,425,200	9,851,352	9,851,352	-

Ministries/ Departments/ Agencies	Budget in FY 2023/24 (Kshs.)	Foreign Travel Expenditure reported by MDA by Economic Line Item (Kshs.)	Foreign Travel Expenditure reported by MDA in detailed format* (Kshs.)	Variance (Kshs.)
State Department for the ASALs and Regional Development	13,229,129	9,636,378	9,642,101	(5,723)
Ministry of Defence	26,873,290	26,873,290	-	26,873,290
State Department for Foreign Affairs	3,256,158,207	3,255,898,793	4,087,145	3,251,811,648
State Department for Diaspora Affairs	484,289,831	484,289,831	102,143,064	382,146,767
State Department for Vocational and Technical Training	6,039,385	2,036,199	2,036,199	-
State Department for Higher Education and Research	10,887,277	10,581,591	11,306,617	(725,026)
State Department for Basic Education	1,821,593	1,625,190	-	1,625,190
The National Treasury	60,997,891	60,297,082	60,297,082	-
State Department for Economic Planning	4,686,819	4,662,125	16,142,816	(11,480,691)
State Department for Medical Services	7,843,212	7,845,678	-	7,845,678
State Department for Public Health and Professional Standards	2,940,500	2,885,728	18,371,842	(15,486,114)
State Department for Roads	2,217,151	1,205,000	360,000	845,000
State Department of Transport	37,157,458	20,151,736	-	20,151,736
State Department for Shipping and Maritime Affairs	8,068,412	8,040,000	-	8,040,000
State Department for Housing and Urban Development	15,650,000	12,024,232	15,931,342	(3,907,110)
State Department for Public Works	902,739	901,495	901,495	-
State Department for Irrigation	13,937,258	9,112,008	4,678,697	4,433,311
State Department of Water and Sanitation	3,048,417	2,814,134	2,814,134	-
State Department for Information Communications Technology & Digital Economy	3,675,725	3,181,861	-	3,181,861
State Department for Broadcasting & Telecommunications	5,188,824	4,087,145	4,087,145	-
State Department for Sports	5,937,898	5,921,321	-	5,921,321
State Department for Culture and Heritage	9,809,130	11,441,667	13,935,979	(2,494,312)
State Department for Youth Affairs and the Arts	8,259,877	8,482,522	10,421,579	(1,939,057)
State Department for Energy	5,213,974	4,978,180	-	4,978,180
State Department for Livestock Development	14,369,882	14,338,747	23,104,317	(8,765,570)
State Department for the Blue Economy and Fisheries	2,326,731	2,325,214	9,864,226	(7,539,012)
State Department for Crop Development	-	-	27,665,550	(27,665,550)
State Department for Cooperatives	7,662,841	7,016,150	-	7,016,150
State Department for Trade	63,797,587	58,085,683	67,330,137	(9,244,454)
State Department for Industry	25,074,910	25,780,038	-	25,780,038
State Department for Micro, Small and Medium Enterprises Development	16,554,905	12,568,772	71,532,454	(58,963,682)
State Department for Investment Promotion	52,700,000	43,573,665	-	43,573,665
State Department for Labour and Skills Development	107,555,902	107,524,298	-	107,524,298
State Department for Social Protection and Senior Citizen Affairs	11,567,783	3,683,065	-	3,683,065
State Department for Mining	23,412,315	12,067,182	-	12,067,182
State Department for Petroleum	2,358,938	2,265,892	29,115,226	(26,849,334)

Ministries/ Departments/ Agencies	Budget in FY 2023/24 (Kshs.)	Foreign Travel Expenditure reported by MDA by Economic Line Item (Kshs.)	Foreign Travel Expenditure reported by MDA in detailed format* (Kshs.)	Variance (Kshs.)
State Department for Tourism	31,443,535	19,774,709	11,714,235	8,060,474
State Department for Wildlife	7,198,347	7,035,298	7,076,086	(40,788)
State Department for Gender and Affirmative Action	13,512,949	12,722,252	14,622,616	(1,900,364)
State Department for Public Service	12,461,509	9,690,450	7,620,772	2,069,678
State Department for East African Community	173,427,215	173,427,215	150,964,966	22,462,249
The State Law Office	70,924,026	72,354,269	136,728,942	(64,374,673)
The Judiciary	230,531,408	203,446,977	-	203,446,977
Ethics and Anti-Corruption Commission	54,984,554	50,049,697	50,049,697	-
Office of the Director of Public Prosecutions	36,000,000	50,706,402	-	50,706,402
Office of the Registrar of Political Parties	7,900,000	7,488,344	7,381,944	106,400
Witness Protection Agency	-	-	1,120,206	(1,120,206)
State Department for Environment & Climate Change	9,195,800	9,175,208	-	9,175,208
State Department for Forestry	15,549,636	13,408,374	13,408,374	-
Kenya National Commission on Human Rights	3,500,000	2,788,707	2,788,707	-
National Land Commission	2,175,255	1,358,560	1,358,560	-
Independent Electoral and Boundaries Commission	4,065,773	4,152,700	-	4,152,700
Parliamentary Service Commission	155,031,403	152,310,097	-	152,310,097
National Assembly	2,519,416,384	2,183,727,962	-	2,183,727,962
Parliamentary Joint Services	484,399,585	462,994,196	-	462,994,196
Senate	630,500,000	614,909,942	-	614,909,942
Judicial Service Commission	60,242,419	59,435,679	-	59,435,679
Public Service Commission	37,723,507	34,005,979	34,005,979	-
Teachers Service Commission	1,866,196	1,808,229	-	1,808,229
National Police Service Commission	412,500	412,419	-	412,419
Auditor General	103,326,600	103,324,067	-	103,324,067
Controller of Budget	2,887,925	2,434,261	2,434,261	-
The Commission on Administrative Justice	28,339,172	21,071,857	22,580,994	(1,509,137)
National Gender and Equality Commission	10,037,352	10,037,351	11,858,723	(1,821,372)
Independent Policing Oversight Authority	3,300,000	1,425,675	-	1,425,675
Total	9,725,789,305	9,193,349,397	1,208,071,623	7,985,277,774

Source: MDAs

* Where an MDA did not submit a detailed breakdown of foreign travel expenditure, column b is nil for that MDA (See Annex II referenced on page 139 for the detailed breakdown of foreign travel)

We also noted from the detailed breakdown of foreign travel expenditure that several payments were for the previous financial years, an indication of clearance of foreign travel-related pending bills, for example under the Commission of Administrative Justice there were payments made in FY 2023/24 of foreign travels made during FY 2022/23.

6.3. Observations on the Detailed Foreign Travel Data

From the submitted data on foreign travel, the Controller of Budget noted the following issues on compliance with the Circular.

a) High Expenditure on Non-Critical Travel:

Much of the travel budget was spent on non-essential categories, such as training and benchmarking. This spending pattern suggests that the Circular was not fully complied with.

b) Inconsistent Adherence to Delegation Limits:

The analysis indicates that large delegations were common. This indicates non-adherence to the Circular's emphasis on minimizing delegation sizes and calls for more robust controls to enforce adherence.

c) Potential Redundancy and Overlap:

Multiple trips to the same destinations by different MDAs suggest a lack of coordination, leading to redundant travel. For example, numerous departments travelled to Italy and France for similar purposes, incurring avoidable costs.

6.4. Recommendations

1. Enforcement of Travel Suspensions:

The Government should implement a rigorous pre-approval process for all foreign travel, requiring clear justifications aligned with the Circular. MDAs should provide evidence that the travel either fulfils a state obligation or is essential.

2. Centralized Coordination of Travel Plans:

The Government should establish a centralised unit to review and approve all foreign travel across MDAs to prevent duplication and redundancies. This body would ensure that similar trips by different departments are consolidated or eliminated, reducing unnecessary expenditure.

3. Periodic Audit and Reporting to Improve Transparency:

Periodic audits of foreign travel should be conducted to ensure compliance with the circular. Further, quarterly or biannual reports detailing foreign travel activities, costs, and justifications should be presented to the responsible unit to ensure transparency and accountability.

6.5. Conclusion

The Circular, Ref: OP/CAB.308/018, presents a critical shift towards optimising foreign travel expenditures by focusing on essential travel aligned with state obligations. However, the success of these guidelines depends on strict enforcement, centralized coordination, and periodic audits. By implementing the recommendations outlined above, the government can significantly reduce unnecessary travel costs and ensure that all foreign engagements provide tangible benefits to the country.

7. CONCLUSION

This report sought to provide budget performance for the National Government in FY 2023/24, covering 1 July 2023 to 30 June 2024. It provided progress on budget performance by the National Government on budget financing, expenditures, key achievements, budget absorption, and the critical issues that hindered seamless budget implementation.

In FY 2023/24, the national government recorded growth in revenue and expenditure compared to FY 2022/23. Total receipts into the Consolidated Fund were Kshs.3.80 trillion (including Kshs.2.62 billion as balance brought forward for FY 2022/23), representing 89 per cent of the revised annual target to fund the budget. The total exchequer issues approved for withdrawal from the Consolidated Fund amounted to Kshs.3.80 trillion, representing 89 per cent of the annual net estimates. This was a 17 per cent (Kshs.553.23 billion) growth compared to Kshs.3.24 trillion (87 per cent) received in the FY 2022/23. The Consolidated Fund Services received the highest proportion of exchequer issues to total exchequer issues at 47 per cent, attributed to the public debt budget financing. Secondly, ministerial recurrent vote received 36 per cent, 9 per cent and 8 per cent to County governments and ministerial development votes, respectively. Public debt is the first charge to the Consolidated Fund as per Article 214 of the Constitution. Therefore, it is prioritised, crowding out funding to other budget activities due to revenue shortages.

Gross expenditure for the National Government was Kshs.3.89 trillion, recording an absorption rate of 88 per cent, compared to Kshs.3.18 trillion (57 per cent) recorded in FY 2022/23, recording 22 per cent growth (Kshs.70869 billion). This comprised ministerial development expenditure at Kshs.516.86 billion (absorption rate of 73 per cent), ministerial recurrent expenditure at Kshs.1.62 trillion (absorption rate of 93 per cent), and Consolidated Fund Services at Kshs.1.76 trillion (88 per cent). The Consolidated Fund Services recorded the highest expenditure in absolute figures, indicating it received the highest funding.

The Controller of Budget identified key issues that hampered effective budget implementation and provided recommendations to address them in FY 2023/24. These included delays in releasing the exchequer to both MDAs and counties, failure to consider budget performance fully during supplementary budgeting, Delays in submitting quarterly reports to the Office of the Controller of Budget per the law, delays in project implementation, non-linking financial and non-financial performance to Programme-Based Budget implementation, and high cost of Public debt.

However, the delay in disbursing funds is attributed to the tight cash flow position occasioned by a shortfall in receipts into the Consolidated Fund. The Controller of Budget recommends that the National Treasury streamline cash planning to ensure that funds to MDAs and County Governments are released on time based on the approved work plans and the cash flow projections and to advise MDAs in times of anticipated delays for timely planning. To avoid overdrawn budget line items, the Controller of Budget recommends that the National Treasury ensure that expenditure performance is updated and fully considered during Supplementary Budgeting.

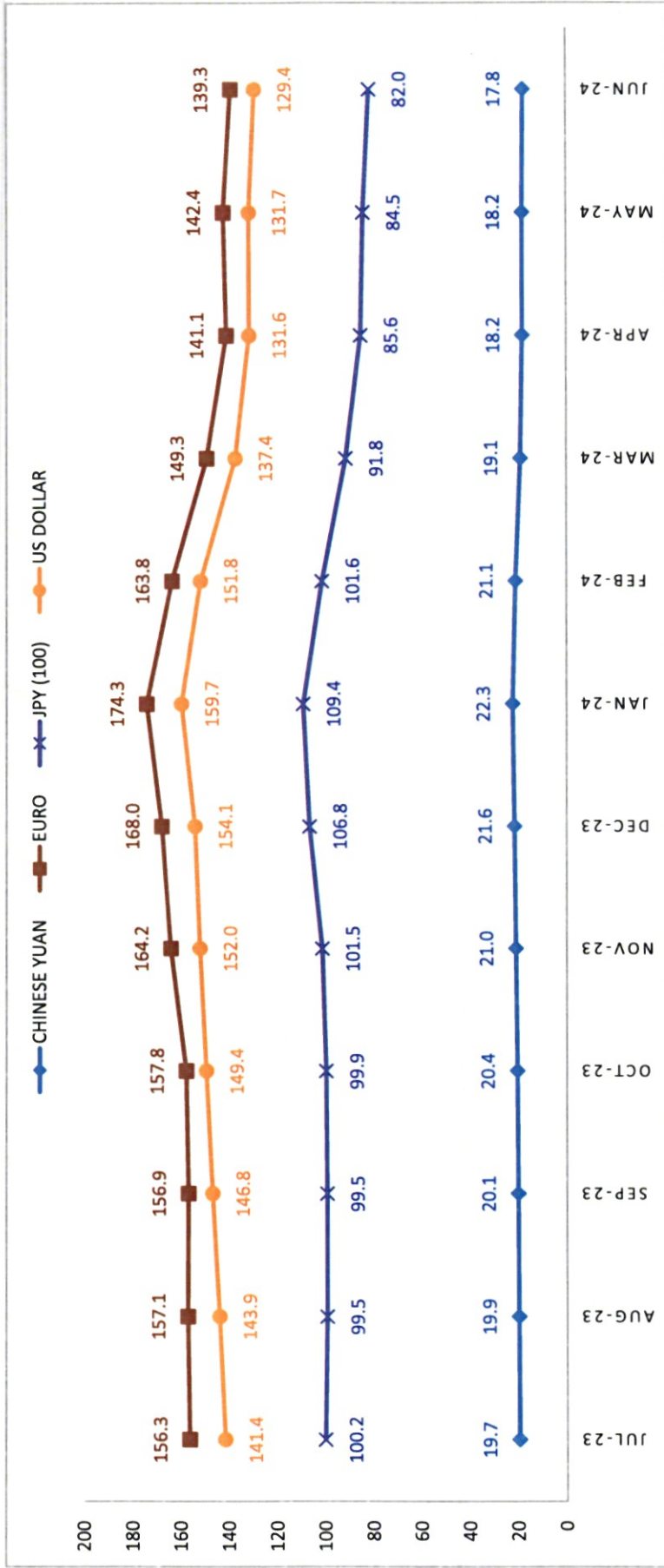
To avoid stalled projects, the Controller of Budget recommends budgeting on the multi-year project up to completion, timely funding, completion of ongoing projects before initiating new ones, and continuous monitoring of projects. The Controller of the Budget recommends the adherence to guidelines for the implementation of the financial year and the Medium-Term Budget by all Accounting Officers to ensure key performance indicators related to the output.

To minimise the cost of public debt, the Controller of Budget recommends that the National Treasury review the cost of borrowing periodically. It will also be essential to review public debt's need, urgency, and sustainability and ensure that it adheres to Section 15 of the Public Finance Management Act Cap412A.

All MDA Accounting Officers are urged to submit quarterly reports on time and in the formats prescribed by the Office of the Controller of Budget to enable the timely publishing of budget monitoring reports per the Law.

8. ANNEXES

Annex I: Major Foreign Currencies Exchange Rate Trend to the Kenya Shilling



Source: Central Bank of Kenya

* Monthly weighted average foreign exchange data

Annex II: Capital Transfer to SAGAs

Parent Ministry	Name of the SAGA	Revised Budget FY 2023/24 (Kshs)			Revised Budget Estimates (Kshs.)	Receipts (Kshs)			Expenditure (Kshs)				Total Expenditure	Absorption Rate
		Acquisition of Non-Financial Assets	Acquisition of Financial Assets	Other Expenses		Non-exchange transactions	Exchange transactions	Total	Acquisition of Non-Financial Assets	Acquisition of Financial Assets	Other Expenses			
State Department for Wildlife	Kenya Wildlife Service	325,000,000			325,000,000		325,000,000	136,249,997					136,249,997	42
	Wildlife Research and Training Institute	249,000,000			249,000,000		249,000,000		204,000,000				204,000,000	82
	Wildlife Clubs of Kenya	19,000,000			19,000,000		19,000,000		19,000,000				19,000,000	100
State Department for Tourism	Kenya Tourism Board			100,000,000	100,000,000		50,000,000						100,000,000	100
	Kenya Maritime Authority	480,000,000			480,000,000	304,000,000	304,000,000	304,000,000					304,000,000	63
State Department for Shipping and Maritime	Bandari Maritime Academy	250,000,000			250,000,000	220,283,785	220,283,785	220,283,785					220,283,785	88
	Kenya Agricultural and Livestock Research Organization	229,000,000			229,000,000	108,000,000	108,000,000	108,000,000					108,000,000	47
State Department for Crop Development and Agricultural Research	Pyrethrum Processing Company of Kenya LTD	150,000,000			150,000,000	150,000,000	150,000,000	150,000,000					150,000,000	100
	Nyayo Tea Zones Mau and Embombut Forests Buffer Rehabilitation Project	110,000,000			110,000,000		110,000,000	110,000,000					110,000,000	100
	Commodities Fund: Coconut Revitalization Project			92,000,000	92,000,000	31,000,000	31,000,000					14,166,150	31,666,150	34
	Cashew Nut Revitalization Projects			65,000,000	65,000,000	17,500,000	17,500,000				8,000,000	22,509,626	30,309,626	47
	Banana Enterprise Financing Project Bukura Agricultural College	38,000,000		40,000,000	40,000,000	40,000,000	40,000,000				20,000,000	14,032,850	34,032,850	85
				38,000,000	38,000,000	25,000,000	25,000,000	34,880,861					34,880,861	92

Parent Ministry	Name of the SAGA	Revised Budget FY 2023/24 (Kshs)			Revised Budget Estimates (Kshs)	Receipts (Kshs)			Expenditure (Kshs)				Total Expenditure	Absorption Rate
		Acquisition of Non-Financial Assets	Acquisition of Financial Assets	Other Expenses		Non-exchange transactions	Exchange transactions	Total	Acquisition of Non-Financial Assets	Acquisition of Financial Assets	Other Expenses			
	Kenya Plant Health Inspectorate Service	10,000,000			10,000,000	5,000,000		5,000,000			5,000,000			50
	Pest Control Products Board	143,000,000			143,000,000	61,500,000		61,500,000			61,500,000			60
	Agriculture and Food Authority Sugar Reforms Project - Farmer's Arrears			1,700,000,000	1,700,000,000	1,330,000,000		1,330,000,000			1,330,000,000			78
	Agriculture and Food Authority Sugar Reforms Project			470,000,000	470,000,000	235,000,000		235,000,000			235,000,000			49
	Cotton Revitalization Project			120,000,000	120,000,000	60,000,000		60,000,000			60,000,000			48
	Edible Oil Promotion Project			134,000,000	134,000,000	1,170,000,000		1,170,000,000			1,170,000,000			68
	Agriculture and Food Authority Sugar Reforms Project -	15,000,000			15,000,000						15,000,000			100
	Bomas of Kenya LTD	69,700,000			69,700,000			69,700,000			69,700,000			100
State Department of Broadcasting and Telecommunication	Kenya Institute of Mass Communication			140,500,000	140,500,000									-
	Kenya Yearbook Editorial Board	10,000,000			10,000,000	2,500,000		2,500,000			2,500,000			25
	ICT Authority	3,239,201,611	250,000,000		3,489,201,611	1,371,629,162	580,000,000	1,951,629,162			1,951,629,162	242,060,001		58
State Department for ICT and Innovation	Konza Technopolis Development Authority	8,456,000,000		665,000,000	9,121,000,000	7,175,892,000		7,175,892,000			7,175,892,000	536,067,000		77
	Kenya Advanced Institute of Science and Technology	1,650,000,000			1,650,000,000	1,650,000,000		1,650,000,000			1,650,000,000			100
State Department for Youth Affairs and the Arts	Kenya Film Commission					52,500,000		52,500,000			52,500,000			-

Parent Ministry	Name of the SAGA	Revised Budget FY 2023/24 (Kshs)			Revised Budget Estimates (Kshs.)	Receipts (Kshs)			Expenditure (Kshs)			Total Expenditure	Absorption Rate
		Acquisition of Non-Financial Assets	Acquisition of Financial Assets	Other Expenses		Non-exchange transactions	Exchange transactions	Total	Acquisition of Non-Financial Assets	Acquisition of Financial Assets	Other Expenses		
	Kenya Film School	70,000,000	-	-	70,000,000	-	70,000,000	70,000,000	66,927,952	-	694,940	67,622,892	97
State Department for Economic Planning	Kenya Institute for Public Policy Research and Analysis	85,250,000			85,250,000	36,000,000		36,000,000		33,611,904	1,423,100	35,035,004	41
	National Government Constituency Development Fund	1,546,450,000			1,546,450,000	1,168,113,977		1,168,113,977		578,901,374	589,212,603	1,168,113,977	76
State Department for Blue Economy and Fisheries	Aquaculture Business Development Programme			2,320,600,000	2,320,600,000	2,091,100,000		2,091,100,000			2,091,100,000	2,091,100,000	90
	Kenya Marine and Socio-Economic			3,135,580,000	3,135,580,000	3,111,040,000		3,111,040,000			3,111,040,000	3,111,040,000	99
State Department for the Development of the ASALs	National Drought Management Authority	1,213,180,000		82,120,000	1,295,300,000	106,964,608		106,964,608	25,108,717		7,941,224	33,049,941	3
	Coastal Development Authority	722,360,000			722,360,000	161,180,000		161,180,000	161,180,000			161,180,000	22
	Lake Basin Development Authority	280,700,000			280,700,000			-	107,675,000			107,675,000	38
	Ewaso Nyiro North Development Authority	938,970,000			938,970,000	509,803,333		509,803,333	398,112,290			398,112,290	42
	Ewaso Nyiro South Development Authority	317,830,000			317,830,000	225,330,000		225,330,000			225,330,000	225,330,000	71
	Tana River Development Authority	518,640,000			518,640,000	178,980,000		178,980,000	178,980,000			178,980,000	35
	Kerio Valley Development Authority	1,783,090,000			1,783,090,000	395,772,500		395,772,500	39,883,000			39,883,000	2
State Department for Transport	Kenya Airport Authority	-	-	-	-	156,500,000		156,500,000				-	-
	Kenya Ports Authority	-	2,885,000,000		2,885,000,000	707,022,166		707,022,166			707,022,166	707,022,166	25
	Kenya Railways Corporation	35,834,000,000			35,834,000,000	25,402,000,000		25,402,000,000	25,402,000,000		-	25,402,000,000	71
	National Transport and Safety Authority			1,007,000,000	1,007,000,000	788,019,090		788,019,090		257,932,763	115,118,927	373,051,690	37

Parent Ministry	Name of the SAGA	Revised Budget FY 2023/24 (Kshs)			Revised Budget Estimates (Kshs.)	Receipts (Kshs)			Expenditure (Kshs)			Total Expenditure	Absorption Rate
		Acquisition of Non-Financial Assets	Acquisition of Financial Assets	Other Expenses		Non-exchange transactions	Exchange transactions	Total	Acquisition of Non-Financial Assets	Acquisition of Financial Assets	Other Expenses		
	Nairobi Metropolitan Area Transport Authority		683,569,417		683,569,417	683,569,417				683,569,417		683,569,417	100
State Department for Housing and Urban Development	Others (National Slum Upgrading Project, Civil Servants Housing Scheme Fund, Kenya Informal Settlements Improvement Project, Rural Housing Programme, Kenya Urban Support Programme)												
State Department for Gender	National Government Affirmative Action Fund	3,000,395,419			3,000,395,419	3,000,395,419			2,580,619,974			218,882,150	93
	Women Enterprise Fund	310,330,000			310,330,000	310,330,000			310,330,000				100
State Department for Public Works	National Construction Authority		100,000,000		100,000,000	78,225,955			78,225,955				78
State Department for Sports	Sports, Arts and Social Development Fund	16,000,000,000			16,000,000,000		14,429,962,909			14,429,962,909		14,429,962,909	90
	Kenya Academy of Sports	52,000,000			52,000,000	52,000,000				52,000,000		52,000,000	100
State Department for Public Service	Kenya School of Government	225,500,000			225,500,000	225,500,000			225,500,000				100
	National Youth Service	112,000,000			112,000,000	112,000,000			42,000,000			42,000,000	38
Ministry of Petroleum and Mining	National Oil Corporation of Kenya		430,000,000		430,000,000					430,000,000		430,000,000	100
State Department for Energy	Rural Electrification and Renewable Energy Corporation	13,921,888,567			13,921,888,567	344,000,000	689,508,176		6,444,149,777			6,444,149,777	46
	Geothermal Development Company	2,192,142,950	4,370,449,807	208,809,840	6,771,402,597	39,480,519	6,372,259,180		2,238,367,084	4,228,186,950	187,534,160	6,654,088,194	98
	Nuclear Power and Energy Agency	110,000		471,000	581,000	215,000			56,500		208,394	264,894	46

Parent Ministry	Name of the SAGA	Revised Budget FY 2023/24 (Kshs)			Revised Budget Estimates (Kshs.)	Receipts (Kshs)			Expenditure (Kshs)				Total Expenditure	Absorption Rate
		Acquisition of Non-Financial Assets	Acquisition of Financial Assets	Other Expenses		Non-exchange transactions	Exchange transactions	Total	Acquisition of Non-Financial Assets	Acquisition of Financial Assets	Other Expenses			
	Kenya Electricity Transmission Company Limited	15,857,803,843			15,857,803,843	3,673,803,843	12,184,000,000	15,857,803,843		13,353,878,816			13,353,878,816	84
	Kenya Electricity Generating Company	4,507,000,000			4,507,000,000	700,679,394	700,679,394	1,401,358,788			700,679,394		700,679,394	16
	Kenya Power and Lighting Company	2,107,714,284		2,107,714,284	4,215,428,568		887,000,000	887,000,000			887,000,000		887,000,000	21
	Kenya Power and Lighting Company	377,040,280		66,536,520	443,576,800	271,576,800		271,576,800			271,576,800		271,576,800	61
State Department for Forestry	Kenya Forest Service			2,423,300,000	2,423,300,000	2,215,856,914		2,215,856,914			2,705,264,574		2,705,264,574	112
	National Environment Management Authority	334,796,186			334,796,186	157,296,186		157,296,186	155,117,712				155,117,712	46
State Department for Environment and Climate Change	National Environment Trust Fund			30,000,000	30,000,000	15,000,000		15,000,000			15,000,000		15,000,000	50
	Kenya Water Towers Agency	150,000,000			150,000,000	75,000,000		75,000,000	47,567,830		27,432,170		75,000,000	50
	Kenya Investment Authority	62,000,000			62,000,000	62,000,000		62,000,000	62,000,000				62,000,000	100
State Department for Investment Promotion	Special Economic Zones Authority	305,000,000			305,000,000	109,500,000		109,500,000	109,500,000				109,500,000	36
	Export Processing Zones Authority	5,110,000,000			5,110,000,000	1,085,000,000		1,085,000,000	1,085,000,000				1,085,000,000	21
	Micro And Small Enterprises Authority	332,900,000			332,900,000						332,900,000		332,900,000	100
State Department for Micro, Small and Medium Enterprises	Kenya Industrial Estate	80,000,000			80,000,000						80,000,000		80,000,000	100
	Youth Enterprises Development Fund	340,699,375			340,699,375						323,838,000		323,838,000	95
	Uwezo Fund			86,000,000	86,000,000						72,000,000		72,000,000	84
State Department for Industry	Center For Entrepreneurship	105,300,000			105,300,000	318,600,000		318,600,000	318,600,000				318,600,000	303
	Kenya Accreditation Services			100,000,000	100,000,000	100,000,000		100,000,000			100,000,000		100,000,000	100

Parent Ministry	Name of the SAGA	Revised Budget FY 2023/24 (Kshs)			Revised Budget Estimates (Kshs)	Receipts (Kshs)			Expenditure (Kshs)			Total Expenditure	Absorption Rate
		Acquisition of Non-Financial Assets	Acquisition of Financial Assets	Other Expenses		Non-exchange transactions	Exchange transactions	Total	Acquisition of Non-Financial Assets	Acquisition of Financial Assets	Other Expenses		
	Numerical Machine Complex	146,000,000	188,030,000	38,591,230	372,621,230	186,306,420	3,750,000	190,056,420	146,000,000	188,030,000	39,482,249	373,512,249	100
	Rift Valley Textile				-								
	Anti-Counterfeit Authority			80,000									
	Kenya Industrial Research and Development Institute			332,790,000	332,790,000	262,790,000		262,790,000				262,790,000	79
	National Aids Control Council	146,000,000			146,000,000	146,000,000		146,000,000		121,452,600		121,452,600	83
	Moi Teaching and Referral Hospital	451,250,000			451,250,000			443,013,910				443,013,910	98
	Kenya National Hospital	555,000,000			555,000,000	555,000,000		555,000,000				413,545,352	75
	National Cancer Institute	200,000,000			200,000,000	200,000,000		200,000,000				185,269,402	93
State Department for Medical Services	Kenya Medical Supplies Authority				-								
	Kenya Medical Research Institute				-								
	National Hospital Insurance Fund				-								
	National Syndemic Diseases Control Council				-								
	Kenya Biovax Institute				-								
	Kenya Trade Network Agency			223,825,000	223,825,000	558,250,000		558,250,000			209,490,641	209,490,641	94
	Competition Authority of Kenya	27,000,000			27,000,000	27,000,000		27,000,000				27,153,082	101
The National Treasury	Kenya Revenue Authority			1,055,871,991	1,055,871,991						1,055,871,991	1,055,871,991	100
	Public Procurement Regulatory Authority			80,000,000	80,000,000						80,000,000	80,000,000	100
State Department for Trade and Enterprise Development	Kenya National Trading Corporation				-								
	Warehouse Receipt System Council	50,000,000	10,000,000		60,000,000	50,000,000		50,000,000			40,833,897	40,833,897	68

