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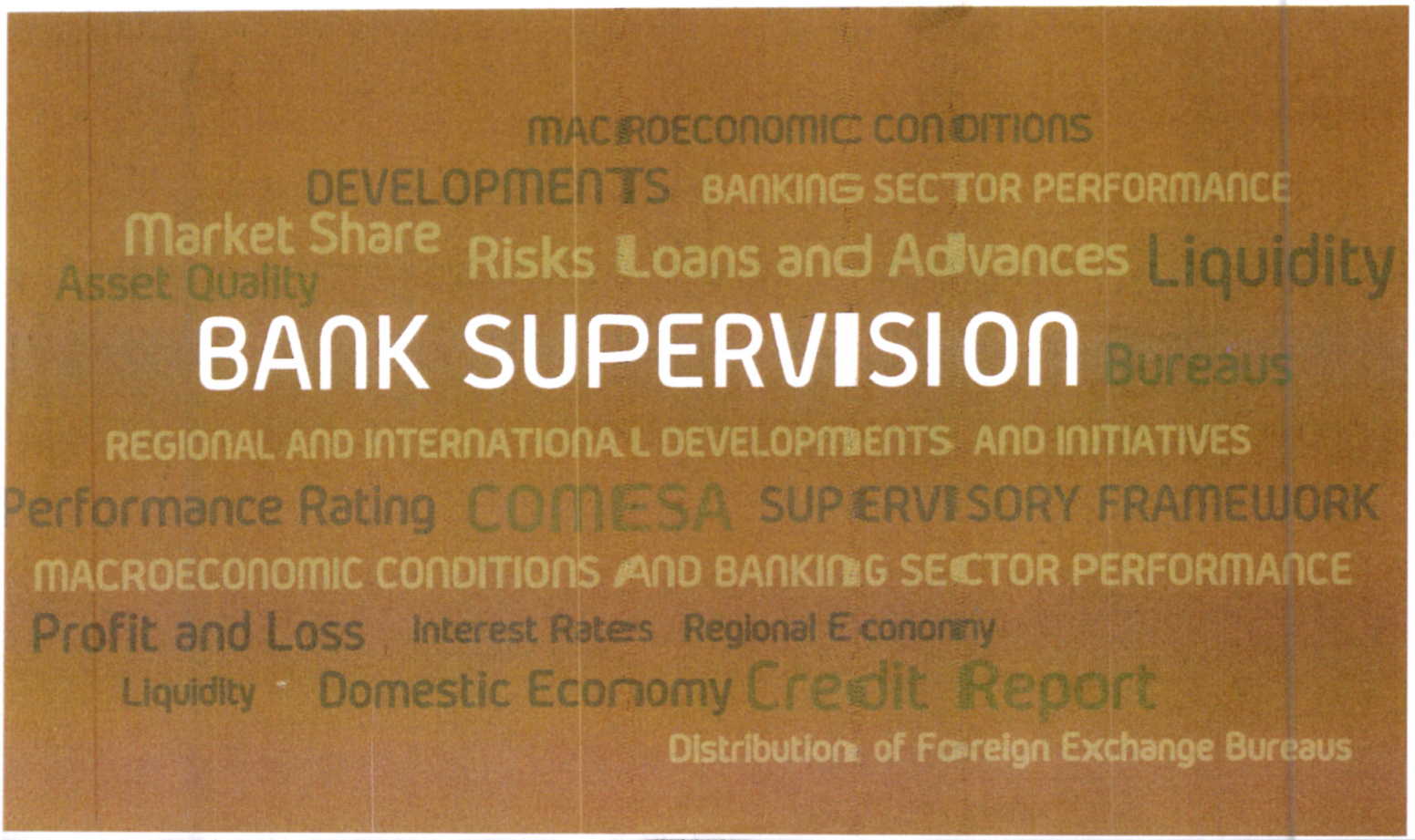

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LIST OF ABBREVIATIONS AND ACRONYMS

A-I-A	Appropriations- in- Aid
AIDS	Acquired Immune Deficiency Syndrome
ARUD	Agriculture, Rural & Urban Development
ASALs	Arid and Semi-Arid Lands
Bn	Billion(s)
BIRR	Budget Implementation Review Report
CAJ	Commission on Administrative Justice
CARA	County Allocation of Revenue Act
CFS	Consolidated Fund Services
COB	Controller of Budget
COFOG	Classification of Functions of the Government
COVID -19	Corona Virus Diseases
CRA	Commision on Revenue Allocattion
Dev.	Development
EACC	Ethics and Anti-Corruption Commission
EI & ICT	Energy Infrastructure and Information Communication Technology
Est.	Estimates
EPW&NR	Environmental Protection, Water and Natural Resources
Exch.	Exchequer
Exp	Expenditure
FY	Financial Year
GECA	General Economic and Commercial Affairs
GJLO	Governance, Justice, Law and Order
IEBC	Independent Electoral and Boundaries Commission
IFMIS	Integrated Financial Management Information System
IPOA	Independent Policing Oversight Authority
JSC	Judicial Service Commission
KEMRI	Kenya Medical Research Institute
KEMSA	Kenya Medical Supplies Agency

KMTC	Kenya Medical Training College
KNCHR	Kenya National Commission on Human Rights
KNH	Kenyatta National Hospital
Kshs.	Kenya Shillings
KUTRRH	Kenyatta University Teaching, Referral & Research Hospital
LAPSSET	Lamu Port-South Sudan Ethiopia Transport
MDAs	Ministries Departments and Agencies
Mn	Million
MTRH	Moi Teaching and Referral Hospital
MTP	Medium-Term Plan
NACC	National Aids Control Council
NCI-K	National Cancer Institute of Kenya
NGEC	National Gender and Equality Commission
NHIF	National Hospital Insurance Fund
NIS	National Intelligence Service
NLC	National Land Commission
NPSC	National Police Service Commission
OAG	Office of the Auditor General
OCOB	Office of the Controller of Budget
ODPP	Office of Director of Public Prosecution
O&M	Operations and Maintenance
ORPP	Office of the Registrar of Political Parties
PAIR	Public Administration and International Relations
PEPE	Personnel Emoluments
PFM	Public Finance Management Act
PSC	Public Service Commission
Rec.	Recurrent
Rev.	Revised
RMNCAH	Reproductive, Maternal, New-born Child and Adolescent Health
SAGAs	Semi-Autonomous Government Agencies

SPCR	Social Protection, Culture and Recreation
SRC	Salaries and Renumeration Commission
Tn	Trillion
TSC	Teachers Service Commission
WPA	Witness Protection Agency
NG	National Government.

EXECUTIVE SUMMARY

This is the first half National Government Budget Implementation Review Report for FY 2020/21. It has been prepared in line with Article 228 of the Constitution of Kenya, (2010) and Section 9 of the Controller of Budget Act, 2016, which require the Controller of Budget to submit to Parliament quarterly budget implementation reports for the National and County Governments every four months.

During the reporting period, receipts into the consolidated fund amounted to **Kshs1.20 trillion**, representing 42.5 per cent of the annual target of Kshs.2.83 trillion, a 4.5 per cent decline compared to Kshs.1.25 trillion received in a similar period of the FY 2019/20. Total exchequer issues to the MDAs, Consolidated Funds Service (CFS) and County Governments amounted to **Kshs.1.18 trillion** representing 42.7 per cent of the net estimates, a decline compared to 44.2 per cent recorded in a similar period of the FY 2019/20. Exchequer issues comprised of **Kshs.139.35 billion** for development expenditure, **Kshs.917.4 billion** for recurrent expenditure and **Kshs.123.96 billion** to the County Governments representing 35.9 per cent, 43.8 per cent and 39.2 per cent of annual allocations respectively.

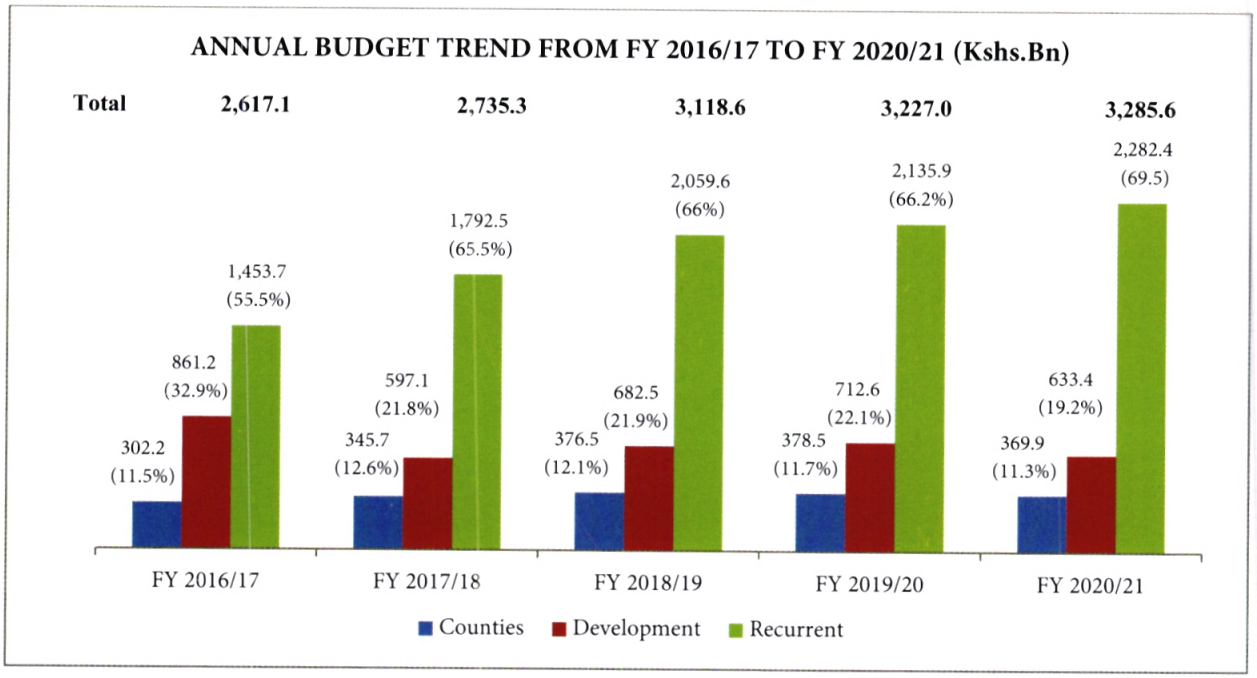
The total expenditure by the national government amounted to **Kshs.1.18 trillion**; representing 35.6 per cent of the gross estimates compared to 44.8 per cent recorded in the first half of the FY 2019/20. This comprised of development, recurrent expenditure and CFS expenditure of **Kshs.230.89 billion** (absorption rate of 36.5 per cent) and **Kshs.550.17 billion** (absorption rate of 43.9 per cent) and **Kshs. 394.45 billion** (absorption rate of 38.4 per cent) respectively. Gross development expenditure was higher than exchequer issues due to utilization of Appropriations-in-Aid realised in funding the expenditure.

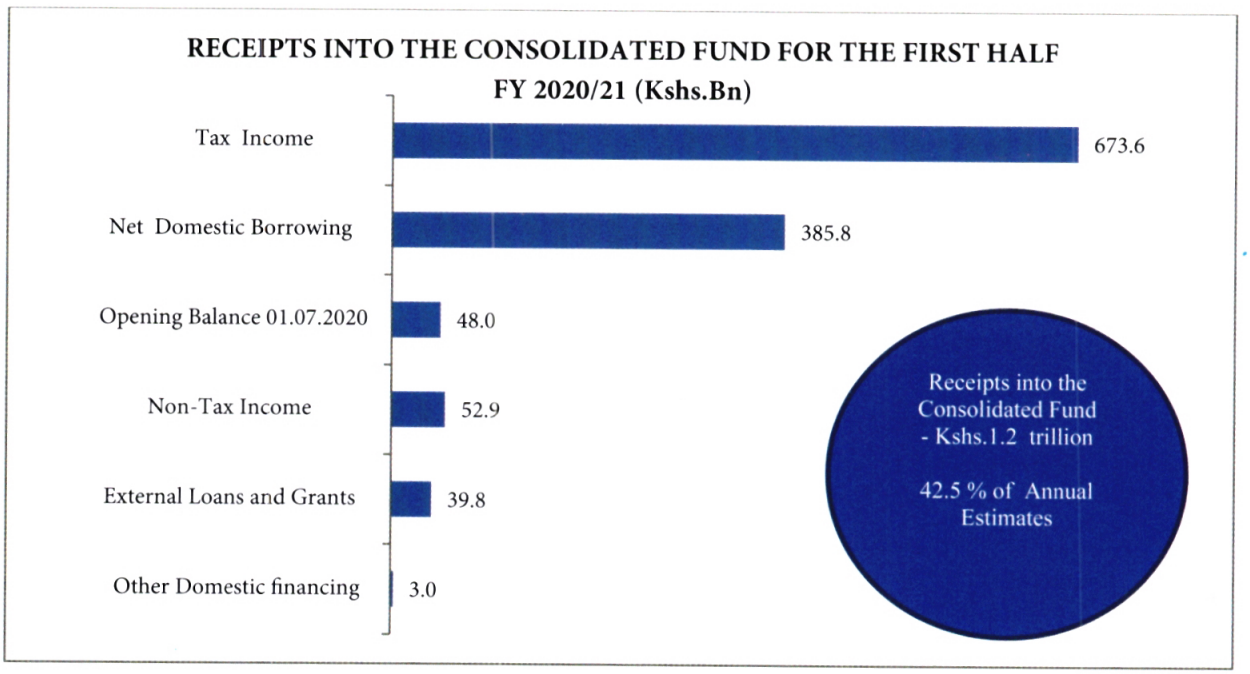
Further review of the recurrent expenditure shows that a total of Kshs.248.86 billion was spent on compensation to employees representing 45.2 per cent of the gross recurrent expenditure by MDAs. The Teachers Service Commission (TSC) recorded the highest expenditure on compensation to employees at Kshs.135.54 billion, translating to 54.5 per cent of total expenditure on compensation to employees by the national government. This is attributed to the fact that the bulk of the TSC's budget is for teachers' salaries. Further, some budget items recorded low levels of expenditure, which was attributed to the impact of Corona Virus Diseases (COVID -19) mitigation measures adopted by government to curb spread of the disease. They included; Travelling, Training and Hospitality activities which are some of the major spending budget items by most MDAs.

The Office of the Controller of Budget identified key challenges that hindered effective budget implementation in the first six months of the FY 2020/21. These included; delay in release of exchequer issues to MDAs and counties, thereby delaying execution of planned activities. Others included ; the economic, social and health effects occasioned by the COVID-19 pandemic in budget implementation and a high level of public debt which undermines fiscal sustainability.

The report contains recommendations aimed at addressing the challenges. They include; need for the National Treasury to release funds to MDAs based on their work-plans and cash flow projections and in accordance with Section 17(6) of the PFM Act 2012, which stipulates that the National Treasury shall at the beginning of every quarter and in any event not later than the fifteenth day from the commencement of the quarter disburse monies to the county governments. To check on the burden of public debt and other related fiscal strains, the government should enhance collection of domestic taxes in order to expand fiscal space.

KEY HIGHLIGHTS





OVERALL NATIONAL GOVERNMENT BUDGET PERFORMANCE IN THE FIRST HALF OF FY 2020/21

Exchequer Issues

Annual Budget

Kshs.3.29 **Tn**

Total Exchequer Issues

Kshs.1.18 **Tn**

Kshs. 139.35 **Bn**
Development

Kshs. 917.40 **Bn**
Recurrent

Kshs. 123.96 **Bn***
County Governments

**Incudes equitable share arrears brought forward from FY 2019/20*

National Government Expenditure

Total Expenditure

Kshs. 1.18 **Tn**

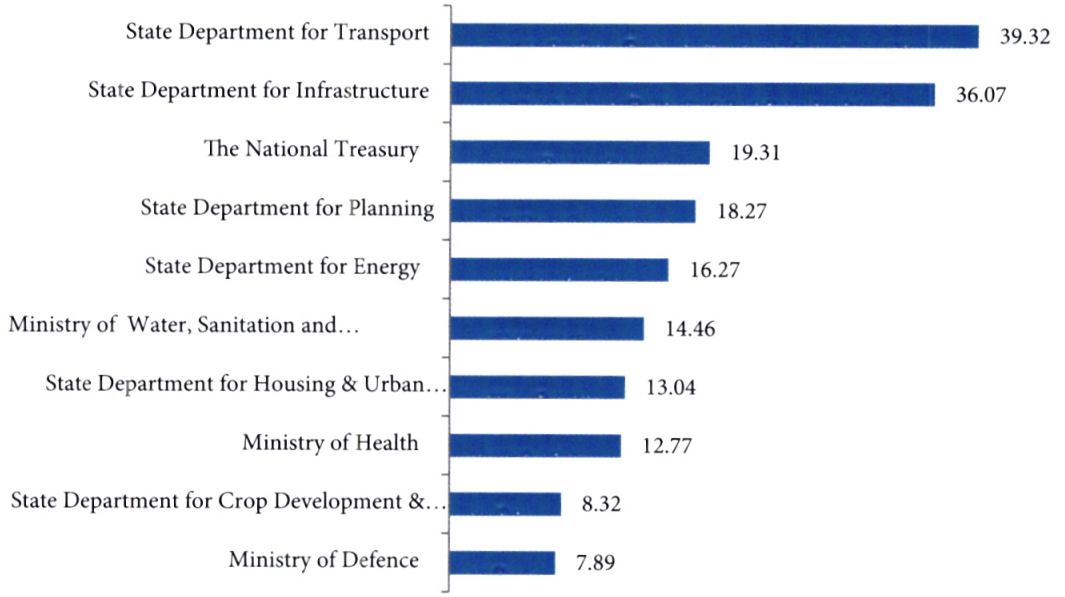
Kshs.230.89 **Bn***
Development expenditure

Kshs.394.45 **Bn**
Consolidated Fund Services

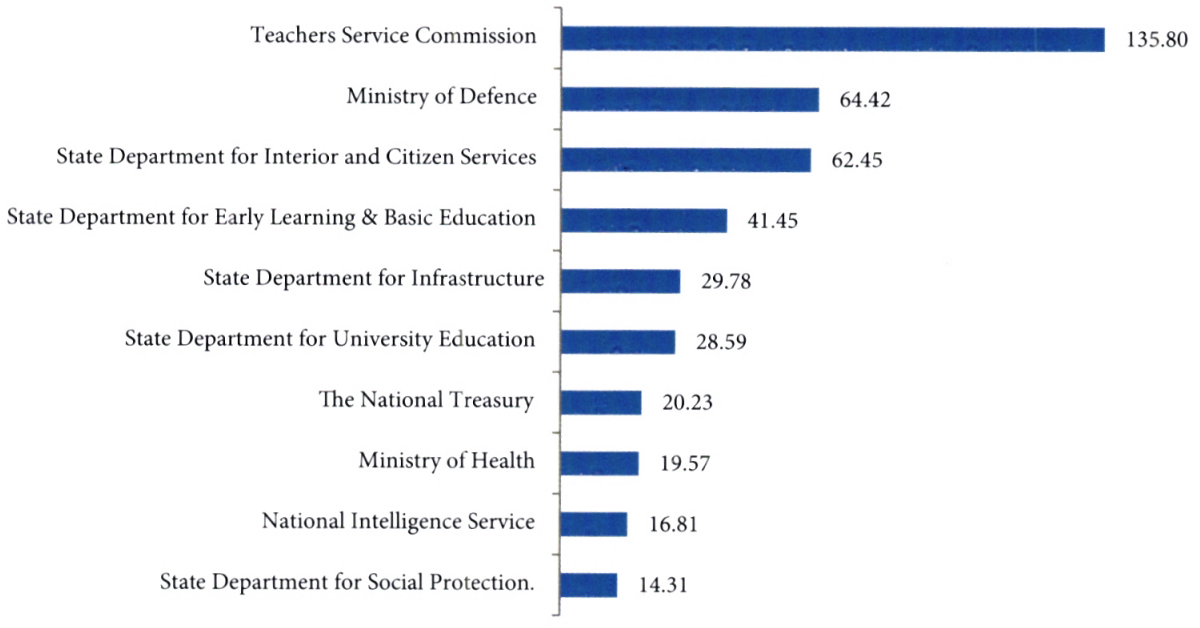
Kshs.550.17 **Bn**
Recurrent (MDAs)

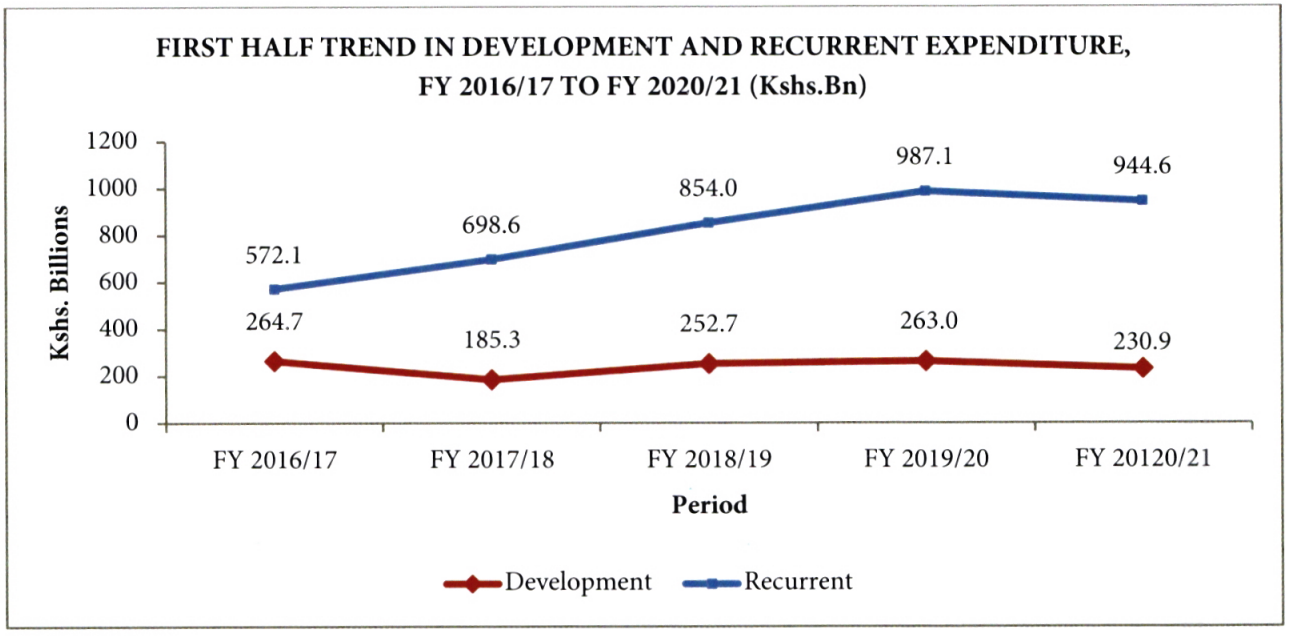
* *Expenditure is significantly higher than the total development exchequers issued due to Appropriations-in-Aid (A-I-A) generated by the MDAs and donor funding. This also due to outstanding and unpaid committments in the system.*

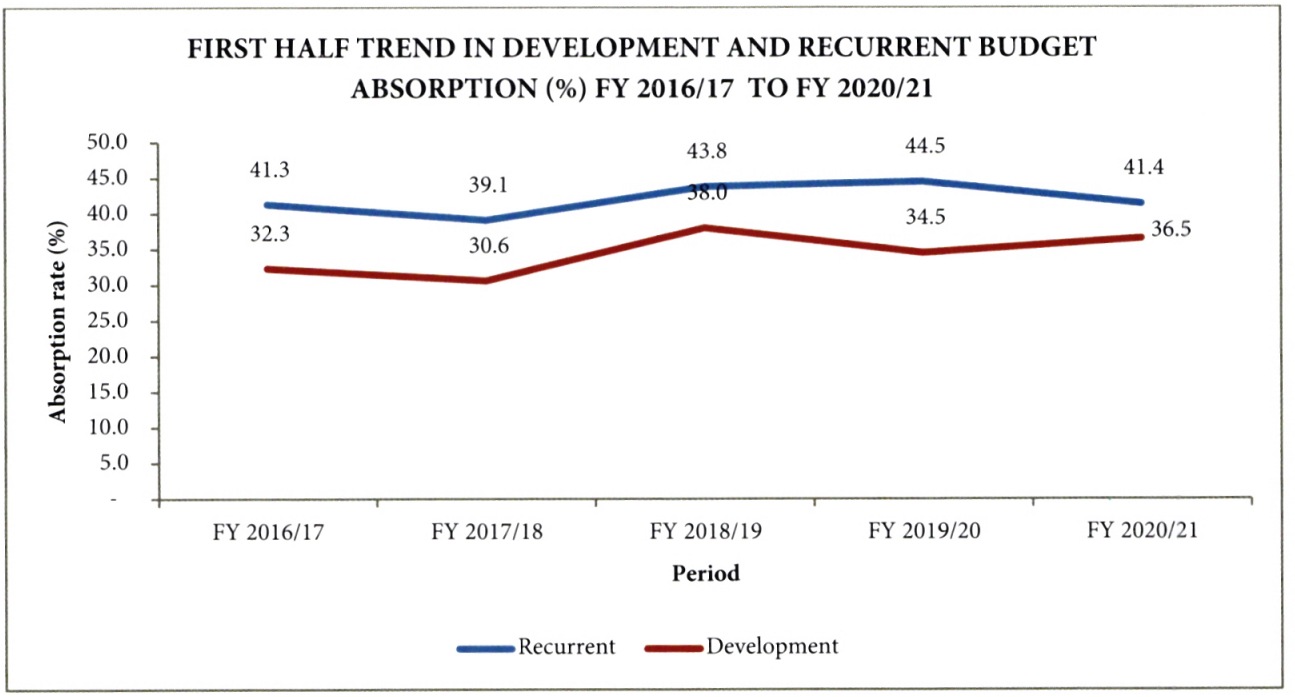
TOP 10 SPENDING MDAs, DEVELOPMENT EXPENDITURE IN THE FIRST HALF OF THE FY 2020/21 (Kshs.Bn)



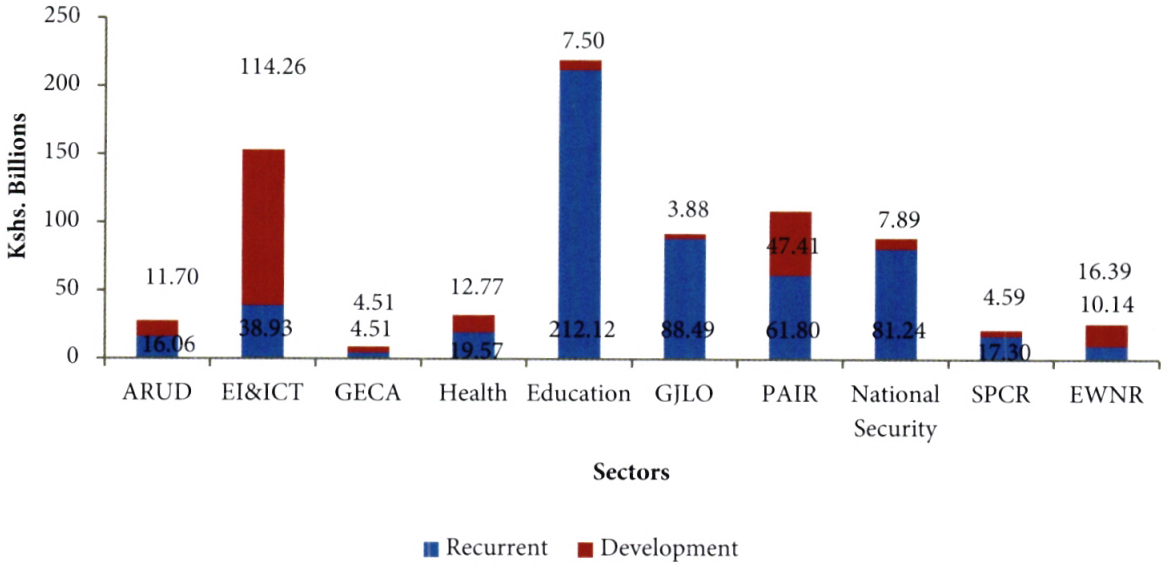
TOP 10 SPENDING MDAs RECURRENT EXPENDITURE IN THE FIRST HALF OF THE FY 2020/21 (Kshs.Bn)



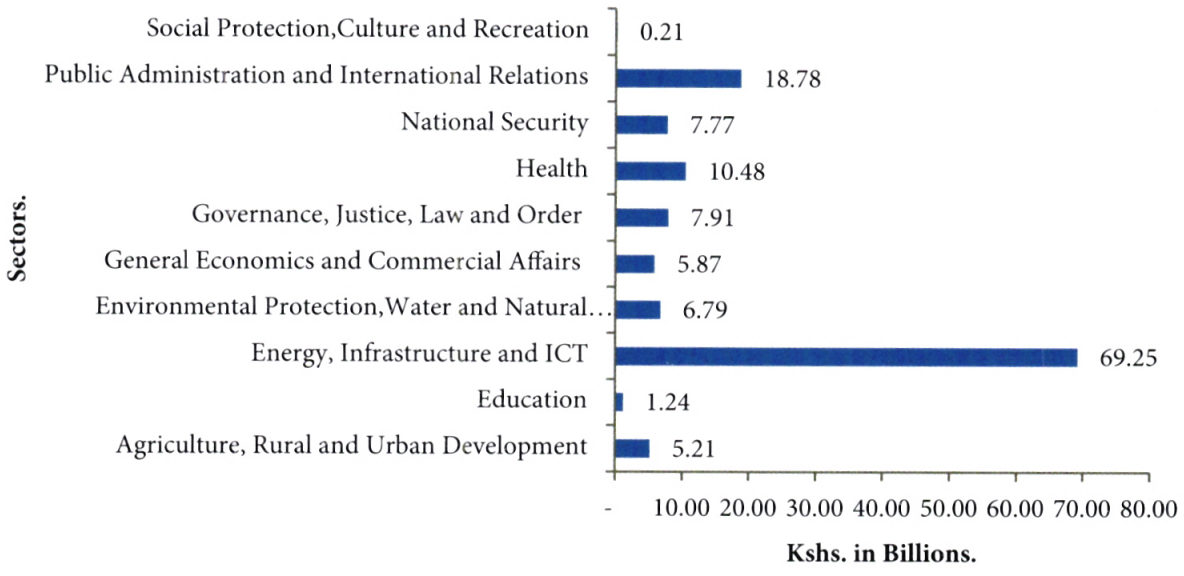

FIRST HALF TREND IN DEVELOPMENT AND RECURRENT EXPENDITURE, FY 2016/17 TO FY 2020/21 (Kshs.Bn)
Kshs. Billions
1200
1000
800
600
400
200
0
572.1
698.6
854.0
987.1
944.6
264.7
185.3
252.7
263.0
230.9
FY 2016/17
FY 2017/18
FY 2018/19
FY 2019/20
FY 20120/21
Period
Development
Recurrent


FIRST HALF TREND IN DEVELOPMENT AND RECURRENT BUDGET ABSORPTION (%) FY 2016/17 TO FY 2020/21
Absorption rate (%)
50.0
45.0
40.0
35.0
30.0
25.0
20.0
15.0
10.0
5.0
-
41.3
39.1
43.8
44.5
41.4
32.3
30.6
38.0
34.5
36.5
FY 2016/17
FY 2017/18
FY 2018/19
FY 2019/20
FY 2020/21
Period
Recurrent
Development

RECURRENT AND DEVELOPMENT EXPENDITURE BY SECTORS IN THE FIRST HALF OF THE FY 2020/21



EXCHEQUER REQUSTIONS UNDER ARTICLE 223 OF THE CONSTITUTION



FY 2020/21 BUDGET ALLOCATION BY SECTORS



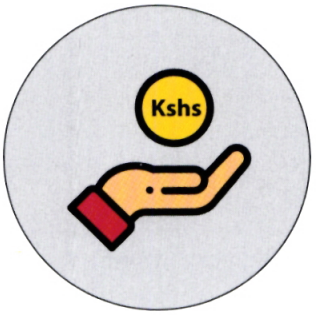
Agriculture Rural & Urban Development
Kshs.61.61 Bn



Energy, Infrastructure & ICT
Kshs.366.43 Bn



Public Administration and International Relations
Kshs.285.65 Bn



General Economics & Commercial Affairs
Kshs.29.53 Bn



Health
Kshs.111.70 Bn



Education
Kshs.505.10 Bn



National Security
Kshs.154.53 Bn



Governance, Justice, Law & Order - ***Kshs.197.79 Bn***



Social Protection, Culture & Recreation - ***Kshs.70.09 Bn***



Environment Protection , Water & Natural Resources -
Kshs.105.22 Bn

1 INTRODUCTION

The office of the Controller of Budget is established under Article 228 of the Constitution of Kenya and mandated to oversee the implementation of the budgets of the National and County Governments by authorizing withdrawals from public funds under Articles 204, 206 and 207 of the Constitution and to report on the implementation of the budgets to each House of Parliament every four months. This report fulfils the requirement of Article 228(6), of the Constitution of Kenya, Section 9 of the Controller of Budget Act, 2016 by presenting information on the budget implementation by national government in the first half of the FY 2020/21.

The report presents budget implementation status and programme performance as executed by MDAs in the first half of the FY 2020/21. The report is organised into eight chapters. Chapter one offers an introduction which provides a summary on the report organisation. Chapter two presents information on budget funding which includes receipts into the Consolidated Fund and disbursement of funds to fund expenditure by MDAs, CFS and the forty-seven counties for both development and recurrent activities.

Chapter three presents the overall budget performance in the first half of the FY 2020/21. It provides a summary of the Consolidated Fund Services which comprises of Public debt, Pensions and gratuities, and Salaries and Allowances to Constitutional Officeholders. It further presents expenditure breakdown of major budget items for the MDAs for both development and recurrent budgets.

In chapter four, it present further analysis of budget implementation by MDAs. Analysis of performance for both development and recurrent expenditure is presented and is aggregated by Sectors. This provides detailed analysis of the exchequer issues to net estimates and actual expenditure to gross estimates (absorption rate), for MDAs which are classified into ten (10) Sectors according to the Classification of Functions of the Government. The Sectors are; (i) Agriculture, Rural and Urban Development (ARUD), (ii) Education, (iii) Energy, Infrastructure and Information Communications Technology (EI & ICT), (iv) Environmental Protection, Water and Natural Resources (EWNR), (v) General Economic and Commercial Affairs (GECA), (vi) Governance, Justice, Law and Order (GJLO), (vii) Health, (viii) National Security, (ix) Public Administration and International Relations (PAIR), (x) Social Protection, Culture and Recreation Sector.

Chapter five provides budget performance by programmes for each MDA and further breaks down sub-programmes with the highest and lowest expenditure in the period under review. Chapter six highlights the key issues that affected budget implementation in the first half of FY 2020/21 and provides recommendations aimed at improving budget implementation. Chapter seven presents emerging issues which COB has encountered in the course of executing the constitutional mandate while chapter eight provides a conclusion.

The chapters are supported by annexes. A PDF version of the report is available on the COB website, *https://cob.go.ke.*

2 ANALYSIS OF RECEIPTS AND EXCHEQUER ISSUES

2.1 Introduction

This chapter provides a summary of receipts into the Consolidated Fund and analysis of exchequer issues in the first half of the FY 2020/21. Exchequer issues comprise of disbursements by the National Treasury towards development expenditure, recurrent expenditure and transfers to the forty-seven counties.

2.2 Analysis of Revenue Estimates and Receipts into the Consolidated Fund

This section presents a summary of the revenue estimates and receipts into the Consolidated Fund in the first half of the FY 2020/21. The Consolidated Fund is established under Article 206(1) of the Constitution of Kenya and is the account into which all money raised or received by or on behalf of the national government is deposited. It excludes money that is reasonably excluded from the Fund by an Act of Parliament and payable into another public fund established for a specific purpose or may under an Act of Parliament, be retained by the State organ that received it for the purpose of defraying the expenses of the State organ. The Section also provides the trend of receipts into the Consolidated Fund over similar periods in the last five financial years.

2.2.1 FY 2020/21 Revenue Estimates

Revenue estimates for FY 2020/21 amounted to Kshs.2.83 trillion, an increase compared to Kshs.2.7 trillion budgeted in the FY 2019/20. To finance the budget, the government through the National Treasury budgeted to raise revenue from various sources which include: Tax revenue (Kshs.1.57 trillion), Non-tax revenue (Kshs.66.13 billion), Domestic borrowing (Kshs.786.65 billion), External loans and grants (Kshs.373.2 billion) and other Domestic financing at Kshs.36.82 billion.

2.2.2 Receipts into the Consolidated Fund

In the first half of the FY 2020/21 total receipts into the Consolidated Fund was Kshs.1.20 trillion representing 42.5 per cent of the annual target, a decline compared to Kshs.1.25 trillion (47 percent of the annual target) recorded in a similar period FY 2019/20. The receipts comprised the of opening balance from the previous financial year (FY 2019/20), 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 in the first half of the FY 2020/21.

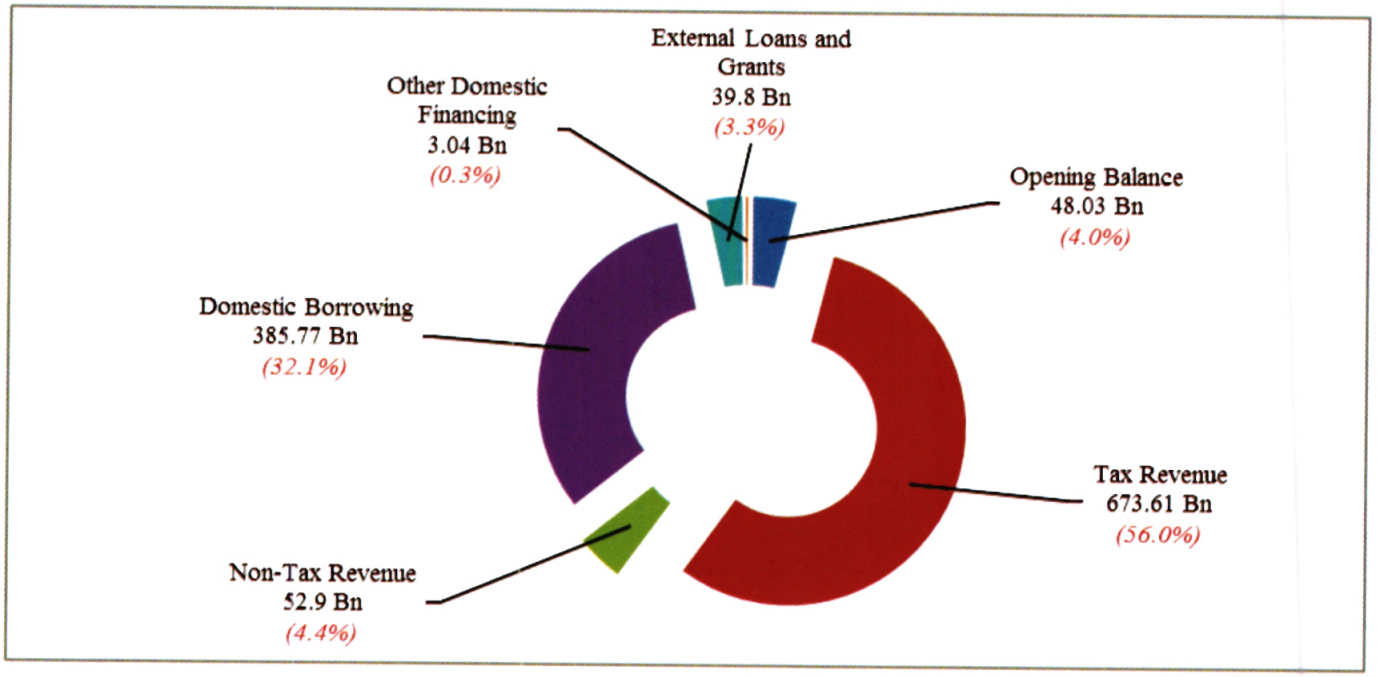
Table 2.1: Statement of Receipts into the Consolidated Fund (Kshs. Billions)

Receipts Category	Revenue Estimates (FY 2020/21)	Actual Receipts (First Half of FY 2020/21)	Performance Against Annual Target as at 31st December 2020 (%)	Contribution by Category (%)
Opening Balance 01.07.2020	-	48,028,919,425.79	-	4
Tax Income	1,567,632,123,908.99	673,605,363,847.30	43	56
Non-Tax Income	66,134,718,178,.01	52,900,779,453.65	80	4.4
Domestic Borrowing	786,648,145,090	385,765,266,881.35	49	32
External Loans and Grants	373,196,540,683	39,775,635,258.25	10.7	3.3
Other Domestic Financing	36,816,500,886	3,041,594,228.90	8.3	0.3
Total Receipts	**2,830,428,028,746**	**1,203,117,559,095.24**	42.5	100

Source: *National Treasury*

The tax income revenue category contributed the highest proportion to total receipts at 56 per cent as shown in Figure 2.1.

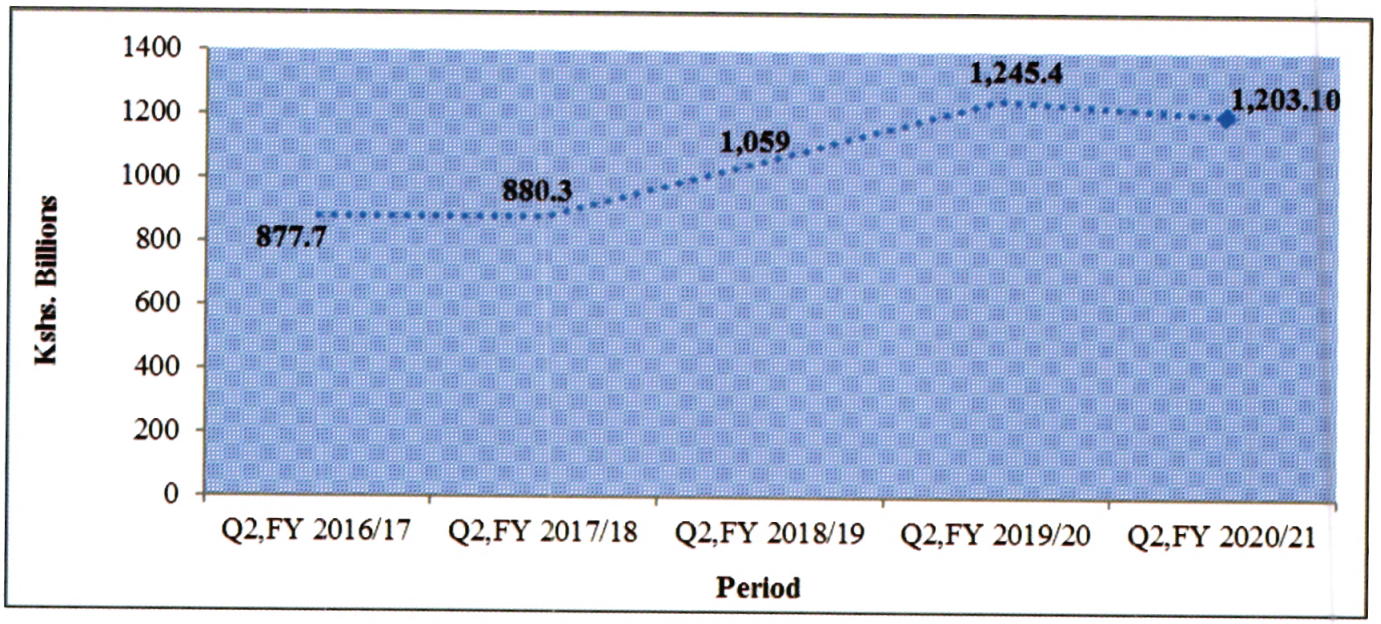
Figure 2.1 : Contribution by Source into the Consolidated Fund



Source: *National Treasury*

Figure 2.2 shows the trend of receipts into the Consolidated Fund in the first half of the financial year from FY 2016/17 to FY 2020/21.

Figure 2.2: Receipts into the consolidated Fund in the First Half of the Financial Year from, FY 2016/17 to FY 2020/21.



Source: *National Treasury*

Trend analysis shows decline in receipts in the first half of the FY 2020/21 compared to a similar period of FY 2019/20. This is attributed to the adverse effect of the COVID-19 pandemic, which affected the business environment, thereby affecting tax revenue.

2.3 FY 2020/21 Overall Budget

The approved budget for the FY 2020/21 was to Kshs.3.29 trillion comprising of Kshs.2.28 trillion for recurrent expenditure, Kshs.633.31 billion for development expenditure and Kshs.369.87 billion towards financing county governments

2.4 Exchequer Issues to MDAs and County Governments

In the first half of the FY 2020/21, total exchequer issues to the MDAs and County governments amounted to Kshs.1.18 trillion representing 42.7 per cent of net estimates, a decrease compared to 44.2 per cent issued in a similar period of the FY 2019/20.

Table 2.2 presents a summary of the exchequer issues for the first half of the FY 2020/21 against the net estimates.

Table 2.2 Summary of Exchequer Issues (Kshs.Billions)

Vote	First Half FY 2020/21					First Half FY 2019/20				
	Gross Estimates	Net Estimates	Exchequer Issues	% of Exch. Issues to net Estimates	% of Exchequer issues to total Issues	Gross Estimates	Net Estimates	Exchequer Issues	% of Exch. Issues to net Estimates	% of Exchequer issues to total Issues
Recurrent	2,282.41	2,096.28	917.40	43.8	77.7	2,029.50	1,852.70	941.5	50.8	80.4
:MDAs	1,254.35	1,068.22	459.74	43.2	38.9	1,223.70	1,046.90	479.6	45.8	40.9
: CFS	1,028.06	1,028.06	457.66	44.5	38.8	805.8	805.8	461.9	57.3	39.4
Development (MDAs)	633.31	387.93	139.35	35.9	11.8	762.9	420.8	112.8	26.8	9.6
Sub-Total	**2,915.72**	**2,484.21***	**1,056.76**	**42.5**	**89.5**	**2,792.40**	**2,273.50**	**1054.3**	**46.4**	**90.0**
County Governments	369.87	369.87	123.96	33.5	10.5	378.5	378.5	117.3	31.0	10.0
Total	**3,285.59**	**2,854.08**	**1,180.72**	**41.4**	-	**3,170.90**	**2,652.00**	**1,171.6**	**44.2**	-

Source: *National Treasury & OCOB*

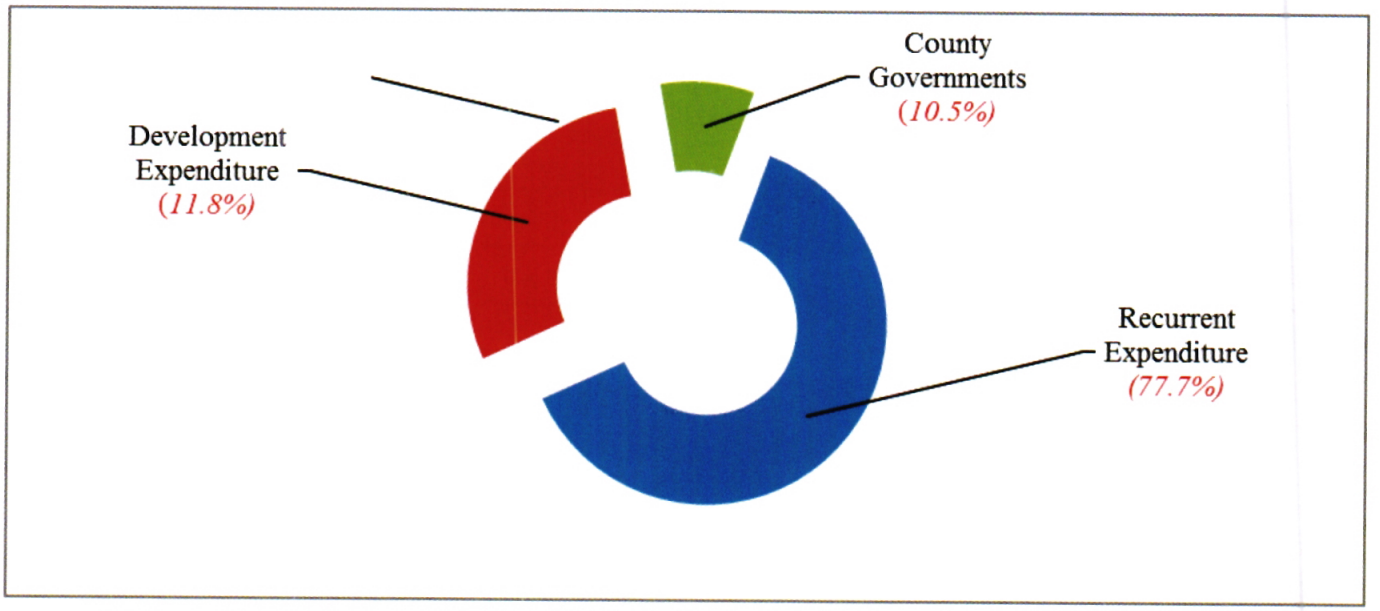
**Net Estimates based on the Appropriation Act, 2020*

Further Analysis from table 2.2 shows that CFS received the highest percentage of exchequer issues to net estimates at 44.5 per cent while the county governments received the lowest at 33.5 per cent.

Figure 2.3 illustrates the proportion of issues by category. The highest proportion went to recurrent expenditure at 77.7 per cent while County governments received 10.5 per cent. The low proportion of exchequer issues to County government is attributed to delay in the enactment of the County Allocation of Revenue Act, 2020 (CARA), which was gazetted on 12th October, 2020.

Table

Figure 2.3: Proportion of Exchequer Issues by Category in the first six months of FY 2020/21



Source: *National Treasury & OCOB*

2.5 Exchequer Issues to MDAs by Sector.

MDAs are classified into ten Sectors according to the Classification of Functions of Government (COFOG), which is designed to support fiscal analysis by breaking down government fiscal statistics for the purpose of comparability across governments.

The ten sectors are (i) Agriculture, Rural and Urban Development (ii) Education (iii) Energy, Infrastructure and Information Communications Technology (iv) Environmental Protection, Water and Natural Resources (v) General Economic and Commercial Affairs (vi) Governance, Justice, Law and Order (vii) Health (viii) National Security (ix) Public Administration and International Relations and (x) Social Protection, Culture and Recreation.

Table 2.3 shows the summary of exchequer issues by sector in the first half of FY 2020/21.

Table 2.3: Summary of Exchequer Issues by Sector in the First Half of FY 2020/21

Name of the Sector	First Half, FY 2020/21				First Half, FY 2019/20			
	Gross Estimates	Net Estimates	Exchequer Issues	% of Exch. to Net Estimates	Gross Estimates	Net Estimates	Exchequer Issues	% of Exchequer to Net Estimates
ARUD	61.61	53.49	24.50	45.8	58.7	39.2	18.1	46.2
Education	505.1	444.17	192.44	43.3	496.6	433.6	199.9	46.1
EI & ICT	366.43	131.91	63.41	48.1	459.2	165.2	54.5	33.0
EPW&NR	105.22	60.33	20.95	34.7	93.8	52.3	19.5	37.3
GECA	29.53	18.82	7.74	41.1	32.7	25.3	7.2	28.5
GJLO	197.79	195.09	92.17	47.2	210.47	206.6	92.5	44.8
Health	111.7	92.56	24.79	26.8	115.3	79.5	23.7	29.8
PAIR	285.65	257.47	90.06	35.0	290.1	264.2	90.2	34.1
SPCR	70.09	53.99	13.81	25.6	70.5	55.6	18.7	33.6
National Security	154.53	148.32	69.23	46.7	159.2	146.1	68	46.5
Total for MDAs	**1,887.66**	**1,456.15**	**599.09**	**41.1**	**1,986.57**	**1,467.6**	**592.3**	**40.4**

Source: *National Treasury & OCOB*

In the period under review, exchequer issues to MDAs amounted to Kshs.599.09 billion representing 41.1 percent of the net estimates. This was a slight increase from 40.4 per cent recorded in the first half of the FY 2019/20. The EI & ICT sector received the highest proportion of exchequer issues to net estimates at 48.1 per cent due to a capital grant transfer to the Postal Corporation of Kenya under the State Department for Broadcasting & Telecommunications. The SPCR sector received the lowest exchequer issues at 25.6 per cent.

2.5.1 Development Exchequer Issues by Sector

In the first half of the FY 2020/21, the gross allocation to development expenditure was Kshs.633.31 billion representing 19 per cent of the national gross budget, a decrease compared to Kshs.762.9 billion allocated in the FY 2019/20.

Table 2.4 shows Sectoral development annual estimates and exchequer issues in the first half of the FY 2020/21

Table 2.4: Annual Development Expenditure Estimates and Exchequer Issues in the First Half of FY 2020/21 by sector.

Name of the Sector	First Half of FY 2020/21				First Half of FY 2019/20			
	Gross Estimates	Net Estimates	Exch. Issues	% of Exch. to Net Estimates	Gross Estimates	Net Estimates	Exch. Issues	% of Exch. to Net Estimates
ARUD	42.14	36.72	9.37	25.5	40.4	22.2	8.8	39.6
Education	23.93	20.06	9.30	46.4	28.3	20.9	3.2	15.3
EI & ICT	272.77	118.42	56.55	47.8	370.6	152.5	48.6	31.9
EPW&NR	77.98	41.05	11.46	27.9	70	35.6	11.6	32.6
GECA	12.59	10.82	4.03	37.2	18.1	16.8	3.5	20.8
GJLOS	10.92	10.87	2.26	20.8	17.9	16.3	3.5	21.5
Health	47.25	43.59	5.68	13.0	52.4	36.8	5.4	14.7
PAIR	106.13	87.5	34.85	39.8	106.3	87.2	20.9	24.0
National Security.	9.21	3.0	1.00	33.3	17.1	4	0.3	7.5

Name of the Sector	First Half of FY 2020/21				First Half of FY 2019/20			
	Gross Estimates	Net Estimates	Exch. Issues	% of Exch. to Net Estimates	Gross Estimates	Net Estimates	Exch. Issues	% of Exch. to Net Estimates
SPC&R	30.39	15.91	4.85	30.5	41.8	28.4	7	24.6
Total	**633.31**	**387.94**	139.35	**35.9**	**762.9**	**420.7**	**112.8**	**26.8**

***Source**: National Treasury & OCOB*

Analysis of exchequer issues towards development expenditure by per sector shows that the EI & ICT received the highest proportion of exchequer issues to net estimates at 47.8 per cent while the Health sector received the lowest at 13 per cent.

Table 2.5 shows development issues to the MDAs under each of the ten sectors.

Table 2.5: Analysis of Exchequer Development Issues to MDAs by Sectors in the first half of FY 2020/21.

Vote Title	Vote	Gross Estimates	Net Estimates	Exchequer Issues	% Exch. Issues to Net Estimates.
Agriculture, Rural and Urban Development					
D1122	Ministry of Lands and Physical Planning	2,799,000,000	2,799,000,000	1,190,391,576	42.5
D1162	State Department for Livestock.	3,362,828,667	2,721,428,667	623,241,053	22.9
D1165	State Department for Crop Development and Agricultural Research	31,009,977,392	26,583,965,470	6,658,291,059	25.0
D1166	State Department for Fisheries, Aquaculture and the Blue Economy	4,964,000,000	4,614,000,000	895,692,123	19.4
	Total	42,135,806,059	36,718,394,137	9,367,615,812	25.5
Energy, Infrastructure and ICT					
D1091	State Department for Infrastructure	124,590,286,715	61,601,464,000	18,382,168,787	29.8
D1092	State Department for Transport	38,366,800,000	11,272,800,000	15,495,357,105	137.5
D1093	State Department for Shipping and Maritime.	850,000,000	5,000,000	-	-
D1094	State Department for Housing & Urban Development	15,998,721,087	14,943,721,087	12,134,883,793	81.2
D1095	State Department for Public Works	1,184,973,000	1,016,973,000	596,782,000	58.7
D1122	State Department of Information Communications & Technology	18,504,202,512	4,371,202,512	1,132,718,434	25.9
D1123	State Department for Broadcasting & Telecommunications	698,000,000	698,000,000	236,150,170	33.8
D1152	Ministry of Energy	66,581,141,377	21,455,677,322	7,310,507,672	34.1
D1153	State Department of Petroleum	3,644,000,000	700,000,000	403,450,698	57.6
D1214	State Department for Youth Affairs	2,352,490,000	2,352,490,000	861,164,639	36.6
	Total	272,770,614,691	118,417,327,921	56,553,183,299	47.8
General Economics and Commercial Affairs					
D1173	State Department for Cooperatives	825,220,000	825,220,000	270,862,632	32.8
D1174	State Department for Trade	1,095,593,397	1,095,593,397	471,099,867	43.0
D1175	State Department for Industrialization	5,268,141,936	3,753,141,936	1,194,153,958	31.8
D1222	State Department for Regional and Northern Corridor Development	1,087,450,000	837,450,000	43,794,000	5.2
D1202	State Department for Tourism	4,310,800,000	4,310,800,000	2,049,900,000	47.6
	Total	12,587,205,333	10,822,205,333	4,029,810,457	37.2
Health					
D1081	Ministry of Health	47,251,983,849	43,591,658,194	5,680,484,814	13.0

Vote Title	Vote	Gross Estimates	Net Estimates	Exchequer Issues	% Exch. Issues to Net Estimates.
	Total	47,251,983,849	43,591,658,194	5,680,484,814	13.0
Education					
D1064	State Department for Vocational and Technical Training	6,268,000,000	3,468,000,000	436,534,304	12.6
D1065	State Department for University Education	5,375,600,000	4,601,600,000	2,018,320,100	43.9
D1066	State Department for Early Learning & Basic Education	11,690,000,000	11,390,000,000	6,848,647,606	60.1
D2091	Teachers Service Commission	600,000,000	600,000,000	-	-
	Total	23,933,600,000	20,059,600,000	9,303,502,010	46.4
Governance, Justice, Law and Order					
D1021	State Department for Interior and Citizen Services	6,925,000,000	6,874,000,000	1,496,045,168	21.8
D1023	State Department for Correctional Services	784,100,000	784,100,000	-	-
D1252	State Law Office and Department of Justice	185,000,000	185,000,000	79,082,742	42.7
D1261	The Judiciary	2,701,000,000	2,701,000,000	689,160,806	25.5
D1271	Ethics & Anti-Corruption Commission	40,800,000	40,800,000	-	-
D1291	Office of the Director of Public Prosecutions	129,000,000	129,000,000	-	-
D2031	Independent Electoral and Boundaries Commission	150,000,000	150,000,000	-	-
D2141	National Gender & Equality Commission	5,000,000	5,000,000	-	-
	Total	10,919,900,000	10,868,900,000	2,264,288,716	20.8
Public Administration and International Relations					
D1011	The Executive Office of the President	11,473,321,015	4,961,171,015	2,555,489,187	51.5
D1032	State Department for Devolution	4,734,685,699	4,363,959,760	275,654,911	6.3
D1072	State Department for Planning	42,453,435,816	42,402,820,416	18,200,406,872	42.9
D1052	Ministry of Foreign Affairs	1,201,400,000	1,201,400,000	616,360,000	51.3
D1071	The National Treasury	42,779,129,907	31,083,728,758	12,058,244,416	38.8
D1213	State Department for Public Service	1,254,060,000	1,254,060,000	-	-
D2043	Parliamentary Joint Services	2,065,550,000	2,065,550,000	1,127,578,161	54.6
D2071	Public Service Commission	19,280,000	19,280,000	-	-
D2111	Auditor General	146,670,000	146,670,000	15,669,306	10.7
	Total	106,127,532,437	87,498,639,949	34,849,402,854	39.8
National Security					
D1041	Ministry of Defence	9,208,594,305	3,000,000,000	1,000,000,000	33.3
	Total	9,208,594,305	3,000,000,000	1,000,000,000	33.3
Social Protection, Culture and Recreation					
D1035	State Department for Development for the ASALs	8,824,290,786	8,702,290,786	2,919,105,439	33.5
D1132	State Department for Sports	14,155,570,000	155,570,000	77,785,000	50.0
D1133	State Department for Culture and Heritage	43,100,000	43,100,000	10,600,000	24.6
D1184	State Department for Labour	2,444,400,000	2,444,400,000	668,044,904	27.3
D1185	State Department for Social Protection, Pensions and Senior Citizens Affairs	2,548,230,000	2,186,130,000	104,760,107	4.8
D1212	State Department for Gender	2,374,000,000	2,374,000,000	1,065,000,000	44.9
	Total	30,389,590,786	15,905,490,786	4,845,295,450	30.5
Environmental Protection, Water and Natural Resources					
D1107	Ministry of Water ,Sanitation and Irrigation	70,982,834,883	36,260,506,797	9,587,269,412	26.4
D1108	Ministry of Environment and Forestry	5,995,090,900	3,839,590,900	1,423,210,633	37.1
D1192	State Department for Mining	312,000,000	312,000,000	54,831,870	17.6

Vote Title	Vote	Gross Estimates	Net Estimates	Exchequer Issues	% Exch. Issues to Net Estimates.
D1203	State Department for Wildlife	693,810,000	635,000,000	393,667,330	62.0
	Total	77,983,735,783	41,047,097,697	11,458,979,246	27.9
Grand Total		**633,308,563,243**	**387,929,314,017**	**139,352,562,657**	**35.9**

2.5.2 Recurrent Exchequer Issues by Sector

In the first half of the FY 2020/21, the gross recurrent estimate to MDAs was Kshs.1.25 trillion representing 38.5 per cent of the overall budget. This was an increase compared to Kshs.1.2 trillion allocated in the FY 2019/20.

Table 2.6 shows sectoral recurrent estimates and exchequer issues for the period July to December, 2020

Table 2.6: Sectoral Recurrent Estimates and Exchequer issues (Kshs. Billions)

Name of the Sector	First Half, FY 2020/21				First Half, FY 2019/20			
	Gross Estimates	Net Estimates	Exchequer Issues	% of Exchequer to Net Estimates	Gross Estimates	Net Estimates	Exchequer Issues	% of Exchequer to Net Estimates
ARUD	19.47	16.77	15.13	90.2	18.4	17.0	9.3	54.7
Education	481.17	424.11	183.13	43.2	468.4	412.7	196.7	47.7
EI & ICT	93.66	13.49	6.86	50.9	88.6	12.7	5.7	44.9
EPW&NR	27.23	19.28	9.49	49.2	23.9	16.7	7.9	47.3
GECA	16.95	8.00	3.71	46.4	14.6	8.5	3.7	43.5
GJLO	186.87	184.22	89.91	48.8	192.5	190.3	89.0	46.8
Health	64.45	48.97	19.11	39.0	62.9	42.7	18.3	42.9
National Security	145.32	145.32	68.23	46.9	142.1	142.1	67.7	47.6
PAIR	179.52	169.98	55.21	32.5	183.7	177.0	69.0	39.0
SPCR	39.70	38.08	8.96	23.5	28.6	27.2	11.7	43.0
Total	**1,254.35**	**1,068.22**	**459.74**	**43.0**	**1,223.7**	**1,046.9**	**479.0**	**45.8**

Source: *National Treasury & OCOB*

A review of recurrent exchequer issues shows that the ARUD sector received the highest percentage of exchequer issues to net estimates at 90.2 per cent while SPCR sector received the lowest proportion at 23.5 per cent.

Table 2.7 shows recurrent issues to the MDAs in each of the ten sectors.

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

Vote Title	Vote	Gross Estimates	Net Estimates	Exchequer Issues	% Exch. Issues to Net Estimates.
Agriculture, Rural and Urban Development					
R1112	Ministry of Lands and Physical Planning	2,818,419,339	2,809,419,339	1,228,244,796	43.7
R1162	State Department for Livestock.	2,628,966,406	2,606,966,406	1,140,721,808	43.8
R1165	State Department for Crop Development and Agricultural Research	10,798,470,415	8,124,470,415	11,504,842,246	141.6
R1166	State Department for Fisheries, Aquaculture and the Blue Economy	1,994,874,045	1,994,874,045	798,873,636	40.0

Vote Title	Vote	Gross Estimates	Net Estimates	Exchequer Issues	% Exch. Issues to Net Estimates.
R2021	National Lands Commission	1,233,325,815	1,233,325,815	458,831,746	37.2
	Total	19,474,056,020	16,769,056,020	15,131,514,233	90.2
Energy, Infrastructure and ICT					
R1091	State Department of Infrastructure	64,932,476,233	1,659,476,233	581,381,547	35.0
R1092	State Department of Transport	9,188,486,371	511,486,371	303,685,000	59.4
R1093	State Department for Shipping and Maritime.	1,667,605,056	397,605,056	172,252,703	43.3
R1094	State Department for Housing & Urban Development	1,058,529,759	1,058,529,759	431,206,208	40.7
R1095	State Department for Public Works	2,314,516,034	2,310,516,034	1,012,603,542	43.8
R1122	State Department of Information Communications & Technology & Innovation	1,503,600,918	1,503,600,918	726,365,368	48.3
R1123	State Department for Broadcasting & Telecommunications	5,530,631,616	2,998,631,616	2,186,924,960	72.9
R1152	Ministry of Energy	5,911,666,844	1,543,000,000	740,332,259	48.0
R1153	State Department of Petroleum	243,510,778	196,510,778	74,109,100	37.7
R1214	State Department for Youth Affairs	1,309,361,869	1,309,361,869	631,955,408	48.3
	Total	93,660,385,478	13,488,718,634	6,860,816,097	50.9
General Economics and Commercial Affairs (GECA)					
R1173	State Department for Cooperatives	801,329,701	351,329,701	155,895,356	44.4
R1174	State Department for Trade	1,921,764,227	1,880,064,227	628,435,263	33.4
R1175	State Department for Industrialization	2,851,871,955	2,098,021,955	985,043,984	47.0
R1221	State Department for East African Community	608,015,519	608,015,519	187,988,492	30.9
R1222	State Department for Regional and Northern Corridor Development	2,266,744,036	1,818,244,036	999,822,216	55.0
R1202	State Department for Tourism	8,495,795,182	1,244,172,182	755,249,230	60.7
	Total	16,945,520,620	7,999,847,620	3,712,434,541	46.4
Health					
R1081	Ministry of Health	64,450,685,148	48,968,678,518	19,109,550,915	39.0
	Total	64,450,685,148	48,968,678,518	19,109,550,915	39.0
Education					
R1064	State Department for Vocational and Technical Training	18,637,903,522	13,945,075,327	4,951,860,284	35.5
R1065	State Department for University Education	107,757,158,547	57,342,274,106	24,849,449,205	43.3
R1066	State Department for Early Learning & Basic Education	89,128,982,114	87,696,382,114	20,680,880,740	23.6
R1068	State Department for Post Training and Skills Development	150,940,126	150,940,126	55,156,093	36.5
R2091	Teachers Service Commission	265,492,584,137	264,975,584,137	132,596,245,724	50.0
	Total	481,167,568,446	424,110,255,810	183,133,592,046	43.2
Governance, Justice, Law and Order (GJLOS)					
R1021	State Department for Interior and Citizen Services	125,189,231,363	123,089,561,516	62,079,287,907	50.4
R1023	State Department for Correctional Services	27,317,878,572	27,314,378,572	12,454,979,868	45.6
R1252	State Law Office and Department of Justice	4,603,906,847	4,053,326,847	1,773,713,553	43.8
R1261	The Judiciary	14,722,436,279	14,722,436,279	6,950,868,004	47.2
R1271	Ethics & Anti-Corruption Commission	3,072,200,000	3,072,200,000	1,499,155,458	48.8
R1291	Office of the Director of Public Prosecutions	2,957,003,322	2,957,003,322	1,088,733,516	36.8
R1311	Office of the Registrar of Political Parties	1,345,791,991	1,345,791,991	869,103,428	64.6

Vote Title	Vote	Gross Estimates	Net Estimates	Exchequer Issues	% Exch. Issues to Net Estimates.
R1321	Witness Protection Agency	472,787,500	472,787,500	270,956,000	57.3
R2011	Kenya National Commission on Human Rights	400,704,556	400,704,556	146,768,500	36.6
R2031	Independent Electoral and Boundaries Commission	4,322,884,842	4,322,884,842	1,793,812,428	41.5
R2051	Judicial Service Commission	576,400,000	576,400,000	175,542,423	30.5
R2101	National Police Service Commission	606,327,710	606,327,710	206,486,814	34.1
R2141	National Gender & Equality Commission	424,656,952	424,656,952	186,411,312	43.9
R2151	Independent Policing Oversight Authority	862,628,000	862,628,000	410,599,835	47.6
	Total	186,874,837,934	184,221,088,087	89,906,419,044	48.8
Public Administration and International Relations					
R1011	The Executive Office of the President	25,034,644,971	21,728,255,323	8,086,698,851	37.2
R1032	State Department for Devolution	930,178,422	930,178,422	416,240,219	44.7
R1072	State Department for Planning	3,213,693,693	3,142,693,693	1,488,026,321	47.3
R1052	Ministry of Foreign Affairs	14,555,771,675	13,961,704,474	5,461,990,891	39.1
R1071	The National Treasury	74,200,143,586	71,250,843,586	15,936,733,475	22.4
R1213	State Department for Public Service	17,215,450,643	14,753,370,879	7,065,754,123	47.9
R2041	Parliamentary Services Commission	6,436,543,470	6,436,543,470	2,022,976,557	31.4
R2042	National Assembly	23,205,499,775	23,205,499,775	8,381,280,190	36.1
R2043	Parliamentary Joint Services	5,598,359,101	5,584,359,101	2,061,077,835	36.9
R2061	Commission on Revenue Allocation	371,975,630	371,975,630	135,577,706	36.4
R2071	Public Service Commission	2,105,760,000	2,105,240,000	1,154,206,928	54.8
R2081	Salaries & Remuneration Commission	459,730,000	459,730,000	159,011,692	34.6
R2111	Auditor General	5,077,965,380	4,927,965,380	2,416,229,292	49.0
R2121	Controller of Budget	622,982,206	622,982,206	182,924,524	29.4
R2131	The Commission on Administrative Justice	494,680,726	494,680,726	240,338,908	48.6
	Total	179,523,379,278	169,976,022,665	55,209,067,509	32.5
National Security					
R1041	Ministry of Defence	106,272,956,500	106,272,956,500	50,043,339,094	47.1
R1281	National Intelligence Service	39,051,000,000	39,051,000,000	18,183,636,563	46.6
	Total	145,323,956,500	145,323,956,500	68,226,975,657	46.9
Social Protection, Culture and Recreation					
R1035	State Department for Development for the ASALs	980,434,774	980,434,774	453,355,344	46.2
R1132	State Department for Sports	1,241,514,532	1,100,114,532	748,843,806	68.1
R1133	State Department for Heritage	2,679,689,990	2,271,189,990	1,083,564,208	47.7
R1184	State Department for Labour	2,764,327,034	1,870,907,034	515,498,360	27.6
R1185	State Department for Social Protection, Pensions and Senior Citizen Affairs	31,056,249,554	31,014,249,554	5,776,799,645	18.6
R1212	State Department for Gender	977,986,478	842,986,478	383,123,049	45.4
	Total	39,700,202,362	38,079,882,362	8,961,184,412	23.5
Environment Protection, Water and Natural Resources					
R1107	Ministry of Water, Sanitation and Irrigation	6,232,606,765	4,017,406,765	1,671,174,293	41.6
R1108	Ministry of Environment and Forestry	10,255,016,643	9,236,116,643	4,563,648,614	49.4
R1192	State Department for Mining	637,139,810	537,139,810	231,169,836	43.0
R1203	State Department for Wildlife	10,108,077,510	5,490,077,510	3,024,420,987	55.1
	Total	**27,232,840,728**	**19,280,740,728**	**9,490,413,729**	**49.2**
Grand Total		**1,254,353,432,514**	**1,068,218,246,944**	**459,741,968,183**	**43.0**

Source: *National Treasury & OCOB*

2.5.3 Exchequer Issues to Consolidated Fund Services (CFS)

The Consolidated Fund Services (CFS) comprise 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 Office holders and Miscellaneous Services, and (iv) Subscriptions to International Organizations.

The allocation to CFS in FY 2020/21 amounted to Kshs.1.03 trillion an increase from the Kshs.805.78 billion allocated in the FY 2019/20.

Table 2.8 shows exchequer issues to CFS in the first three months of FY 2020/21.

Table 2.8: CFS Budgetary Allocation and Exchequer Issues (Kshs. Millions

Consolidated Fund Services (CFS)	Q1 FY 2020/21			Q1 FY 2019/20		
	Net Estimates	Exchequer Issues	% of Exchequer to Net Estimates	Net Estimates	Exchequer Issues	% of Exchequer to Net Estimates
Public Debt	904,703.67	413,507.94	45.7	659,554.2	416,457.3	59.8
Pensions and Gratuities	119,192.48	42,846.85	35.9	104,448.9	43,747.0	41.9
Salaries, Allowances & Miscellaneous	4,167.41	1,306.40	31.3	4,736.2	1,683.2	35.3
Subscriptions to International Organizations	0.5	-	-	0.5	-	-
Total	**1,028,064.06**	**457,661.19**	**44.5**	**805,779.8**	**461,887.5**	**57.3**

Source: *National Treasury and OCOB*

In the first six months of FY 2020/21, the total exchequer issues to CFS amounted to Kshs.457.66 billion, representing 44.5 per cent of the annual net estimates, a decrease from 57.3 per cent reported in a similar period of FY 2019/20. Public Debt received the highest proportion of exchequer issues to annual net estimates at 45.7 per cent while Subscriptions to International Organizations did not receive any funding during the period.

3 OVERALL BUDGET PERFORMANCE

3.1 Introduction

This chapter presents expenditure analysis for the first six months of FY 2020/21 for both development and recurrent expenditure by National Government Ministries, Departments and Agencies (MDAs). The Consolidated Fund Services (CFS) is discussed under recurrent expenditure and provides information on Public debt; Pensions and Gratuities as well as Salaries and allowances to Constitutional office-holders and Miscellaneous services. The chapter also presents expenditure by major budget items for both development and recurrent votes.

3.2 Overall Government Budget Performance

In FY 2020/21, the aggregate budget was Kshs.3.29 trillion, as presented in table 3.1. It consists of budget estimates for the MDAs and the allocation to County governments.

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

VOTE	Half Year, FY 2020/21						Half Year, FY 2019/20					
	Gross Estimates	Net Estimates	Cumulative Exchequer Issues	Cumulative Expenditure	% of Exchequer to Net Estimates	Absorption Rate (%)	Gross Estimates	Net Estimates	Exchequer Issues	Expenditure	% Exchequer to Net Estimates	Absorption rate (%)
Recurrent	2,282.41	2,096.28	917.4	944.62	43.8	*41.4*	2,029.5	1,858.8	941.5	987.1	50.7	48.6
MDAs	*1,254.35*	*1,068.22*	459.74	*550.17*	*43.0*	*43.9*	*1,223.7*	*1,053.0*	*479.6*	*544.1*	45.5	44.5
CFS	*1,028.06*	*1,028.06*	457.66	*394.45*	*44.5*	*38.4*	*805.8*	*805.8*	*461.9*	*443*	57.3	55.0
Development	633.31	387.93	139.35	230.89	35.9	*36.5*	762.9	422.3	112.8	263	26.7	34.5
Sub-totals	**2,915.72**	**2,484.21**	**1,056.76**	**1,175.52**	**42.5**	*35.6*	**2,792.4**	**2,281.1**	**1054.3**	**1250.1**	**46.2**	**44.8**
County Governments	369.87	316.5	123.96	134.9	39.2	*27.8*	378.5	316.5	117.3	143.3	37.1	37.9
Grand Total	**3,285.59**	**2,800.71**	**1,180.72**	**1,310.42**	**42.2**	*39.9*	**3,170.9**	**2,597.6**	**1,171.6**	**1,393.4**	**45.1**	**43.9**

Source: *NT, OCOB, MDAs & County Treasuries*

**The County Allocation of Revenue Act, 2020 allocated a total of Kshs.369.87 billion to the County Governments. This comprised Kshs.316.5 billion as equitable share, Kshs.23.16 billion and Kshs.30.20 billion as Conditional Grants funded by National Government and Development Partners respectively.*

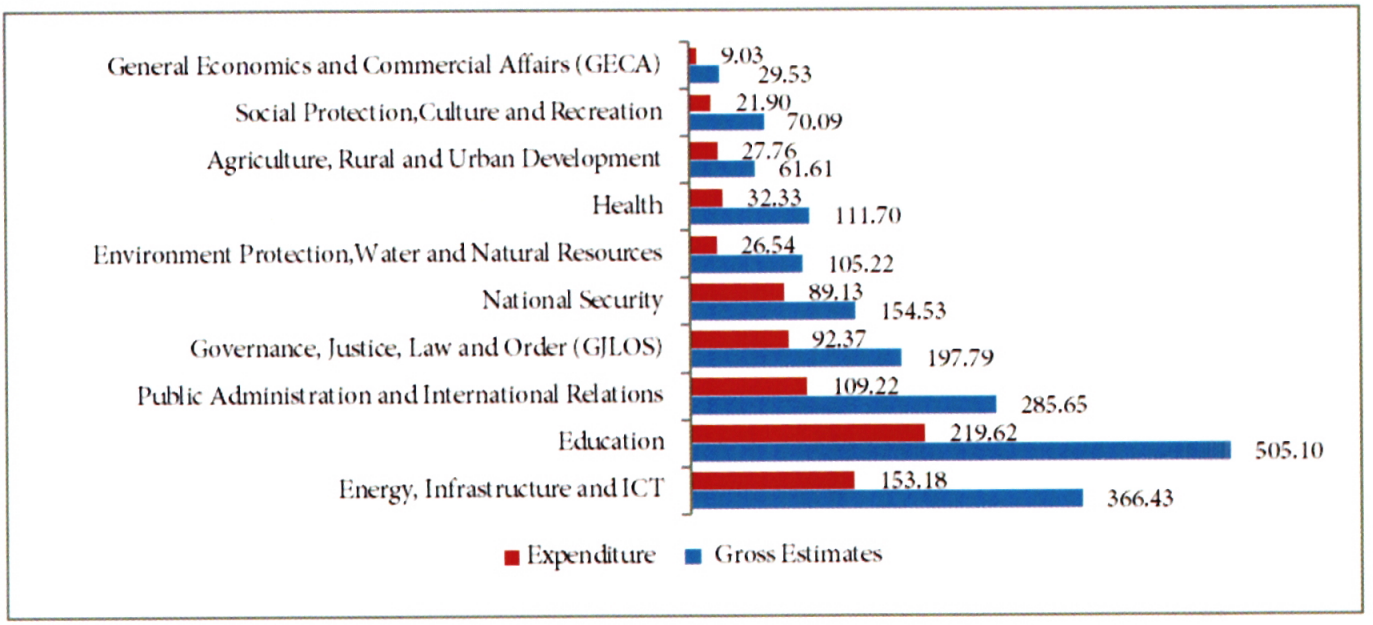
*** The difference between the exchequer issues of Kshs.123.96 billion And expenditure of Kshs.134.90 billion was financed by revenue from own sources and balances brought forward from FY 2019/20.*

^^ Absorption rate for county governments (27.8 per cent) is calculated as a percentage of the Counties' total budget estimates of Kshs 485.47 billion, which is financed from CARA, 2020 allocation, own-source revenue and balance brought forward from FY 2019/20.

The total funding by the National Government through exchequer issues in the first six months of the FY 2020/21 amounted to Kshs.1.18 trillion representing 42.2 per cent of the annual net estimates, a decrease compared to 44.2 per cent achieved in a similar period of FY 2019/20. The exchequer issues comprised of Kshs.139.35 billion (35.9 per cent) for development expenditure, Kshs.917.4 billion for recurrent expenditure (43.8 per cent) and Kshs.123.96 billion to the counties (39.2 per cent). Overall expenditure for both the National and County Governments was Kshs.1.31 trillion recording an absorption rate of 39.9 per cent, a decline from 43.9 per cent achieved in a similar period of the FY 2019/20.

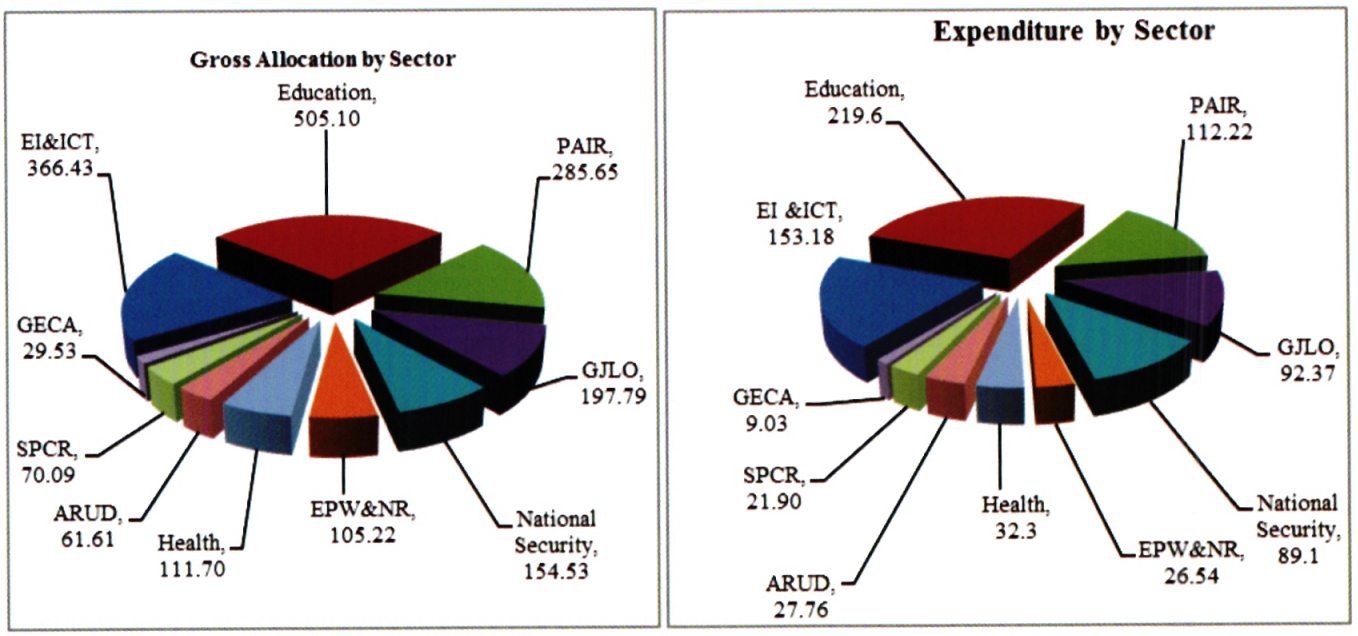
Figure 3.1 and 3.2 shows a comparison of annual budget allocations and expenditure by sector in the first six months of FY 2020/21.

Figure 3.1: Comparison of Annual Budget and Expenditure by Sector (Kshs. Billions)



Source: *MDAs & National Treasury*

Figure 3.2: Annual Budget and Expenditure by Sector in the First six months of FY 2020/21 (Kshs. Billions)



Source: *MDAs & National Treasury*

3.3 Consolidated Fund Services (CFS)

The allocation to CFS in the FY 2020/21 was Kshs.1.03 trillion representing 31 per cent of the gross national budget. This was an increase from Kshs.870.48 billion allocated in the FY 2019/20.

Table 3.2 presents a summary of CFS exchequer issues and expenditure performance in the first half of the FY 2020/21.

Table 3.2: Consolidated Fund Services Expenditure (Kshs. Millions)

Consolidated Fund Services (CFS)	Annual Estimates	Exchequer Issues	Cumulative Expenditure	Expenditure as % of Estimates
Public Debt	904,703.67	413,507.94	350,306.00	38.7
Pensions and Gratuities	119,192.48	42,846.85	42,846.85	36.0
Salaries & Allowances and Miscellaneous Services	4,167.41	1,306.40	1,301.12	31.2
Subscriptions to International Organizations	0.5	-	-	-
Total	**1,028,064.06**	**457,661.19**	**394,453.97**	**38.4**

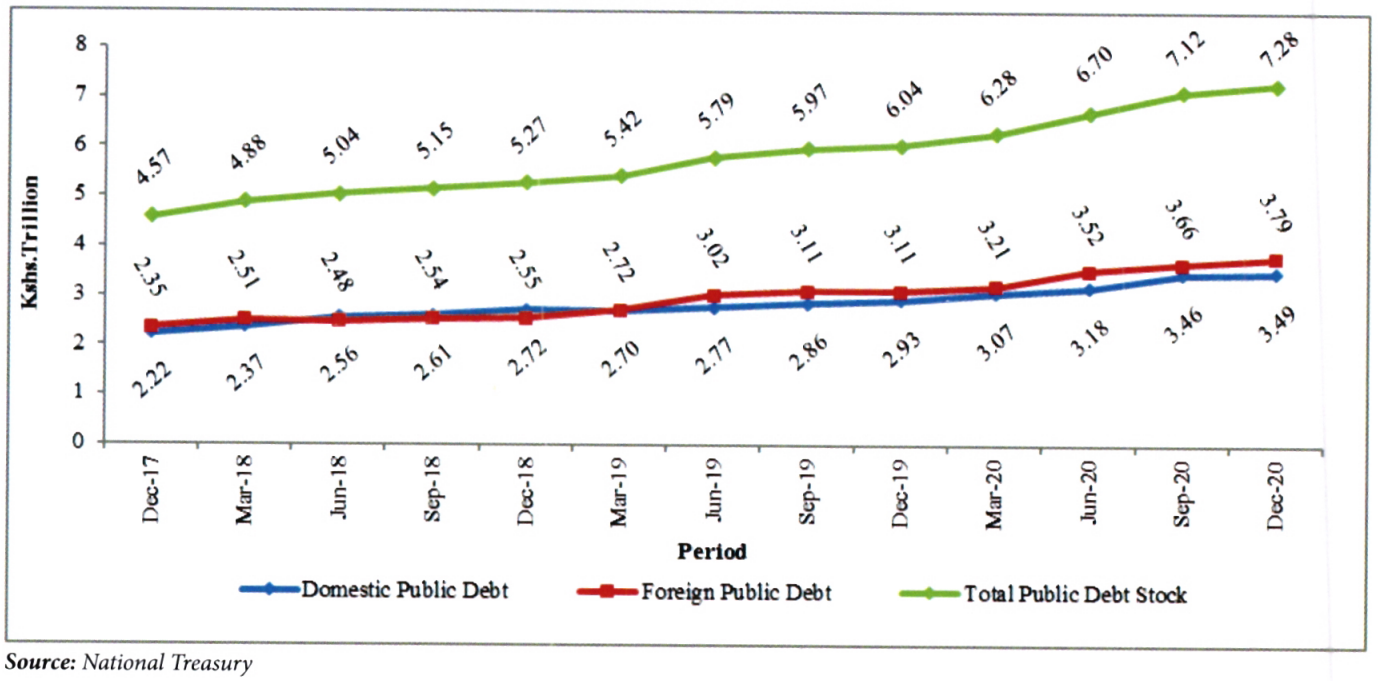
Source: National Treasury

Total CFS expenditure in the period under review amounted to Kshs.394.45 billion representing 38.4 per cent of the CFS annual estimates, a decline compared to Kshs.443.01 billion (55 per cent of revised budget estimates) recorded in a similar period of the FY 2019/20. This is attributed to the decline in domestic debt redemption and interest payments, which could be due to the changing dynamics in the overall debt and maturity structure.

3.3.1 Public Debt

As at 31st December 2020, total public debt stock stood at Kshs.7.28 trillion representing 20.5 per cent growth from Kshs.6.04 trillion as at 31st December 2019. The overall increase is attributed to new external loan disbursements and uptake of additional domestic debt during the period. Figure 3.3 shows public debt position as at 31st December 2020.

Figure 3.3: Trend in Public Debt for the period December 2017 to December 2020 (Kshs.Trillions)



Source: *National Treasury*

Allocation towards servicing of public debt in the FY 2020/21 amounted to Kshs.904.7 billion, representing 88 per cent of the CFS budgetary allocation. This amount represented an increase of 30 per cent from Kshs.696.55 billion allocated in the FY 2019/20 and comprised of Kshs.441.60 billion for loan redemptions, and Kshs.463.11 billion for interest payment respectively. Redemptions comprised of Kshs.179.64 billion and Kshs.261.96 billion for external and domestic debts respectively, while interest payments comprised of Kshs.154.68 billion and Kshs.308.42 billion for external and domestic debt respectively.

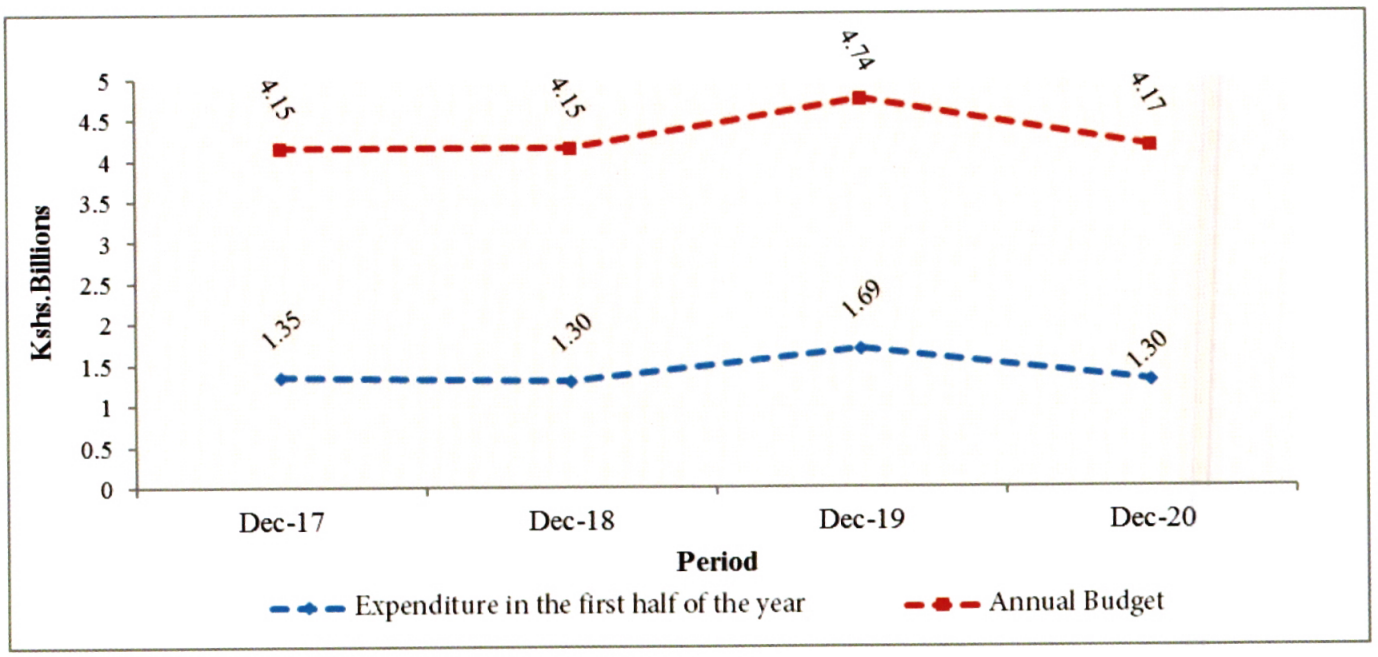
Total expenditure on public debt during the reporting period amounted to Kshs.350.31 billion; representing 38.7 per cent of the annual estimates recording a decline from Kshs.397.59 billion (57.1 per cent) recorded in a similar period of the FY 2019/20. The decline is attributed to decrease in domestic debt redemptions and interest payments which could be due to the changing dynamics in the overall debt and maturity structure as well as rescheduling of Chinese debt repayment. The expenditure comprised of Kshs.141.78 billion (Kshs.80.71 billion and Kshs.61.04 billion) and Kshs.208.53 billion (Kshs.85.23 billion and Kshs.123.34 billion) towards principal and interest payment for both external debt and domestic debt respectively.

3.3.2 Salaries and Allowances and Miscellaneous Services

Allocation for payment of salaries and allowances for Constitutional Office holders in the FY 2020/21 amounted to Kshs.4.17 billion, a decline of Kshs.476 million compared to Kshs.4.64 billion allocated in the FY 2019/20. Total expenditure towards this vote was Kshs.1.30 billion representing 31.2 per cent of the annual estimates, a decline compared to Kshs.1.69 billion (35.4 per cent) recorded in a similar period of the FY 2019/20.

Figure 3.4 shows the trend in budgetary allocations and expenditure for Salaries, allowances and miscellaneous services in the first half of the year from December 2017 to December 2020.

Figure 3.4: Trend in Salaries, Allowances and Miscellaneous Services Performance for the first half of the Year from December 2017 to December 2020 (Kshs. Billions)



Source: *National Treasury*

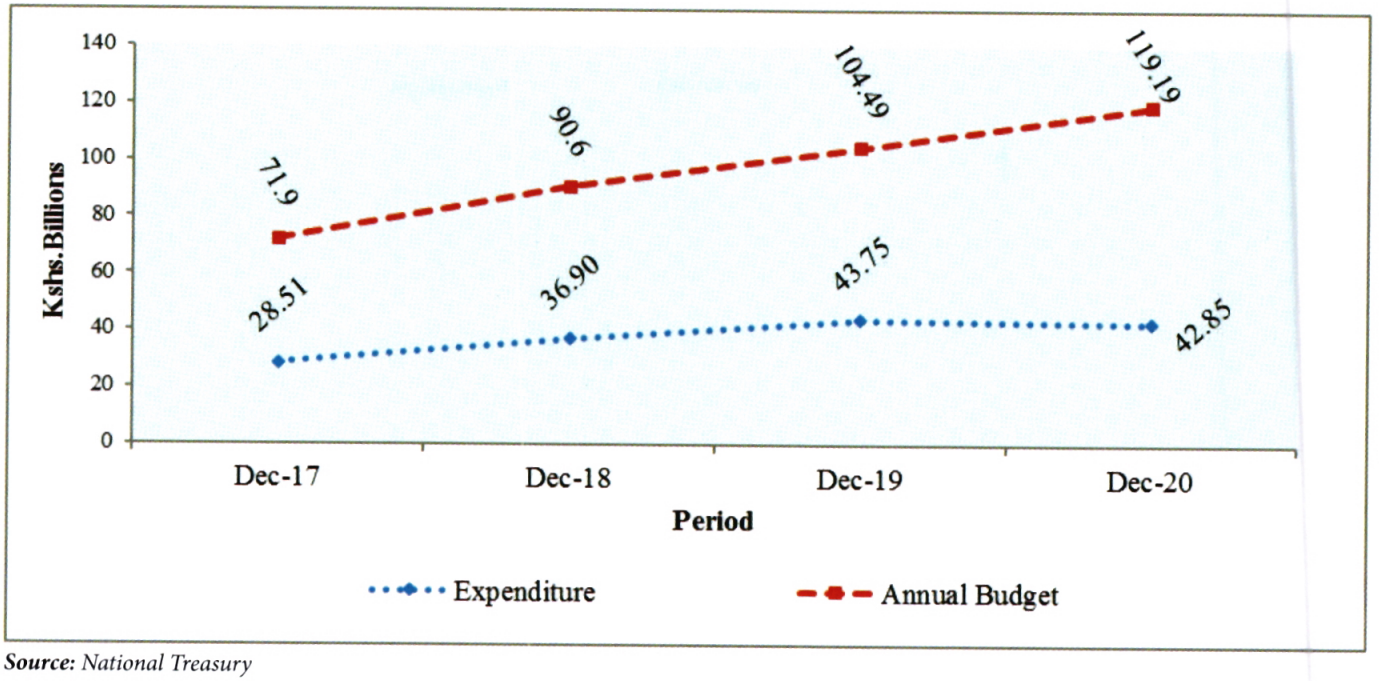
The reduction in both budget provisions and expenditure compared to FY 2019/20 was due to delay in the appointment of the Auditor General following end of term of the first holder of the office and the Office of the former presidents following death of the second president of Kenya in early 2020.

3.3.3 Pensions and Gratuities

The annual estimates for pensions and gratuities for the FY 2020/21 amounted to Kshs.119.92 billion, an increase of 37 per cent compared to the Kshs.86.99 billion allocated in the FY 2019/20. Exchequer issues towards payment of pensions and gratuities in the first half of the FY 2020/21 amounted to Kshs.42.85 billion, representing 36 per cent of the gross estimate, a slight decline from Kshs.43.75 billion (41.9 per cent) recorded in a similar period of FY 2019/20.

Figure 3.5 shows the trend in annual budgetary allocation and expenditure for pensions and gratuities for the first half of the year between December 2017 and December 2020.

Figure 3.5 Trend in Pensions and Gratuities Performance for the First Half of the year between December 2017 to December 2020.



Source: *National Treasury*

3.4 MDAs Expenditure Analysis.

This section presents an analysis of MDA's expenditure for both development and recurrent activities in the first six months of FY 2020/21. Development expenditure is analyzed by the main budget items, which include Capital Transfers to SAGAs', civil works and construction of residential and non-residential buildings, Refurbishment of Buildings and Infrastructure, Purchase of specialized plant, equipment and machinery, Pre-feasibility studies while the rest are aggregated under Other Expenses development expenditure.

Recurrent expenditure analysis is based on main budget items namely Compensation to Employees and Operations and Maintenance (O &M). O & M is further disaggregated into the various budget items which include; Travel, Printing and Advertising, Rentals and Rates for non-residential buildings, Training, Hospitality, Maintenance Expenses for motor vehicles and other assets, Current Transfers to SAGAs', among other expenses.

3.4.1 MDAs Development Expenditure Analysis

In the FY 2020/21, gross allocation towards MDAs development activities amounted to Kshs.633.31 billion a decline compared to Kshs.712.6 billion allocated in the FY 2019/20. Funding of the development budget was targeted to be through Appropriations-in-Aid and donor funding and by the government at Kshs.245.38 billion and Kshs.387.73 billion respectively.

Table 3.3 shows the breakdown of development expenditure by MDAs in the first half of the FY 2020/21.

Table 3.3: Breakdown of Development Expenditure by MDAs (Kshs. Millions)

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	-	4.63	2,514.74	14.81	-	62.50	-	4,211.00	6,807.66	-	6,807.66
State Department for Interior and Citizen Services	-	289.13	146.49	41.60	-	1,539.28	-	950.56	2,967.06	-	2,967.06
State Department for Correctional Services	-	19.91	3.49	-	-	-	-	-	23.40	-	23.40
State Department for Devolution	-	-	-	-	-	-	-	439.76	439.76	-	439.76
State Department for Development for the ASALs	2,538.60	-	4.81	-	-	-	-	52.54	2,595.95	-	2,595.95
Ministry of Defence	7,890.53	-	-	-	-	-	-	-	7,890.53	-	7,890.53
Ministry of Foreign Affairs	5.78	-	312.71	-	-	-	-	300.00	618.50	-	618.50
State Department for Vocational and Technical Training	348.41	226.91	-	-	-	-	-	1,107.24	1,682.55	-	1,682.55
State Department for University Education	1,990.30	82.42	-	-	-	-	-	6.45	2,079.17	82.13	1,997.04
State Department for Early Learning & Basic Education	3,734.63	-	-	-	-	-	-	-	3,734.63	-	3,734.63
The National Treasury		-	58.30	-	-	25.44	43.24	97.09	19,311.94	-	19,311.94
State Department for Planning	18,206.41	-	-	-	-	-	62.92	0.00	18,269.33	-	18,269.33
Ministry of Health	6,495.73	68.08	-	-	-	9.00	75.53	6,120.15	12,768.49	-	12,768.49
State Department for Infrastructure	19,002.81	8.10	6.91	-	0.37	-	58.48	16,993.45	36,070.13	-	36,070.13
State Department for Transport	17,220.36	-	-	-	22,094.71	-	-	-	39,315.07	10,580.23	28,734.84
State Department for Shipping and Maritime.	-	76.50	-	-	-	-	-	32.50	109.00	-	109.00
State Department for Housing and Urban Development	115.00	-	135.35	-	-	-	65.59	12,719.19	13,035.13	394.21	12,640.93
State Department for Public Works	-	178.30	138.85	27.79	-	-	31.19	39.52	415.64	6.18	409.46
Ministry of Water, Sanitation and Irrigation	14,431.05	-	-	-	22.66	-	-	3.36	14,457.08	-	14,457.08
Ministry of Environment and Forestry	728.00	-	28.72	-	-	230.38	-	501.96	1,489.06	-	1,489.06
Ministry of Lands and Physical Planning	-	24.09	-	-	-	7.46	247.44	634.53	913.52	-	913.52

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
State Department for Information Communications and Technology	6,187.13	-	-	-	-	1,077.41	10.81	400.82	7,676.17	-	7,676.17
State Department for Broadcasting & Telecommunications	230.28	-	-	-	-	-	-	38.42	268.70	-	268.70
State Department for Sports	77.79	-	-	-	-	-	-	-	77.79	-	77.79
State Department for Heritage	15.30	-	-	-	-	-	-	-	15.30	-	15.30
Ministry of Energy	4,128.11	11,794.28	34.85	-	-	4.54	84.47	222.99	16,269.24	-	16,269.24
State Department for Livestock.	330.80	0.44	421.87	-	-	-	-	421.86	1,174.96	-	1,174.96
State Department for Crop Development and Agricultural Research	851.32	11.82	282.56	-	-	20.40	99.39	7,055.92	8,321.41	-	8,321.41
State Department for Fisheries, Aquaculture and the Blue Economy	-	115.09	-	-	230.80	-	247.77	692.92	1,286.58	-	1,286.58
State Department for Cooperatives	250.00	-	-	-	-	16.90	5.32	41.44	313.66	-	313.66
State Department for Trade	356.80	-	-	-	-	-	19.50	26.36	402.66	-	402.66
State Department for Industrialization	1,149.28	-	-	-	-	-	80.04	-	1,229.33	-	1,229.33
State Department for Labour	452.83	109.69	-	-	-	2.60	3.20	21.54	589.86	-	589.86
State Department for Social Protection, Pensions and Senior Citizen Affairs	100.00	-	-	-	-	-	-	31.74	131.74	-	131.74
State Department for Mining	-	0.28	-	-	-	2.94	10.28	38.57	52.07	-	52.07
State Department for Petroleum	-	-	-	-	-	45.41	362.94	220.30	628.66	-	628.66
State Department for Tourism	2,549.80	48.74	55.50	-	-	-	-	-	2,154.14	-	2,154.14
State Department for Wildlife	-	-	-	-	-	-	-	393.67	393.67	-	393.67
State Department for Public Service	551.00	0.03	-	-	-	-	-	24.61	575.64	-	575.64
State Department for Youth	-	10.41	5.44	-	-	-	-	452.87	468.72	-	468.72
State Department for Gender	1,181.00	-	-	-	-	-	-	-	1,181.00	-	1,181.00

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 Regional and Northern Corridor Development	411.88	-	-	-	-	-	-	-	411.88	-	411.88
State Law Office and Department of Justice	-	-	-	-	-	-	-	43.50	43.50	-	43.50
The Judiciary	-	115.30	2.30	-	-	-	0.64	650.10	768.34	-	768.34
National Land Commission				-	-	-	-	553.80	553.80	-	553.80
Independent Electoral and Boundaries Commission	-	75.00	-	-	-	-	-	-	75.00	-	75.00
Parliamentary Joint Services	-	1,264.23	20.75	-	-	-	-	89.70	1,374.68	-	1,374.68
Auditor General	-	15.67	-	-	-	-	-	-	15.67	-	15.67
Total	**130,118.88**	**14,539.05**	**4,173.63**	**84.19**	**22,348.55**	**3,044.25**	**1,508.75**	**55,630.45**	**231,447.75**	**11,062.75**	**220,385.00**

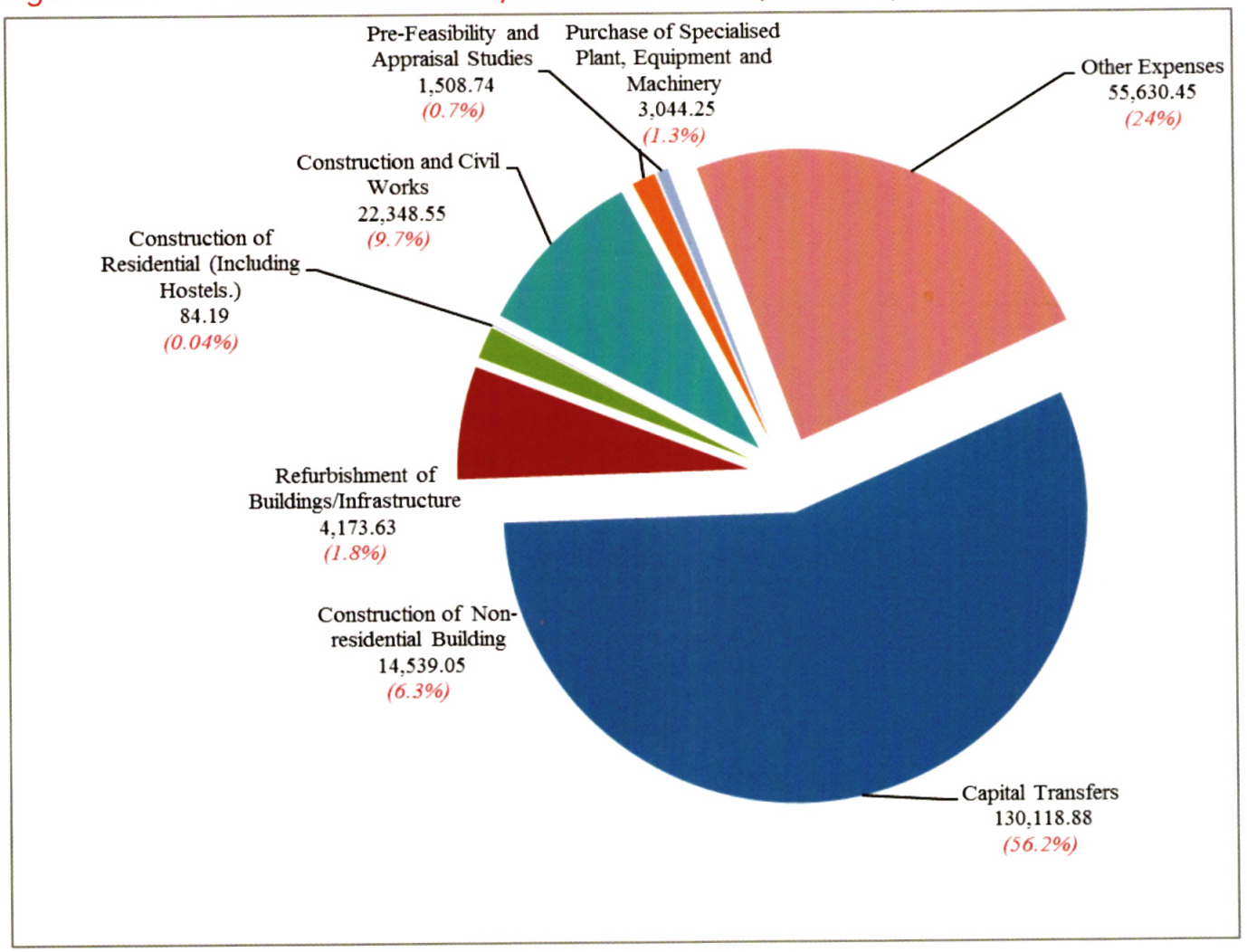
Source: *MDAs and National Treasury IFMIS Directorate*

Analysis of MDAs development expenditure by budget items in the first half of the FY 2020/21 shows that, the highest expenditure by category was on capital transfers to SAGAs at Kshs.130.12 billion, representing 56.2 per cent of the gross development expenditure. The second highest spending category was Construction and Civil Works at Kshs.22.3 billion representing 9.7 per cent of the development expenditure. Other categories with significant expenditure include Construction on Non-residential building at Kshs.14.54 billion and Refurbishment of building/infrastructure at Kshs.4.17 billion represent 6.3 per cent and 1.8 per cent respectively.

Further analysis shows that the State Department for Infrastructure had the highest capital transfers to SAGAs at Kshs.19 billion representing 14.6 per cent of the total capital transfers followed by the State Department for Planning at Kshs.18.21 billion which represented 14 per cent. State Department for Transport incurred the highest expenditure on Construction and Civil Works at Kshs.22.1 billion, representing 98.9 per cent of the expenditure under this category. The Executive Office of the President reported the highest spending on refurbishment of buildings/infrastructure at Kshs.2.5 billion which was equivalent to 60.3 per cent of the total expenditure under this category.

Figure 3.6 shows the composition of MDAs development expenditure in the first half of the FY 2020/21.

Figure 3.6: Breakdown Summary of MDAs' Development Expenditure (Kshs. Million)



Source; *MDAs and National Treasury*

3.4.2 MDAs Recurrent Expenditure Analysis

In the FY 2020/21, the allocation for MDAs recurrent expenditure amounted to Kshs.1.2 trillion representing a slight decrease compared to Kshs.1.26 trillion allocated in the FY 2019/20. Total expenditure by MDAs in the first six months of the year was Kshs.550.17 billion representing 45.8 per cent of the recurrent expenditure gross estimates.

A breakdown of the MDAs' total recurrent expenditure in the first half of the FY 2020/21 is presented in table 3.4

Table 3.4: Breakdown of Recurrent Expenditure by MDAs (Kshs. Millions)

MINISTRY/STATE DEPARTMENT	PERSONNEL EMOLUMENT (PE)	OPERATIONS & MAINTENANCE (O&M)										Current Transfers	Gross Expenditure	(A-I-A)	Net Expenditure
		Domestic Travel	Foreign Travel	Printing and Advertising	Rentals and Rates- Non Residential	Training	Hospitality	Maintenance Expenses- Motor Vehicles	Maintenance Expenses-Other Assets	Legal Fees	Other Expenses				
The Executive Office of the President	977.02	173.75	25.65	20.71	30.48	28.09	500.20	91.41	56.04	-	3,194.16	-	5,097.50	-	5,097.50
State Department for Interior and Citizen Services	41,970.79	681.31	12.60	22.74	212.36	68.67	257.59	333.74	65.56	-	17,697.52	1,124.76	62,447.63	-	62,447.63
State Department for Correctional Services	9,947.88	24.19	0.02	0.43	43.52	2.71	2.18	7.31	0.12	-	1,013.85	-	11,042.22	-	11,042.22
State Department for Devolution	92.43	6.58	-	0.70	19.67	1.01	3.63	0.30	0.58	-	8.42	231.52	364.84	-	364.84
State Department for Development for the ASALs	82.08	6.96	1.14	0.07	37.56	1.98	7.96	0.51	0.63	-	16.88	323.47	479.25	-	479.25
Ministry of Defence	506.94	24.81	5.97	1.27	-	9.06	15.73	3.67	2.58	-	63,853.46	-	64,423.48	-	64,423.48
Ministry of Foreign Affairs	3,453.90	108.68	739.46	15.67	1,107.77	4.56	156.18	31.11	53.67	-	1,435.28	51.07	7,157.34	-	7,157.34
State Department for Vocational and Technical Training	2,913.30	4.80	0.57	0.36	9.62	2.13	1.00	1.56	0.12	-	5.78	3,287.41	6,226.16	-	6,226.16
State Department for University Education	70.08	5.70	2.90	0.84	10.08	1.80	5.03	3.88	0.05	-	15.14	28,473.81	28,589.32	-	28,589.32
State Department for Early Learning & Basic Education	1,719.53	11.05	0.60	1.94	12.15	0.25	4.83	6.60	9.49	-	31,343.56	8,343.08	41,453.08	-	41,453.08
State Department for Post Training and Skills Development	35.66	3.78	0.60	-	1.62	0.47	1.87	0.01	-	-	1.77	-	45.76	-	45.76
The National Treasury	1,166.42	22.76	3.81	0.73	25.78	3.51	138.35	2.65	1.46	-	3,649.70	15,214.32	20,229.50	-	20,229.50
State Department for Planning	166.23	14.00	0.06	4.84	16.02	4.37	20.87	3.01	0.49	-	1,243.91	-	1,473.81	-	1,473.81
Ministry of Health	5,011.94	41.34	0.84	0.13	-	162.56	28.54	2.19	4.55	-	198.82	14,115.35	19,566.25	-	19,566.25
State Department for Infrastructure	536.56	1.35	-	-	-	0.02	1.59	0.56	1.02	-	61.15	29,179.87	29,179.87	-	29,782.12
State Department for Transport	105.09	16.13	4.44	4.78	3.27	6.36	6.23	1.52	2.45	-	73.44	2,260.41	2,484.12	1,743.75	740.37
State Department for Shipping and Maritime.	45.01	4.42	0.80	0.05	5.95	1.33	2.68	0.16	0.14	-	5.64	388.90	455.07	-	455.07
State Department for Housing, Urban Development	317.76	1.16	0.29	0.23	13.38	0.52	2.46	2.09	0.47	-	50.74	40.00	429.09	-	429.09
State Department for Public Works	390.63	3.35	-	0.03	36.89	0.24	1.00	0.26	0.15	0.13	15.57	639.00	1,087.25	-	1,087.25
Ministry of Water, Sanitation and Irrigation	286.95	6.10	0.13	0.14	-	1.18	5.27	1.30	0.37	0.11	12.98	1,523.56	1,838.09	-	1,838.09

MINISTRY/STATE DEPARTMENT	PERSONNEL EMOLUMENT (PE)	OPERATIONS & MAINTENANCE (O&M)										Current Transfers	Gross Expenditure	(A-I-A)	Net Expenditure
		Domestic Travel	Foreign Travel	Printing and Advertising	Rentals and Rates- Non Residential	Training	Hospitality	Maintenance Expenses- Motor Vehicles	Maintenance Expenses-Other Assets	Legal Fees	Other Expenses				
Ministry for Environment and Forestry	536.81	2.67	1.94	0.35	20.66	0.63	37.38	1.42	1.61	-	44.29	3,827.97	4,475.72	502.05	3,973.67
Ministry of Lands and Physical Planning	1,150.51	1.35	0.20	0.05	-	0.94	0.41	0.78	0.43	0.14	26.37	-	1,181.18	-	1,181.18
State Department for Information Communications and Technology	83.81	7.78	0.73	0.65	49.44	6.88	6.87	3.19	0.60	-	122.09	416.30	698.34	-	698.34
State Department for Broadcasting & Telecommunications	154.80	12.60	2.58	178.51	17.89	0.84	12.46	0.66	0.74	0.01	24.10	2,021.04	2,426.22	761.85	1,664.37
State Department for Sports	46.72	4.15	23.44	0.04	-	0.14	56.28	0.12	0.14	-	9.73	178.33	319.09	-	319.09
State Department for Culture and Heritage	110.56	17.84	1.50	4.31	6.14	1.53	25.07	1.10	1.32	-	21.76	908.39	1,099.51	81.20	1,018.31
Ministry for Energy	178.61	39.69	3.70	0.91	-	5.40	21.64	6.20	3.39	-	38.53	561.67	859.73	-	859.73
State Department for Livestock.	592.50	6.80	0.66	1.19	25.10	2.05	13.82	2.40	1.33	-	93.88	357.82	1,097.55	6.19	1,091.35
State Department for Crop Development and Agricultural Research	355.88	8.94	0.44	0.70	8.71	2.15	1.74	1.38	0.64	-	8,689.69	3,432.00	12,502.28	-	12,502.28
State Department for Fisheries, Aquaculture and the Blue Economy	130.84	6.16	0.42	0.18	2.91	0.57	3.25	1.68	1.30	-	38.47	721.27	907.06	-	907.06
State Department for Cooperatives	96.46	13.62	3.38	2.73	-	4.32	8.15	2.88	2.43	-	32.47	221.94	388.38	217.78	170.60
State Department for Trade	97.44	9.66	7.08	0.63	43.60	1.49	6.24	0.21	0.25	-	39.14	514.61	720.36	1.07	719.29
State Department for Industrialization	196.41	3.21	0.61	0.72	54.49	1.33	0.95	1.29	0.44	-	11.02	692.17	962.63	376.93	585.71
State Department for Labour	333.65	18.29	2.53	1.78	121.26	3.97	13.74	3.42	1.34	-	49.39	270.81	820.16	26.23	793.94
State Department for Social Protection, Pensions and Senior Citizen Affairs	588.43	8.87	1.88	0.32	0.02	0.10	7.95	0.32	0.81	-	177.91	13,521.97	14,308.58	26.23	14,282.35
State Department for Mining	194.68	1.53	0.33	0.10	0.49	7.81	1.39	1.37	0.27	0.77	33.83	-	242.56	14.80	227.76
State Department for Petroleum	55.82	5.74	0.13	0.77	-	2.17	4.89	0.83	0.70	-	9.12	-	80.18	23.50	56.68
State Department for Tourism	165.59	14.72	6.06	1.22	8.98	1.92	15.26	1.92	0.06	-	14.60	1,093.68	1,324.02	1,043.39	280.63
State Department for Wildlife	50.90	3.75	-	0.10	26.87	0.12	1.77	0.84	0.06	527.58	47.45	2,928.45	3,587.90	-	3,587.90
State Department for Public Service	292.68	9.48	3.17	2.33	100.16	11.35	26.78	4.68	3.72	0.06	4,433.31	4,413.53	9,301.24	458.02	8,843.22
State Department for Youth	265.02	12.06	4.21	5.83	33.41	13.82	8.53	4.35	5.57	0.35	58.47	213.52	625.14	-	625.14
State Department for Gender	90.71	9.12	0.78	1.66	17.31	2.34	5.91	0.49	1.79	-	15.52	131.26	276.88	-	276.88

MINISTRY/STATE DEPARTMENT	PERSONNEL EMOLUMENT (PE)	OPERATIONS & MAINTENANCE (O&M)										Current Transfers	Gross Expenditure	(A-I-A)	Net Expenditure
		Domestic Travel	Foreign Travel	Printing and Advertising	Rentals and Rates- Non Residential	Training	Hospitality	Maintenance Expenses- Motor Vehicles	Maintenance Expenses-Other Assets	Legal Fees	Other Expenses				
State Department for East African Community	78.31	6.37	-	0.26	-	1.40	6.45	0.76	0.20	-	5.17	940.05	991.15	-	128.22
State Department for Regional and Northern Corridor Development	31.74	6.37	-	0.26	-	1.40	6.45	0.76	0.20	-	3.91	940.05	991.15	-	991.15
State Law Office and Department of Justice	519.81	37.17	2.89	2.41	37.86	3.30	16.07	6.13	3.25	126.79	64.62	881.74	1,702.07	159.88	1,542.18
The Judiciary	4,951.73	265.93	1.32	10.43	26.28	1.15	105.31	62.43	12.16	-	910.48	-	6,347.22	-	6,347.22
Ethics and Anti-Corruption Commission	1,032.07	75.53	0.20	23.96	23.39	16.70	35.21	15.22	4.81	2.95	369.72	-	1,599.76	-	1,599.76
National Intelligence Service	16,814.44	-	-	-	-	-	-	-	-	-	-	-	16,814.44	-	16,814.44
Office of the Director of Public Prosecutions	880.65	29.12	1.02	0.77	101.91	2.31	15.83	6.70	1.77	-	45.79	-	1,085.87	-	1,085.87
Office of the Registrar of Political Parties	70.44	8.28	0.02	0.31	8.32	0.91	5.02	0.05	0.11	0.46	21.97	746.43	862.31	-	862.31
Witness Protection Agency	99.45	0.45	-	0.32	7.64	0.42	1.40	0.80	0.79	-	148.47	-	259.75	-	259.75
Kenya National Commission on Human Rights	133.29	-	-	-	13.33	0.03	0.13	0.43	0.25	-	28.96	-	176.41	-	176.41
National Land Commission	346.17	5.35	0.48	0.09	8.21	1.56	3.11	0.04	0.05	-	8.85	-	373.90	-	373.90
Independent Electoral and Boundaries Commission	1,155.32	89.04	0.76	5.62	139.13	13.66	31.90	5.70	7.70	0.03	462.63	-	1,911.49	-	1,911.49
Parliamentary Joint Services	1,122.39	63.73	0.48	9.35	305.91	15.20	19.89	0.10	14.20	-	932.45	-	2,483.68	-	2,483.68
Parliamentary Service Commission	1,359.42	545.53	49.71	15.31	-	2.61	37.61	12.46	2.27	-	348.49	-	2,373.41	-	2,373.41
National Assembly	5,311.33	2,094.18	70.17	27.17	-	23.73	76.78	24.90	15.74	-	1,502.68	-	9,146.68	-	9,146.68
Judicial Service Commission	80.50	13.54	3.50	1.45	14.62	2.84	42.22	2.07	0.01	-	46.48	-	207.23	-	207.23
Commission on Revenue Allocation	71.73	0.91	-	0.10	24.00	0.01	1.12	1.79	-	1.96	21.23	-	122.86	-	122.86
Public Service Commission	950.48	16.08	0.50	7.32	4.85	11.26	21.08	4.03	4.79	-	150.87	-	1,171.26	-	1,171.26
Salaries and Remuneration Commission	124.30	2.65	-	0.30	15.50	1.11	6.28	0.98	1.84	-	14.14	-	167.10	-	167.10
Teachers Service Commission	135,543.51	12.07	1.56	1.91	13.07	31.62	9.51	5.79	5.45	10.76	169.30	-	135,804.56	-	135,804.56
National Police Service Commission	150.69	6.21	-	0.46	40.89	0.12	5.61	0.53	0.13	-	17.89	-	222.53	-	222.53
Auditor General	1,809.19	192.59	0.06	5.24	94.98	2.06	12.75	6.56	12.82	-	210.41	-	2,346.66	-	2,346.66
Controller of Budget	157.14	3.08	-	7.32	0.14	0.63	2.63	0.50	0.07	0.00	9.58	-	181.08	-	181.08
Commission on Administrative Justice	148.94	0.59	-	0.09	7.14	0.13	1.20	1.01	0.29	0.01	27.61	-	187.01	-	187.01

MINISTRY/STATE DEPARTMENT	PERSONNEL EMOLUMENT (PE)	OPERATIONS & MAINTENANCE (O&M)										Current Transfers	Gross Expenditure	(A-I-A)	Net Expenditure
		Domestic Travel	Foreign Travel	Printing and Advertising	Rentals and Rates- Non Residential	Training	Hospitality	Maintenance Expenses- Motor Vehicles	Maintenance Expenses-Other Assets	Legal Fees	Other Expenses				
National Gender and Equality Commission	109.17	10.76	2.08	1.04	20.18	3.64	1.71	0.95	0.62	-	48.62	-	198.77	-	198.77
Independent Policing Oversight Authority	241.12	16.67	-	2.35	35.15	3.36	5.93	3.84	1.85	-	117.55	-	427.81	-	427.81
Total	**248,858.35**	**4,888.74**	**1,001.06**	**404.39**	**3,089.96**	**512.83**	**1,914.87**	**699.14**	**320.12**	**672.09**	**143,616.77**	**144,191.46**	**550,169.79**	**5,442.87**	**544,726.93**

Source: *MDAs and National Treasury IFMIS Directorate*

Note:

(1) Expenditure reports from IFMIS and those from MDAs indicated that some MDAs generated and spent Appropriations-in-Aid (AIA) in carrying out their activities

(2) Expenditure on PE does not include Payments to the Military under the Ministry of Defence and are they are accounted under current transfer and other expenses respectively.

The MDAs' recurrent expenditure is disaggregated into Compensation to Employees, Operations and Maintenance and Current Transfers to SAGAs as discussed below.

Compensation to Employees

Compensation to Employees includes Basic salaries for permanent employees, wages for temporary employees and personal allowances paid as part of salary among other payments to staff. The total expenditure under compensation to employees in the period under review was Kshs.248.86 billion (doesn't include payment to Kenya Defence Forces (KDF), under the Ministry of Defence) representing 45.2 per cent of the MDAs' recurrent expenditure. TSC recorded the highest expenditure at Kshs.135.54 billion representing 54.5 per cent of the total expenditure on compensation to employees.

Operation and Maintenance

This category includes among others domestic and foreign travel, printing and advertising, rent and rates for non-residential buildings, training, hospitality, legal fees, and maintenance expenses include refined vehicles and other. Some of the items aggregated under other expenses include refined fuel and lubricants for transport, contracted professional services, motor vehicle insurance, and medical insurance for the staff.

In the period under review, travelling expenditure was Kshs.5.89 billion, recording a significant decline compared to Kshs.9 billion recorded in a similar period FY 2019/20. This comprised of domestic travel of Kshs.4.89 billion and Kshs.1 billion on foreign travel. The decline is attributed to interruption of local and foreign travelling due to mitigation measures introduced by Government to curb spread of the COVID-19 pandemic.. Rent and rates on residential buildings recorded Kshs.3.09 billion, while hospitality was Kshs.1.9 billion.

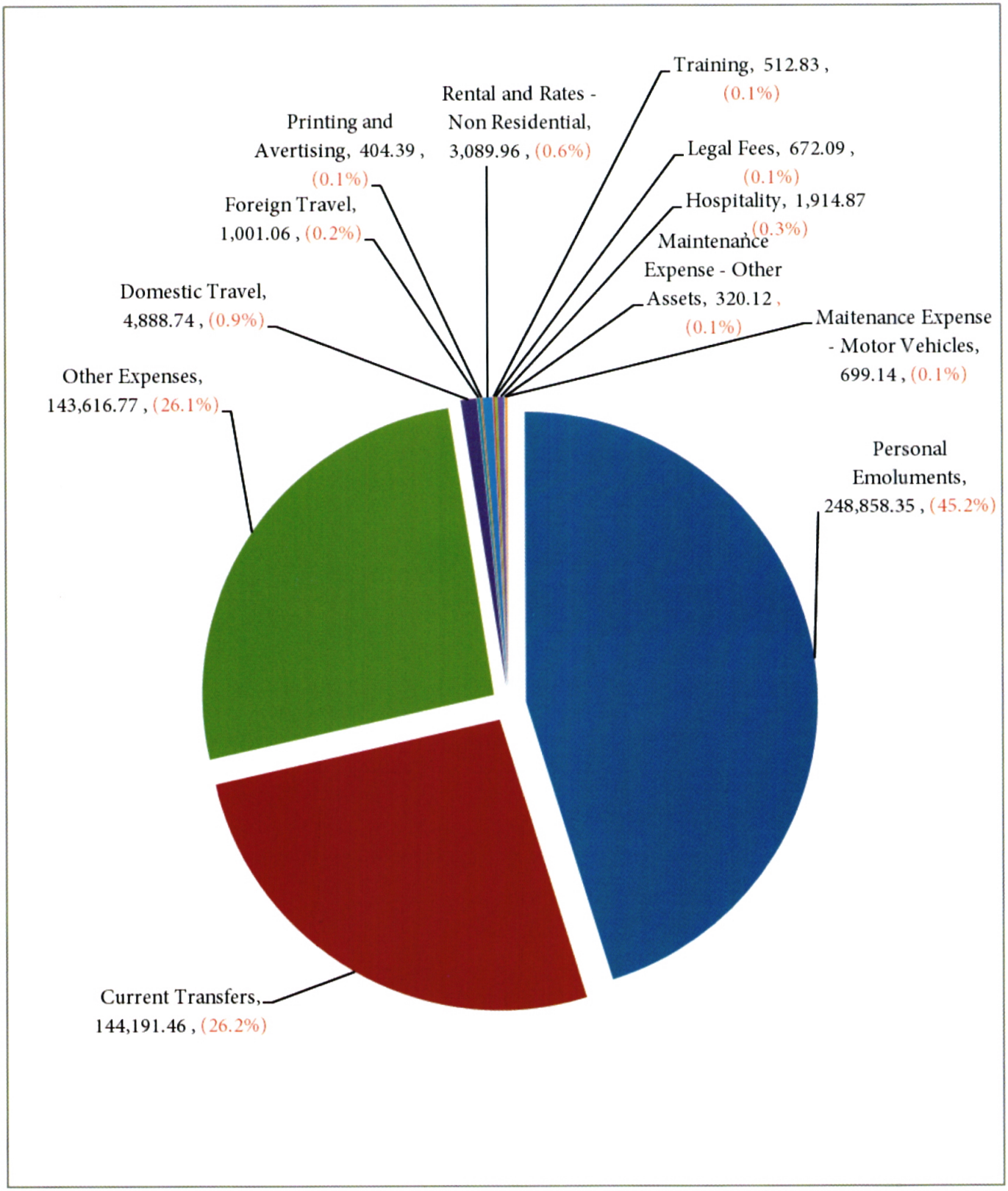
Expenditure aggregated under "other expenses" was Kshs.143.62 billion. The highest spending by MDAs under this category was Kshs.63.9 billion by the Ministry of Defence being payments to KDF.

Transfers to Semi-Autonomous Government Agencies

Transfers by the MDAs to SAGAs are meant to complement activities and mandates executed on behalf of parent ministries. In the period under review, current transfers to SAGAs amounted to Kshs.144.2 billion, representing 26.2 per cent of the total MDAs recurrent expenditure. The highest transfer was reported by State Department for Infrastructure at Kshs.29.18 billion representing 20.2 per cent followed by State Department for University Education at Kshs.28.47 billion representing 19.7 per cent of the total amount spent under this category.

Figure 3.7 shows the composition of MDAs recurrent expenditure for the first half of FY 2020/21.

Figure 3.7: Summary Analysis of MDAs' Recurrent Expenditure in the first half of FY 2020/21 (Kshs. Millions)



Source: *MDAs and National Treasury*

4 DEVELOPMENT AND RECURRENT EXPENDITURE ANALYSIS BY SECTOR

4.1 Introduction

This chapter presents an analysis of performance by sector for both development and recurrent expenditure in the first half of the FY 2020/21. Sector performance is presented in an alphabetical order as follows; (i) Agriculture, Rural and Urban Development (ARUD) (ii) Education (iii) Energy, Infrastructure and Information Communications Technology (EI & ICT) (iv) Environmental Protection, Water and Natural Resources (EWNR) (v) General Economic and Commercial Affairs (GECA) (vi) Governance, Justice, Law and Order (GJLO) (vii) Health (viii) National Security (ix) Public Administration and International Relations (PAIR) (x) Social Protection, Culture and Recreation (SPCR) Sector.

4.2 Agriculture, Rural and Urban Development (ARUD) Sector

The sector consists of seven MDAs namely: Ministry of Lands and Physical Planning (MoLPP), State Department for Crop Development and Agricultural Research, State Department for Livestock, State Department for Fisheries, Aquaculture and the Blue Economy and the National Land Commission (NLC), together with affiliated Semi-Autonomous Government Agencies and Training Institutions.

The overall goal of the sector is to attain national food security and sustainable management of land and the Blue Economy. Kenya's economic blueprint, the Kenya Vision 2030 and the Government Agenda on the 'Big Four' initiatives recognize the ARUD sector as a key player in the economic and social development of the country through food production; employment and wealth creation; foreign exchange earnings; security of land tenure and land management.

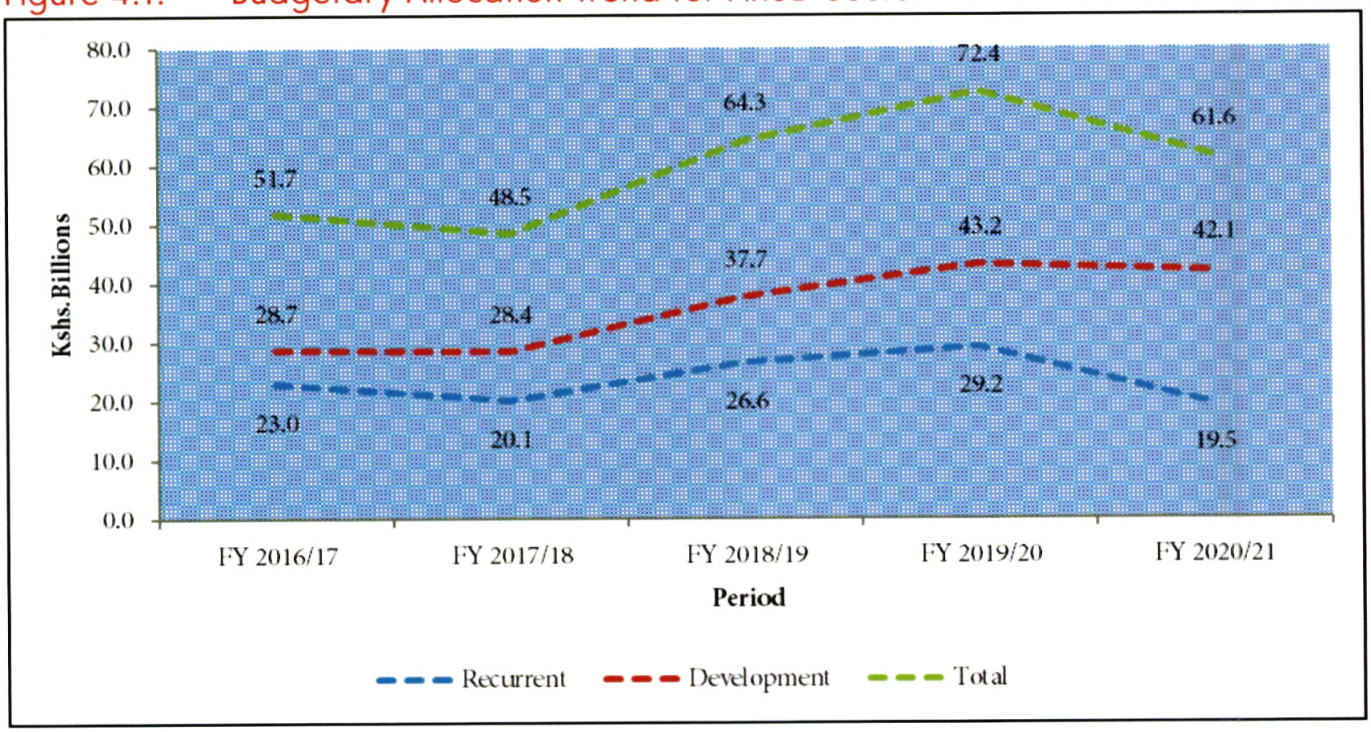
To deliver on the Food and Nutrition Security Agenda under the 'Big Four', key drivers and enablers were identified through ARUD sector with a budgetary allocation of Kshs.38.6 billion. They include the Kenya Smart Climate Agriculture Project (Kshs.10.6 billion), National Agricultural and Rural Inclusivity Project (Kshs.5.5 billion), Kenya Cereal Enhancement Programme (Kshs.4.1 billion), Food Security and Crop Diversification Project (Kshs.0.7 billion), Irrigation and land reclamation (Kshs.10.billion), Enhancing aquaculture business (Kshs.1.8 billion), Small scale irrigation and value addition support (Kshs.1.4 billion), Enhancing resilience of pastoralist communities (Kshs.1.3 billion), Enhancing drought resilience and sustainable livelihood (Kshs.1.1 billion), Support processing of title deeds (Kshs.1.6 billion) and Agricultural loans through Agriculture Finance Corporation (Kshs.0.5 billion).

The budgetary allocation to the sector in FY 2020/21 amounted to Kshs.61.61 billion representing 2 per cent of the gross national budget, a decrease from the Kshs.72.4 billion allocated in FY 2019/20. The reduction alluded to the transfer of the State Department for Irrigation to Environmental Protection, Water and Natural Resources sector through Executive Order no.6 of 2019 dated 22nd August 2019. The allocation comprised of Kshs.42.14 billion (68 per cent) for development activities and Kshs.19.47 billion (32 per cent) for recurrent expenditure. The State Department for Crop Development and Agricultural Research received the highest budgetary allocation of Kshs.41.81 billion (68 per cent of the sector's allocation), while NLC had the lowest budgetary allocation of Kshs.1.23 billion (2 per cent of the sector's allocation).

The high allocation to the State Department for Crop Development and Agricultural Research is due to its' key role in the agricultural policy and research management, national food policy, strategic food reserve, crops development, phytosanitary services and international standards compliance, agricultural farmers training, agricultural land resources inventory and management, among others.

Figure 4.1 shows the budgetary allocation trend for the ARUD sector for the period FY 2016/17 to FY 2020/21.

Figure 4.1: Budgetary Allocation Trend for ARUD Sector



Source: *National Treasury*

In the first half of the FY 2020/21, the total exchequer issues to the ARUD sector amounted to Kshs.24.50 billion representing 45.8 per cent of the sector's net estimates. This comprised of Kshs.9.37 billion for development expenditure, representing 25.5 per cent of development net estimates and Kshs.15.13 billion for recurrent expenditure representing 90.2 per cent of recurrent net estimates.

Table 4.1 shows ARUD sector analysis of exchequer issues and expenditure in the first half of the FY 2020/21.

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

VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. To Net Est.	% of Exp. to Gross Est.	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. To Net Est.	% of Exp. to Gross Est.
Ministry of Lands and Physical Planning	2.80	2.80	1.19	0.91	42.5	32.6	2.82	2.81	1.23	1.18	43.7	41.9
State Department for Crop Development and Agricultural Research	31.01	26.58	6.66	8.32	25.0	26.8	10.80	8.12	11.50	12.50	141.6	34.8
State Department for Livestock	3.36	2.72	0.62	1.17	22.9	34.9	2.63	2.61	1.14	1.10	43.8	41.7
State Department for Fisheries, Aquaculture and the Blue Economy	4.96	4.61	0.90	1.29	19.4	25.9	1.99	1.99	0.80	0.91	40.0	45.5
National Land Commission	-	-	-	-	-	-	1.23	1.23	0.46	0.37	37.2	30.3
Total	**42.14**	**36.72**	**9.37**	**11.70**	**25.5**	**27.8**	**19.47**	**16.77**	**15.13**	**16.06**	**90.2**	**36.1**

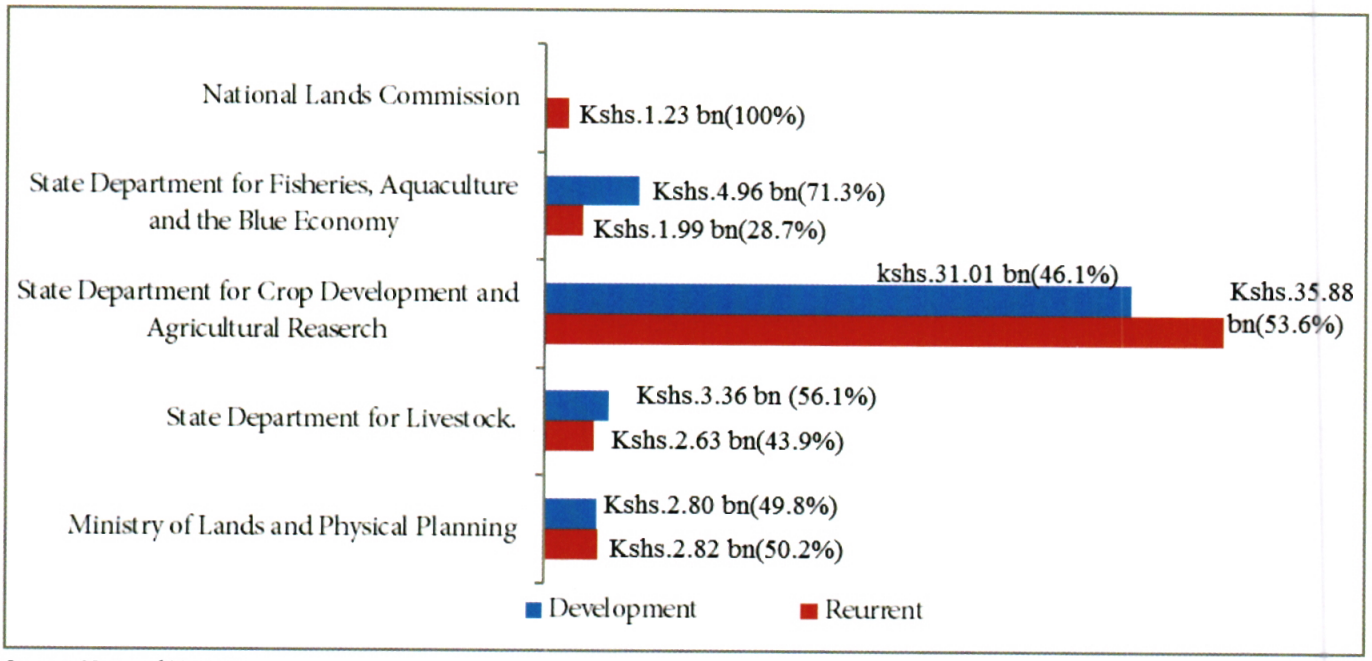
VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. To Net Est.	% of Exp. to Gross Est.	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. To Net Est.	% of Exp. to Gross Est.
Total for the Sector							**Gross Est.**	**Net Est.**	**Exch. Issues**	**Exp.**	**% of Exch. To Net Est.**	**% of Exp. to Gross Est.**
Development							42.14	36.72	9.37	11.70	25.5	27.8
Recurrent							19.47	16.77	15.13	16.06	90.2	36.1
Total							**61.61**	**53.49**	**24.50**	**27.76**	**45.8**	**32.0**

Source: *MDAs and National Treasury*

In the period under review, Ministry of Lands and Physical Planning received the highest proportion of development exchequer issues to development net estimates at 42.5 per cent while the State Department for Fisheries, Aquaculture and the Blue Economy recorded the lowest at 19.4 per cent. The State Department for Crop Development and Agricultural Research recorded the highest proportion of recurrent expenditure to net estimates, which was more than 100 per this is because money allocated for payment of maize subsidy pending bills granted separately cent (while National Land Commission recorded the lowest at 37.2 per cent.

Figure 4.2 shows the exchequer issues to ARUD Sector in the first half of the FY 2020/21.

Figure 4.2: Exchequer Issues to ARUD Sector



Source: *National Treasury*

The total expenditure for the ARUD sector in the first half of the FY 2020/21 amounted to Kshs.27.76 billion representing 45.1 per cent of the gross estimates, an increase compared to 27.7 per cent recorded in a similar period of the FY 2019/20. This comprised of Kshs.11.7 billion for development budget representing absorption of 27.8 per cent and Kshs.16.06 billion for recurrent expenditure representing 82.5 per cent of the recurrent gross estimates, an increase compared from 20.9 per cent recorded in a similar period in FY 2019/20.

The State Department for Livestock recorded the highest absorption on development budget at 34.9 per cent while the State Department for Fisheries, Aquaculture and the Blue Economy recorded the lowest at recorded the lowest at 25.9 per cent. The State Department for Fisheries, Aquaculture and the Blue Economy recorded the highest recurrent expenditure to gross estimates at 45.5 per cent while the National Land Commission recorded the lowest at 30.3 per cent.

4.3 Education Sector

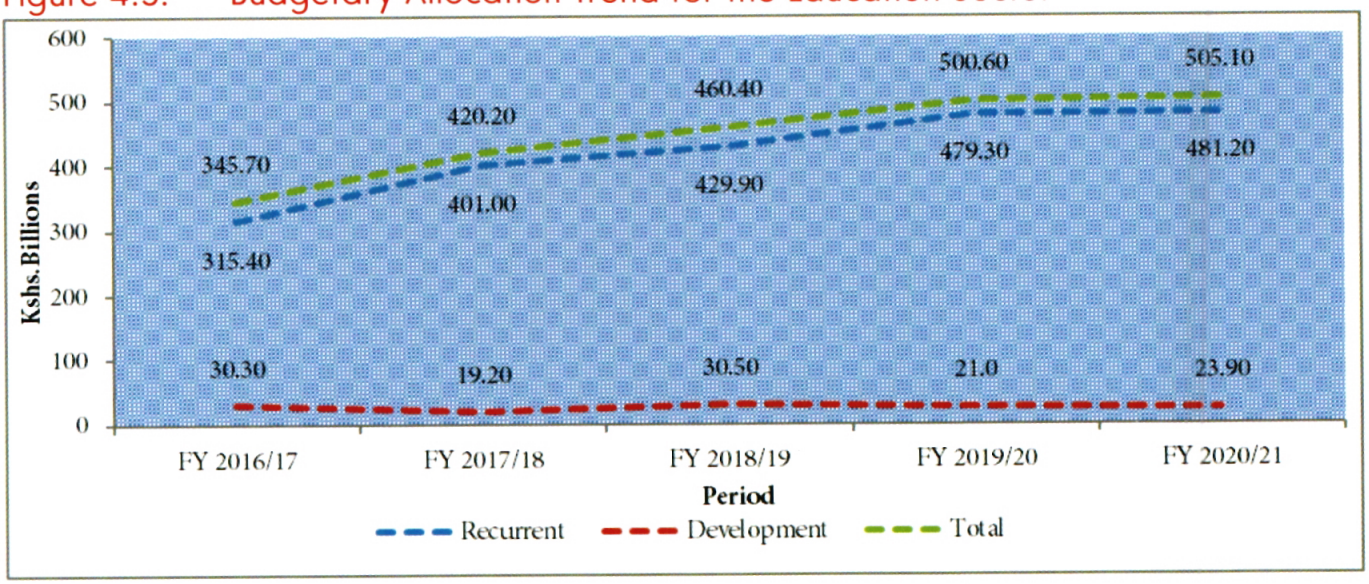
The Education Sector comprises of five MDAs namely State Department for Early Learning and Basic Education, State Department for University Education, State Department for Vocational and Technical Training, State Department for Post-Training and Skills Development and the Teachers Service Commission (TSC), together with their affiliated Agencies and Institutions.

The Education sector is mandated to provide quality education, training, science, technology, research and skills development. The sectors' overall goal is to increase access to education and training, improve quality and relevance of education, reduce inequality as well as leverage on knowledge and skills in science, technology, and innovation for global competitiveness. It also envisions contributing to the achievement of the "Big Four Agenda" by providing the requisite skilled human resources and promoting research and development.

The budgetary allocation to the Sector in the FY 2020/21 amounted to Kshs.505.1 billion representing 15 per cent of the gross national budget, an increase from the Kshs.500.58 billion allocated in the FY 2019/20. The allocation comprised of Kshs.23.93 billion (5 per cent) for development activities and Kshs.481.17 billion (95 per cent) for recurrent expenditure. TSC received the highest budgetary allocation of Kshs.266.09 billion (52.7 per cent of the Sector's allocation), which is attributed to the key role of teacher management. The State Department for Post-Training and Skills Development had the lowest budgetary allocation of Kshs.150.94 million (less than 1 per cent of the sector's allocation) which is attributed to its mandate to provide an institutional framework to devise and implement national, sectoral and workplace strategies to develop and improve the skills of the Kenyan workforce and management of skills and post-training policy.

Figure 4.3 shows the budgetary allocation trend of the Education Sector for the period FY 2016/17 to FY 2020/21.

Figure 4.3: Budgetary Allocation Trend for the Education Sector



Source: *National Treasury*

In the first half of FY 2020/21, the Education sector received exchequer issues amounting to Kshs.192.44 billion representing 43.3 per cent of the sector's net estimates. This comprised of Kshs.9.3 billion for development expenditure representing 46.4 per cent and Kshs.183.13 billion was for recurrent expenditure representing 43.2 per cent of the sector's net recurrent estimates.

Table 4.2 shows the Education sector analysis of exchequer issues and expenditure in the first three months of FY 2020/21.

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

Billions)

VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.	ross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. To Net Est.	% of Exp. to Gross Est.
State Department for Vocational and Technical Training	6.27	3.47	0.44	1.68	12.6	26.8	18.64	13.95	4.95	6.23	35.5	33.4
State Department for University Education	5.38	4.60	2.02	2.08	43.9	38.7	107.76	57.34	24.85	28.59	43.3	26.5
State Department for Early Learning and Basic Education	11.69	11.39	6.85	3.73	60.1	31.9	89.13	87.70	20.68	41.45	23.6	46.5
State Department for Post-Training and Skills Development	-	-	-	-	-	-	0.15	0.15	0.06	0.05	36.5	30.3
Teachers Service Commission	0.60	0.60	-	-	-	-	265.49	264.98	132.60	135.80	50.0	51.2
Total	**23.93**	**20.06**	**9.30**	**7.50**	**46.4**	**31.3**	**481.17**	**424.11**	**183.13**	**212.12**	**43.2**	**44.1**

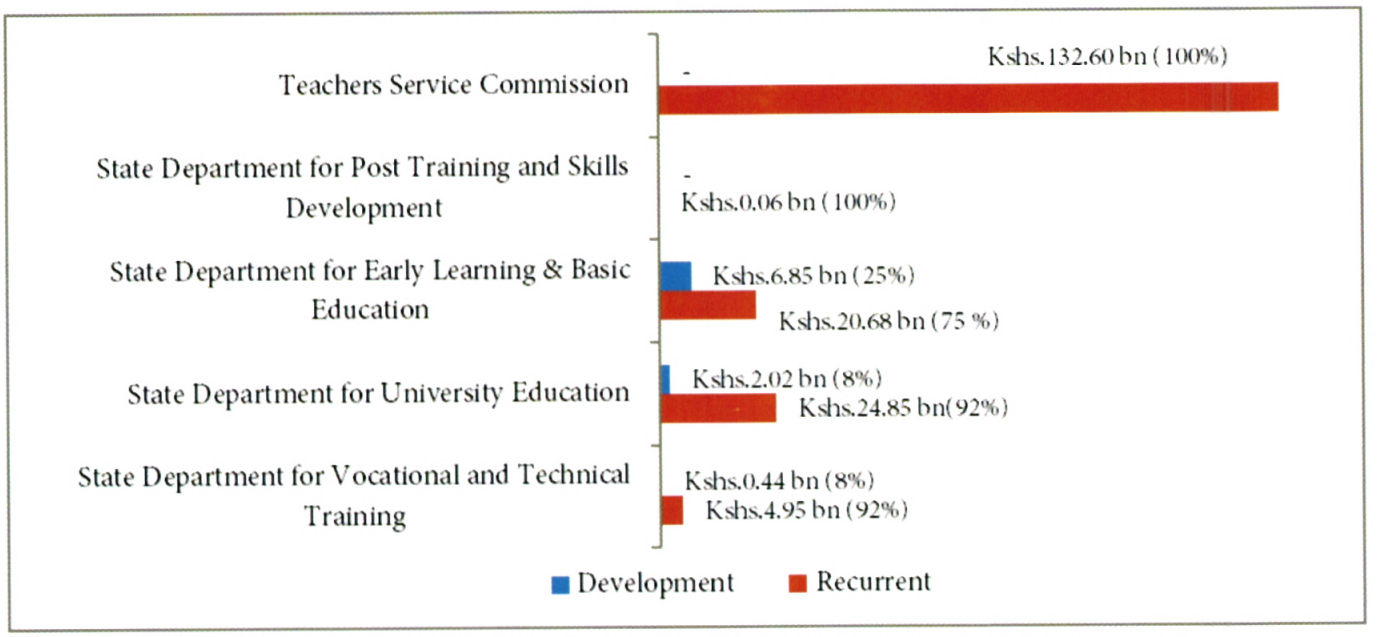
Total for the Sector	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to. Gross Est.
Development	23.93	20.06	9.30	7.50	46.4	31.3
Recurrent	481.17	424.11	183.13	212.12	43.2	44.1
Total	**505.10**	**444.17**	**192.44**	**219.62**	**43.3**	**43.5**

Source: *MDAs and National Treasury*

In the period under review, the State Department for Early Learning and Basic Education received the highest proportion of development exchequer issues to the net estimates at 60.1 per cent while the State Department for Vocational and Technical Training received the lowest at 12.6 per cent. TSC received the highest proportion of recurrent exchequer issues to the net estimates at 50 per cent while the State Department for Early Learning and Basic Education recorded the lowest at 23.6 per cent.

Figure 4.4 shows the exchequer issues to the Education Sector in the first half of FY 2020/21.

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



Source: *National Treasury*

The total expenditure for the Education sector in the first half of FY 2020/21 was to Kshs.219.62 billion representing 43.5 per cent of the gross estimates. The expenditure comprised of Kshs.7.50 billion for development activities, representing an absorption rate of 31.3 per cent and Kshs.212.12 billion for recurrent activities representing 44.1 per cent of the recurrent gross estimates.

The State Department for University Education recorded the highest absorption on development budget at 38.7 per cent while the State Department for Vocational and Technical Training recorded the lowest at 26.8 per cent. TSC recorded the highest recurrent expenditure to gross estimates at 51.2 per cent while the State Department for University Education recorded the lowest of 26.5 per cent.

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

This sector consists of eight MDAs namely; State Departments for Infrastructure, Transport, Shipping and Maritime, Housing and Urban Development, Public Works, Youth Affairs, Information Communication and Technology, Broadcasting and Telecommunications, Petroleum and the Ministry of Energy.

The Sector aims at providing efficient, affordable and reliable infrastructure which is critical for the socio-economic transformation underscored in the Third Medium Term Plan (MTP III) 2018-2022 of the Kenya Vision 2030 as well as catalysing the realization of the "Big Four Agenda".

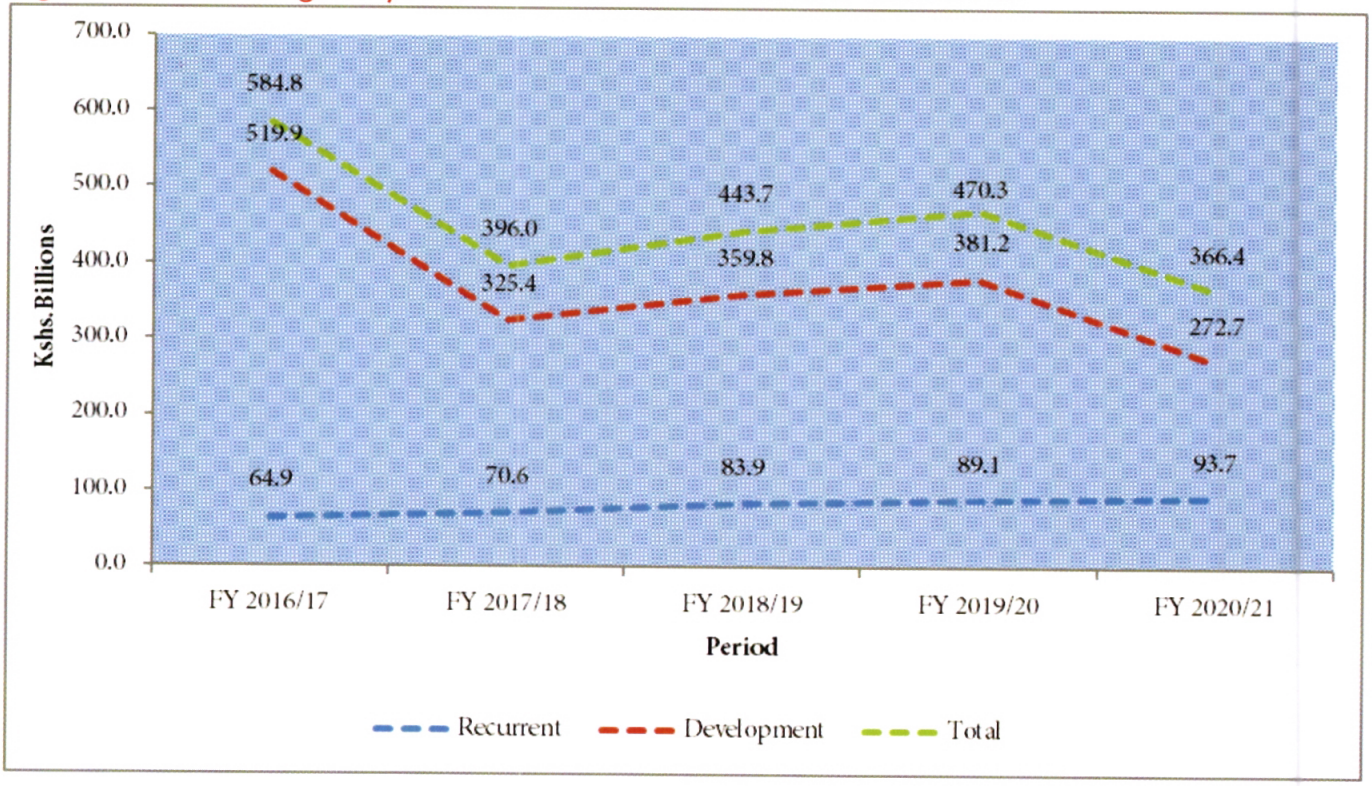
The key strategic goals of the sector include among others; sustainable transport infrastructure and services, vibrant shipping and maritime industry, affordable and sustainable housing infrastructure, regulated construction industry, universal access to ICT services and sufficient, secure, efficient and affordable energy. To support infrastructural development, the government identified key activities under EI&ICT sector in the FY 2020/21 to enhance economic growth which includes; construction, rehabilitation and maintenance of roads, design of roads and bridges, construction of SGR Phase II (Nairobi to Naivasha), LAPSSET project and Mombasa Port Development Project.

The annual budgetary allocation to EI&ICT sector in the FY 2020/21 amounted to Kshs.366.43 billion representing 11 per cent of the gross national budget, a decrease from Kshs.470.2 billion allocated in the FY 2019/20. The allocation comprised of Kshs.272.77 billion (74 per cent) for development activities and Kshs.93.66 billion (26 per cent) for recurrent expenditure. State Department for Infrastructure received the

highest budgetary allocation of Kshs.189.52 billion (52 per cent of the sector's allocation), while the State Department for Shipping and Maritime had the lowest budgetary allocation of Kshs.2.52 billion (1 per cent of the sector's allocation).

Figure 4.5 shows the budgetary allocation trend for the EI & ICT Sector for the period FY 2015/16 to FY 2020/21.

Figure 4.5: Budgetary Allocation Trend for the EI & ICT Sector



Source: *National Treasury*

In the first half of the FY 2020/21, exchequer issues to the EI&ICT sector was Kshs.63.41 billion representing 48.1 per cent of the sector's net estimates. This comprised of Kshs.56.55 billion for development expenditure, representing 47.8 per cent of development net estimates and Kshs.6.86 billion for recurrent expenditure representing 50.9 per cent of recurrent net estimates

Table 4.3 shows EI&ICT sector analysis of exchequer issues and expenditure in the first six months of FY 2020/21.

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

VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. To Net Est.	% of Exp. to Gross Est.
State Department for Infrastructure	124.59	61.60	18.38	36.07	29.8	29.0	64.93	1.66	0.58	29.78	35.0	45.9
State Department for Transport	38.37	11.27	15.50	39.32	137.5	102.5	9.19	0.51	0.30	2.48	59.4	27.0
State Department for Shipping and Maritime.	0.85	0.01	-	0.11	-	12.8	1.67	0.40	0.17	0.46	43.3	27.3

VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. To Net Est.	% of Exp. to Gross Est.
State Department for Housing & Urban Development	16.00	14.94	12.13	13.04	81.2	81.5	1.06	1.06	0.43	0.43	40.7	40.5
State Department for Public Works	1.18	1.02	0.60	0.42	58.7	35.1	2.31	2.31	1.01	1.09	43.8	47.0
State Department for Information Communication Technology	18.50	4.37	1.13	7.68	25.9	41.5	1.50	1.50	0.73	0.70	48.3	46.4
State Department for Broadcasting and Telecommunications	0.70	0.70	0.24	0.27	33.8	38.5	5.53	3.00	2.19	2.43	72.9	43.9
Ministry of Energy	66.58	21.46	7.31	16.27	34.1	24.4	5.91	1.54	0.74	0.86	48.0	14.5
State Department for Petroleum	3.64	0.70	0.40	0.63	57.6	17.3	0.24	0.20	0.07	0.08	37.7	32.9
State Department for Youth	2.35	2.35	0.86	0.47	36.6	19.9	1.31	1.31	0.63	0.63	48.3	47.7
Total	**272.77**	**118.42**	**56.55**	**114.26**	**47.8**	**41.9**	**93.66**	**13.49**	**6.86**	**38.93**	**50.9**	**41.6**

Total for the Sector	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.
Development	272.7	118.42	56.55	114.26	47.8	41.9
Recurrent	93.6	13.49	6.86	38.93	50.9	41.6
Total	**366.43**	**131.91**	**63.41**	**153.18**	**48.1**	**41.8**

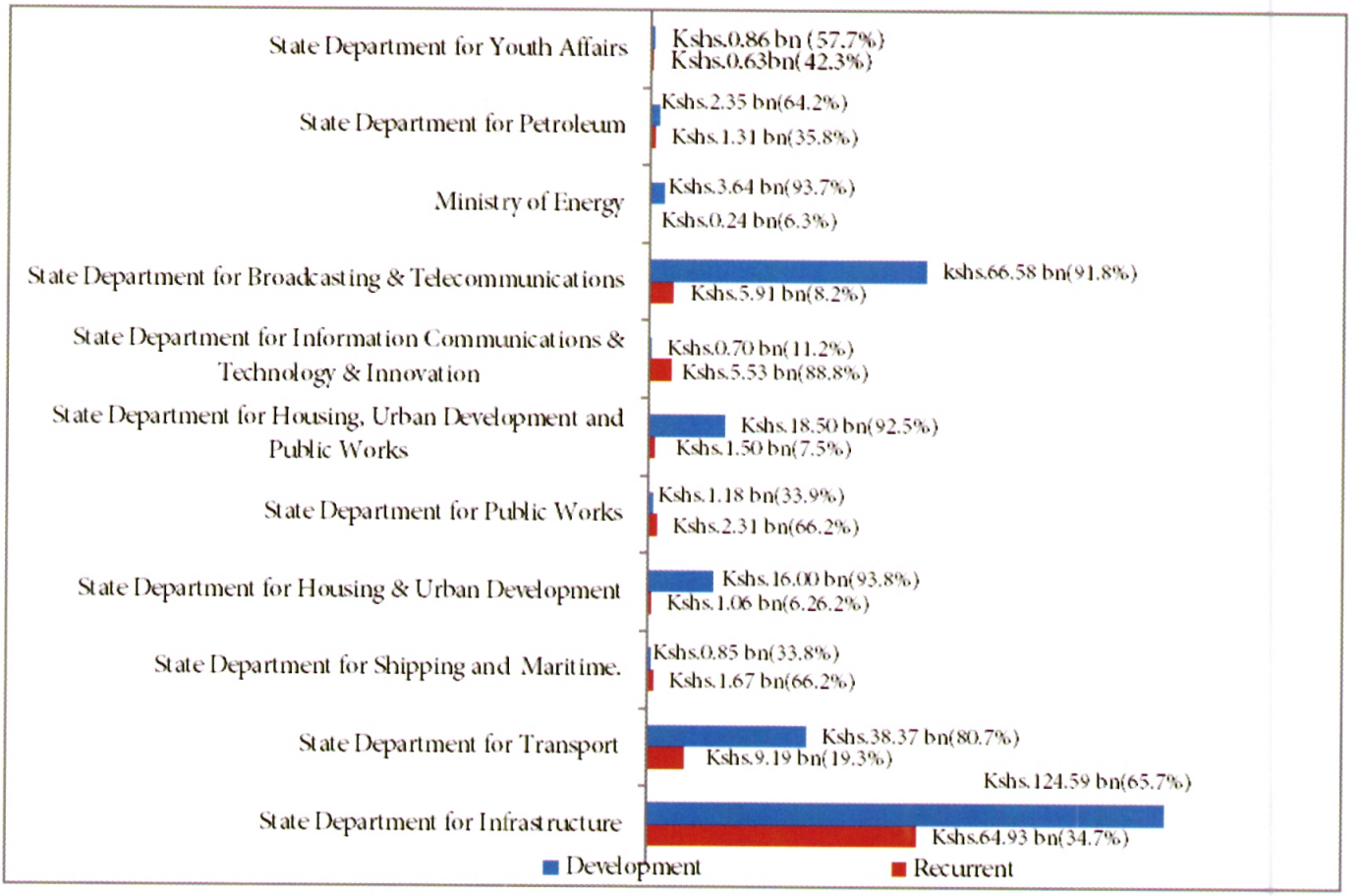
Source: *MDAs and National Treasury*

In the period under review, the State Department for Transport received the highest proportion of development exchequer issues to development net estimates at 137.5 per cent while the State Department for Information, Communication and Technology recorded the lowest at 25.9 per cent. The State Department for Broadcasting and Telecommunications recorded the highest proportion of recurrent expenditure to net estimates at 72.9 per cent while the State Department for Infrastructure recorded the lowest at 35 per cent.

The high expenditure percentage by the State Department of Transport can be attributed to AIAs received from KCAA and Kenya Ferry Services.

Figure 4.6 shows the exchequer issues to the EI & ICT Sector in the first six months of FY 2020/21.

Figure 4.6: Exchequer Issues to the EI & ICT Sector



Source: *National Treasury*

The total expenditure for the EI&ICT sector in the first half of the FY 2020/21 amounted to Kshs.153.18 billion representing 41.8 per cent of the gross estimates, a decrease compared to 44.4 per cent recorded in a similar period of FY 2019/20. This comprised of Kshs.114.26 billion for development budget representing absorption rate of 41.9 per cent and Kshs.38.93 billion for recurrent budget representing 41.6 per cent of the gross recurrent estimates, a decrease compared from 44 per cent recorded in a similar period of FY 2019/20.

The State Department for Transport recorded the highest absorption on development budget at 102.5 per cent while the State Department for Shipping and Maritime recorded the lowest at 12.8 per cent. The State Department for Information and Communication Technology recorded the highest recurrent expenditure to gross estimates at 47 per cent while Ministry of Energy recorded the lowest at 14.5 per cent.

4.5 Environmental Protection, Water and Natural Resource Sector

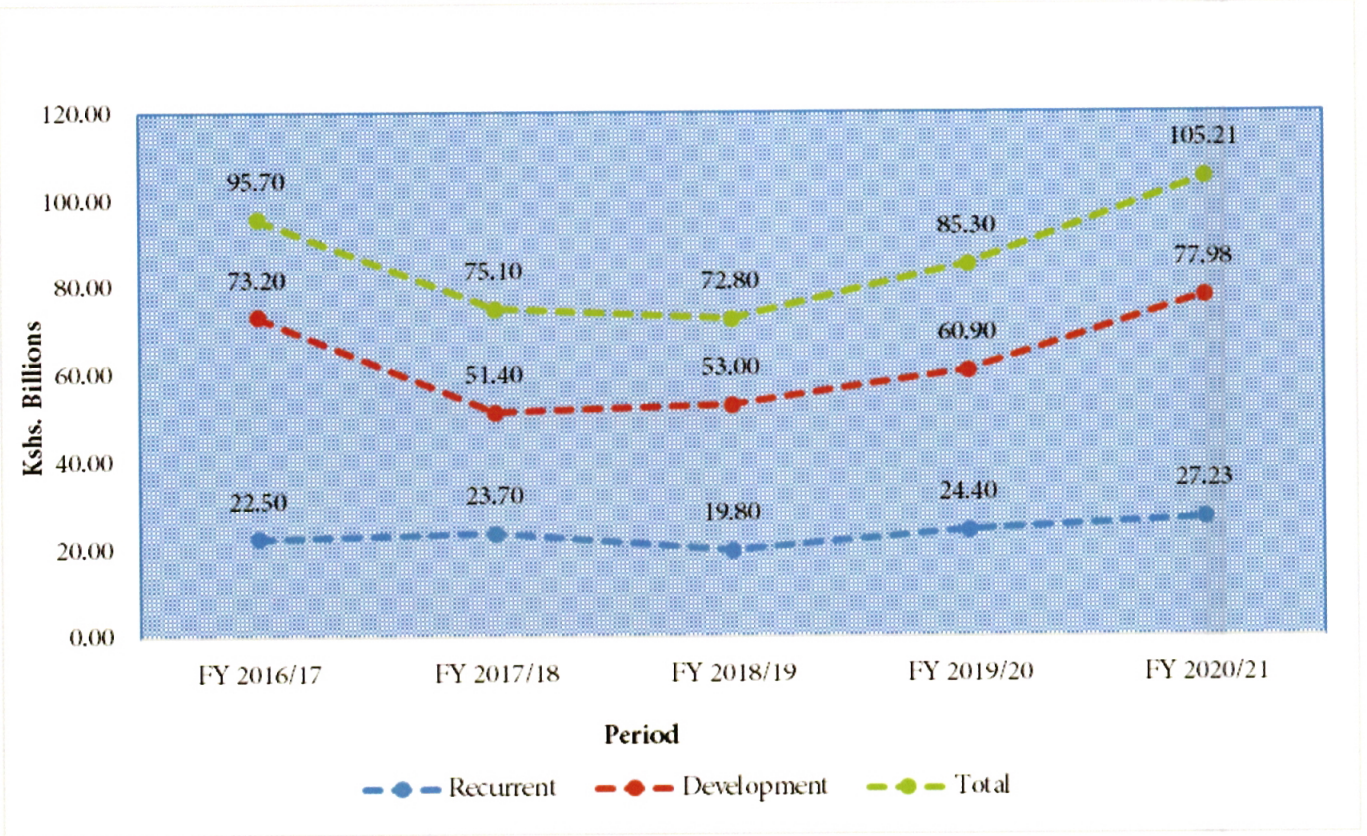
The Environmental Protection, Water and Natural Resources Sector (EPW&NR) consist of four MDAs namely: Ministry for Environment and Forestry, Ministry of Water, Sanitation and Irrigation, State Department for Mining and State Department for Wildlife.

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

The annual budgetary allocation to the EPW&NR in the FY 2020/21 amounted to Kshs.105.22 billion representing 3.2 per cent of the gross national budget, an increase from Kshs.85.3 billion allocated in the FY 2019/20. The increase in the allocation is attributed to transfer of functions for the State Department for Irrigation under ARUD sector to Ministry of Water, Sanitation The allocation comprised of Kshs.77.98 billion (74 per cent) for development activities and Kshs.27.23 billion (26 per cent) for recurrent expenditure. Ministry of Water, Sanitation and Irrigation received the highest budgetary allocation of Kshs.77.21 billion (73.4 per cent of the sector's allocation), while the State Department for Mining had the lowest budgetary allocation of Kshs.0.95 billion (0.9 per cent of the sector's allocation).

Figure 4.7 shows the budgetary allocation trend for the EPW&NR Sector for the period FY 2016/17 to FY 2020/21.

Figure 4.7: Budgetary Allocation Trend for the Environmental Protection, Water and Natural Resources Sector



Source: *National Treasury*

In the first half of FY 2020/21, exchequer issues EPW&NR sector amounted to Kshs.20.95 billion representing 34.7 per cent of the sector's net estimates. This comprised of Kshs.11.46 billion for development expenditure, representing 27.9 per cent of the net development estimates and Kshs.9.49 billion for recurrent expenditure, representing 49.2 per cent of the net recurrent estimates.

Table 4.4 shows EPW&NR sector analysis of exchequer issues and expenditure in the first half of the FY 2020/21.

Table 4.4: EPW&NR Sector-Analysis of Exchequer Issues and Expenditure (Kshs. Billions)

VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.	Gross Est. Gross Est.	Net Est. Net Est.	Exch. Issues	Exp.	% of Exch. To Net Est.	% of Exp. to Gross Est.
Ministry of Water, Sanitation and Irrigation	70.98	36.26	9.59	14.46	26.4	20.4	6.23	4.02	1.67	1.84	41.6	29.5
Ministry of Environment and Forestry	6.00	3.84	1.42	1.49	37.1	24.8	10.26	9.24	4.56	4.48	49.4	43.6
State Department for Mining	0.31	0.31	0.05	0.05	17.6	16.7	0.64	0.54	0.23	0.24	43.0	38.1
State Department for Wildlife	0.69	0.64	0.39	0.39	62.0	56.7	10.11	5.49	3.02	3.59	55.1	35.5
Total	**77.98**	**41.05**	**11.46**	**16.39**	**27.9**	**21.0**	**27.23**	**19.28**	**9.49**	**10.14**	**49.2**	**37.3**

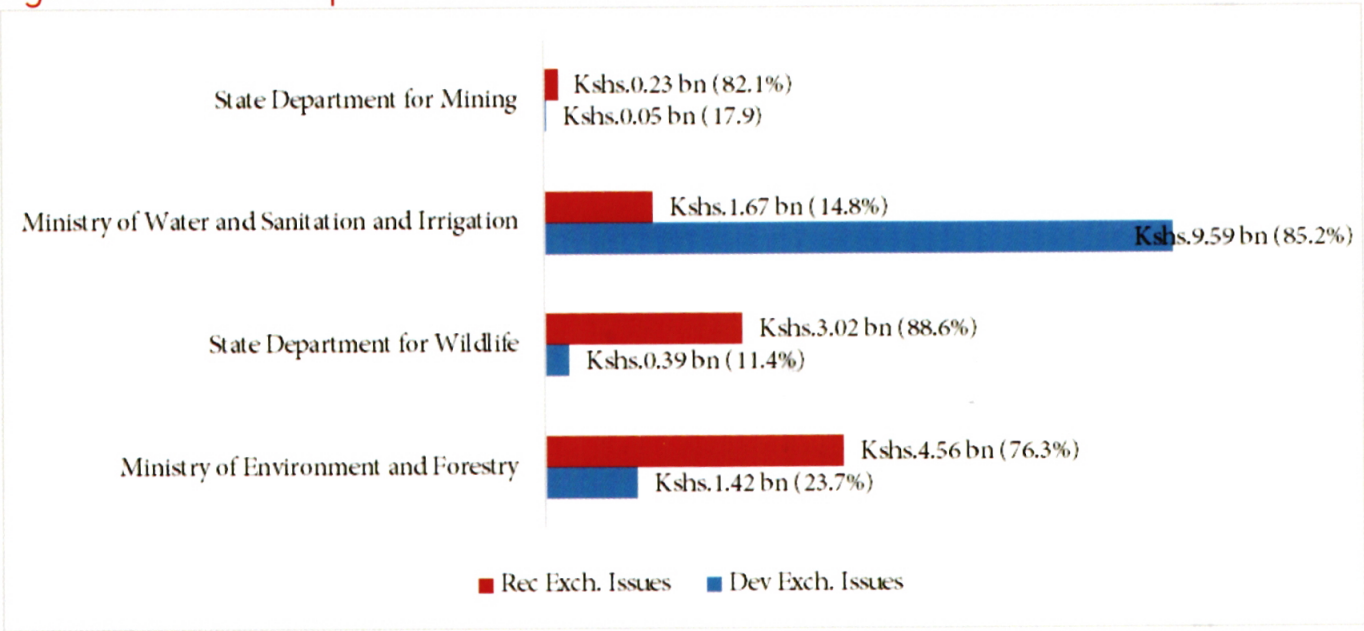
Total for the Sector	**Gross Est.**	**Net Est.**	**Exch. Issues**	**Exp.**	**% of Exch. to Net Est.**	**% of Exp. to Gross Est.**
Development	77.98	41.05	11.46	16.39	27.9	21.0
Recurrent	27.23	19.28	9.49	10.14	49.2	37.3
Total	**105.22**	**60.33**	**20.95**	**26.54**	**34.7**	**25.2**

Source: *MDAs and National Treasury*

In the first half of the FY 2020/21, the State Department for Wildlife received the highest proportion for both development and recurrent exchequer issues to the net estimates at 62.0 per cent and 55.1 per cent respectively. The State Department for Mining recorded the lowest proportion of development exchequer issues to development net estimates at 17.6 per cent. While the Ministry of Water, Sanitation and Irrigation received the lowest for recurrent budget at 41.6 per cent.

Figure 4.8 shows the exchequer issues to the Environmental Protection, Water and Natural Resources sector in the first half of the FY 2020/21.

Figure 4.8: Exchequer Issues to EPW&NR Sector (Kshs. Billions)



Source: *National Treasury*

The total expenditure for the EPW&NR sector during the first half of the FY 2020/21 amounted to Kshs.26.54 billion, representing 25.2 per cent of the gross estimates, a decrease compared to 30.7 per cent recorded in a similar period of the FY2019/20. This expenditure comprised of Kshs.16.39 billion for development budget representing an absorption rate of 21 per cent, a decline from 34.5 per cent recorded in a similar period of the FY 2019/20and Kshs.10.14 billion for recurrent budget representing 37.3 per cent of gross estimates, a growth from 33.1 per cent recorded in a similar period of the FY 2019/20.

State Department for Wildlife recorded the highest absorption on development budget at 56.7 per cent while the State Department for Mining recorded the lowest at 16.7 per cent. Ministry of Environment and Forestry recorded the highest absorption for the recurrent budget at 43.6 per cent while the Ministry of Water, Sanitation and Irrigation recorded the lowest for recurrent budget at 29.5 per cent.

4.6 General Economic and Commercial Affairs (GECA) Sector

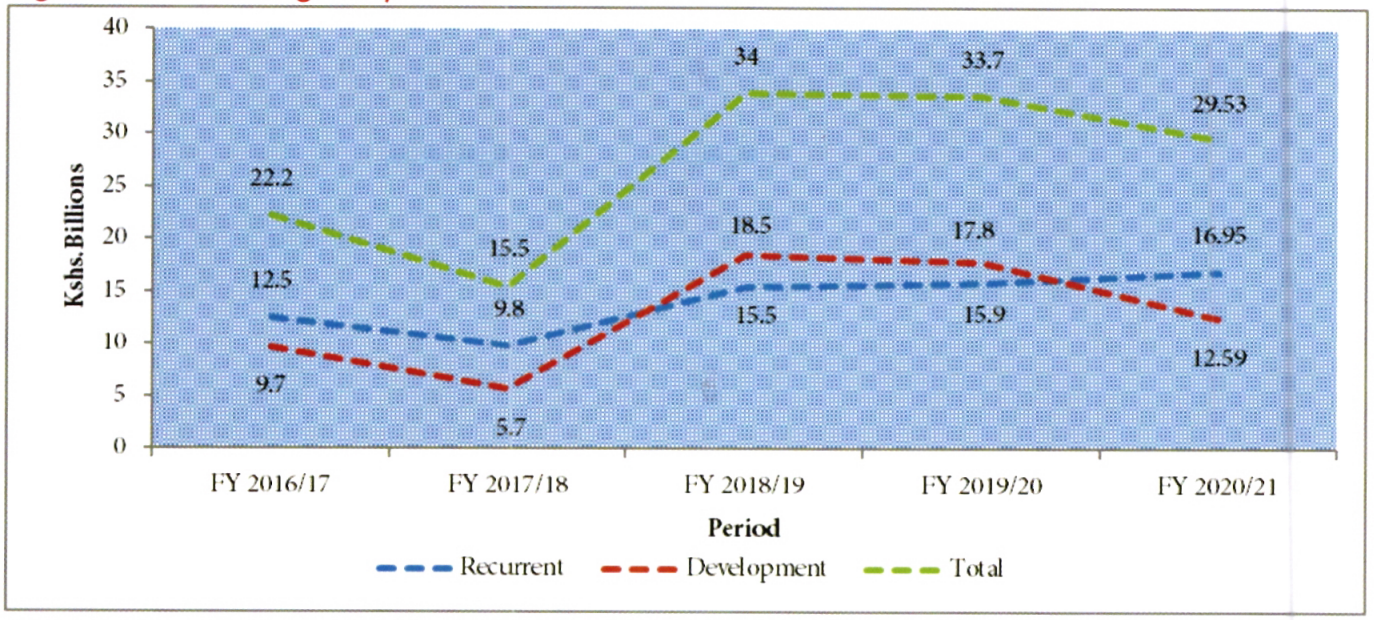
The General Economic and Commercial Affairs (GECA) sector consists of six MDAs, namely the State Departments for Industrialization, Co-operatives, Trade, East African Community, Regional and Northern Corridor Development and Tourism.

The sector is a significant player in job and wealth creation, industrial development, investments and promotion of trade, tourism development, savings mobilization and cooperative development, regional integration and development.

The budgetary allocation to GECA sector in the FY 2020/21 amounted to Kshs.29.53 billion representing 1 per cent of the gross national budget, a decrease from Kshs.33.63 billion allocated in the FY 2019/20. The allocation comprised of Kshs.12.59 billion (43 per cent) for development activities and Kshs.16.95 billion (57 per cent) for recurrent expenditure. The State Department for Tourism received the highest budgetary allocation of Kshs.12.81 billion (43 per cent of the sector's allocation), while the State Department for East African Community had the lowest budgetary allocation for Kshs.608.02 billion (2 per cent of the sector's allocation).

Figure 4.9 shows the budgetary allocation trend for the GECA Sector from FY 2016/17 to FY 2020/21.

Figure 4.9: Budgetary Allocation Trend for the GECA Sector



Source: *National Treasury*

In the first half of the FY 2020/21, exchequer issues to GECA sector amounted to Kshs.7.74 billion representing 41.1 per cent for the sectors net estimates. This comprised Kshs.4.03 billion for development activities representing 37.2 per cent of development net estimates and Kshs.3.71 billion was for recurrent activities representing 46.4 per cent of recurrent net estimates.

Table 4.5 presents analysis of exchequer issues and expenditure to GECA sector in the first half of the FY 2020/21.

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

VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. To Net Est.	% of Exp. to Gross Est.
State Department for Co-operatives	0.83	0.83	0.27	0.31	32.8	38.0	0.80	0.35	0.16	0.39	44.4	48.5
State Department for Trade	1.10	1.10	0.47	0.40	43.0	36.8	1.92	1.88	0.63	0.72	33.4	37.5
State Department for Industrialization	5.27	3.75	1.19	1.23	31.8	23.3	2.85	2.10	0.99	0.96	47	33.8
State Department for East African Community	-	-	-	-	-	-	0.61	0.61	0.19	0.13	30.9	21.1
State Department for Regional and Northern Corridor Development	1.09	0.84	0.04	0.41	5.2	37.9	2.27	1.82	1.00	0.99	55	43.7
State Department for Tourism	4.31	4.31	2.05	2.15	47.6	50.0	8.50	1.24	0.76	1.32	60.7	15.6
Total	**12.59**	**10.82**	**4.03**	**4.51**	**37.2**	**35.8**	**16.95**	**8.00**	**3.71**	**4.51**	**46.4**	**26.6**

VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. To Net Est.	% of Exp. to Gross Est.
Total for the Sector							**Gross Est.**	**Net Est.**	**Exch. Issues**	**Exp.**	**% of Exch. to Net Est.**	**% of Exp. to Gross Est.**
Development							12.59	10.82	4.03	4.51	37.2	35.8
Recurrent							16.95	8.00	3.71	4.51	46.4	26.6
Total							**29.53**	**18.82**	**7.74**	**9.02**	**41.1**	**30.6**

Source: *MDAs and National Treasury*

In the period under review, the State Department for Tourism received the highest proportion for both development and recurrent exchequer issues to the net estimates at 47.6 per cent and 60.7 per cent respectively. The State Department for Regional and Northern Corridor Development received the lowest proportion of development exchequer issues to the net estimates at 5.2 per cent while the State Department for East African Community recorded the lowest for recurrent expenditure at 30.9 per cent.

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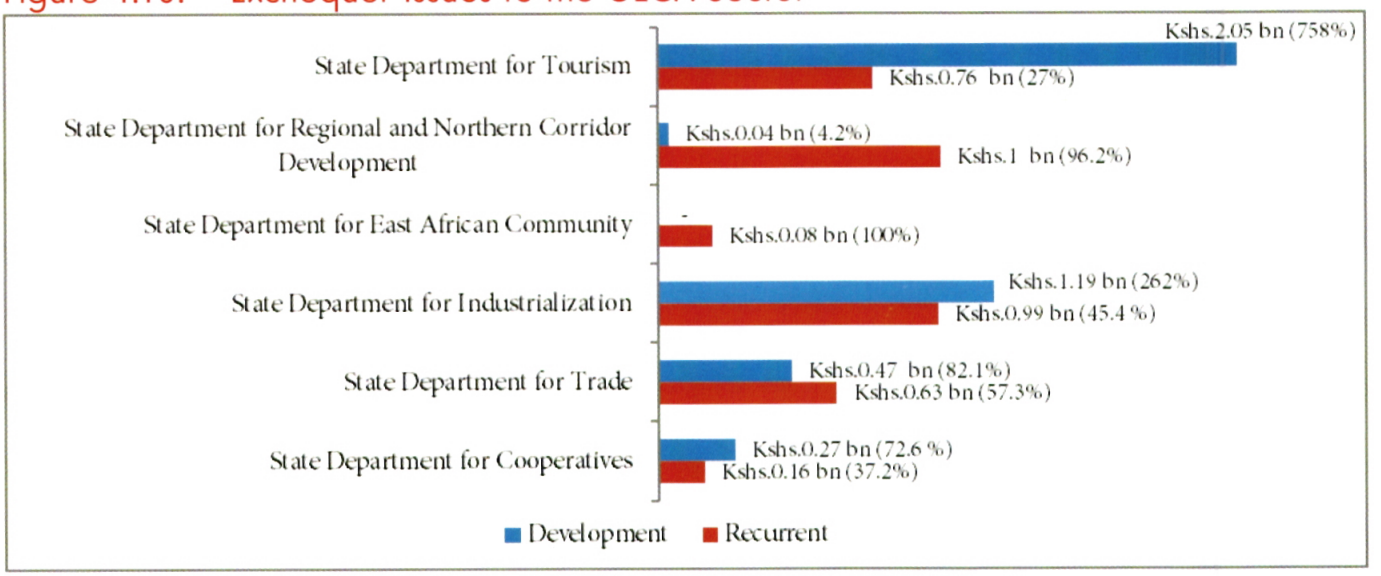
Figure 4.10: Exchequer Issues to the GECA Sector



Source: *National Treasury*

The total expenditure for the sector in the first half of the FY 2020/21 amounted to Kshs.9.02 billion representing 30.6 per cent of GECA sector gross estimates. This comprised of Kshs.4.51 billion for development expenditure, an absorption rate of 35.8 per cent and Kshs.4.51 billion for recurrent expenditure representing 26.6 per cent of the gross recurrent estimates.

The State Department for Tourism recorded the highest absorption of development budget at 50 per cent while the State Department for Industrialization recorded the lowest at 23.3 per cent. The State Department for Co-operatives recorded the highest percentage of recurrent expenditure to gross estimates at 48.5 per cent while the State Department for Tourism recorded the lowest at 15.6 per cent.

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

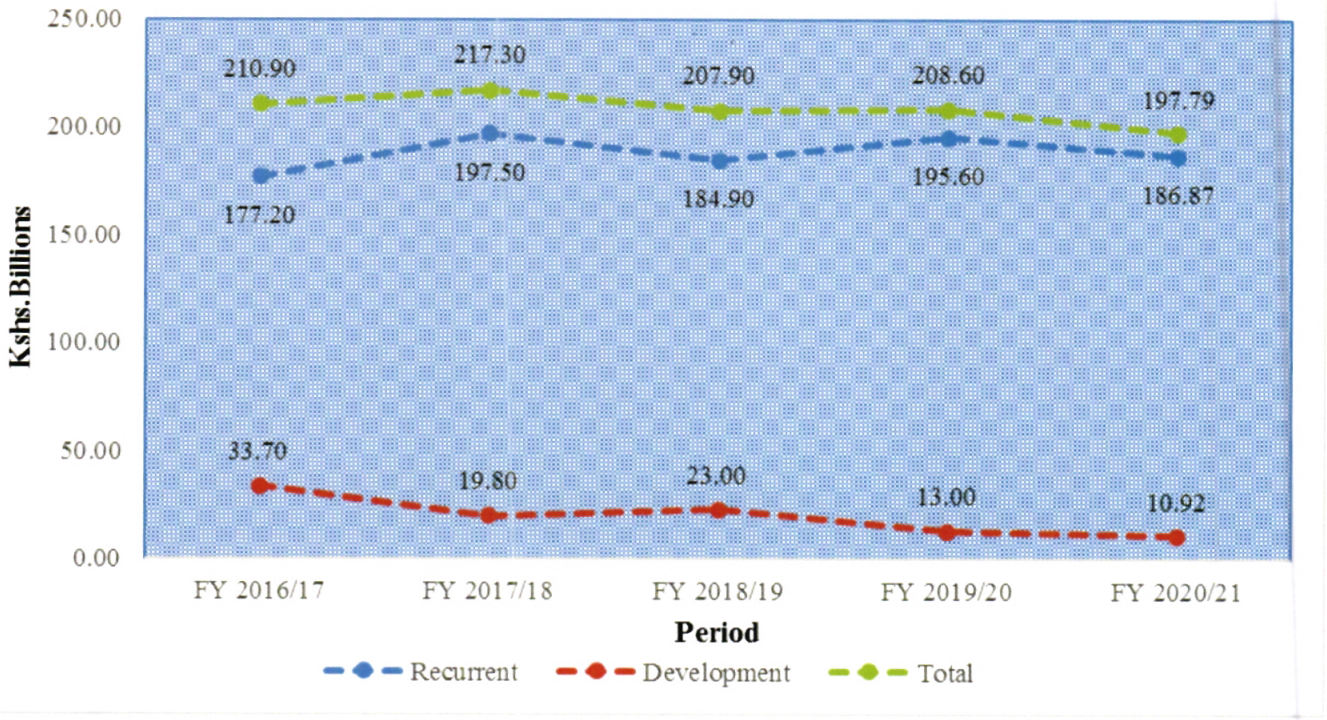
The GJLO sector consists of fourteen MDAs which include: State Department for Interior and Citizen Services, State Department for Correctional Services, State Law Office and Department of Justice, The Judiciary, Ethics and Anti-Corruption Commission (EACC), Office of the Director of Public Prosecutions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

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

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

The budgetary allocation to the GJLO Sector in the FY 2020/21 amounted to Kshs.197.79 billion representing 6 per cent of the gross national budget, a decrease from Kshs.208.5 billion allocated in the FY 2019/20. The allocation comprised of Kshs.10.92 billion (6 per cent) for development activities and Kshs.186.87 billion (94 per cent) for recurrent expenditure. The State Department for Interior and Citizen Services received the highest budgetary allocation of Kshs.132.11 billion (67 per cent of the sector's allocation), while KNCHR had the lowest budgetary allocation of Kshs.400.7 million (less than one per cent of the sector's allocation).

Figure 4.11: Budgetary Allocation Trend for the GJLO Sector



Source: *National Treasury*

In the first half of the FY 2020/21, total exchequer issues to the GJLO sector amounted to Kshs.92.17 billion representing 47.2 per cent of the sector's net estimates. This comprised of Kshs.2.26 billion for development expenditure, representing 20.8 per cent of the development net estimates and Kshs.89.91 billion for recurrent expenditure, representing 48.8 per cent of the recurrent net estimates.

Table 4.6 shows the GJLO Sector analysis of exchequer issues and expenditure in the first half of the FY 2020/21.

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

VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. To. Net Est.	% of Exp. to. Gross Est.
State Department for Interior and Citizen Services	6.93	6.87	1.50	2.97	21.8	42.8	125.19	123.09	62.08	62.45	50.4	49.9
State Department for Correctional Services	0.78	0.78	-	0.02	-	3.0	27.32	27.31	12.45	11.04	45.6	40.4
State Law Office and Department of Justice	0.19	0.19	0.08	0.04	42.7	23.5	4.60	4.05	1.77	1.70	43.8	37.0
The Judiciary	2.70	2.70	0.69	0.77	25.5	28.4	14.72	14.72	6.95	6.35	47.2	43.1
EACC	0.04	0.04	-	-	-	-	3.07	3.07	1.50	1.60	48.8	52.1
ODPP	0.13	0.13	-	-	-	-	2.96	2.96	1.09	1.09	36.8	36.7
ORPP	-	-	-	-	-	-	1.35	1.35	0.87	0.86	64.6	64.1
WPA	-	-	-	-	-	-	0.47	0.47	0.27	0.26	57.3	54.9
KNCHR	-	-	-	-	-	-	0.40	0.40	0.15	0.18	36.6	44.0
IEBC	0.15	0.15	-	0.08	-	50.0	4.32	4.32	1.79	1.91	41.5	44.2
JSC	-	-	-	-	-	-	0.58	0.58	0.18	0.21	30.5	36.0
NPSC	-	-	-	-	-	-	0.61	0.61	0.21	0.22	34.1	36.7
NGEC	0.01	0.01	-	-	-	-	0.42	0.42	0.19	0.20	43.9	46.8
IPOA	-	-	-	-	-	-	0.86	0.86	0.41	0.43	47.6	49.6
Total	**10.92**	**10.87**	**2.26**	**3.88**	**20.8**	**35.5**	**186.87**	**184.22**	**89.91**	**88.49**	**48.8**	**47.4**

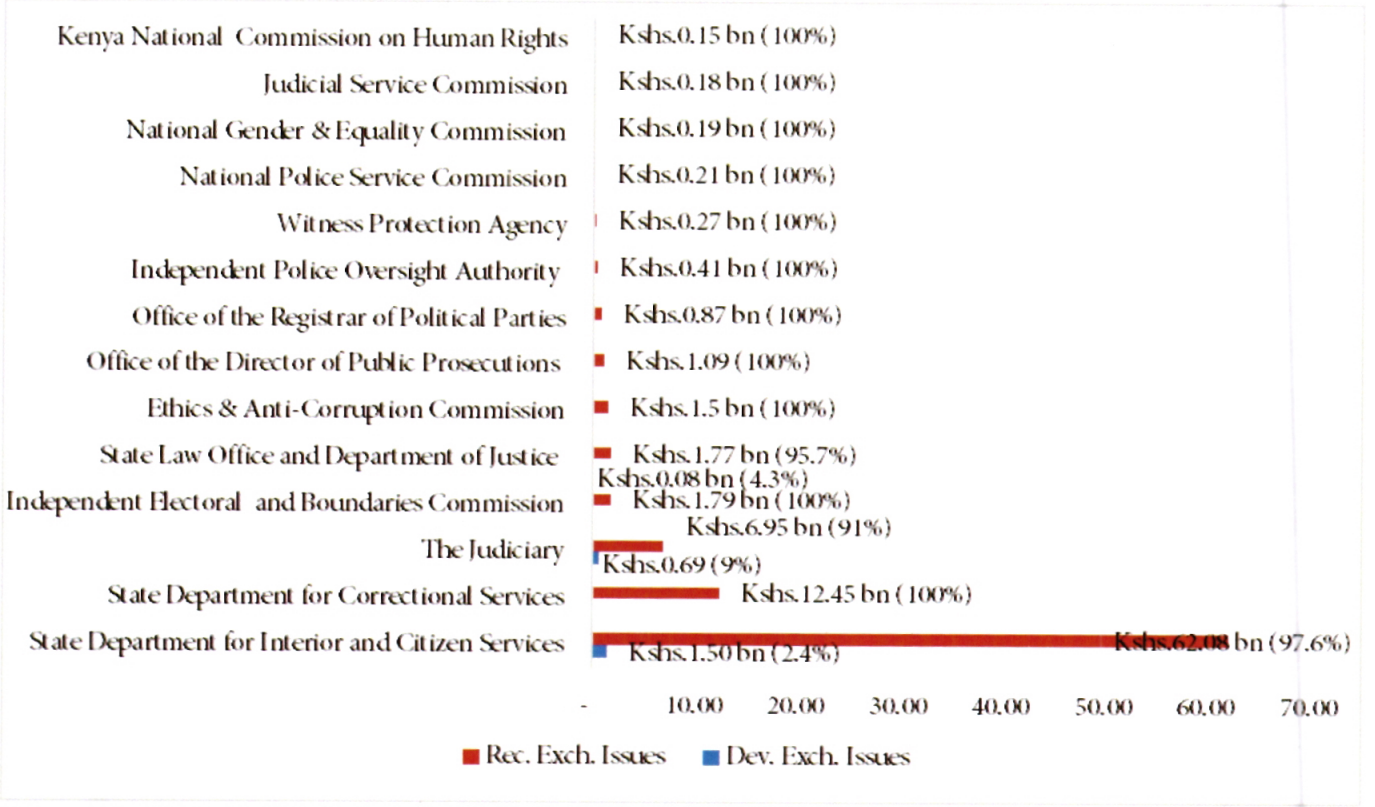
Total for the Sector	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.
Development	10.92	10.87	2.26	3.88	20.8	35.5
Recurrent	186.87	184.22	89.91	88.49	48.8	47.4
Total	**197.79**	**195.09**	**92.17**	**92.37**	**47.2**	**46.7**

Source: *MDAs and National Treasury*

The State Law Office and Department of Justice received the highest proportion of development exchequer issues to the development net estimates at 42.7 per cent while the State Department for Interior and Citizen Services had the lowest at 21.8 per cent among MDAs which received exchequer issues for development budget. ORPP received the highest proportion of recurrent exchequer issues to net estimates at 64.6 per cent and the JSC received the lowest at 30.5 per cent.

Figure 4.12 shows the exchequer issues to the GJLOS Sector in the first half of the FY 2020/21.

Figure 4.12: Exchequer Issues to the GJLOS Sector (Kshs. Billions)



Source: *National Treasury*

The total expenditure for the GJLO sector in the first half of the FY 2020/21 amounted to Kshs.92.37 billion, representing 46.7 per cent of the gross estimates, an increase from 37.4 per cent recorded in a similar period of the FY 2019/20. This expenditure comprised of Kshs.3.88 billion for development representing an absorption rate of 35.5 per cent and Kshs.88.49 billion for recurrent expenditure representing 47.4 per cent of gross estimates. Both development and recurrent expenditure recorded a growth in absorption rate compared to a similar period of the FY 2019/20 from 24.7 per cent and 38.6 per cent respectively.

IEBC recorded the highest absorption on development budget at 50 per cent while the State Department for Correctional Services recorded the lowest absorption for development budget at 3 per cent. ORPP recorded the highest percentage of the recurrent budget at 64.1 per cent while the ODPP had the lowest for recurrent budget at 36.7 per cent.

4.8 Health Sector

Health is a devolved function under the Fourth Schedule of the Constitution of Kenya. At the national level, it is responsible for the provision and coordination of the health policy formulation, ensuring quality service delivery and regulation and control of health care.

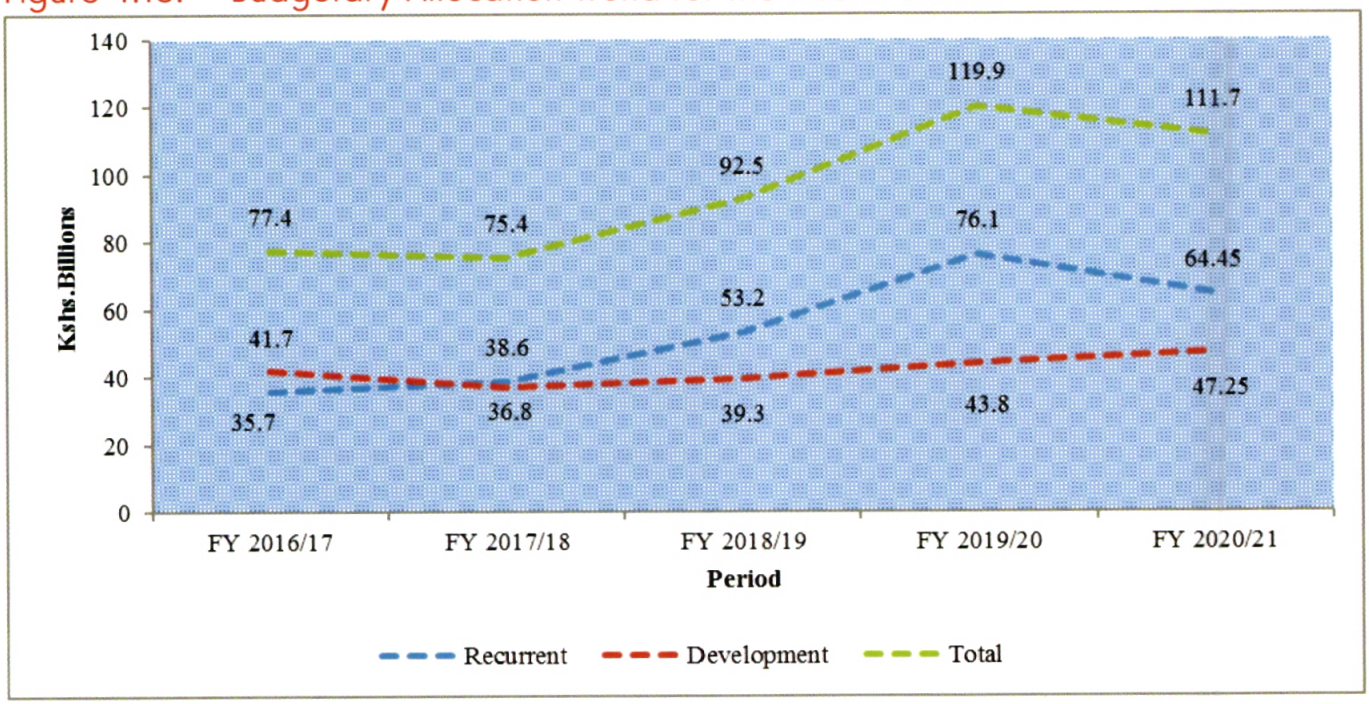
It comprises of Ministry of Health and Semi-Autonomous Government Agencies namely; Kenyatta National Hospital (KNH), Moi Teaching and Referral Hospital (MTRH), Kenya Medical Research Institute (KEMRI), Kenya Medical Supplies Authority (KEMSA), Kenya Medical Training College (KMTC), National AIDS Control Council (NACC), Kenyatta University Teaching, Referral and Research Hospital (KUTRRH), National Cancer Institute of Kenya (NCI-K) and the National Health Insurance Fund (NHIF).

The budgetary allocation to the Health Sector in the FY 2020/21 was Kshs.111.70 billion representing 3 per cent of the gross national budget, a decrease from Kshs.119.9 billion allocated in the FY 2019/20. The decline

is attributed to the reduction of resources towards interventions to curb the COVID-19 pandemic by the government. The allocations comprised of Kshs.47.25 billion (42 per cent), for development activities and Kshs.64.45 billion (58 per cent) for recurrent expenditure.

Figure 4.13 shows the budgetary allocation for the health sector for the period FY 2016/17 to FY 2020/21.

Figure 4.13: Budgetary Allocation Trend for the Health Sector



Source: *National Treasury*

In the period under review, exchequer issues to the Health sector amounted to Kshs.24.79 billion representing 26.8 per cent of the sector's net estimate. This comprised of Kshs.5.68 billion for development expenditure, representing 13 per cent of the development net estimates and Kshs.19.11 billion for recurrent expenditure, representing 39 per cent of the recurrent net estimates.

Table 4.7 shows the Health sector analysis of exchequer issues and expenditure in the first half of the FY 2020/21.

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

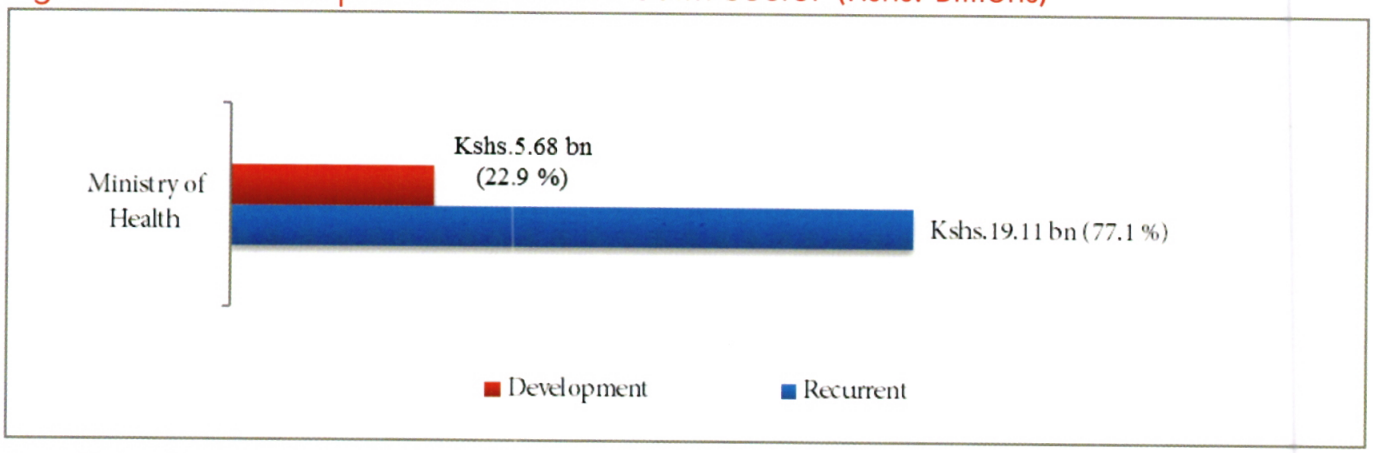
VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.
Ministry of Health	47.25	43.59	5.68	12.77	13.0	27.0	64.45	48.97	19.11	19.57	39.0	30.4
Total	**47.25**	**43.59**	**5.68**	**12.77**	**13.0**	**27**	**64.45**	**48.97**	**19.11**	**19.57**	**39.0**	**30.4**

Total for the Sector	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.
Development	47.25	43.59	5.68	12.77	13.0	27.0
Recurrent	64.45	48.97	19.11	19.57	39.0	30.4
Total	**111.7**	**92.56**	**24.79**	**32.33**	**26.8**	**28.9**

Source: *MDAs and National Treasury*

Figure 4.14 shows the exchequer issues to the Health sector in the first half of the FY 2020/21.

Figure 4.14 Exchequer Issues to the Health Sector (Kshs. Billions)



Source: *National Treasury*

The total expenditure for the Health Sector in the period under review amounted to Kshs.32.33 billion representing 28.9 per cent of the gross budget. This comprised of Kshs.12.77 billion spent on development activities representing an absorption rate of 27 per cent and Kshs.19.57 billion on recurrent activities representing 30.4 per cent on recurrent gross estimates.

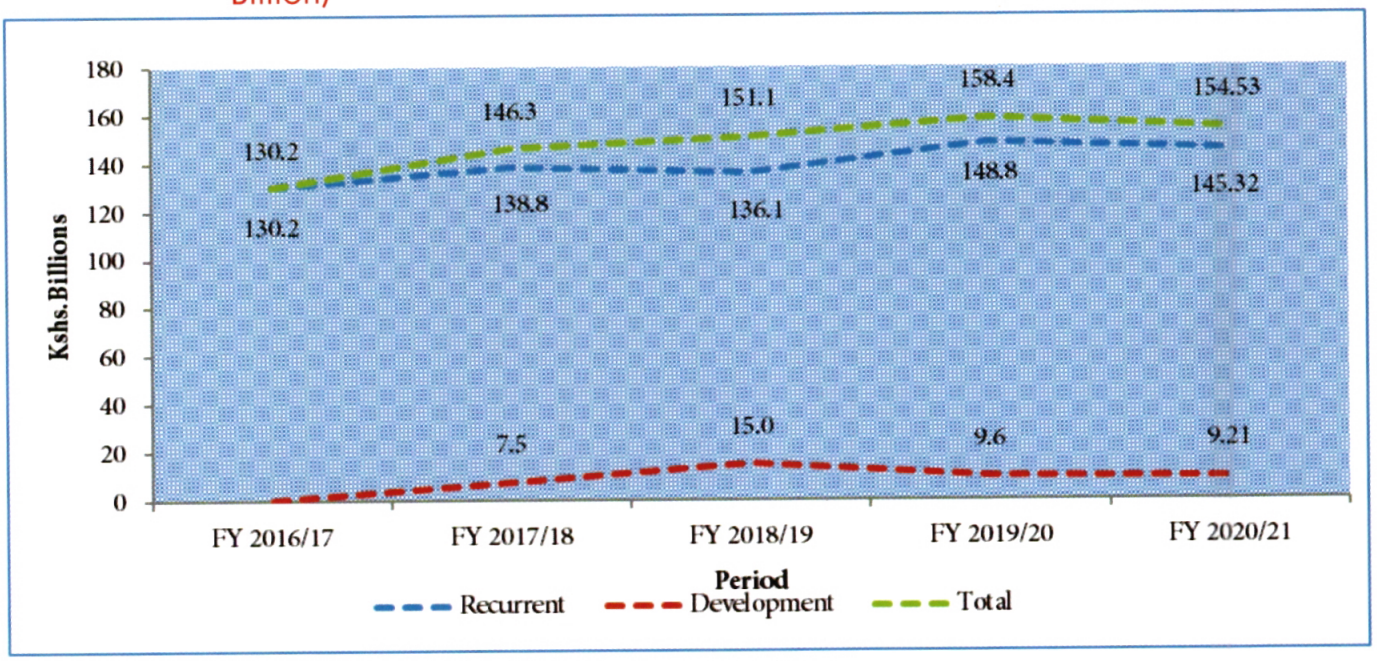
4.9 National Security Sector

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

The budgetary allocation to the National Security sector in the FY 2020/21 was Kshs.154.53 billion translating to 5 per cent of the gross national budget, a decrease from Kshs.158.40 billion allocated in the FY 2019/20. The allocation comprised of Kshs.9.21 billion for development expenditure (6 per cent of sector's allocation) and Kshs.145.32 billion (94 per cent of sector's allocated) for recurrent expenditure. The Ministry of Defence was allocated Kshs.115.48 billion (75 per cent of the sector's allocation), while NIS received Kshs.39.05 billion (25 per cent of the sector's allocation).

Figure 4.15 below shows the budgetary allocation trend for the National Security sector for the period FY 2016/17 to FY 2020/21.

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



Source: *National Treasury*

In the first half of the FY 2020/21, the sector received Kshs.69.23 billion representing 46.7 per cent of the sectors net estimates. This comprised Kshs.1 billion for development expenditure representing 33.3 per cent of the development net estimates and Kshs.68.23 billion for recurrent expenditure representing 46.9 per cent of the recurrent net estimates Ministry of Defence received Kshs.50.04 billion for recurrent activities while NIS received Kshs.18.18 billion for recurrent activities.

Table 4.8 shows the National Security sector analysis of exchequer issues and expenditure in the first half of the FY 2020/21.

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

VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.
Ministry of Defence	9.21	3.00	1.00	7.89	33.3	85.7	106.27	106.27	50.04	64.42	47.1	60.6
National Intelligence Service	-	-	-	-	-	-	39.05	39.05	18.18	16.81	46.6	43.1
Total	**9.21**	**3.00**	**1.00**	**7.89**	**33.3**	**85.7**	**145.32**	**145.32**	**68.23**	**81.24**	**46.9**	**55.9**

Total for the Sector	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.
Development	9.21	3.00	1.00	7.89	33.3	85.7
Recurrent	145.32	145.32	68.23	81.24	23.5	55.9
Total	154.53	148.30	69.23	89.13	46.7	57.68

Source: *MDAs and National Treasury*

The total expenditure for the National Security sector in the first half of the FY 2020/21 was Kshs.89.13 billion, recording 57.68 per cent of the gross estimates. Ministry of Defence spent Kshs.72.31 billion recording an absorption rate of 62.6 per cent, while NIS spent Kshs.16.81 billion recording an absorption rate of 51.9 per cent of its' gross estimates.

4.10 Public Administration and International Relations (PAIR) Sector

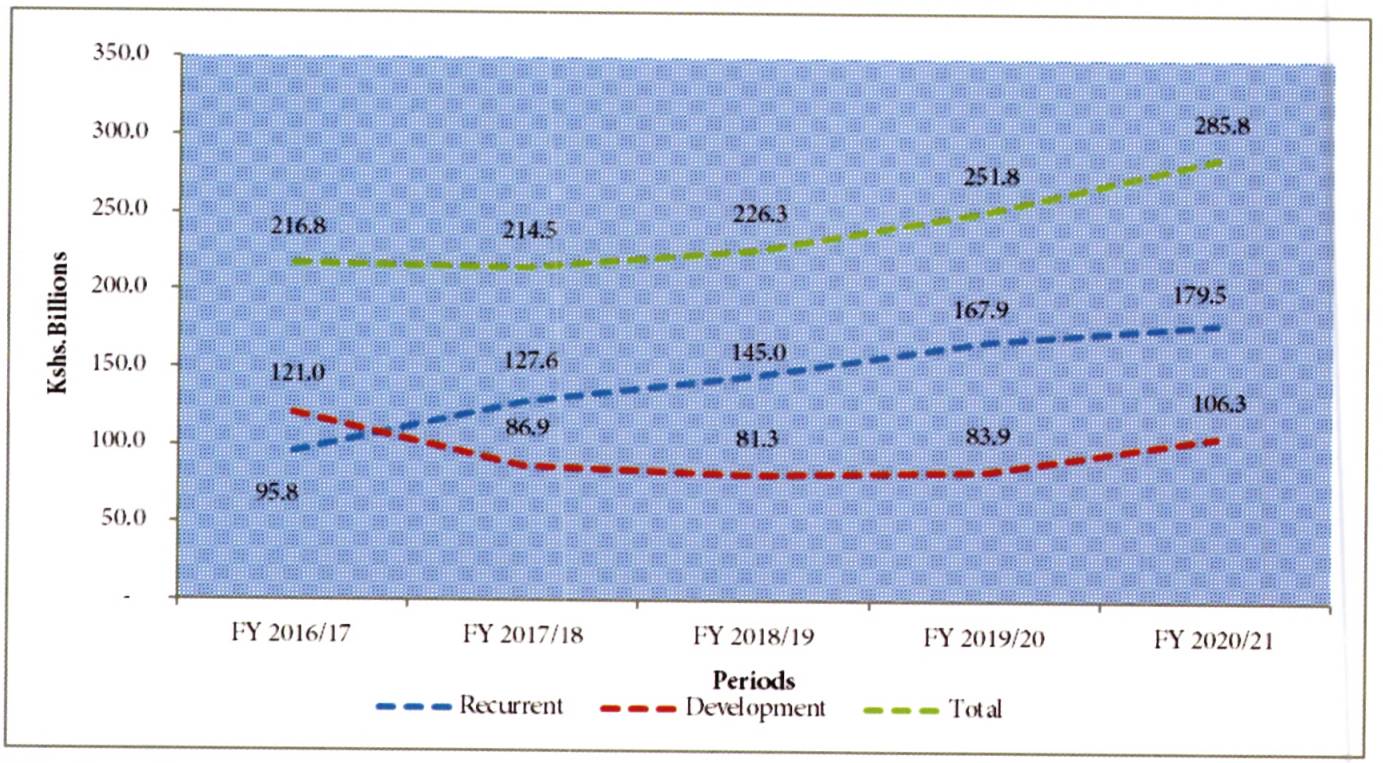
The Public Administration and International Relations (PAIR), sector consists of 15 MDAs namely; The Executive Office of the President, State Department for Planning, State Department for Devolution, Ministry of Foreign Affairs, National Treasury, State Department for Public Service, Parliamentary Service Commission, National Assembly, Parliamentary Joint Services, Commission on Revenue Allocation (CRA), Public Service Commission (PSC), Salaries and Remuneration Commission (SRC), Office of Auditor General (OAG), Controller of Budget (COB), and Commission on Administrative Justice (CAJ).

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

The budgetary allocation to PAIR sector in the FY 2020/21 amounted to Kshs.285.65 billion representing 9 per cent of the gross national budget, an increase from Kshs.251.8 billion allocated in the FY 2019/20. The allocation comprised of Kshs.106.13 billion (37 per cent) for development activities and Kshs.179.52 billion (63 per cent) for recurrent expenditure. The National Treasury received the highest budgetary allocation of Kshs.116.98 billion (41 per cent of the sector's allocation), while the CRA had the lowest budgetary allocation of Kshs.371.98 million (less than one per cent of the sector's allocation).

Figure 4.16 shows the budgetary allocation trend for the PAIR Sector for the period FY 2016/17 to FY 2020/21.

Figure 4.16: Budgetary Allocation Trend for the PAIR Sector



Source: *National Treasury*

In the first half of the FY 2020/21, PAIR sector received exchequer issues of Kshs.90.06 billion representing 35 per cent of the sector's net estimates. This comprised of Kshs.34.85 billion for development expenditure, representing 39.8 per cent of development net estimates and Kshs.55.21 billion for recurrent expenditure representing 32.5 per cent of recurrent net estimates.

Table 4.9 shows PAIR Sector analysis of exchequer issues and expenditure in the First Half of the FY 2020/21.

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

VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. To Net Est.	% of Exp. to Gross Est.	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. To Net Est.	% of Exp. to Gross Est.
The Executive Office of the President	11.47	4.96	2.56	6.81	51.5	59.3	25.03	21.73	8.09	5.10	37.2	20.4
State Department for Devolution	4.73	4.36	0.28	0.44	6.3	9.3	0.93	0.93	0.42	0.36	44.7	39.2
State Department for Planning	42.45	42.40	18.20	18.27	42.9	43.0	3.21	3.14	1.49	1.47	47.3	45.9
Ministry of Foreign Affairs	1.20	1.20	0.62	0.62	51.3	51.5	14.56	13.96	5.46	7.16	39.1	49.2
The National Treasury	42.78	31.08	12.06	19.31	38.8	45.1	74.20	71.25	15.94	20.23	22.4	27.3
State Department for Public Service	1.25	1.25	-	0.58	-	45.9	17.22	14.75	7.07	9.30	47.9	54.0
Parliamentary Service Commission	-	-	-	-	-	-	6.44	6.44	2.02	2.37	31.4	36.9
National Assembly	-	-	-	-	-	-	23.21	23.21	8.38	9.15	36.1	39.4
Parliamentary Joint Services	2.07	2.07	1.13	1.37	54.6	66.6	5.60	5.58	2.06	2.48	36.9	44.4
Commission on Revenue Allocation	-	-	-	-	-	-	0.37	0.37	0.14	0.12	36.4	33.0
Public Service Commission	0.02	0.02	-	-	-	-	2.11	2.11	1.15	1.17	54.8	55.6
Salaries & Remuneration Commission	-	-	-	-	-	-	0.46	0.46	0.16	0.17	34.6	36.3
Auditor General	0.15	0.15	0.02	0.02	10.7	10.7	5.08	4.93	2.42	2.35	49.0	46.2
Controller of Budget	-	-	-	-	-	-	0.62	0.62	0.18	0.18	29.4	29.1
Commission on Administrative Justice	-	-	-	-	-	-	0.49	0.49	0.24	0.19	48.6	37.8
Total	**106.13**	**87.50**	**34.85**	**47.41**	**39.8**	**44.7**	**179.52**	**169.98**	**55.21**	**61.80**	**32.5**	**34.4**

Total for the Sector	Gross Est.	. Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.
Development	106.13	87.50	34.85	47.41	39.8	44.7

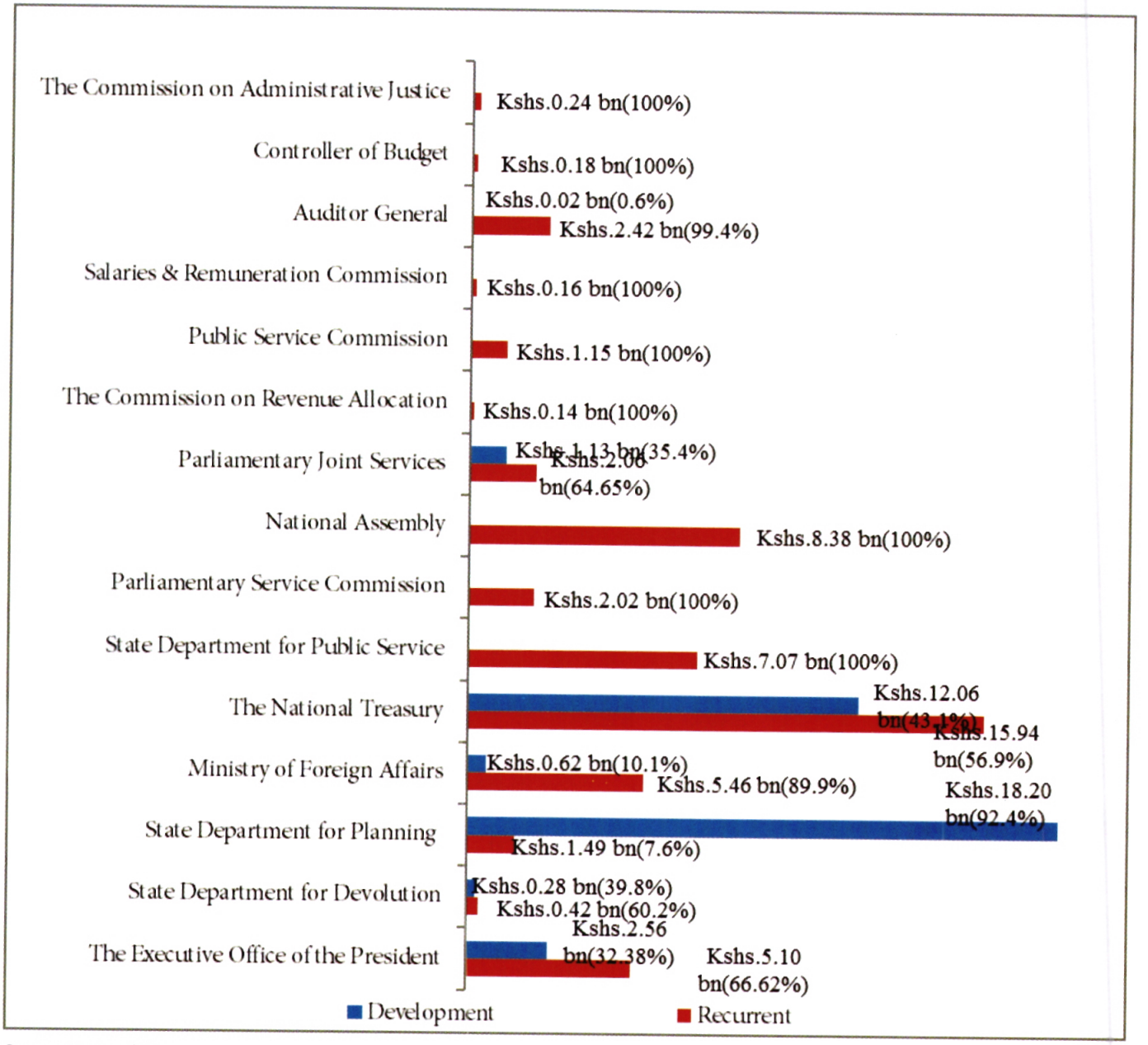
VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. To Net Est.	% of Exp. to Gross Est.	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. To Net Est.	% of Exp. to Gross Est.
Recurrent							179.52	169.97	55.21	61.80	64.80	36.1
Total							**285.65**	**257.47**	**90.06**	**109.21**	**35.0**	**39.3**

Source: *MDAs and National Treasury*

The Parliamentary Joint Services received the highest proportion of development exchequer issues to the development net estimates at 54.6 per cent while the State Department for Devolution recorded the lowest at 6.3 per cent. Public Service Commission recorded the highest proportion of recurrent exchequer issues to recurrent net estimates at 54.8 per cent while the National Treasury recorded the lowest at 22.4 per cent.

Figure 4.17 shows the exchequer issues to the PAIR Sector in the first half of the FY 2020/21.

Figure 4.17: Exchequer Issues to the PAIR Sector



Source: *National Treasury*

The total expenditure for the PAIR sector in the first half of the FY 2020/21 amounted to Kshs.112.22 billion representing 39.3 per cent of the gross estimates an increase compared to 32.2 per cent recorded in a similar period of the FY 2019/20. This comprised of Kshs.47.41 billion for development representing absorption rate of 44.7 per cent, representing an increase from 21.4 per cent recorded in a similar period of the FY 2019/20, and Kshs.64.80 billion for recurrent expenditure representing 36.1 per cent of gross recurrent a decrease from 39.2 per cent recorded in a similar period of the FY 2019/20.

Parliamentary Joint Services recorded the highest absorption for development budget at 66.6 per cent while the State Department for Devolution recorded the lowest at 9.3 per cent. Public Service Commission recorded the highest percentage of recurrent expenditure to gross estimates at 55.6 per cent while the National Treasury recorded the lowest at 27.3 per cent.

4.11 Social Protection, Culture and Recreation Sector

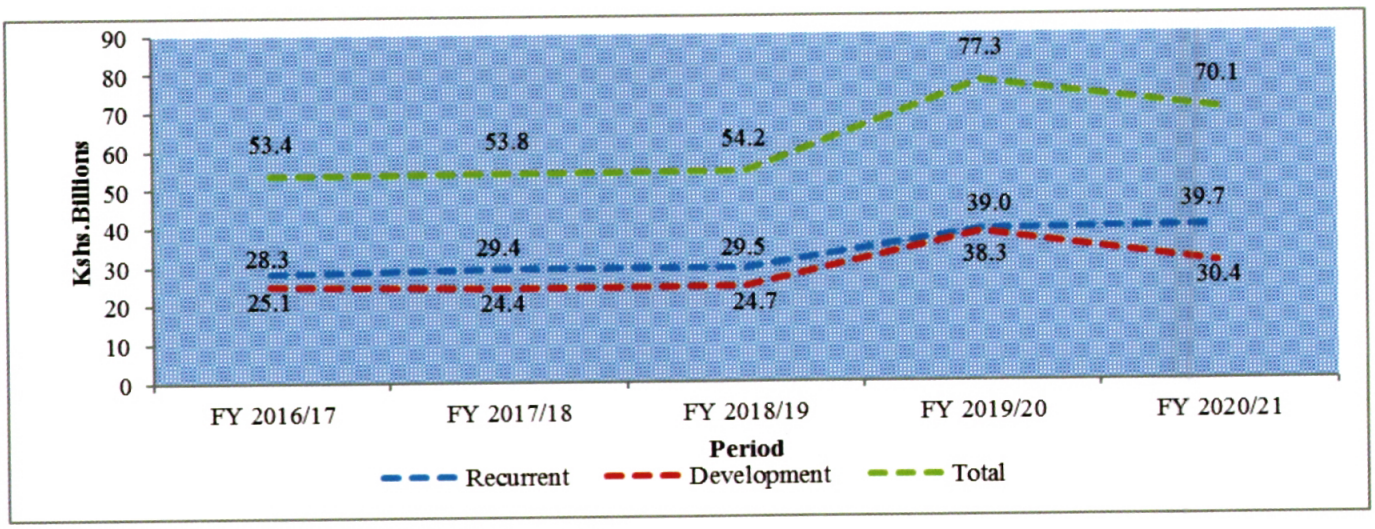
The Social Protection, Culture and Recreation (SPCR) Sector comprises of six Departments namely: Sports, Culture and Heritage, Labour, Social Protection, Pensions and Senior Citizens Affairs, Development of Arid and Semi-Arid Lands (ASALs) and Gender.

The SPCR sector plays a strategic role in the country's transformation and socio-economic development through the implementation of special programmes for the development of the ASALs. The sector undertakes the promotion of sustainable employment, harmonious industrial relations, productive workforce and gender equity and equality. Other key roles include empowerment of communities and vulnerable groups and safeguarding children's rights, promotion of diverse cultures, arts and sports to enhance cohesiveness and Kenya's regional and international competitiveness.

The budgetary allocation to the SPCR sector in the FY 2020/21 amounts to Kshs.70.09 billion representing 2 per cent of the gross national budget, a decrease from Kshs.77.3 billion allocated in the FY 2019/20. This allocation comprised of Kshs.30.39 billion (43 per cent) for development activities and Kshs.39.70 billion (57 per cent) for recurrent expenditure. The State Department for Social Protection received the highest budgetary allocation of Kshs. 33.61 billion (48 per cent of the Sector's allocation), while the State Department for Culture and Heritage had the lowest budgetary allocation of Kshs. 3.35 billion (4.8 per cent of the sector's allocation).

Figure 4.18 shows the budgetary allocation trend for the SPCR sector for the period FY 2016/17 to FY 2020/21.

Figure 4.18: Budgetary Allocation Trend for the SPCR Sector



Source: *National Treasury*

In the first half of the FY 2020/21, exchequer issues to SPCR sector was Kshs.13.81 billion representing 25.6 per cent of the sector's net estimates. This comprised of Kshs.4.85 billion for development expenditure, representing 30.5 per cent of the development net estimates and Kshs.8.96 billion for recurrent expenditure, representing 23.5 per cent of the recurrent net estimates.

Table 4.10 shows the SPCR sector analysis of exchequer issues and expenditure in the first half of the FY 2020/21.

Table 4.10: SPCR Sector-Analysis of Exchequer Issues and Expenditure (Kshs. Billions)

VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Gross Est.	Gross Est.	Net Est.	Exch. Issues	Exp.	% of Exch. To Net Est.	% of Exp. to Gross Est.
State Department for Development for the ASALs	8.82	8.70	2.92	2.60	33.5	29.4	0.98	0.98	0.45	0.48	46.2	48.9
State Department for Sports	14.16	0.16	0.08	0.08	50.0	0.5	1.24	1.10	0.75	0.32	68.1	25.7
State Department for Culture and Heritage	0.04	0.04	0.01	0.02	24.6	35.5	2.68	2.27	1.08	1.10	47.7	41.0
State Department for Labour	2.44	2.44	0.67	0.59	27.3	24.1	2.76	1.87	0.52	0.82	27.6	29.7
State Department for Social Protection, Pensions and Senior Citizens Affairs	2.55	2.19	0.10	0.13	4.8	5.2	31.06	31.01	5.78	14.31	18.6	46.1
State Department for Gender	2.37	2.37	1.07	1.18	44.9	49.7	0.98	0.84	0.38	0.28	45.4	28.3
Total	**30.39**	**15.91**	**4.85**	**4.59**	**30.5**	**15.1**	**39.70**	**38.08**	**8.96**	**17.30**	**23.5**	**43.6**

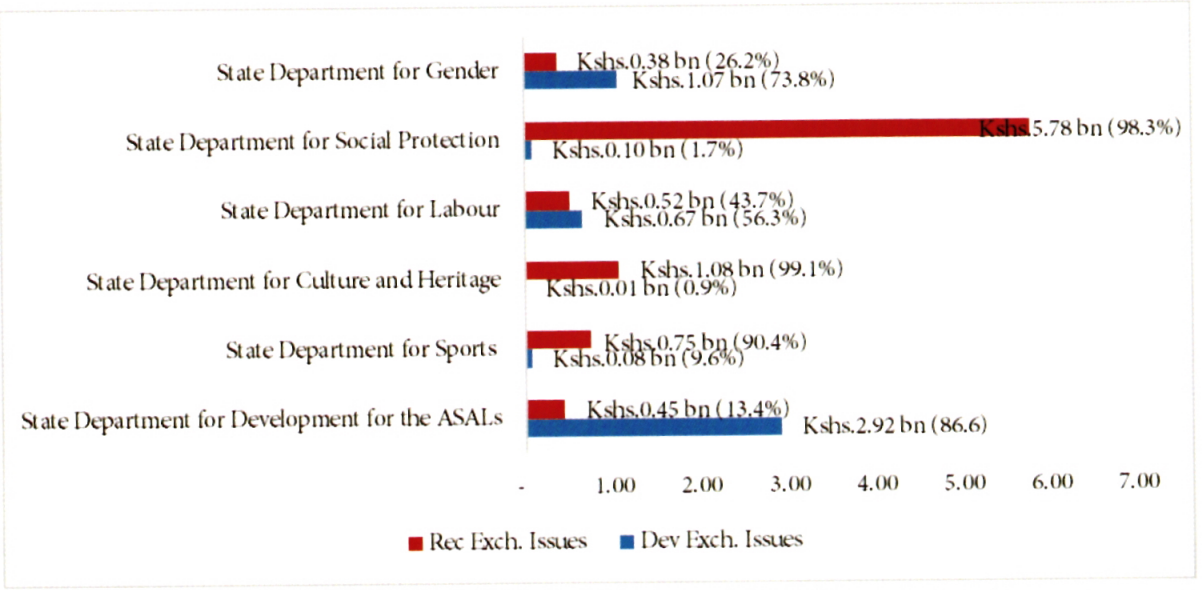
Total for the Sector	**Gross Est.**	**Net Est.**	**Exch. Issues**	**Exp.**	**% of Exch. to Net Est.**	**% of Exp. to Gross Est.**
Development	30.39	15.91	4.85	4.59	30.5	15.1
Recurrent	39.70	38.08	8.96	17.30	23.5	43.6
Total	**70.09**	**53.99**	**13.81**	**21.90**	**25.6**	**31.2**

Source: *MDAs and National Treasury*

The State Department for Sports received the highest proportion for both development and recurrent exchequer issues to the net estimates at 50 per cent and 68.1 per cent respectively. The State Department for Social Protection, Pensions and Senior Citizens Affairs received the lowest proportion for both development and recurrent exchequer issues to the net estimates at 4.8 per cent and at 18.6 per cent respectively.

Figure 4.19 shows the exchequer issues to SPCR sector in the first half of the FY 2020/21.

Figure 4.19: Exchequer Issues to the SPCR Sector (Kshs. Billions)



Source: *National Treasury*

The total expenditure for the SPCR sector in the first half of the FY 2020/21 amounted to Kshs.21.90 billion, representing 31.2 per cent of the gross estimates, a decrease compared to 35.1 per cent recorded in a similar period of the FY 2019/20. This expenditure comprised of Kshs.4.59 billion for development representing an absorption rate of 15.1 per cent and Kshs.17.30 billion for recurrent expenditure representing 43.6 per cent of gross estimates.

The State Department for Gender recorded the highest absorption on development budget at 49.7 per cent while the State Department for Development for the ASALs recorded the highest percentage for the recurrent budget at 48.9 per cent. The State Department for Sports recorded the lowest absorption for development and recurrent budget at 0.5 per cent and 25.7 per cent respectively.

5 BUDGET PERFORMANCE BY PROGRAMMES

5.1 Introduction

This chapter presents analysis of MDAs budget performance by programmes implemented in the first half of the FY 2020/21. It also includes detailed information on budgeting allocation to both development and recurrent expenditure. The Sectors are presented in an alphabetical order.

5.2 Agriculture, Rural and Urban Development (ARUD) Sector

In the FY 2020/21, the ARUD sector budget allocation was Kshs.61.61 billion comprising of Kshs.42.14 billion (68 per cent) for development activities and Kshs.19.47 billion (32 per cent) for recurrent expenditure to fund 14 programmes. The analysis of ARUD sector programmes for the period under review is presented in table 5.1.

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

VOTE	Programme	Gross Estimates			Expenditure			Absorption Rate (%)
		Dev.	Rec.	Total	Dev.	Rec.	Total	
Ministry of Lands and Physical Planning	Development Planning and Land Reforms	1.56	0.60	2.16	0.56	0.20	0.76	35.4
	Land Information Management	0.79	0.88	1.68	0.25	0.35	0.60	35.6
	Land Survey	0.17	0.76	0.93	0.02	0.35	0.37	39.7
	Land Use	0.09	0.17	0.26	0.00	0.08	0.08	30.9
	Land Settlement	0.18	0.42	0.60	0.08	0.21	0.29	48.0
State Department for Crop Development and Agricultural Research	General Administration Planning and Support Services	0.99	4.01	4.99	0.46	1.22	1.69	33.8
	Crop Development and Management	27.75	1.13	28.88	7.43	9.01	16.44	56.9
	Agribusiness and Information Management	1.43	0.14	1.56	0.15	0.04	0.20	12.5
	Agricultural Research and Development.	0.85	5.53	6.37	0.27	2.23	2.50	39.2
State Department for Livestock	Livestock Resources Management and Development	3.36	2.63	5.99	1.17	1.10	2.27	37.9
State Department for Fisheries and the Blue Economy	Fisheries Development and Management	3.85	1.77	5.61	0.72	0.84	1.56	27.7
	General Administration Planning and Support Services	0.00	0.13	0.13	0.00	0.04	0.04	29.9
	Development and Coordination of Blue Economy	1.12	0.09	1.21	0.57	0.03	0.60	49.3
National Land Commission	Land Administration and Management	0.00	1.23	1.23	0.00	0.37	0.37	30.3
Total		**42.14**	**19.47**	**61.61**	**11.70**	**16.06**	**27.76**	**45.1**

Source: *MDAs and National Treasury*

Crop Development and Management programme under the State Department for Crop Development and Agricultural Research received the highest budgetary allocation at Kshs.28.88 billion (46.9 per cent), of the total gross estimates for the sector. The General Administration Planning and Support Services under the State Department for Fisheries and the Blue Economy had the lowest allocation at kshs.132.77 million (less than 1 per cent) of the total gross estimates for the sector.

Analysis of programme performance shows that, the Crop Development and Management programme under the State Department for Crop Development and Agriculture Research recorded the highest proportion of programme expenditure to its gross estimates at 56.9 per cent, while Agribusiness and Information Management programme under the State Department for Crop Development and Agricultural Research recorded the lowest at 12.5 per cent.

Further analysis of sub-programme performance shows that, Food Security Initiative under Crop Development and Management programme had the highest expenditure at Kshs.10.90 billion, while the Protection and Regulation of Marine Ecosystem and Exclusive Economic Zone under the Development and Coordination of Blue Economy programme had the lowest expenditure at Kshs.4.49 million.

5.3 Education Sector

The Education sector's budgetary allocation in the FY 2020/21 was Kshs.505.09 billion comprising of Kshs.481.17 billion (95.3 per cent) for development programmes and Kshs.23.93 billion (4.7 per cent) for recurrent programmes to fund 16 programmes. The analysis of Sector programmes in the first half of the FY 2020/21 is presented in table 5.2.

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

VOTE	Programme	Gross Estimates			Expenditure			Absorption Rate (%)
		Dev.	Rec.	Total	Dev.	Rec.	Total	
State Department for Early Learning & Basic Education	Primary Education	3.99	16.95	20.95	1.52	8.15	9.67	46.2
	Secondary Education	7.48	63.34	70.82	2.12	30.48	32.59	46.0
	Quality Assurance and Standards	0.15	4.15	4.30	0.10	1.21	1.31	30.4
	General Administration, Planning and Support Services	0.07	4.68	4.75	-	1.62	1.62	34.0
State Department for Vocational Training and Technical Training	Technical Vocational Education and Training	4.27	18.47	22.74	1.63	6.17	7.81	34.3
	Youth Training and Development	2.00	0.04	2.04	0.05	0.01	0.06	3.1
	General Administration, Planning and Support Services	-	0.13	0.13	-	0.04	0.04	29.7
State Department for University Education	University Education	5.33	106.68	112.01	2.07	28.12	30.20	27.0
	Research, Science, Technology and Innovation	0.05	0.85	0.90	0.01	0.39	0.40	44.4
	General Administration, Planning and Support Services	-	0.22	0.22	-	0.07	0.07	33.3
State Department for Post Training and Skills Development	Workplace Readiness Services	-	0.04	0.04	-	0.00	0.00	3.3
	Post-Training Information Management	-	0.01	-	-	-	-	-
	General Administration, Planning and Support Services	-	0.10	0.10	-	0.04	0.04	45.6
Teachers Service Commission	Teacher Resource Management	0.60	257.37	257.97	-	135.54	135.54	52.5
	Governance and Standards	-	1.01	1.01	-	0.03	0.03	2.7
	General Administration, Planning and Support Services	-	7.11	7.11	-	0.23	0.23	3.3
Total		**23.93**	**481.17**	**505.09**	**7.50**	**212.12**	**219.61**	**43.5**

Source: *MDAs and National Treasury*

The Teacher Resource Management programme under TSC received the highest budgetary allocation of Kshs.257.97 billion or 51.1 per cent of the total gross estimates for the Education sector while the Workplace Readiness Services under the State Department for Post Training and Skills Development had the lowest allocation at Kshs.40 million , or less than 1 per cent of the total gross estimates for the sector.

Analysis of programme performance shows that, the Teacher Resource Management programme recorded the highest proportion of programme expenditure to its gross estimates at 52.5 per cent, while Governance and Standards programme ; both under Teachers Service Commission recorded the lowest at 2.7 per cent.

Further analysis of sub-programme performance shows that Teacher Resource Management sub-programme under the Teachers Service Commission had the highest expenditure at Kshs.135.54 billion, while the Work-based Learning Services sub programme under Workplace Readiness Services programme of the State Department for Post Training and Skills Development had the lowest expenditure at Kshs.575,624.

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

In the FY 2020/21, the EI & ICT sector budgetary allocation was Kshs.366.18 billion to implement 27 programmes. The allocation comprised of Kshs.272.52 billion (74.4 per cent) for development programmes and Kshs.93.66 billion (25.6 per cent) for recurrent programs. Analysis of the EI&ICT Sector's programmes in the first half of the FY 2020/21 is presented in Table 5.3.

Table 5.3: Energy, Infrastructure and Information Communication Technology (EI & ICT) Sector's Programme Performance (Kshs. Billions)

VOTE	Programme	Gross Estimate			Expenditure			Absorption Rate (%)
		Dev.	Rec.	Total	Dev	Rec	Total	
State Department of Transport	General Administration, Planning and Support Services	0.04	0.32	0.36	-	0.12	0.12	34.1
	Rail Transport	23.22	0.00	23.22	30.79	0.00	30.79	132.6
	Marine Transport	14.43	0.81	15.23	6.21	0.38	6.60	43.3
	Air Transport	0.68	8.03	8.71	2.31	1.97	4.28	49.1
	Road Safety	0.00	0.03	0.03	0.00	0.01	0.01	27.2
State Department of Infrastructure	Road Transport	124.59	64.93	189.52	36.07	29.78	65.85	34.7
State Department for Maritime Affairs	Marine Transport	0.85	1.67	2.52	0.11	0.46	0.56	22.4
State Department for Housing & Urban Development	Housing Development and Human Settlement	3.08	0.53	3.61	2.59	0.22	2.82	78.0
	Urban and Metropolitan Development	12.92	0.21	13.13	10.44	0.08	10.53	80.2
	General Administration, Planning and Support Services	0.00	0.32	0.32	0.00	0.12	0.12	38.6
State Department for Public Works	Government Buildings	0.62	0.53	1.15	0.26	0.26	0.52	44.77
	Coastline Infrastructure and Pedestrian Access	0.31	0.16	0.47	0.08	0.14	0.22	45.91
	General Administration, Planning and Support Services	0.02	0.29	0.31	0.11	0.00	0.11	35.07
	Regulation and Development of the Construction Industry	0.24	1.33	1.57	0.64	0.02	0.66	42.28
State Department for Information Communications & Technology	General Administration Planning and Support Services	0.00	0.23	0.23	0.00	0.10	0.10	45.0
	ICT Infrastructure Development	16.94	0.48	17.42	6.85	0.23	7.08	40.6
	E-Government Services	1.56	0.80	2.36	0.83	0.37	1.19	50.6
State Department for Broadcasting & Telecommunication	General Administration Planning and Support Services	0.00	0.20	0.20	0.00	0.07	0.07	36.5
	Information and Communication Services	0.31	4.25	4.56	0.00	2.54	2.54	55.7
	Mass Media Skills Development	0.03	0.20	0.24	0.03	0.09	0.12	52.3
	Film Development Services Programme	0.10	0.88	0.98	0.04	0.44	0.47	48.1
State Department for Energy	General Administration Planning and Support Services	0.09	0.40	0.48	0.01	0.23	0.25	50.8
	Power Generation	8.69	1.70	10.39	2.10	0.39	2.49	24.0
	Power Transmission and Distribution	54.56	3.59	58.15	13.90	0.19	14.09	24.2
	Alternative Energy Technologies	3.25	0.22	3.47	0.25	0.05	0.30	8.7
State Department for Petroleum	Exploration and Distribution of Oil and Gas	3.64	0.24	3.89	0.63	0.08	0.71	18.2
State Department for Youth Affairs	Youth Empowerment	2.35	1.31	3.66	0.47	0.63	1.09	29.9

VOTE	Programme	Gross Estimate			Expenditure			Absorption Rate (%)
		Dev.	Rec.	Total	Dev	Rec	Total	
Total		272.52	93.66	366.18	114.05	39.65	153.70	41.97

Source: *MDAs and National Treasury*

The, Road Transport programme under the State Department for Infrastructure received the highest allocation at kshs.189.52 billion translating to 51.8 per cent of the total gross estimates for the EI&ICT sector while the Road Transport Services programme under the State Department of Transport had the lowest allocation at kshs.30.44 million or less than 1 per cent of the total gross estimates for the sector.

Analysis of programme performance shows that, the Information and Communication services programme under the State Department for Broadcasting and Telecommunication recorded the highest proportion of expenditure to its gross estimates at 55.7 per cent, while Regulation and Development of the Construction Industry programme under the State Department for Public Works recorded the lowest at 7 per cent.

Further analysis of sub-programme performance shows that the Road Transport sub-programme under Road Transport programme had the highest expenditure at Kshs.65.85 billion, while Distributed of Oil and Gas sub programme under the Exploration and Distribution of Oil and Gas programme in the Ministry of Energy had the lowest expenditure at Kshs.5.66 million.

5.5 Environmental Protection, Water and Natural Resources Sector

In the FY 2020/21, the budgetary allocation to the EPW&NR sector was Kshs.105.22 billion for implementing 15 programmes. This comprised of Kshs.77.98 billion (74.1 per cent) for development programmes and Kshs.27.23 billion (25.9 per cent) for recurrent programmes. Analysis of the sector Programmes implemented in the first half of the FY 2020/21 are presented in Table 5.4.

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

VOTE	Programme	Gross Estimates			Expenditure			Absorption Rate (%)
		Dev.	Rec.	Total	Dev.	Rec.	Total	
Ministry of Water, Sanitation and Irrigation	General Administration, Planning and Support Services	0.04	0.77	0.81	0.02	0.24	0.26	31.8
	Water Resources Management	9.25	1.66	10.91	1.59	0.45	2.03	18.6
	Water and Sewerage Infrastructure Development	39.51	3.07	42.58	7.56	0.99	8.56	20.1
	Irrigation and Land Reclamation	11.29	0.71	12.01	3.08	0.16	3.23	26.9
	Water Storage and Flood Control	8.58	-	8.58	1.16	0.00	1.16	13.6
	Water Harvesting and Storage for Irrigation	2.31	0.03	2.34	1.05	0.01	1.05	45.1
Ministry of Environment and Forestry	Environment Management and Protection	1.54	1.68	3.21	0.52	0.79	1.31	40.8
	General Administration, Planning and Support Services	-	0.33	0.33	-	0.15	0.15	46.1
	Meteorological Services	0.59	1.04	1.63	0.30	0.41	0.72	44.1
	Forests and Water Towers Conservation	3.85	7.11	10.96	0.65	3.10	3.75	34.2
	Resource Surveys and remote Sensing	0.02	0.10	0.12	0.01	0.03	0.04	29.0
State Department for Mining	General Administration Planning and Support Services	-	0.28	0.28	-	0.19	0.19	66.8
	Mineral Resources Management	0.20	0.30	0.50	0.01	0.05	0.06	12.1
	Geological Survey and Geo-information Management	0.11	0.06	0.17	0.04	0.00	0.05	27.6

VOTE	Programme	Gross Estimates			Expenditure			Absorption Rate (%)
		Dev.	Rec.	Total	Dev.	Rec.	Total	
State Department for Wildlife	Wildlife Conservation and Management	0.69	10.11	10.80	0.39	3.58	3.98	36.8
Total		**77.98**	**27.23**	**105.22**	**16.39**	**10.14**	**26.53**	**25.2**

Source: *MDAs and National Treasury*

From the analysis, Water and Sewerage Infrastructure Development programme under Ministry of Water, Sanitation and Irrigation received the highest allocation at Kshs.42.58 billion translating to 40.5 per cent of the gross estimates for the sector. The Geological Survey and Geo-Information Management programme under the State Department for Mining had the lowest allocation at Kshs.174.84 million or less than 1 per cent of the sector's gross estimates.

Analysis of programme performance shows that, the State Department for Mining recorded both the highest and lowest proportion of programme expenditure to its gross estimates for the General Administration Planning and Support Services and Mineral Resources Management programmes at 66.8 per cent and 12.1 per cent respectively

Further analysis of sub-programme performance shows that, Sewerage Infrastructure Development under Water and Sewerage Infrastructure Development programme had the highest expenditure at Kshs.65.85 billion, while Geoformation Management under the Geological Survey and Geo-Information Management programme had the lowest expenditure at Kshs.689,682.

5.6 General Economic and Commercial Affairs (GECA) Sector

In the FY 2020/21, the sector's budgetary allocation was Kshs.29.53 billion for implementing 8 programmes. This comprise of Kshs.12.59 billion (42.6 per cent) for development programmes and Kshs.16.95 billion (57.4 per cent) for recurrent programmes. Analysis of the sector; programmes implemented during the period under review is presented in Table 5.5.

Table 5.5: General Economic and Commercial Affairs (GECA) Sector's Programme (Kshs. Billions)

VOTE	Programme	Gross Estimates			Expenditure			Absorption Rate (%)
		Dev.	Rec.	Total	Dev.	Rec.	Total	
State Department for Industrialization	General Administration Planning and Support Services	1.40	0.37	1.78	0.08	0.17	0.25	13.9
	Industrial Development and Investments	1.66	1.32	2.99	0.45	0.34	0.79	26.5
	Standards and Business Incubation	2.20	1.15	3.35	0.70	0.45	1.15	34.4
State Department for Cooperatives	Cooperative Development and Management	0.83	0.80	1.63	0.31	0.39	0.70	43.2
State Department for Trade	Trade Development and Promotion	1.10	1.92	3.02	0.40	0.72	1.12	37.2
State Department for East African Community	East African Affairs and Regional Integration	-	0.61	0.61	-	0.13	0.13	21.1
State Department for Regional and Northern Corridor Development	Integrated Regional Development	1.09	2.27	3.35	0.41	0.99	1.40	41.8
State Department for Tourism	Tourism Development and Promotion	4.31	8.50	12.81	2.15	1.32	3.48	27.2
Total		**12.59**	**16.95**	**29.53**	**4.51**	**4.51**	**9.03**	**30.6**

Source: *MDAs and National Treasury*

The Tourism Development and Promotion programme under the State Department for Tourism received the highest allocation at kshs.12.81 billion translating to 43.4 per cent of the gross estimates for GECA sector . The East African Affairs and Regional Integration programme under the State Department for East African Community had the lowest allocation at kshs.0.6 billion (2.1 per cent) of the gross estimates for the sector.

Analysis of programme performance shows that, the Cooperative Development and Management programme under the State Department of Cooperatives recorded the highest proportion of programme expenditure to its annual estimates at 43.2 per cent, while the General Administration Planning and Support Services programme under the State Department for Industrialization recorded the lowest at 13.9 per cent.

Further analysis of sub-programme performance shows that Tourism Infrastructure Development under Tourism Development Promotion programme had the highest expenditure at Kshs.1.59 billion, while Business Transformation (Ease of Doing Business) under the East African Affairs and Regional Integration programme had the lowest expenditure at Kshs.1.91 million.

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

The GJLO sector budgetary allocation in the FY 2020/21 was Kshs.198.06 billion to implement 23 programmes. The allocation comprised of Kshs.11.07 billion (6 per cent) for development expenditure and Kshs.186.99 billion (94. per cent) for recurrent expenditure. Analysis of the GJLO sector programmes for period under the review is presented in Table 5.6.

Table 5.6: Governance, Justice, Law and Order (GJLOS) Sector's Programme (Kshs. Billions)

VOTE	Programme	Gross Estimates			Expenditure			Absorption Rate (%)
		Dev.	Rec.	Total	Dev.	Rec.	Gross	
State Department for Interior and Citizen Services	Policing services	1.74	94.33	96.07	1.44	45.52	46.96	48.9
	Planning, policy Coordination and Support Services	2.54	22.39	24.92	0.65	14.06	14.71	59.0
	Government Printing Services	0.05	0.69	0.74	0.02	0.25	0.28	37.9
	Road Safety	0.10	2.29	2.39	0.05	0.51	0.56	23.4
	Population Management Services	1.63	3.57	5.20	0.42	1.39	1.82	34.9
	Migration and Citizen Services Management	0.87	1.93	2.79	0.38	0.71	1.09	39.0
State Department for Correctional Services	Correctional services	0.78	26.97	27.76	0.02	10.94	10.96	39.5
	General Administration, Planning and Support Services	-	0.35	0.35	-	0.11	0.11	37.2
State Law Office and Department of Justice	Legal Services	-	2.13	2.13	-	0.88	0.88	41.1
	Governance, Legal Training And Constitutional Affairs	0.09	1.83	1.91	0.04	0.56	0.60	31.4
	General Administration, Planning and Support Services	0.10	0.64	0.74	-	0.27	0.27	36.1
The Judiciary	Dispensation of Justice	2.70	14.72	17.42	0.76	6.35	7.10	40.8
Ethics and Anti-Corruption Commission	Ethics and Anti-Corruption	0.04	3.07	3.11	-	1.60	1.60	51.4
Office of Director of Public Prosecutions	Public Prosecution Services	0.13	2.96	3.09	-	1.09	1.09	35.2
Office of the Registrar of Political Parties	Registration, Regulation and Funding of Political Parties	-	1.35	1.35	-	0.86	0.86	64.1
Witness Protection Authority	Witness Protection	-	0.47	0.47	-	0.26	0.26	54.9
Kenya National Commission on Human Rights	Protection and Promotion of Human Rights	-	0.40	0.40	-	0.18	0.18	44.0
Independent Electoral and Boundaries Commission	Management of Electoral Processes	0.15	4.18	4.33	0.08	1.86	1.93	44.6
	Delimitation of Electoral Boundaries	-	0.26	0.26	-	0.05	0.05	20.8
Judicial Service Commission	General Administration, Planning and Support Services	-	0.58	0.58	-	0.21	0.21	-
National Police Service Commission	National Police Service Human Resource Management	-	0.61	0.61	-	0.22	0.22	36.7

VOTE	Programme	Gross Estimates			Expenditure			Absorption Rate (%)
		Dev.	Rec.	Total	Dev.	Rec.	Gross	
National Gender and Equality Commission	Promotion of Gender Equality and Freedom from Discrimination	0.01	0.42	0.43	-	0.20	0.20	46.3
Independent Policing Oversight Authority	Policing Oversight Services	0.15	0.86	1.01	-	0.43	0.43	42.2
Total		**11.07**	**186.99**	**198.06**	**3.87**	**88.49**	**92.36**	**46.5**

Source: *MDAs and National Treasury*

From the analysis of the sector's programmes, Policing services under the State Department for Interior and Citizen Services received the highest allocation at Kshs.96.07 billion translating to 48.5 per cent of the gross estimates for the sector while the Delimitation of Electoral Boundaries under IEBC had the lowest allocation at Kshs.259.54 million or less than 1 per cent of the gross estimates for the sector.

Analysis of programme performance shows that, the Registration, Regulation and Funding of Political Parties under the Office of the Registrar of Political Parties recorded the highest proportion of programme expenditure to its annual estimates at 64.1 per cent, while the Delimitation of Electoral Boundaries under the Independent Electoral and Boundaries Commission recorded the lowest at 20.8 per cent.

Further analysis of sub-programme performance shows that Kenya Police Service under Policing Services programme had the highest expenditure at Kshs.23.66 billion, while Disaster Risk Reduction under the Planning, Policy Coordination and Support Services programme had the lowest expenditure at Kshs.10.72 million.

5.8 Health Sector

The Health sector budgetary allocation in the FY 2020/21 was Kshs.111.70 billion to fund 5 programmes. The allocation comprised of Kshs.47.25 billion (42.3 per cent) for development programmes and Kshs.64.45 billion (57.7 per cent) for recurrent programmes. Table 5.7 presents an analysis of the Health sector programmes for the first six months of FY 2020/21.

Table 5.7: Health Sector's Programme (Kshs. Billions)

VOTE	Programme	Gross Estimates			Expenditure			Absorption Rate (%)
		Dev.	Rec.	Total	Dev.	Rec.	Total	
Ministry of Health	Preventive, Promotive & RMNCAH*	7.61	3.97	11.59	1.43	1.29	2.72	23.5
	National Referral & Specialized Services	10.84	31.57	42.41	4.08	10.52	14.60	34.4
	Health Research and Development	0.59	9.34	9.93	0.27	2.81	3.07	31.0
	General Administration, Planning & Support Services	1.25	7.29	8.53	0.21	3.32	3.53	41.4
	Health Policy, Standards and Regulations	26.96	12.28	39.25	6.79	1.62	8.41	21.4
Total		**47.25**	**64.45**	**111.70**	**12.77**	**19.57**	**32.33**	**28.9**

Source: *MDAs and National Treasury*

** RMNCAH : Reproductive Maternal Neo-natal Child & Adolescent Health.*

Analysis of the Health sector shows that, National Referral & Specialized Services programme received the highest budgetary allocation of Kshs.42.41 billion translating to 38.0 per cent of the annual estimates for the sector while the General Administration, Planning & Support Services had the lowest allocation at kshs.8.53 billion 7.6 per cent of the gross estimates.

Analysis of programme performance shows that, the General Administration, Planning & Support Services recorded the highest proportion of programme expenditure to its gross estimates at 41.4 per cent, while the Health Policy, Standards and Regulations recorded the lowest at 21.4 per cent.

Further analysis of sub-programme performance shows that National Referral Services under had the highest expenditure at Kshs.11.09 billion, while Free Primary Healthcare had the lowest expenditure at Kshs.3.39 million both under National Referral and Specialized Services programme.

5.9 National Security Sector

The National Security sector budgetary allocation in the FY 2020/21 amounted to Kshs.154.53 billion to fund its 5 programmes. This comprised of Kshs.9.21 billion (6 per cent) for development expenditure and Kshs.145.32 billion (94 per cent) for recurrent expenditure. Analysis of National Security sector programmes in the first half of FY 2020/21 is presented in Table 5.8.

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

VOTE	Programme	Gross Estimates			Expenditure			Absorption Rate (%)
		Dev.	Rec.	Total	Dev.	Rec.	Total	
Ministry of Defence	Defense	9.21	104.04	113.25	7.89	63.50	71.39	63.0
	Civil Aid	-	0.20	0.20	-	0.10	0.10	50.0
	General Administration, Planning and Support Services	-	1.84	1.84	-	0.68	0.68	36.9
	National Space Management	-	0.20	0.20	-	0.15	0.15	75.0
National Intelligence Service	National Security Intelligence	-	39.05	39.05	-	16.81	16.81	43.1
Total		**9.21**	**145.32**	**154.53**	**7.89**	**81.24**	**89.13**	**57.7**

Source: *MDAs and National Treasury*

Analysis of the National Security sector shows that the Defense programme under Ministry of Defence received the highest allocation at Kshs.113.25 billion translating to 73.3 per cent of the gross estimates for the sector while the Civil Aid and National Space management programmes had the lowest allocations at kshs.200.00 million.

Analysis of programme performance shows that, the National Space Management recorded the highest proportion of programme expenditure to its gross estimates at 75 per cent, while the General Administration, Planning and Support Services recorded the lowest at 36.9 per cent.

Further analysis of sub-programme performance shows that National Security Intelligence under NIS had the highest expenditure at Kshs.16.81 billion, while Civil Aid programme under the Ministry of Defence had the lowest expenditure at Kshs.100 million.

5.10 Public Administration and International Relations (PAIR) Sector

The PAIR sector allocation in the FY 2020/21 was Kshs.285.6 billion to implement 36 programmes. The budget comprises of Kshs.106.1 billion (37 per cent) for development programmes and Kshs.179.5 billion (63 per cent) for recurrent programmes. Analysis of PAIR sector programmes performance in the first half of FY 2020/21 is presented in Table 5.9.

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

VOTE	Programme	Gross Estimate			Expenditure			Absorption Rate (%)
		Dev.	Rec.	Total	Dev.	Rec.	Total	
The Executive Office of the President	Cabinet Services	0.93	1.15	2.08	0.82	0.41	1.23	59.4
	Government Advisory Services	0.09	0.62	0.70	-	0.28	0.28	40.3
	State House Affairs	0.07	3.80	3.87	0.04	1.90	1.93	50.0
	Nairobi Metropolitan Services	10.37	18.04	28.41	5.93	1.19	7.12	25.1
	Deputy President Services	0.02	1.42	1.44	0.01	0.78	0.79	55.2

VOTE	Programme	Gross Estimate			Expenditure			Absorption Rate (%)
		Dev.	Rec.	Total	Dev.	Rec.	Total	
State Department for Planning	Economic Policy and National Planning	41.91	1.46	43.37	18.08	0.70	18.78	43.3
	National Statistical Information Services	0.49	1.32	1.81	0.17	0.62	0.80	44.0
	Monitoring and Evaluation Services	-	0.17	0.17	0.02	0.03	0.06	32.6
	General Administration Planning and Support Services	-	0.27	0.27	-	0.11	0.11	42.8
State Department for Devolution	Devolution Support Services	4.73	0.60	5.33	0.44	0.27	0.71	13.3
	General Administration Planning and Support Services	-	0.30	0.30	-	0.09	0.09	29.2
	Special Initiatives	-	0.03	0.03	-	0.01	0.01	26.8
Ministry of Foreign Affairs	General Administration Planning and Support Services	0.07	1.69	1.76	0.01	0.87	0.88	49.8
	Foreign Relation and Diplomacy	1.03	12.66	13.69	0.60	6.20	6.79	49.6
	Economic Cooperation and Commercial Diplomacy	-	0.05	0.05	-	0.02	0.02	34.2
	Foreign Policy Research & Capacity Development	0.10	0.15	0.25	0.02	0.07	0.09	34.4
The National Treasury	General Administration, Planning and Support Services	5.80	59.29	65.10	4.72	17.82	22.54	34.6
	Public Financial Management	36.53	13.28	49.81	14.39	1.76	16.14	32.4
	Economic and Financial Policy Formulation and Management	0.42	1.23	1.64	0.19	0.48	0.67	40.7
	Market Competition	0.03	0.35	0.38	0.02	0.17	0.18	48.9
	Government Clearing Services	-	0.06	0.06	-	-	-	
State Department for Public Service	Public Service Transformation	0.31	7.57	7.88	0.10	4.85	4.96	62.9
	General Administration, Planning and Support Services	-	0.41	0.41	-	0.18	0.18	45.1
	National Youth Service	0.94	9.24	10.19	0.47	4.26	4.73	46.4
Parliamentary Service Commission	Senate Affairs	-	6.44	6.44	-	2.37	2.37	36.9
National Assembly	National Legislation, Representation and Oversight	-	23.21	23.21	-	9.15	9.15	39.4
Parliamentary Joint Services	General Administration, Planning and Support Services	2.07	5.60	7.66	1.37	2.48	3.86	50.3
Commission on Revenue Allocation	Inter-Governmental Revenue and Financial Matters	-	0.37	0.37	-	0.12	0.12	33.0
Public Service Commission	General Administration, Planning and Support Services	0.02	0.73	0.75	-	0.37	0.37	48.5
	Human Resource management and Development	-	1.22	1.22	-	0.73	0.73	59.9
	Governance and National Values	-	0.11	0.11	-	0.06	0.06	49.5
	Performance and Productivity Management	-	0.04	0.04	-	0.02	0.02	48.4
Salaries and Remuneration Commission	Salaries and Remuneration Management	-	0.46	0.46	-	0.17	0.17	36.3
Auditor General	Audit Services	0.15	5.08	5.22	0.02	2.35	2.36	45.2
Controller of Budget	Control and Management of Public Finances	-	0.62	0.62	-	0.18	0.18	29.1
Commission on Administrative Justice	Promotion of Administrative Justice	-	0.49	0.49	-	0.19	0.19	37.8
Total		**106.08**	**179.52**	**285.60**	**47.41**	**61.26**	**108.67**	**38.1**

Source: *MDAs and National Treasury*

Analysis of PAIR sector shows that the General Administration, Planning and Support Services programme under National Treasury received the highest allocation at Kshs.65.10 billion translating to 22.8 per cent of the gross estimates for the sector while the Special Initiatives programme under the State Department for Devolution had the lowest allocations at kshs.33.54 million (less than 1 per cent of the sector's allocation).

Analysis of programme performance shows that, the Public Service Transformation under the State Department for Public Service recorded the highest proportion of programme expenditure to its gross estimates at 62.9 per cent, while the Devolution Support Services under State Department for Devolution recorded the lowest at 13.3 per cent.

Further analysis of sub-programme performance shows that Financial Services sub-programme under the General Administration Planning and support services programme had the highest expenditure at Kshs.12.43 billion, while Government Clearing Services sub-programme under the Government Clearing Service programme had the lowest expenditure at Kshs.1.40 million, both in the National Treasury.

5.11 Social Protection, Culture and Recreation Sector

The Social Protection, Culture and Recreation sector budgetary allocation was Kshs.70.09 billion to fund 15 programmes in the FY 2020/21. The allocation comprises of Kshs.30.39 billion (43.4 per cent) for development programmes and Kshs.39.70 billion (56.6 per cent) for recurrent programmes.

Table 5.10 presents an analysis of the Social Protection, Culture and Recreation sector's programme for the first half of the FY 2020/21.

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

VOTE	Programme	Gross Estimate			Expenditure			Absorption Rate (%)
		Dev.	Rec.	Total	Dev.	Rec.	Total	
State Department for Development of the ASALs	Accelerated ASALs Development	8.82	0.98	9.80	2.60	0.48	3.08	31.4
State Department for Sports	Sports	14.16	1.24	15.40	0.08	0.32	0.40	2.6
State Department for Culture and Heritage	Culture	0.04	1.66	1.70	0.02	0.66	0.68	39.7
	The Arts	-	0.14	0.14	-	0.04	0.04	31.7
	Library Services	-	0.75	0.75	-	0.34	0.34	45.1
	General Administration, Planning and Support Services	-	0.13	0.13	-	0.06	0.06	43.3
State Department for Labour	General Administration, Planning and Support Services	-	0.45	0.45	-	0.21	0.21	45.7
	Promotion of the Best Labour Practice	0.10	0.68	0.78	0.06	0.26	0.32	41.8
	Manpower Development, Employment and Productivity Management	2.34	1.63	3.98	0.53	0.35	0.88	22.1
State Department for Social Protection	Social Development and Children Services	0.23	3.41	3.64	0.10	1.17	1.27	35.0
	National Social Safety Net	2.32	27.44	29.76	0.03	13.08	13.11	44.1
	General Administration, Planning and Support Services	-	0.21	0.21	-	0.06	0.06	26.9
State Department for Gender	Community Development	2.13	-	2.13	1.07	-	1.07	50.0
	Gender Empowerment	0.24	0.69	0.93	-	0.18	0.18	18.9
	General Administration, Planning and Support Services	-	0.29	0.29	-	0.10	0.10	35.0
Total		**30.39**	**39.70**	**70.09**	**4.48**	**17.30**	**21.78**	**31.1**

Source: *MDAs and National Treasury*

The National Social Safety Net programme under the State Department for Social Protection received the highest budgetary allocation at kshs.29.76 billion translating to 42.5 per cent of the gross estimates for the sector while the General Administration, Planning and Support Services programme under the State Department for Culture & Heritage had the lowest allocations at kshs.128.66 million translating to 0.2 per cent.

Analysis of programme performance shows that, Community Development under State Department for Gender recorded the highest proportion of programme expenditure to its gross estimates at 50 per cent, while the Sports programme under the State Department for Sports recorded the lowest at 2.6 per cent.

Further analysis of sub-programme performance shows that National Safety Net sub-programme under National Safety Net programme had the highest expenditure at Kshs.13.11 billion, while Regulation of Trade Unions sub-programme under the Promotion of best labour practices programme had the lowest expenditure at Kshs.3.35 million.

6 KEY ISSUES AND RECOMMENDATIONS

6.1 Introduction

This chapter highlights key issues that affected budget implementation in the first half of the FY 2020/21. Further, it provides recommendations aimed at improving implementation to achieve effective budget execution in the financial year.

6.1.1 Delays in Exchequer Issues

In the first half of the FY 2020/21, total exchequer issues to the National and County Governments amounted to Kshs.1.18 trillion, representing 42.7 per cent of the annual net estimates. This was a decrease compared to 44.2 per cent recorded in a similar period of the FY 2019/20. It would be expected that by the end of the first half, the exchequer releases should be at a minimum of 50 per cent of the annual net estimates.

From the analysis of financial reports submitted by MDAs to the COB, the low level of expenditure on programme implementation as well as the pending bills is attributed to delays in exchequer releases by the National Treasury. Delay in the disbursement of exchequers affects the implementation of planned programmes by MDAs and subsequently affects the timely delivery of services.

The COB recommends that the National Treasury releases funds to the MDAs based on their annual work-plans and cash flow projections.

6.1.2 Evidence of Expenditures above Exchequer Issues

Analysis of reports submitted to the OCOB by MDAs in the first half of the FY 2020/21 revealed that, expenditure reported by some MDAs was higher than the exchequer issues for the period. This is due to posting of commitments into the vote book and treating the same as actual expenditure before receiving funding from the exchequer.

The COB recommends proper accounting for of commitments to ensure unfunded expenditure is accounted as commitments but not actual payments. MDAs should provide information to support expenditure which is not yet funded through exchequer issues either as Appropriations-in-Aid or donor funding. This will ensure transparency and accuracy in financial reporting and avoid expenditure over reporting.

6.1.3 Effect of the COVID-19 Pandemic on Budget Implementation

The COVID-19 disease was first reported in the world in December 2019 while the first case was recorded in Kenya on 13th March 2020. This prompted the government to institute stringent measures to curb its spread. While the COVID-19 pandemic is primarily a health crisis it has caused far-reaching ramifications on budget implementation, because some of the responses instituted to control its spread have disrupted millions of livelihoods with a disproportionate impact on poor households.

The disruptions occasioned by actions taken by the government to contain spread of the COVID-19 pandemic affected MDAs' planned activities resulting to low revenue and expenditure. Expenditure items that were mostly affected include; domestic and foreign travel, training and hospitality.

The government should continuously monitor and review the impact of the measures instituted to combat COVID-19 pandemic on the economy. This will provide basis a for developing a framework for action aimed at saving lives, protecting households, businesses, and quick economic recovery.

6.1.4 High Level of Public Debt

The PFM Act, 2012 allows the government to borrow funds internally and externally to meet budget deficits. While borrowing, the government should ensure that its financing needs and payment obligations are at the lowest market cost and with prudent risk.

As at December 30, 2020, the public debt stock stood at Kshs.7.28 trillion having increased by 20.5 per cent from December 30, 2019 when public debt stock stood at Kshs. 6.05 trillion. Actual expenditure on public

debt amounted to Kshs.350.31 billion in the reporting period, representing 38.7 per cent of the gross estimates and 48.2 per cent of the ordinary revenue in the first six months of FY 2020/21. This expenditure exceeded that on development programmes, which stood at Kshs.230.89 billion during the period.

Increased public borrowing may result in undesirable fiscal consequences such as high interest rates, inflation, and overburdening of future generations. To overcome this, COB recommends that, the National Treasury should take appropriate measures to ensure public debt remains at sustainable levels while boost revenues by expanding domestic tax sources to meet government obligations.

7 EMERGING ISSUES

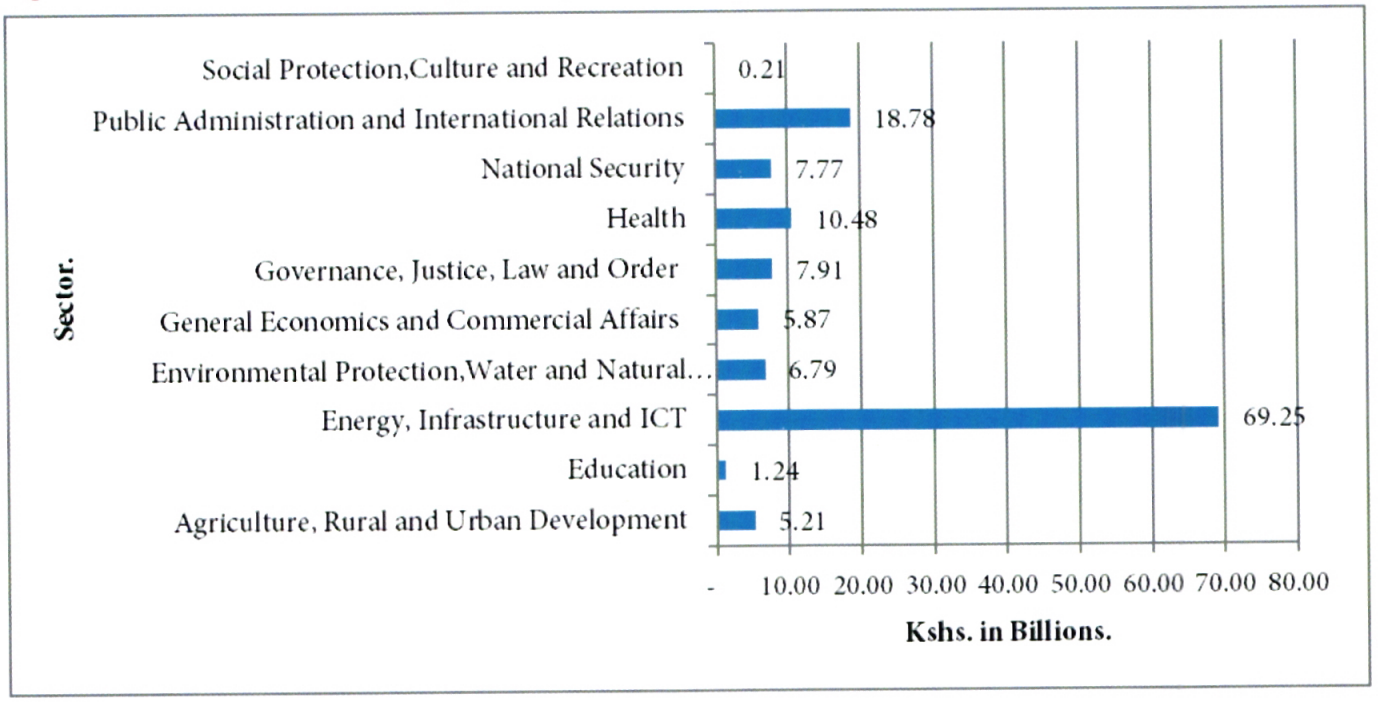
7.1 Exchequer Requisitions under Article 223 of the Constitution

Article 223 of the Constitution of Kenya provides for the conditions under which the national government may access supplementary appropriation and includes such circumstances such as when the appropriated amount is insufficient or a need has arisen for expenditures for a purpose for which no amount has been appropriated and or money has been withdrawn from the Contingency Fund. The law requires all spending entities to seek the approval of Parliament for expenditures under Article 223 within two months after the first withdrawal of the money.

From 1st July to December 2020, the cumulative requests from the MDAs to the National Treasury for additional funding under Article 223 amounted to Kshs.133.52 billion. This translates to 7.1 percent of the total MDAs approved budget of Kshs.1.89 trillion for the FY 2020/21. As shown in Figure 7.1, Energy, Infrastructure and ICT sector (EI&ICT) requested for the highest amount of funds under Article 223 of the Constitution amounting to Kshs.69.25 billion. This comprised of Kshs.22.0 billion to implement flagship projects and Kshs.6. billion to implement phase II of the Kaazi Mtaani Programme, among others.

Figure 7.1 shows that the total requests for supplementary funding by the MDAs in the first half of the financial year, 20202/21.

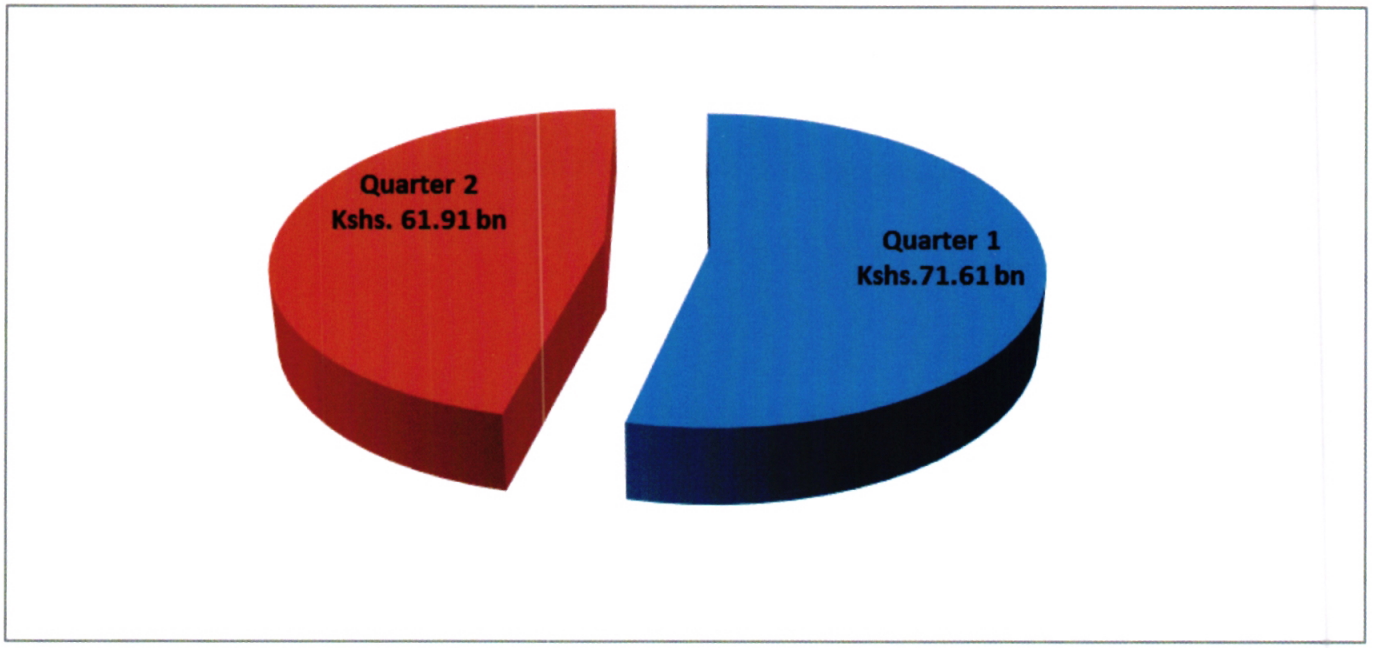
Figure 7.1 Cumulative Requests by Sector, July – December 2020 (Kshs. Billion)



Source: *National Treasury*

It was noted that some MDAs made requests for additional funding in the second and third months after the approval of the budget by Parliament.

Figure7.2: Distribution of Supplementary Funds Request by Quarter in the First Half of the FY 2020/21



Source: *National Treasury*

As shown in Table 7.1 the cumulative approvals to cater for supplementary expenditures to MDAs by the Office of the Controller of Budget amounted to Kshs 22.19 billion (15.74 percent of the total requests).

Table 7.1 Cumulative Supplementary Fund Approvals, July – December 2020 (Kshs. Million)

MDA	Program Description	Recurrent	Development	Total
Executive Office of the President	AMREF Health Africa	-	840.00	840.00
State Department for Interior and Citizen Services	Multi Agency Emergency Security Operations	2,000.00	-	2,000.00
State Department for Broadcasting & Telecommunications	Postal Corporation	810.00	-	810.00
State Department for Sports	World Athletics Continental Tour	204.80	-	204.80
State Department for Crop Development & Agricultural Research	Maize Pending Bills and Transfer to National Cereal and Produce Board	7,585.13	-	7,585.13
The National Treasury	To finance Kenya Airways Rescue Plan	-	2,000.00	2,000.00
State Department for Infrastructure	Upgrading of roads in informal Settlement densely populated areas	-	550.00	550.00
State Department for Transport	To finance the development of Nairobi Commuter Rail, Kenya Airways Rescue Plan and Kisumu Meter Gauge Railway	-	7,700.00	7,700.00
State Department for Housing & Urban Development	Finance the Kazi Mtaani Programme	-	500.00	500.00
Total		**10,599.93**	**11,590.00**	**22,189.93**

Source: *National Treasury*

From the table 7.1 the State Department for Transport received the highest amount of additional funding to cater for the development of Nairobi Commuter Rail, Kisumu Meter Gauge Railway and to provide funds for the Kenya Airways rescue package.

Reliance on Article 223 by some MDAs to fund development and recurrent activities has undermined the credibility and reliability of the approved budgets. To safeguard the credibility of the approved budgets, the national government should ensure that budget allocation for long-term projects and programs follows the laid down budget-making procedures. This will ensure that principles of public finance such as public

participation are adhered to during the selection and implementation of long-term capital projects. Budget credibility is further undermined when requests for supplementary funding are received at the beginning of the financial year just after the approval of the budget in Parliament.

Budget credibility is further undermined when supplementary funds are used by the MDAs to fund projects which have not been subjected to public participation as required by Section 35(2) of the PFM Act, 2012. To ensure the credibility of the approved budgets, the Controller of Budget recommends that all MDAs should strive to ensure all budgeted projects and programs are captured in the budget estimates and submitted to Parliament for approval. Once approved, MDAs should strive to implement the approved projects and programs with the allocated funds and within specified time periods.

8 CONCLUSION

The Office of the Controller of Budget prepared this first half National Government Budget Implementation Review Report covering the period July to December 2020 in fulfilment of Article 228 of the Constitution of Kenya and Section 9 of the Controller of Budget Act, 2016. The report sought to provide information on budget implementation in the first six months of the FY 2020/21, identified key issues that hampered effective budget execution and raised the emerging issues.

In the first half of the FY 2020/21, budget implementation recorded slow performance compared to a similar period of the FY 2019/20. Receipts into the Consolidated Fund were Kshs.1.20 trillion which was 42.5 per cent of the annual target recording a decline compared to Kshs.1.25 trillion received in a similar period of the FY 2019/20 (47 per cent of the annual target). The decline could be attributable to low economic activities largely occasioned by the measures introduced by the government in mitigating the spread of COVID-19 pandemic. The effects on economic activities included loss of employment due to closure of businesses mostly in the manufacturing and hospitality industries, a decline in foreign trade volumes, reduction on Value Added Tax from 16 percent from 14 percent, Pay as You Earn and Corporate tax from 30 to 25 per cent, among others. Exchequer issues to MDAs and County governments in the reporting period were Kshs.1.18 trillion representing 42.2 per cent of the net estimates. This comprised of Kshs.139.35 billion for development expenditure, Kshs.917.40 billion for recurrent expenditure and Kshs.123.96 billion towards county governments representing 35.9 per cent, 43.8 per cent and 39.2 per cent respectively.

Total expenditure for the national government was Kshs.1.18 trillion representing an overall budget absorption rate of 35.6 per cent, a decline compared to the 44.8 per cent recorded in a similar period of the FY 2019/20. This comprised of development expenditure of Kshs.230.89 billion, representing an absorption rate of 36.5 per cent and recurrent expenditure of Kshs.944.62 billion, representing 41.2 per cent of the gross recurrent budget, a decline compared to 44.5 per cent recorded in the first half of FY 2019/20. The decline in absorption rate of recurrent budget could be attributable to drop in public debt expenditure and scaling down of operations for the MDAs following COVID -19 pandemic mitigation measures put in place to curb its spread.

In overseeing budget implementation, the Controller of Budget identified key issues which hampered overall budget performance in delivering on the country's development agenda. These include delays in disbursement of the exchequers to MDA's and county governments, high level of public debt and the effects of COVID-19 on the economy. The National Treasury should ensure exchequer issues to MDAs and counties are released as per their annual work-plan and cash flow projections. To overcome the debt burden the, National Treasury should take appropriate measures to enhance domestic revenue mobilization. Finally, the government should monitor and review the measures instituted to address the impact of the COVID-19 pandemic on the economy and take actions aimed at protecting lives and supporting businesses to enhance economic productivity.

ANNEXES

ANNEX I: MDAs Development Expenditure (Kshs. Millions)

VOTE	MINISTRY/STATE DEPARTMENT	Gross Estimates	Net Estimates	Exchequer Issues	Expenditure	% of Exchequer issues to Net Estimates	% Expenditure to Gross Estimates
D1011	The Executive Office of the President	11,473.32	4,961.17	2,555.49	6,807.66	51.5	59.3
D1021	State Department for Interior and Citizen Services	6,925.00	6,874.00	1,496.05	2,967.06	21.8	42.8
D1023	State Department for Correctional Services	784.10	784.10	-	23.40	-	3.0
D1032	State Department for Devolution	4,734.69	4,363.96	275.65	439.76	6.3	9.3
D1035	State Department for Development for the ASALs	8,824.29	8,702.29	2,919.11	2,595.95	33.5	29.4
D1041	Ministry of Defence	9,208.59	3,000.00	1,000.00	7,890.53	33.3	85.7
D1052	Ministry of Foreign Affairs	1,201.40	1,201.40	616.36	618.50	51.3	51.5
D1064	State Department for Vocational and Technical Training	6,268.00	3,468.00	436.53	1,682.55	12.6	26.8
D1065	State Department for University Education	5,375.60	4,601.60	2,018.32	2,079.17	43.9	38.7
D1066	State Department for Early Learning & Basic Education	11,690.00	11,390.00	6,848.65	3,734.63	60.1	31.9
D1071	The National Treasury	42,779.13	31,083.73	12,058.24	19,311.94	38.8	45.1
D1072	State Department of Planning	42,453.44	42,402.82	18,200.41	18,269.33	42.9	43.0
D1081	Ministry of Health	47,251.98	43,591.66	5,680.48	12,768.49	13.0	27.0
D1091	State Department for Infrastructure	124,590.29	61,601.46	18,382.17	36,070.13	29.8	29.0
D1092	State Department for Transport	38,366.80	11,272.80	15,495.36	39,315.07	137.5	102.5
D1093	State Department for Shipping and Maritime	850.00	5.00	-	109.00	-	12.8
D1094	State Department for Housing & Urban Development	15,998.72	14,943.72	12,134.88	13,035.13	81.2	81.5
D1095	State Department for Public Works	1,184.97	1,016.97	596.78	415.64	58.7	35.1
D1108	Ministry of Environment and Forestry	5,995.09	3,839.59	1,423.21	1,489.06	37.1	24.8
D1109	Ministry of Water, Sanitation and Irrigation	70,982.83	36,260.51	9,587.27	14,457.08	26.4	20.4
D1112	Ministry of Lands and Physical Planning	2,799.00	2,799.00	1,190.39	913.52	42.5	32.6
D1122	State Department for Information Communications and Technology	18,504.20	4,371.20	1,132.72	7,676.17	25.9	41.5
D1123	State Department for Broadcasting & Telecommunications	698.00	698.00	236.15	268.70	33.8	38.5
D1132	State Department for Sports	14,155.57	155.57	77.79	77.79	50.0	0.5
D1134	State Department for Culture and Heritage	43.10	43.10	10.60	15.30	24.6	35.5
D1152	Ministry of Energy	66,581.14	21,455.68	7,310.51	16,269.24	34.1	24.4
D1162	State Department for Livestock.	3,362.83	2,721.43	623.24	1,174.96	22.9	34.9

VOTE	MINISTRY/STATE DEPARTMENT	Gross Estimates	Net Estimates	Exchequer Issues	Expenditure	% of Exchequer issues to Net Estimates	% Expenditure to Gross Estimates
D1166	State Department for Fisheries, Aquaculture and the Blue Economy	4,964.00	4,614.00	895.69	1,286.58	19.4	25.9
D1169	State Department for Crop Development & Agricultural Research	31,009.98	26,583.97	6,658.29	8,321.41	25.0	26.8
D1173	State Department for Cooperatives	825.22	825.22	270.86	313.66	32.8	38.0
D1174	State Department for Trade	1,095.59	1,095.59	471.10	402.66	43.0	36.8
D1175	State Department for Industrialization	5,268.14	3,753.14	1,194.15	1,229.33	31.8	23.3
D1184	State Department for Labour	2,444.40	2,444.40	668.04	589.86	27.3	24.1
D1185	State Department for Social Protection, Pensions and Senior Citizens Affairs	2,548.23	2,186.13	104.76	131.74	4.8	5.2
D1192	State Department for Mining	312.00	312.00	54.83	52.07	17.6	16.7
D1193	State Department for Petroleum	3,644.00	700.00	403.45	628.66	57.6	17.3
D1202	State Department for Tourism	4,310.80	4,310.80	2,049.90	2,154.14	47.6	50.0
D1203	State Department for Wildlife	693.81	635.00	393.67	393.67	62.0	56.7
D1212	State Department for Gender	2,374.00	2,374.00	1,065.00	1,181.00	44.9	49.7
D1213	State Department for Public Service	1,254.06	1,254.06	-	575.64	-	45.9
D1214	State Department for Youth	2,352.49	2,352.49	861.16	468.72	36.6	19.9
D1222	State Department for Regional and Northern Corridor Development	1,087.45	837.45	43.79	411.88	5.2	37.9
D1252	State Law Office and Department of Justice	185.00	185.00	79.08	43.50	42.7	23.5
D1261	The Judiciary	2,701.00	2,701.00	689.16	768.34	25.5	28.4
D1271	Ethics and Anti-Corruption Commission	40.80	40.80	-	-	-	-
D1291	Office of the Director of Public Prosecutions	129.00	129.00	-	-	-	-
D2031	Independent Electoral and Boundaries Commission	150.00	150.00	-	75.00	-	50.0
D2043	Parliamentary Joint Services	2,065.55	2,065.55	1,127.58	1,374.68	54.6	66.6
D2071	Public Service Commission	19.28	19.28	-	-	-	-
D2091	Teachers Service Commission	600.00	600.00	-	-	-	-
D2111	Auditor General	146.67	146.67	15.67	15.67	10.7	10.7
D2141	National Gender and Equality Commission	5.00	5.00	-	-	-	-
TOTAL		**633,308.56**	**387,929.31**	**139,352.56**	**230,893.95**	**35.9**	**36.5**

ANNEX II: Recurrent Expenditure (Kshs. Millions)

VOTE	MINISTRY/STATE DEPARTMENT	Gross Estimates	Net Estimates	Exchequer Issues	Expenditure	% of Exchequer issues to Net Estimates	% Expenditure to Gross Estimates
R1011	The Executive Office of the President	25,034.64	21,728.26	8,086.70	5,097.50	37.2	20.4
R1021	State Department for Interior and Citizen Services	125,189.23	123,089.56	62,079.29	62,447.63	50.4	49.9
R1023	State Department for Correctional Services	27,317.88	27,314.38	12,454.98	11,042.28	45.6	40.4
R1032	State Department for Devolution	930.18	930.18	416.24	364.84	44.7	39.2
R1035	State Department for Development for the ASALs	980.43	980.43	453.36	479.25	46.2	48.9
R1041	Ministry of Defence	106,272.96	106,272.96	50,043.34	64,423.48	47.1	60.6
R1052	Ministry of Foreign Affairs	14,555.77	13,961.70	5,461.99	7,157.34	39.1	49.2
R1064	State Department for Vocational and Technical Training	18,637.90	13,945.08	4,951.86	6,226.16	35.5	33.4
R1065	State Department for University Education	107,757.16	57,342.27	24,849.45	28,589.32	43.3	26.5
R1066	State Department for Early Learning & Basic Education	89,128.98	87,696.38	20,680.88	41,453.08	23.6	46.5
R1068	State Department for Post Training and Skills Development	150.94	150.94	55.16	45.76	36.5	30.3
R1071	The National Treasury	74,200.14	71,250.84	15,936.73	20,229.50	22.4	27.3
R1072	State Department of Planning	3,213.69	3,142.69	1,488.03	1,473.81	47.3	45.9
R1081	Ministry of Health	64,450.69	48,968.68	19,109.55	19,566.25	39.0	30.4
R1091	State Department for Infrastructure	64,932.48	1,659.48	581.38	29,782.12	35.0	45.9
R1092	State Department for Transport	9,188.49	511.49	303.69	2,484.12	59.4	27.0
R1093	State Department for Shipping and Maritime.	1,667.61	397.61	172.25	455.07	43.3	27.3
R1094	State Department for Housing and Urban Development	1,058.53	1,058.53	431.21	429.09	40.7	40.5
R1095	State Department for Public Works	2,314.52	2,310.52	1,012.60	1,087.25	43.8	47.0
R1108	Ministry of Environment and Forestry	10,255.02	9,236.12	4,563.65	4,475.72	49.4	43.6
R1109	Ministry of Water, Sanitation and Irrigation	6,232.61	4,017.41	1,671.17	1,838.09	41.6	29.5
R1112	State Department of Lands and Physical Planning	2,818.42	2,809.42	1,228.24	1,181.18	43.7	41.9
R1122	State Department for Information Communications and Technology	1,503.60	1,503.60	726.37	698.34	48.3	46.4
R1123	State Department for Broadcasting & Telecommunications	5,530.63	2,998.63	2,186.92	2,426.22	72.9	43.9
R1132	State Department for Sports	1,241.51	1,100.11	748.84	319.09	68.1	25.7
R1134	State Department for Culture and Heritage	2,679.69	2,271.19	1,083.56	1,099.51	47.7	41.0
R1152	Ministry of Energy	5,911.67	1,543.00	740.33	859.73	48.0	14.5
R1162	State Department for Livestock.	2,628.97	2,606.97	1,140.72	1,097.55	43.8	41.7
R1166	State Department for Fisheries, Aquaculture and the Blue Economy	1,994.87	1,994.87	798.87	907.06	40.0	45.5

VOTE	MINISTRY/STATE DEPARTMENT	Gross Estimates	Net Estimates	Exchequer Issues	Expenditure	% of Exchequer issues to Net Estimates	% Expenditure to Gross Estimates
R1169	State Department for Crop Development & Agricultural Research	10,798.47	8,124.47	11,504.84	12,502.28	141.6	115.8
R1173	State Department for Cooperatives	801.33	351.33	155.90	388.38	44.4	48.5
R1174	State Department for Trade	1,921.76	1,880.06	628.44	720.36	33.4	37.5
R1175	State Department for Industrialization	2,851.87	2,098.02	985.04	962.63	47.0	33.8
R1184	State Department for Labour	2,764.33	1,870.91	515.50	820.16	27.6	29.7
R1185	State Department for Social Protection, Pensions and Senior Citizens Affairs	31,056.25	31,014.25	5,776.80	14,308.58	18.6	46.1
R1192	State Department for Mining	637.14	537.14	231.17	242.56	43.0	38.1
R1193	State Department for Petroleum	243.51	196.51	74.11	80.18	37.7	32.9
R1202	State Department for Tourism	8,495.80	1,244.17	755.25	1,324.02	60.7	15.6
R1203	State Department for Wildlife	10,108.08	5,490.08	3,024.42	3,587.90	55.1	35.5
R1212	State Department for Gender	977.99	842.99	383.12	276.88	45.4	28.3
R1213	State Department for Public Service	17,215.45	14,753.37	7,065.75	9,301.24	47.9	54.0
R1214	State Department for Youth Affairs	1,309.36	1,309.36	631.96	625.14	48.3	47.7
R1221	State Department for East African Community	608.02	608.02	187.99	128.22	30.9	21.1
R1222	State Department for Regional and Northern Corridor Development	2,266.74	1,818.24	999.82	991.15	55.0	43.7
R1252	State Law Office and Department of Justice	4,603.91	4,053.33	1,773.71	1,702.07	43.8	37.0
R1261	The Judiciary	14,722.44	14,722.44	6,950.87	6,347.22	47.2	43.1
R1271	Ethics and Anti-Corruption Commission	3,072.20	3,072.20	1,499.16	1,599.76	48.8	52.1
R1281	National Intelligence Service	39,051.00	39,051.00	18,183.64	16,814.44	46.6	43.1
R1291	Office of the Director of Public Prosecutions	2,957.00	2,957.00	1,088.73	1,085.87	36.8	36.7
R1311	Office of the Registrar of Political Parties	1,345.79	1,345.79	869.10	862.31	64.6	64.1
R1321	Witness Protection Agency	472.79	472.79	270.96	259.75	57.3	54.9
R2011	Kenya National Commission on Human Rights	400.70	400.70	146.77	176.41	36.6	44.0
R2021	National Land Commission	1,233.33	1,233.33	458.83	373.90	37.2	30.3
R2031	Independent Electoral and Boundaries Commission	4,322.88	4,322.88	1,793.81	1,911.49	41.5	44.2
R2041	Parliamentary Service Commission	6,436.54	6,436.54	2,022.98	2,373.41	31.4	36.9
R2042	National Assembly	23,205.50	23,205.50	8,381.28	9,146.68	36.1	39.4
R2043	Parliamentary Joint Services	5,598.36	5,584.36	2,061.08	2,483.68	36.9	44.4
R2051	Judicial Service Commission	576.40	576.40	175.54	207.23	30.5	36.0

VOTE	MINISTRY/STATE DEPARTMENT	Gross Estimates	Net Estimates	Exchequer Issues	Expenditure	% of Exchequer issues to Net Estimates	% Expenditure to Gross Estimates
R2061	The Commission on Revenue Allocation	371.98	371.98	135.58	122.86	36.4	33.0
R2071	Public Service Commission	2,105.76	2,105.24	1,154.21	1,171.26	54.8	55.6
R2081	Salaries and Remuneration Commission	459.73	459.73	159.01	167.10	34.6	36.3
R2091	Teachers Service Commission	265,492.58	264,975.58	132,596.25	135,804.56	50.0	51.2
R2101	National Police Service Commission	606.33	606.33	206.49	222.53	34.1	36.7
R2111	Auditor General	5,077.97	4,927.97	2,416.23	2,346.66	49.0	46.2
R2121	Controller of Budget	622.98	622.98	182.92	181.08	29.4	29.1
R2131	The Commission on Administrative Justice	494.68	494.68	240.34	187.01	48.6	37.8
R2141	National Gender and Equality Commission	424.66	424.66	186.41	198.77	43.9	46.8
R2151	Independent Policing Oversight Authority	862.63	862.63	410.60	427.81	47.6	49.6
	TOTAL	**1,254,353.43**	**1,068,218.25**	**459,741.97**	**550,169.86**	**43.0**	**43.9**
	Consolidated Fund Services	**Gross Estimates**	**Net Estimates**	**Exchequer Issues**	**Expenditure**	**% of Exchequer issues to Net Estimates**	**% Expenditure to Gross Estimates**
CFS 050	Public Debt	904,703.67	904,703.67	413,507.94	350,306.00	45.7	38.7
CFS 051	Pensions &Gratuities	119,192.48	119,192.48	42,846.85	42,846.85	35.9	35.9
CFS 052	Salaries, Allowances & Miscellaneous	4,167.41	4,167.41	1,306.40	1,301.12	31.3	31.2
CFS 053	Subscriptions to International Organisations	0.50	0.50	-	-	-	-
	Total	**1,028,064.06**	**1,028,064.06**	**457,661.19**	**394,453.97**	**44.5**	**38.4**
		-	-	-	-		
	Total-Recurrent	**2,282,417.49**	**2,096,282.31**	**917,403.15**	**944,623.82**	**43.8**	**41.4**

ANNEX III: Sectoral Development Expenditure (Kshs. Millions)

Sector	Gross Estimates	Net Estimates	Exchequer Issues	Expenditure	% of Exchequer issues to Net Estimates	% Expenditure to Gross Estimates
Agriculture, Rural and Urban Development	42,135.81	36,718.39	9,367.62	11,696.47	25.5	27.8
Energy, Infrastructure and ICT	272,770.61	118,417.33	56,553.18	114,256.46	47.8	41.9
General Economics and Commercial Affairs	12,587.21	10,822.21	4,029.81	4,511.67	37.2	35.8
Health	47,251.98	43,591.66	5,680.48	12,768.49	13.0	27.0
Education	23,933.60	20,059.60	9,303.50	7,496.35	46.4	31.3
Governance, Justice, Law and Order	10,919.90	10,868.90	2,264.29	3,877.30	20.8	35.5
Public Administration and International Relations	106,127.53	87,498.64	34,849.40	47,413.18	39.8	44.7
National Security	9,208.59	3,000.00	1,000.00	7,890.53	33.3	85.7
Social Protection, Culture and Recreation	30,389.59	15,905.49	4,845.30	4,591.64	30.5	15.1
Environmental Protection, Water and Natural Resources	77,983.74	41,047.10	11,458.98	16,391.87	27.9	21.0
Total	**633,308.56**	**387,929.31**	**139,352.56**	**230,893.95**	**35.9**	**36.5**

ANNEX IV: Sectoral Recurrent Expenditure (Kshs. Millions)

Sector	Gross Estimates	Net Estimates	Exchequer Issues	Expenditure	% of Exchequer issues to Net Estimates	% Expenditure to Gross Estimates
Agriculture, Rural and Urban Development	19,474.06	16,769.06	15,131.51	16,061.95	90.2	82.5
Energy, Infrastructure and ICT	93,660.39	13,488.72	6,860.82	38,927.26	50.9	41.6
General Economics and Commercial Affairs	16,945.52	7,999.85	3,712.43	4,514.77	46.4	26.6
Health	64,450.69	48,968.68	19,109.55	19,566.25	39.0	30.4
Education	481,167.57	424,110.26	183,133.59	212,118.88	43.2	44.1
Governance, Justice, Law and Order	186,874.84	184,221.09	89,906.42	88,491.12	48.8	47.4
Public Administration and International Relations	179,523.38	169,976.02	55,209.07	61,803.98	32.5	34.4
National Security	145,323.96	145,323.96	68,226.98	81,237.92	46.9	55.9
Social Protection, Culture and Recreation	39,700.20	38,079.88	8,961.18	17,303.47	23.5	43.6
Environmental Protection, Water and Natural Resources	27,232.84	19,280.74	9,490.41	10,144.26	49.2	37.3
Total	**1,254,353.43**	**1,068,218.25**	**459,741.97**	**550,169.86**	**43.0**	**43.9**

ANNEX V: Total Expenditure by Sector (Kshs. Millions)

Sector	Gross Estimates	Net Estimates	Exchequer Issues	Expenditure	% of Exchequer issues to Net Estimates	% Expenditure to Gross Estimates
Agriculture, Rural and Urban Development	61,609.86	53,487.45	24,499.13	27,758.42	45.8	45.1
Energy, Infrastructure and ICT	366,431.00	131,906.05	63,414.00	153,183.72	48.1	41.8
General Economics and Commercial Affairs	29,532.73	18,822.05	7,742.24	9,026.44	41.1	30.6
Health	111,702.67	92,560.34	24,790.04	32,334.74	26.8	28.9
Education	505,101.17	444,169.86	192,437.09	219,615.22	43.3	43.5
Governance, Justice, Law and Order	197,794.74	195,089.99	92,170.71	92,368.42	47.2	46.7
Public Administration and International Relations	285,650.91	257,474.66	90,058.47	109,217.16	35.0	38.2
National Security	154,532.55	148,323.96	69,226.98	89,128.45	46.7	57.7
Social Protection, Culture and Recreation	70,089.79	53,985.37	13,806.48	21,895.11	25.6	31.2
Environmental Protection, Water and Natural Resources	105,216.58	60,327.84	20,949.39	26,536.13	34.7	25.2
Total	**1,887,662.00**	**1,456,147.56**	**599,094.53**	**781,063.81**	**41.1**	**41.4**

ANNEX VI: Budget Performance -Capital Expenditure By SAGAs in the First Half, Fy 2020/21 (Kshs. Millions)

Parent Ministry	Name of the SAGA	Gross Estimates (Kshs)	Receipts (Kshs)			Expenditure (Kshs)			Total Expenditure
			A-I-A	Transfers (Capital)	Total	Compensation to Employee	Use of goods and services	Other Expenses	
State Department for Tourism	Kenya Tourism Board	999.80	-	499.90	499.90	-	344.15	-	344.15
	Tourism Finance Finance Corporation	3,000.00	-	1,500.00	-	-	-	-	-
	Tourism Fund	50.00	-	50.00	50.00	-	-	50.00	50.00
State Department for Crop, Development and Agricultural Research	Pest Control Products Board	26.32	-	26.32	26.32	-	-	26.32	26.32
	Agriculture and Food Authority-Cotton Industry Revitilization	75.00	-	75.00	75.00	-	-	75.00	75.00
	Establishment of Liquid Nitrogen Plants-KAGRC	110.00	-	110.00	110.00	-	89.54	17.32	106.86
	Pyrethrum Processing Company of Kenya Ltd(PCCK)	265.00	-	65.00	65.00	10.08	30.55	14.25	54.88
	KALRO-Support To Improvement of Added Value to Coffee	19.00	-	-	-	-	-	-	-

Parent Ministry	Name of the SAGA	Gross Estimates (Kshs)	Receipts (Kshs)			Expenditure (Kshs)			Total Expenditure
			A-I-A	Transfers (Capital)	Total	Compensation to Employee	Use of goods and services	Other Expenses	
State Department for Crop, Development and Agricultural Research	Construction of Warehouse Receipt System	25.00	-	25.00	25.00	-	25.00	-	25.00
	Commodities Fund-Coconut Industry revitilization	50.00	-	50.00	50.00	-	8.17	8.17	16.35
	KALRO-Science and Technology Research Programme Support (SATREPS)	6.00	-	6.00	6.00	-	-	6.00	6.00
	KALRO-Equipping of Milk Research and Processing Plant	14.00	-	14.00	14.00	-	-	14.00	14.00
	Mau and Embobut Forests and Buffer Rehabilitation Project	50.00	-	50.00	50.00	-	50.00	-	50.00
	KALRO-Climate Smart Agricultural Productivity(CSAPP)	169.25	-	30.00	30.00	-	-	30.00	30.00
State Department for Culture and Heritage	National Museums of Kenya	15.30	-	15.30	15.30	-	-	15.30	15.30
State Law Office and Department of Justice	Kenya School of Law	10.00	-	10.00	10.00	-	-	10.00	10.00
State Department of Broadcasting and Telecommunication	Kenya Institute of Mass Communication	69.00	-	34.50	34.50	-	-	29.69	29.69
	Kenya Broadcasting Corporation(KBC)	330.00	-	165.00	495.00	-	165.00	-	165.00
	Kenya Film Classification Board	34.00	-	17.00	17.00	-	5.52	-	5.52
	Kenya Film School	50.00	-	-	-	-	22.57	-	22.57
	Kenya Film Commission	15.00	-	7.50	7.50	-	7.50	-	7.50
State Department for ICT and Innovation	Konza Techno Polis Development Authority	12,405.00	5,941.42	552.50	552.50	-	-	5,941.42	5,941.42
	ICT Authority	1,788.20	-	1,094.10	1,094.10	92.28	-	-	92.28
State Department for Youth	Youth EnterpriseDevelopment Fund(YEDF)	30.00	55.17	30.00	85.17	-	156.27	-	156.27
State Department for Planning	KIPPRA	10.00	-	1.25	1.25	-	-	-	-
	NGCDF	41,714.80	7.66	18,000.00	18,007.66	478.36	233.96	14,007.66	14,719.38
	NCPD	87.37	-	30.60	30.60	-	12.70	-	12.70
	KNBS	491.17	-	2.07	-	-	159.96	-	159.96

Parent Ministry	Name of the SAGA	Gross Estimates (Kshs)	Receipts (Kshs)			Expenditure (Kshs)			Total Expenditure
			A-I-A	Transfers (Capital)	Total	Compensation to Employee	Use of goods and services	Other Expenses	
State Department for Labour	National Industrial Training Authority(NITA)	15.00	-	-	-	-	-	-	-
	Kenya Youth Empowerment and Opportunities Project	850.00	-	445.33	445.33	-	212.96	-	212.96
State Department for Transport	Kenya Ferry Services	428.00	-	214.00	214.00	-	151.08	-	151.08
	Kenya Railways Corporation	8,829.80	-	5,200.00	5,200.00	-	-	2,544.71	2,544.71
	Kenya Airways	2,000.00	-	2,000.00	2,000.00	-	-	2,000.00	2,000.00
	Kenya Ports Authority	9,000.00	-	6,000.00	6,000.00	-	6,000.00	-	6,000.00
	Kenya Airports Authority	675.00	-	225.00	225.00	-	225.00	-	225.00
State Department for Public Works	National Construction Authority	6.18	6.18	-	6.18	-	6.18	-	6.18
State Department of Livestock	Kenya Veterinary Board	70.00	-	70.00	70.00	-	-	64.60	64.60
	Kenya Diary Board	123.58	36.73	-	36.73	-	-	36.73	36.73
	Veterinary Medicines Directorate	18.60	18.60	-	18.60	-	-	18.60	18.60
	Kenya Meat Commission	80.00	-	-	-	-	-	-	-
	Kenya Veterinary Vaccines Producing Insitute	190.00	100.00	-	100.00	-	-	100.00	100.00
	Agricultural Development Corporation	50.00	-	-	-	-	-	-	-
	Development of Leather Industrial Park-Kenanie	236.60	-	-	-	-	-	-	-
State Department for Co-operatives	New Kenya Cooperative Creameries(NKCC)	500.00	-	250.00	250.00	-	-	250.00	250.00
Ministry of Energy	Geothermal Development Corporation	4,119.70	1,447.81	62.50	1,510.31	752.41	1,245.62	29.56	2,027.59
	Nuclear Power and Energy Agency	0.43	-	0.21	0.21	-	0.04	0.02	0.07

Parent Ministry	Name of the SAGA	Gross Estimates (Kshs)	Receipts (Kshs)			Expenditure (Kshs)			Total Expenditure
			A-I-A	Transfers (Capital)	Total	Compensation to Employee	Use of goods and services	Other Expenses	
Ministry of Energy	Rural Electrification and Renewable Energy Corporation	1,450.00	1,359.00	362.50	1,721.50	130.60	1,590.90	-	1,721.50
	KenGen	4,140.00	-	1,825.64	-	-	1,825.64	-	1,825.64
	KPLC	3,773.71	-	943.43	943.43	-	943.43	-	943.43
	Kenya Electricity Transmission Company Limited(KETRACO)	5,337.00	-	1,241.25	1,241.25	-	2,098.39	-	2,098.39
Ministry of Enviroment & Forestry	KEFRI	164.00	-	82.00	82.00	-	58.00	24.00	82.00
	NEMA	315.00	-	258.50	258.50	-	60.78	-	-
State Department for Industrialization	Modernization of Rivertex	421.68	357.50	64.18	421.68	-	-	421.68	421.68
	Railway Siding and Related Infrastructure	50.00	-	50.00	-	-	-	50.00	50.00
	Provision of Finances to SMES in Manufacturing sector-KIE	356.08	-	356.08	356.08	-	-	356.08	356.08
	Modernization of NMC's Foundary Plant and Fabrication Workshop and Establishment of Hot Dip Galvanizing Project	59.02	-	59.02	59.02	-	-	59.02	59.02
	Cotton Development subsidy and ExtensionSupport (RIVATEX)	29.58	-	29.58	-	-	29.58	29.58	29.58
	Construction of Industrial Research Laboratories KIRDI-South B	344.68	-	344.68	344.68	-	-	344.68	344.68
	Development of Freeport and Industrial Park Mombasa-SEZA	88.60	-	88.60	88.60	-	-	88.60	88.60
	Naivasha SEZ Textile Park	59.15	-	59.15	59.15	-	-	59.15	59.15
	Development of Various Small and Medium Enterprises in Kenya-(IDB Bank)	400.00	400.00	-	40.00	-	-	400.00	400.00
	Development of Athi-River textile Hub-EPZA	97.87	-	97.87	97.87	-	-	97.87	97.87
	Total	**106,188.46**	**9,730.08**	**42,790.55**	**43,141.91**	**1,463.74**	**15,758.51**	**27,220.01**	**44,351.30**

ANNEX VII: Budget Performance -Current Expenditure by SAGAs for the First Half, Fy 2020/21 (Kshs. Millions)

Parent MDA	Name of the SAGA	Gross Estimates (Kshs)	Receipts (Kshs)			Expenditure (Kshs)			Total Expenditure
			A-I-A	Transfers (Current)	Total	Compensation to Employee	Use of goods and services	Other Expenses	
State Department for Tourism	Tourism Regulatory Authority	467.01	40.23	87.55	127.78	96.37	49.12	-	145.49
	Kenya Tourism Board	833.19	36.40	125.10	161.50	125.54	0.44	446.08	172.06
	Tourism Research Institute	113.70	-	56.85	56.85	4.44	26.04	4.86	35.34
	Kenyatta International Convention Centre	1,402.80	263.78	-	263.78	111.22	42.25	84.92	238.38
	Tourism Finance Corporation	-	61.07	-	61.07	43.20	-	15.07	58.28
	Tourism Fund	3,801.00	597.04	-	597.04	266.58	42.64	238.03	547.25
	Bomas of Kenya	337.38	6.65	1,755.07	181.72	110.33	57.21	-	167.55
	Tourism Promotion Fund	2,499.60	-	-	-	-	18.17	-	18.17
	Kenya National Convention Bureau	100.00	-	-	17.00	-	12.38	4.20	16.58
	Kenya Utalii College	963.16	38.21	151.27	219.48	213.30	10.35	52.89	276.54
State Department for Crop Development and Agricultural l Research	Kenya Plant Health Inspectorate	711.50	594.54	35.00	629.54	278.83	315.78	-	638.00
	Pest Control Products Board	84.50	48.20	45.00	93.20	28.37	11.55	2.40	42.32
	Agriculture and Food Authority	941.50	-	831.09	831.09	445.32	801.27	127.00	1,373.59
	Pyrethrum Processing Company of Kenya Ltd(PCCK)	66.00	-	66.00	66.00	64.45	25.50	7.17	97.11
	Agricultural Development Corporation	17.50	-	17.50	17.50	-	-	17.50	17.50
	Bukura Agricultural Colleg	200.00	21.39	90.00	111.39	96.06	10.58	28.55	135.18
	Kenya Tsetse and Trypanosomiasis Eradicadation Council(KENTTEC)	36.00	-	36.00	36.00	10.57	-	25.27	35.85
	Kenya Genetic Resource Centre(KAGRC)	97.50	34.00	28.50	62.50	36.00	39.00	-	75.00
	Commodity Fund	15.00	-	15.00	15.00	25.83	0.74	45.82	72.38
	Kenya Agricultural and Livestock Research Organization(KALRO)	2,597.50	315.02	2,157.50	2,472.52	1,047.04	138.19	-	1,185.23

Parent MDA	Name of the SAGA	Gross Estimates (Kshs)	Receipts (Kshs)			Expenditure (Kshs)			Total Expenditure
			A-I-A	Transfers (Current)	Total	Compensation to Employee	Use of goods and services	Other Expenses	
State Department of Industrialization	Special Economic Zones Authority(SEZA)	5.59	0.50	5,093.00	5.59	-	4.00	1.59	5.59
	Numerical Machine Complex	37.02	1.00	36.02	37.02	37.02	-	-	37.02
	Kenya Industrial Research and Development Institute (KIRDI)	139.56	6.50	133.06	139.56	98.06	21.50	20.00	2.94
	Scrap Metal Council	57.13	-	2.94	2.94	2.00	0.94	2.94	-
	Kenya Invest Authority(KENINVEST)	57.13	-	56.63	56.63	38.58	15.26	2.80	56.63
	Kenya Accreditation Services(KENAS)	45.08	12.35	27.60	39.96	2.62	7.81	5.96	39.96
	Kenya Industrial Estate(KIE)	98.09	35.70	62.39	98.09	30.20	47.89	20.00	98.09
	Export Processing Zones Authority(EPZA)	140.90	159.29	346.09	125.60	72.26	50.51	2.83	125.60
State Department for Culture and Heritage	National Museums of Kenya	572.11	47.61	560.13	607.74	509.80	360.88	-	870.68
	Kenya Cultural Centre	38.75	10.43	17.75	28.18	12.10	19.24	-	31.35
	Kenya National Library Service	362.51	23.15	330.51	353.66	371.42	45.87	-	417.29
Ministry of Defence	Kenya Space Agency	200.00	-	100.00	163.65	1.71	54.11	103.48	159.29

Parent MDA	Name of the SAGA	Gross Estimates (Kshs)	Receipts (Kshs)			Expenditure (Kshs)			Total Expenditure
			A-I-A	Transfers (Current)	Total	Compensation to Employee	Use of goods and services	Other Expenses	
State Law Office and Department of Justice	Kenya Law Review Commission	136.06	-	136.06	136.06	53.17	53.29	-	106.47
	Kenya National Anti-Corruption Steering Committee	47.28	-	47.28	47.28	0.91	18.10	-	19.00
	Kenya School of Law	286.25	158.14	97.51	255.65	121.51	102.20	29.43	253.14
	Council for Legal Education	175.76	1.02	90.71	91.73	52.14	35.84	0.42	88.40
	Kenya Copyright Board	63.50	0.72	62.00	62.72	40.67	12.05	7.63	60.35
	Nairobi Centre for Internationa Arbitration	50.80	-	50.80	50.80	27.07	13.90	9.63	50.60
	Assests Recovery Agency	79.23	-	79.23	79.23	16.37	7.86	30.53	54.76
	Business Registration Services	154.78	-	154.87	154.87	76.36	39.92	2.72	118.90
	Victims Compensation Fund	27.35	-	27.35	27.35	-	-	-	-
	Auctioneer's Licensing Board	11.26	-	11.26	11.26	-	11.24	-	11.24
	National Council for Law Reporting	160.77	-	160.77	160.77	68.47	10.55	75.20	154.23
	Victim Protection Board	11.40	-	11.40	11.40	-	10.64	-	10.64
	Multi Agency Team(MAT) Secretariat	22.80	-	11.40	11.40	-	10.64	-	10.64
State Department for Broadcasting and Telecommunications	Media Council of Kenya	435.00	2.75	215.50	218.25	49.16	191.37	-	240.53
	Kenya Institute of Mass Communication	202.00	0.40	94.00	94.40	75.00	16.35	2.66	94.00
	Kenya Year Editorial Board	142.00	26.42	50.00	76.42	26.43	49.10	-	75.52
	Kenya Broadcasting Corporation(KBC)	2,129.20	460.81	414.60	875.41	561.66	455.90	-	1,017.55
	Kenya Film Classification Board	427.20	14.00	190.60	204.60	118.35	75.82	12.81	206.99
	Kenya Film Commission	311.60	-	155.80	155.80	29.15	1.13	167.32	197.61
	Postal Corporation of Kenya	810.00	-	810.00	-	810.00	-	-	810.00
	Kenya Film School	65.95	1.00	31.98	32.98	-	30.54	-	30.54
	Kenya National Commission Secretariat	120.00	120.00	-	120.00	-	120.00	-	120.00

Parent MDA	Name of the SAGA	Gross Estimates (Kshs)	Receipts (Kshs)			Expenditure (Kshs)			Total Expenditure
			A-I-A	Transfers (Current)	Total	Compensation to Employee	Use of goods and services	Other Expenses	
State Department for ICT AND Innovation	Konza Techno Development Authority(KoTDA)	441.70	-	220.85	220.85	92.39	123.81	-	216.20
	ICT Authority (ICTA)	390.90	-	195.45	195.45	107.70	40.00	39.28	186.98
State Department for Youth	Youth Enterprise Development Fund(YEDF)	149.75	17.06	149.75	166.81	42.94	59.83	-	102.77
	National Youth Council(NYC)	49.00	-	49.00	49.00	9.29	39.71	-	49.00
State Department for Planning	KIPPRA	409.28	43.01	204.64	247.65	101.02	64.57	49.89	215.48
	NCPD	322.96	-	161.48	95.53	65.37	65.37	-	160.90
	KNBS	1,317.56	33.81	623.28	657.09	354.28	302.81	-	657.09
	VISION 2030	219.21	-	109.61	109.61	45.50	37.55	8.85	91.90
	NEPAD	210.13	-	105.09	105.09	54.59	50.16	0.34	10.51
State Department for Labour	National Industrial Training Authority	572.97	85.71	72.66	312.49	273.85	16.49	22.16	312.50
	National Employment Authority	137.50	27.75	50.00	77.75	1.63	18.86	57.25	77.75
State Department for Transport	Kenya Civil Aviation Authority	7,814.00	1,509.12	-	1,509.12	1,343.75	200.90	337.77	1,882.42
	Kenya Ferry Services	790.00	234.63	143.50	378.13	270.33	107.66	-	377.99
State Department for Housing and Urban Development	NaMATA	40.00	-	-	-	-	40.00	-	40.00
State Department for Public Works	National Construction Authority	1,103.98	577.23	526.75	470.65	383.03	344.64	-	727.67
State Department for Livestock	Kenya Veterinary Board	41.75	9.04	31.75	40.79	14.85	22.64	-	37.49
	Kenya Diary Board	455.09	206.66	16.65	223.31	99.86	1.75	108.79	210.41
	Veterinary Medicines Directorate	90.50	28.19	3.15	31.34	0.42	1.71	0.64	2.77
	Kenya Veterinary Vaccines Producing Institute	468.05	140.86	-	140.86	81.71	112.46	39.01	233.18
	Kenya Meat Commission	352.50	108.09	117.50	225.59	60.65	60.58	61.26	182.49
	Development of Leather Industrial Park-Kenanie	142.55	0.87	71.27	72.14	50.18	0.55	41.78	92.50
State Department for Co-operatives	Sacco Societies Regulatory Authority	430.00	211.34	-	211.34	105.80	28.06	29.67	163.53
	New Kenya Planters Cooperative Union(NKPCU)-HQ	21.20	-	10.60	-	-	10.60	10.60	-

Parent MDA	Name of the SAGA	Gross Estimates (Kshs)	Receipts (Kshs)			Expenditure (Kshs)			Total Expenditure
			A-I-A	Transfers (Current)	Total	Compensation to Employee	Use of goods and services	Other Expenses	
State Department for Water, Sanitation and Irrigation	Water Sector Trust Fund	83.50	-	83.50	83.50	83.50	-	83.50	-
	Kenya Water Institute	206.38	11.73	102.50	114.23	114.23	-	114.23	-
	National Water Harvesting & Storage Authority	246.50	18.51	196.50	215.01	131.00	84.01	215.01	-
	Regional Centre on Ground Water Resource Education Training & Research	17.00	-	17.00	17.00	-	17.00	17.00	-
	Water Resources Authority	497.00	317.00	197.00	514.00	428.66	85.34	514.00	-
	Water Appeals Board	9.62	-	9.62	9.62	-	9.33	9.33	9.33
	Water Services Regulatory Authority	105.00	108.68	-	108.68	108.68	-	108.68	-
	National Irrigation Authority.	279.00	155.94	154.00	309.94	164.88	145.06	309.94	-
	Athi Water Works Development Agency	197.00	-	197.00	197.00	197.00	197.00	-	197.00
	Lake Victoria South Water Works Development Agency	59.00	-	59.00	59.00	59.00	-	-	59.00
	Lake Victoria North Water Works Development Agency	64.00	-	64.00	64.00	64.00	-	-	64.00
	Rift Valley Water Works Development Agency	118.50	9.86	27.00	36.86	44.33	-	-	44.33
	Coastal Water Works Development Agency	581.00	131.65	211.90	343.55	105.09	238.46	-	343.55
	Tana Water Works Development Agency	68.00	-	68.00	68.00	68.00	-	-	68.00
	Northern Water Works Development Agency	52.00	-	52.00	52.00	52.00	-	-	52.00
	TANATHI Water Works Development Agency	59.00	-	59.00	59.00	59.00	-	-	59.00
	Hydrologist Registration Board - HQ	3.50	-	3.50	3.50	3.46	-	3.46	-
Ministry of Energy	Geothermal Development Corporation	1,274.78	620.49	187.39	807.88	571.55	119.18	126.15	816.88
	Nuclear Power and Energy Agency	0.38	-	0.19	0.19	0.19	0.01	0.01	0.21
	Rural Electrification and Renewable Energy Corporation	365.00	101.86	182.50	284.36	249.40	34.96	-	284.36
	Kenya Electricity Transmission Company Limited(KETRACO)	2,668.67	1,334.33	-	1,334.33	377.53	421.03	-	798.56
Ministry of Environment and Forestry	Kenya Forest Service	-	291.03	1,912.75	2,203.78	2,162.53	247.63	-	2,410.16

Parent MDA	Name of the SAGA	Gross Estimates (Kshs)	Receipts (Kshs)			Expenditure (Kshs)			Total Expenditure
			A-I-A	Transfers (Current)	Total	Compensation to Employee	Use of goods and services	Other Expenses	
Ministry of Environment and Forestry	KEFRI	1,486.58	18.05	725.29	743.34	557.62	160.96	24.76	743.34
	NEMA	1,453.92	191.09	576.96	768.05	442.32	307.76	30.86	780.95
	Total	**48,774.78**	**8,676.76**	**23,116.21**	**24,495.36**	**15,908.76**	**7,314.11**	**3,961.93**	**23,685.58**

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