



THE REPUBLIC OF KENYA

OFFICE OF THE CONTROLLER OF BUDGET

ANNUAL NATIONAL GOVERNMENT  
BUDGET IMPLEMENTATION REVIEW REPORT

FY 2016/17



AUGUST, 2017



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## FOREWORD

It is my great pleasure to present the Annual National Government Budget Implementation Review Report (BIRR) for the Financial Year 2016/17. This report presents the aggregate performance of budget implementation by Ministries, Departments and Agencies (MDAs) of the National Government for the twelve months ending in 30<sup>th</sup> June, 2017 and marks the end of the first five years since implementation of the devolved system of governance in Kenya.

The report is prepared in line with Article 228 (6) of the Constitution of Kenya, 2010 and Section 9 of the Controller of Budget Act, 2016 which require the Controller of Budget (COB) to submit to each House of Parliament a report on the implementation of the budgets of National and County government every four months.

The Government through the FY 2016/17 Budget Policy Statement (BPS) had anticipated sustained economic growth. The key features of the National Government Budget for FY 2016/17 were to improve the business environment by improving security, maintaining macro-economic stability and reducing the cost of doing business so as to encourage investment opportunities in the Country. The Government had committed to continue spending on infrastructure to unlock constraints to growth and continue spending on all sectors to create employment. In addition, the Government had planned to sustain investment in social services for the welfare of Kenyans by investing in quality and accessible health care services and education and strengthening the social safety nets. Similarly, the Government committed to enhance service delivery through devolution by consolidating the gains already made in the devolved units in order to provide better service delivery to the citizenry. The foregoing shaped the budget programmes and projects, and formed the basis for the MDAs budget implementation review by the Office of the Controller of Budget.

The report provides information on the implementation status of budgets of the National Government Ministries, Departments and Agencies (MDAs) for FY 2016/17. It provides the overall budget performance in both revenue and expenditure and identifies key challenges that hampered implementation to achieve budget objectives. This report is largely based on analysis of expenditure returns and financial reports submitted by the respective MDAs and supported by expenditure data generated from the Integrated Financial Management Information System (IFMIS). The information is also informed by continuous monitoring of receipts into the Consolidated Fund and exchequer issues to the MDAs approved by the Controller of Budget and corroborated with data provided by the National Treasury (NT).

The information published in the Budget Implementation Review Report is disseminated to the wider public in line with Section 39 (8) of the PFM Act, 2012, which requires the Controller of Budget to ensure that the public has access to information on budget implementation.

Public participation in budget monitoring is a key principle in Public Finance. This report is therefore, intended to create awareness and share information on budget implementation among stakeholders including but not limited to; Legislators, Policy makers, and the Public. The Office calls upon readers of the report to take keen interest on the information provided on implementation of the budget in order to interrogate the use of public resources in line with underlying budget policy guidelines and priorities by the Government. This will provide the necessary impetus for optimal utilization of public resources for the benefit of all Kenyans.



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

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## LIST OF ABBREVIATIONS AND ACRONYMS

<b>A-I-A</b>	Appropriations-in-Aid
<b>AIDS</b>	Acquired Immune Deficiency Syndrome
<b>AMISOM</b>	Africa Union Mission in Somali
<b>AR &amp; UD</b>	Agricultural Rural and Urban Development
<b>ASDSP</b>	Agricultural Sector Development Support Programme
<b>ASAL</b>	Arid and Semi-arid Land
<b>Bn</b>	Billion
<b>BIRR</b>	Budget Implementation Review Report
<b>CFS</b>	Consolidated Fund Services
<b>COB</b>	Controller of Budget
<b>CRA</b>	Commission on Revenue Allocation
<b>DANIDA</b>	Danish International Development Agency
<b>EACC</b>	Ethics and Anti-Corruption Commission
<b>EI &amp; ICT</b>	Energy Infrastructure and Information Communication Technology
<b>EWNR</b>	Environment Protection, Water and Natural Resources
<b>FY</b>	Financial Year
<b>GDP</b>	Gross Domestic Product
<b>GECA</b>	General Economic and Commercial Affairs
<b>GJLOS</b>	Governance, Justice, Law and Order Sector
<b>IEBC</b>	Independent Electoral and Boundaries Commission
<b>IFMIS</b>	Integrated Financial Management Information System
<b>ICPD</b>	International Conference on Population and Development
<b>IPOA</b>	Independent Policing Oversight Authority
<b>JSC</b>	Judicial Service Commission
<b>KCEP</b>	Kenya Cereal Enhancement Programme
<b>KEMRI</b>	Kenya Medical Research Institute
<b>KEMSA</b>	Kenya Medical Supplies Agency
<b>KMTC</b>	Kenya Medical Training College
<b>KNCHR</b>	Kenya National Commission on Human Rights
<b>KNH</b>	Kenyatta National Hospital
<b>KRB</b>	Kenya Roads Board
<b>Kshs</b>	Kenya Shillings
<b>LMIS</b>	Labour Market Information System
<b>MDA(s)</b>	Ministries Departments and Agencies
<b>MoLPP</b>	Ministry of Lands and Physical Planning
<b>MTEF</b>	Medium Term Expenditure Framework
<b>NACC</b>	National Aids Control Council
<b>NCAPD</b>	National Coordinating Agency for Population and Development
<b>NGEC</b>	National Gender and Equality Commission



<b>NHIF</b>	National Hospital Insurance Fund
<b>NIS</b>	National Intelligence Service
<b>NLC</b>	National Land Commission
<b>NPSC</b>	National Police Service Commission
<b>NT</b>	National Treasury
<b>OCOB</b>	Office of the Controller of Budget
<b>O&amp;M</b>	Operations and Maintenance
<b>PAIR</b>	Public Administration and International Relations
<b>PE</b>	Personnel Emoluments
<b>PFM Act</b>	Public Finance Management Act
<b>PLWDs</b>	Persons Living with Disability
<b>SAGAs</b>	Semi-Autonomous Government Agencies
<b>TSC</b>	Teachers Service Commission
<b>WPA</b>	Witness Protection Agency

## EXECUTIVE SUMMARY

This is the Annual National Government Budget Implementation Review Report for FY 2016/17 and covers the period July 2016 to June 2017. The report is prepared in accordance with Article 228(6) 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 reports on budget implementation by the National and County Governments every four months. The report presents the performance of revenue and expenditure and highlights the key challenges encountered by National Government entities during budget execution.

Budget implementation in the FY 2016/17 recorded commendable improvement with an overall budget of Kshs.2.6 trillion from Kshs.2.3 trillion recorded in FY 2015/16, representing 15 per cent increase. This resulted to an increase in allocation for recurrent expenditure (Kshs.1.5 trillion), development expenditure (Kshs.861.2 billion) and county governments (Kshs.300.1 billion), the highest budgetary allocations in the last five financial years (FY 2012/13 to FY 2016/17).

In FY 2016/17, exchequer revenue<sup>1</sup> raised by the Government through the National Treasury was Kshs.2.03 trillion representing **96.9 per cent** of the revised annual target of Kshs.2.1 trillion. This was 9.4 per cent improvement compared to Kshs.1.9 trillion received into the exchequer account in FY 2015/16. The Tax Income, Domestic Borrowing and Commercial Loans categories contributed Kshs.1.25 trillion, Kshs.415 billion and Kshs.186.3 billion respectively. Grants from International Organization and AMISOM contributed Kshs.13.4 billion.

The total exchequer issues to MDAs, Consolidated Fund Services (CFS) and County Governments for the period under review amounted to Kshs.2 trillion, representing **95.4 per cent** of the revised annual net estimates. This was an increase from Kshs.1.79 trillion issued in FY 2015/16. The exchequer issues for recurrent activities were Kshs.819.9 billion, Kshs.394.2 billion for development activities, while Kshs.498.1 billion was released for CFS. County Governments received Kshs.284.7 billion.

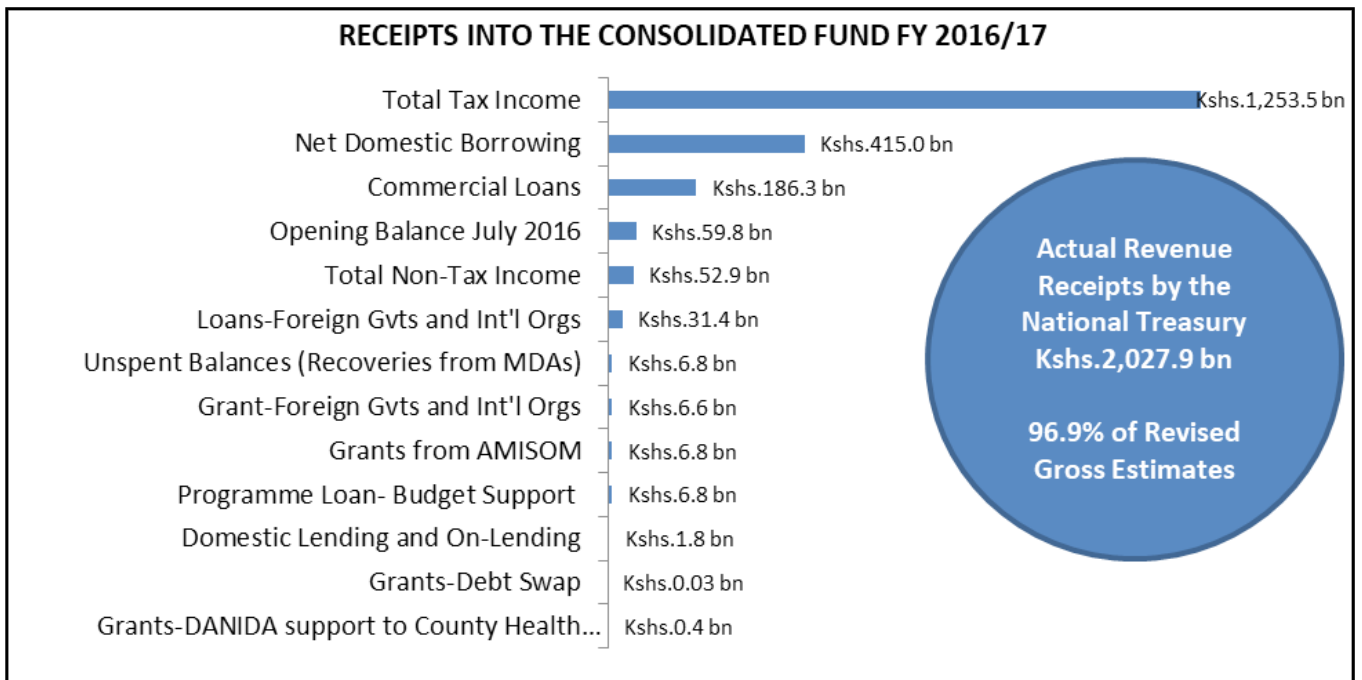
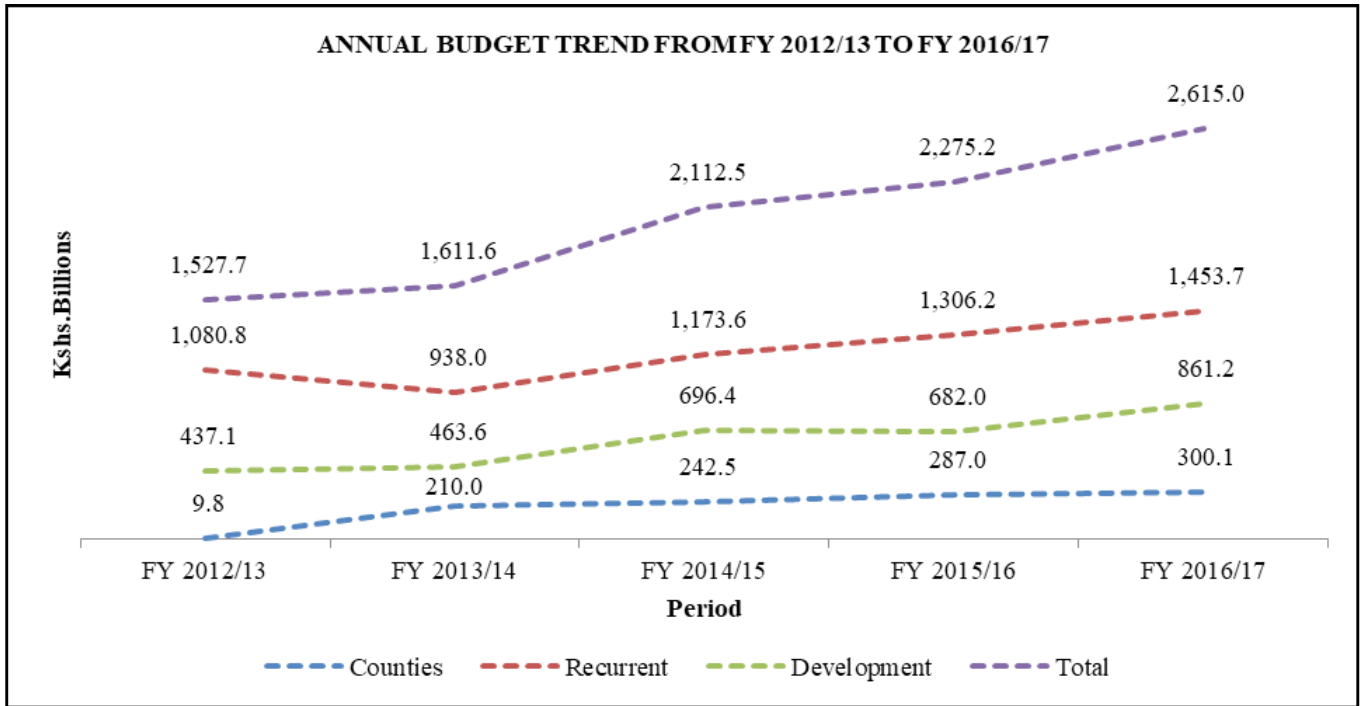
The total expenditure by the National Government was **Kshs.1.96 trillion**, representing **84.7 per cent** of the revised gross estimates. This comprised of recurrent expenditure at **Kshs.1.36 trillion** and Kshs.602.3 billion for development expenditure representing **93.4 per cent** and **69.9 per cent** of the revised gross estimates respectively. Recurrent expenditure comprised of **Kshs.858.3 billion** towards MDAs recurrent activities and **Kshs.499 billion** for CFS. This represents 14.8 per cent growth from Ksh.1.18 trillion (90.5 per cent) recorded in FY 2015/16. Analysis of the MDAs recurrent expenditure shows that, a total of **Kshs.341.4 billion** was current transfers to Semi-Autonomous Government Agencies (SAGAs) which represented 39.8 per cent of the total recurrent expenditure. The second highest expenditure category was Personnel Emoluments at **Kshs.329.8 billion** representing 38.4 per cent of the total recurrent expenditure by MDAs. Further analysis of the Personnel Emoluments (PE) shows that the Teachers Service Commission (TSC) recorded the highest expenditure at **Kshs.189.6 billion**, which translated to 57.5 per cent of the total PE expenditure by all MDAs. This is attributed to teachers' salaries which constitutes the bulk of the recurrent expenditure under TSC. Domestic and Foreign Travel was the third highest recurrent spending category at Kshs.15.6 billion recording Kshs.9.5 billion and Kshs.6.1 billion for the two categories respectively.

The gross development expenditure amounted to **Kshs.602.3 billion**, representing an absorption rate of **69.9 per cent**, a marginal increase from **66.3 per cent** recorded in the previous financial year. Capital Transfers to SAGAs was the highest spending economic category at Kshs.297.7 billion, while Refurbishment of Buildings and Infrastructure recorded Kshs.114.2 billion, representing 49.4 per cent and 19 per cent of the revised gross development expenditure respectively.

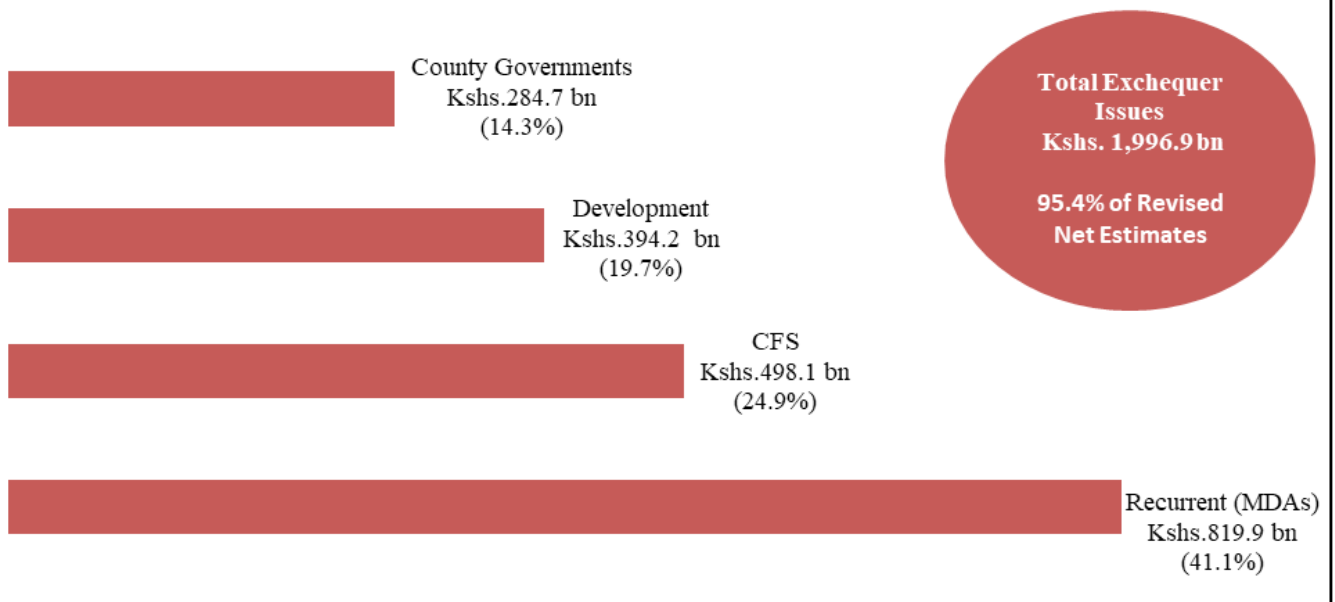
During FY 2016/17, budget implementation faced a number of challenges. These included; delay in submission of quarterly financial performance reports by MDAs to the Office of the Controller of Budget, and budget rationalisation through the supplementary budget leading to inadequate resources to MDAs to implement planned activities. The OCOB recommends timely submission of financial reports to enhance budget monitoring and reporting. Whenever, there are budget revisions, the National Treasury should discuss with the respective MDAs to allow for prioritization of activities for effective implementation of the budget.

<sup>1</sup> Exchequer Revenue includes: Tax Income, Net Domestic Borrowing, Commercial Loans, Opening balances from Previous year, Non-Tax Income, Loans-Foreign Governments & International Organizations, Unspent balances recovered from MDAs, Grants-Foreign Governments & International Organizations, Grants from AMISOM, Program Loan-Budget Support, Domestic Lending and On-Lending etc.

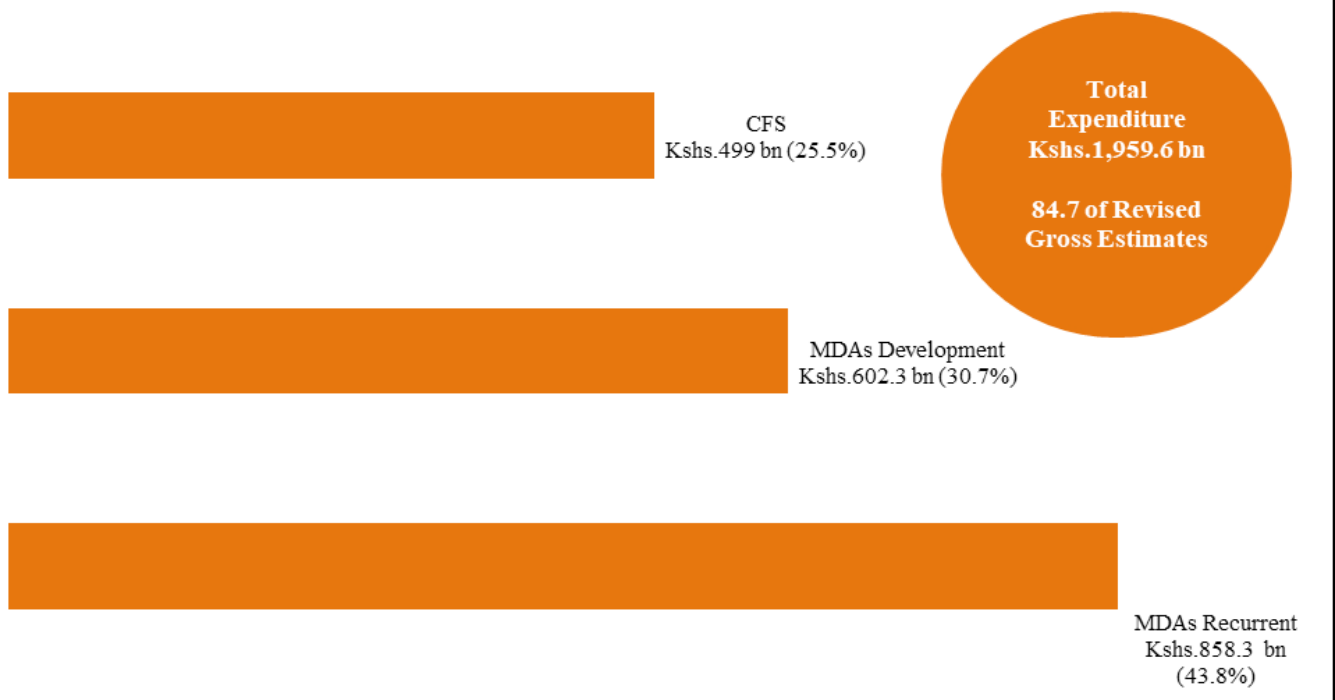
## KEY HIGHLIGHTS

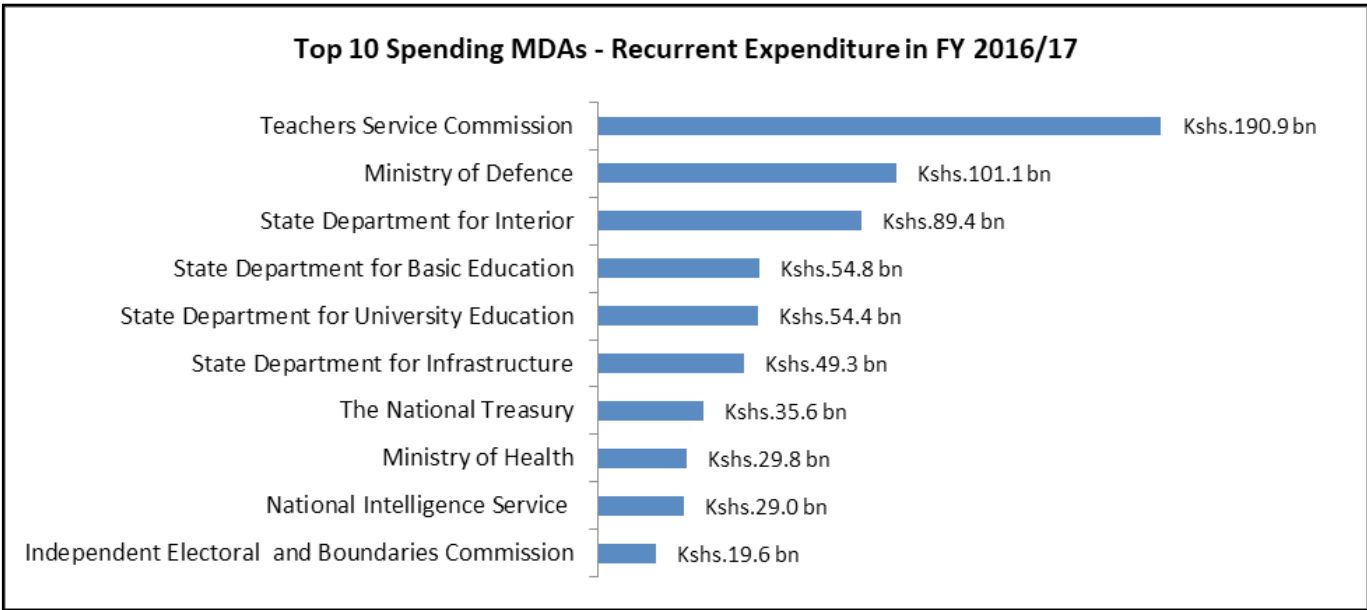
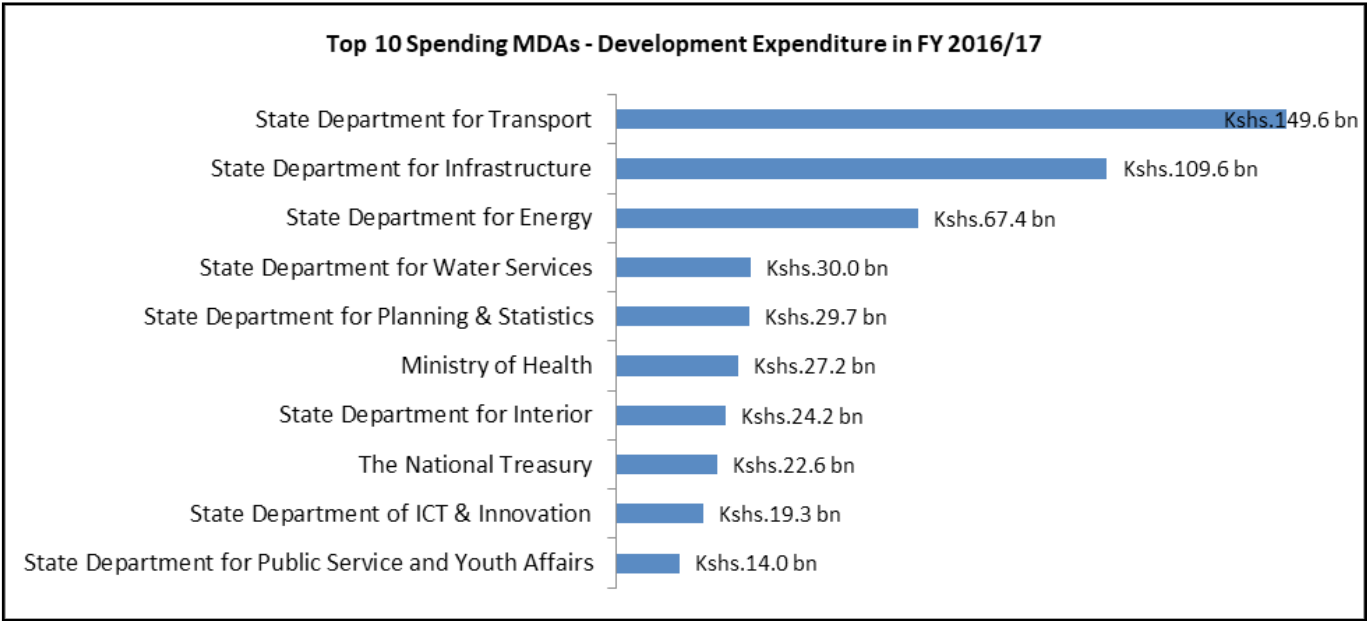


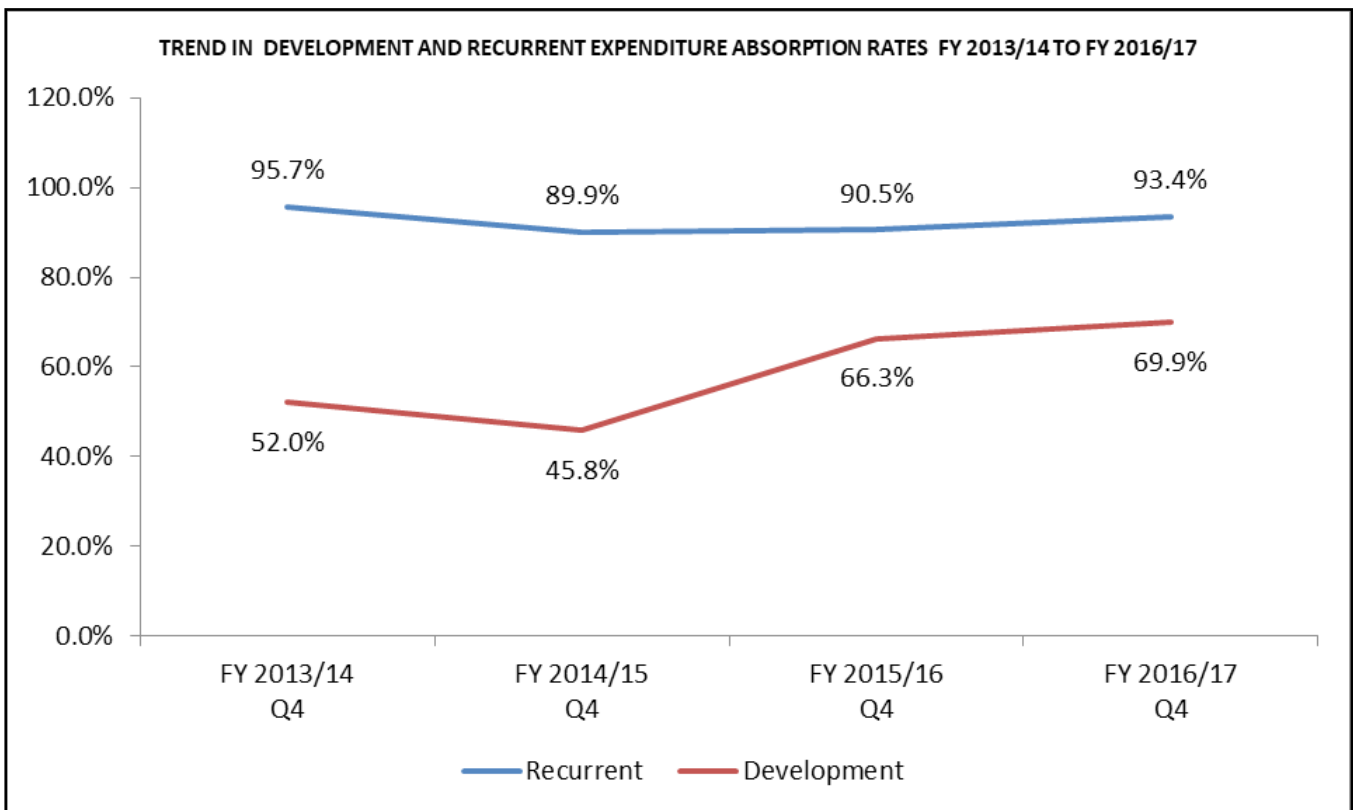
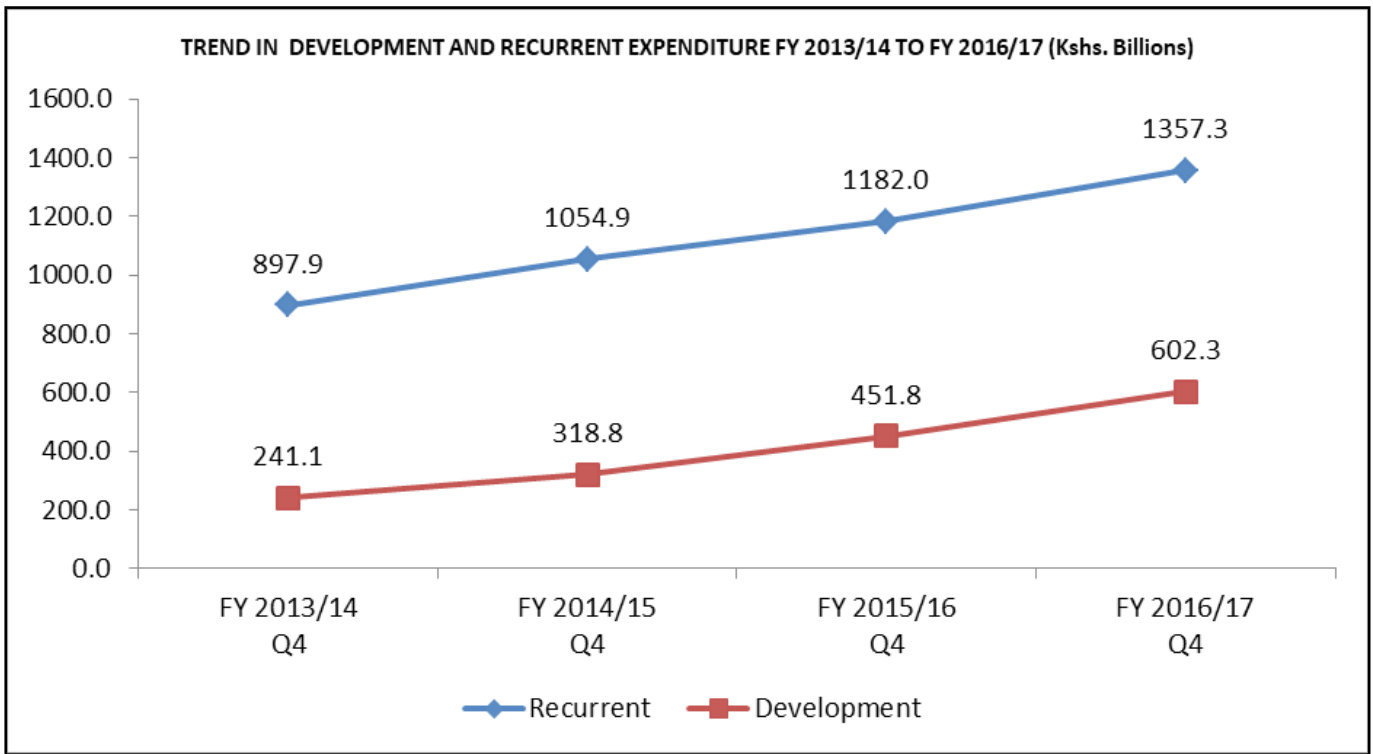
**EXCHEQUER ISSUES IN FY 2016/17**



**NATIONAL GOVERNMENT TOTAL EXPENDITURE IN FY 2016/17**









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Kenya Airways

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# 1 INTRODUCTION

The Annual National Government Budget Implementation Review Report (BIRR) for the FY 2016/17 has been prepared pursuant to Article 228 (6) of the Constitution of Kenya, 2010 and Section 9 of the Controller of Budget Act, 2016 which requires the Controller of Budget to submit to each House of Parliament a report on the implementation of the budgets of the national and county governments every four months.

The FY 2016/17 Budget was premised on high expectations for the realization of economic growth. Its key features were to improve the business environment by improving security, maintaining macro-economic stability and reducing the cost of doing business so as to encourage investment opportunities in the country. The government had committed to continue spending on infrastructure to unlock constraints to growth while maintaining sectoral spending for employment creation. The government planned to sustain investment in social services for the welfare of Kenyans by investing in quality and accessible health care services and relevant education and strengthening the social safety nets. Similarly, the Government undertook to enhance service delivery through devolution by consolidating the gains already made in the devolved units in order to provide better service delivery to the citizenry. This informed the formulation of the budget programmes and projects, and formed the basis for the review of budget implementation by MDAs.

The current Budget Implementation Review Report for the FY 2016/17 covers the period July 2016 to June 2017 and provides information on implementation status of budgets of the National Government Ministries, Departments and Agencies (MDAs) for FY 2016/17 and compares the performance with previous Financial Year. Information on budget implementation includes budget estimates, receipts into the Consolidated Fund, exchequer issues, expenditure by MDAs and identifies key challenges that hampered budget implementation to achieve the set objectives. The report is organized into seven chapters including the introduction section.

Chapter two of the report presents information on financing of the budget for the FY 2016/17. This includes analysis of receipts into the Consolidated Fund and compares the performance with 2015/16 financial year. It also presents funds withdrawn from the Consolidated Fund as approved by the Controller of Budget in line with Article 228(4) of the Constitution of Kenya, 2010 for both recurrent and development expenditure, and also exchequer releases to the County Governments. Chapter three presents the actual expenditure on recurrent and development by MDAs and the CFS, which constitutes payment of public debt, pension and gratuities, salaries and allowances to Constitutional Office holders and subscriptions to International Organisations. Further, recurrent and development expenditure are disaggregated by economic categories. Recurrent expenditure includes Personnel Emoluments (PE) and Operations and Maintenance (O&M). The main categories under Operations and Maintenance include Domestic and Foreign Travel, Hospitality, Training, Current Transfers to Semi-Autonomous Government Agencies (SAGAs) among others. The major economic categories under development expenditure include Capital Transfer to SAGAs, Refurbishment of buildings/Infrastructure, Construction and civil works, Purchase of specialized plant, equipment and machinery among other development expenditure.

Chapter four presents analysis of budget performance by Sector for both development and recurrent expenditure. The absorption of the budget by the MDAs is expressed as a percentage of total expenditure against the revised gross estimates while exchequer issues are presented as a percentage of the revised net estimates. Chapter five presents information on how MDAs achieved their objectives as outlined in their Programmed Based Budgets (PBB).

Chapter six of the report highlights key issues which affected smooth implementation of budgets by the respective government entities and provides appropriate recommendations on how to address them in future while chapter seven provides the conclusion of the report.



## 2 ANALYSIS OF RECEIPTS AND EXCHEQUER ISSUES

### 2.1 Introduction

This chapter provides summary on receipts into the Consolidated Fund in FY 2016/17. It also provides a breakdown on how funds received into the Consolidated Fund were released to the MDAs for both development and recurrent expenditure. This is in line with Article 228 (4) of the Constitution which stipulates that, the Controller of Budget shall oversee the implementation of the budgets of the national and county governments by authorizing withdrawals from public funds as provided for under Articles 204, 206 and 207 of the Constitution of Kenya, 2010.

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

This section presents an overview of the revised revenue estimates and actual receipts into the Consolidated Fund in FY 2016/17.

#### 2.2.1 FY 2016/17 Revenue Estimates

The revised revenue estimates for FY 2016/17 was Kshs.2.1 trillion. The National Treasury estimated to finance the revised budget, from the following sources; Tax income (Kshs.1.3 trillion), Non-tax income (Kshs.54.1 billion), Net Domestic borrowing (Kshs.517.8 billion), Commercial Loan (Kshs.186.3 billion), Loans from Foreign Governments and International Organisations (Kshs.42.3 billion) and Grants from Foreign Governments and International Organisations (Kshs.18.7 billion).

Other sources of exchequer revenue for the period under review include; Grants from the African Mission in Somalia (AMISOM, Kshs.6.4 billion) Domestic lending and on-lending (Kshs.2.1 billion) and Kshs.8.3 billion which comprise of Kshs.7.4 billion, Kshs.0.4 billion and Kshs.0.5 billion from Programme loan-budget support, Grants-DANIDA Support to County Health and Grants-Debt Swap respectively.

#### 2.2.2 Receipts into the Consolidated Fund

In the FY 2016/17 total receipts into the Consolidated Fund was Kshs.2 trillion and comprised of balance brought forward from the previous financial year (FY 2015/16), tax and non-tax income, net domestic borrowing, loans and grants from foreign governments and international organisations, programme loan for budget support, domestic lending and on-lending, grants from AMISOM, commercial loans and unspent balances recovered from MDAs from the previous financial year, FY 2015/16.

Table 2.1 presents a statement of receipts into the Consolidated Fund in FY 2016/17 compared to FY 2015/16 performance.

**Table 2.1 Statement of Receipts into the Consolidated Fund in FY 2016/17 (Kshs. Billions)**

Receipts Category	Revised Estimates FY 2016/17	Actual Receipts	Performance Against Annual Target (%)	Contribution by Category (%)	Actual Receipts June 2016	Increase/Decrease in receipts over June 2016	percentage change (%)
Opening Balance 01.07.2016	-	59.8	-	2.9	0.2	59.6	>100
Total Tax Income	1,257.2	1,253.4	99.7	61.9	1,108.2	145.3	13.1
Total Non-Tax Income	54.1	52.8	97.6	2.6	44.7	8.2	18.2
Net Domestic Borrowing	517.8	415.0	80.1	20.6	506.2	(91.2)	(18.0)

Loans-Foreign Governments and International Organisations	42.3	31.4	74.1	1.5	33.7	(2.3)	(6.9)
Programme Loan- Budget Support	7.4	6.8	91.9	0.3	8.6	(1.8)	(21.3)
Domestic Lending and On-Lending	2.1	1.8	82.8	0.1	2.4	(0.7)	(27.1)
Grant-Foreign Governments and International Organisations	18.7	6.6	35.2	0.3	9.0	(2.4)	(26.7)
Grants-DANIDA support to County Health Facilities	0.4	0.4	96.7	0.01	0.7	(0.3)	(41.4)
Grants-Debt Swap	0.5	0.03	5.6	0.001	0.3	(0.3)	(90.7)
Grants from AMISOM	6.4	6.8	105.4	0.3	4.3	2.5	57.9
Commercial Loans	186.3	186.3	100	9.2	134.9	51.4	38.1
Unspent Balances	-	6.8	-	0.3	0.4	6.4	>100
<b>Total Receipts</b>	<b>2,093.4</b>	<b>2,027.9</b>	<b>96.9</b>	<b>100</b>	<b>1,853.6</b>	<b>174.3</b>	<b>9.4</b>

Source: National Treasury

### 2.3 FY 2016/17 Overall Budget

The FY 2016/17 Revised Budget amounted to Kshs.2.6 trillion; representing 15 per cent increase compared to Kshs.2.3 trillion in FY 2015/16. The Budget comprised of Kshs.861.2 billion allocated for development expenditure, Kshs.1.5 trillion for recurrent expenditure and Kshs.300.1 billion for the County Governments.

### 2.4 Exchequer Issues to the MDAs and County Governments in FY 2016/17

In the FY 2016/17, total exchequer issues to the MDAs and County governments amounted to Kshs.2.0 trillion representing 95.4 per cent of revised net estimates, a marginal decrease compared to 96.3 per cent issued in FY 2015/16. Table 2.2 presents a summary of the exchequer issues for FY 2016/17 against the revised net estimates compared to FY 2015/16 performance.

**Table 2.2: Summary of Exchequer Issues for FY 2016/17 compared to FY 2015/16 (Kshs. billions)**

Vote	FY 2016/17					FY 2015/16				
	Revised Gross Estimates	Revised Net Estimates	Ex-chequer Issues	% of Exch. Issues to revised Net Estimates	% of Ex-chequer issues to total Issues	Revised Gross Estimates	Revised Net Estimates	Ex-chequer Issues	% of Exch. Issues to revised Net Estimates	% of Ex-chequer issues to total Issues
<b>Recurrent</b>	1,453.70	1,366.80	1,318.0	96.4	66.0	1,306.3	1,229.2	1,196.5	97.3	66.7
:MDAs	927.5	840.6	819.9	97.5	41.1	811.6	734.5	720.3	98.1	40.2
:CFS	526.2	526.2	498.1	94.7	24.9	494.7	494.7	476.3	96.3	26.6

<b>Development (MDAs)</b>	861.2	441.8	394.2	89.2	19.7	681.9	369.7	333.2	90.1	18.6
<b>County Governments</b>	300.1	284.7	284.7	100.0	14.3	287.0	264.2	264.0	99.9	14.7
<b>Total</b>	<b>2,615.0</b>	<b>2,093.3</b>	<b>1,996.9</b>	<b>95.4</b>	<b>100</b>	<b>2,275.2</b>	<b>1,863.1</b>	<b>1,793.7</b>	<b>96.3</b>	<b>100</b>

Source: National Treasury & OCOB

From the analysis, County Governments received the highest proportion of exchequer issues to the revised net estimates at 100 per cent while development expenditure received the lowest proportion at 89.2 per cent. A total of Kshs.284.7 billion was released from Consolidated Fund to the respective County Governments' County Revenue Funds (CRF) which was earmarked for transfer in the financial year.

Table 2.3 shows a breakdown of the annual estimates and exchequer issues by sectors in FY 2016/17 compared to FY 2015/16.

**Table 2.3 Annual Estimates and Exchequer Issues by Sector for FY 2016/17 compared to FY 2015/16 (Kshs. Billions)**

Name of the Sector	FY 2016/17				FY 2015/16			
	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	% of Exch. To Net Estimates	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	% of Exchequer To Rev. Net Estimates
Agriculture, Rural & Urban Development	51.7	41.6	38.4	92.3	70.8	57.7	51.5	89.3
Education	345.6	322.7	319.9	99.1	323.9	302.9	295.8	97.7
Energy, Infrastructure and Information Communications Technology (EI & ICT)	584.7	202.3	182.3	90.1	406.6	119.5	113.6	95.1
Environmental Protection, Water and Natural Resources	95.7	48.6	44.9	92.4	59.1	31.0	26.9	86.8
General Economic & Commercial Affairs (GECA)	22.2	19.8	19.0	96.0	17.3	16.8	15.9	94.4
Governance, Justice, Law and Order (GJLOS)	210.9	209.0	199.5	95.5	160.7	159.5	153.6	96.3

Health	77.4	63.0	56.5	89.7	61.7	46.7	42.2	90.4
Public Administration and International Relations	216.8	194.5	174.1	89.5	248.5	225.2	213.8	94.9
Social Protection, Culture and Recreation	53.3	50.7	49.3	97.2	31.2	30.9	26.3	85.1
National Security	130.2	130.2	130.2	100	113.8	113.8	113.7	99.9
<b>Sub -Total for MDAs</b>	<b>1,788.50</b>	<b>1,282.4</b>	<b>1,214.10</b>	94.7	<b>1,493.30</b>	<b>1,104.20</b>	<b>1,053.5</b>	95.4
<b>Consolidated Fund Services (CFS)</b>	526.2	526.2	498.1	94.7	494.7	494.7	476.2	96.3
<b>County Governments</b>	300.1	284.7	284.7	100	287.0	264.2	264.0	99.9
<b>Grand Total</b>	<b>2,614.80</b>	<b>2,093.30</b>	<b>1,996.90</b>	<b>95.4</b>	<b>2,275.20</b>	<b>1,863.10</b>	<b>1,793.70</b>	<b>96.3</b>

*Source: National Treasury & OCOB*

In FY 2016/17, exchequer issued to MDAs amounted to Kshs.1.2 trillion representing 94.7 per cent of the revised annual net estimates. This presents 15.4 per cent growth in absolute figures from Kshs.1.1 trillion released in FY 2015/16. National Security Sector received the highest proportion of exchequer issues to the revised annual net estimates at 100 per cent, while the Public Administration and International Relations Sector (PAIR) received the lowest proportion at 89.5 per cent.

#### 2.4.1 Recurrent Exchequer Issues by Sector

In FY 2016/17, the revised net recurrent estimate to MDAs totalled Kshs.840.6 billion which was 14.5 per cent growth compared to Kshs.734.5 billion allocated in FY 2015/16. The total exchequer issues to MDAs for recurrent expenditure amounted to Kshs.819.9 billion, representing 97.5 per cent of the revised net recurrent estimates, a slight decrease compared to 98.1 per cent achieved in FY 2015/16.

Table 2.4 shows sectoral recurrent estimates and exchequer issues for FY 2016/17 and FY 2015/16.

**Table 2.4: Sectoral Recurrent Estimates and Exchequer issues for FY 2016/17 and FY 2015/16 (Kshs. Billions)**

Name of the Sector	FY 2016/17				FY 2015/16			
	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	% of Exch. To Net Estimates	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	% of Exchequer To Net Estimates
Agriculture, Rural & Urban Development (ARUD)	30.2	23.0	22.1	96.1	15.1	14.6	14.4	98.1
Education	315.4	296.7	295.5	99.6	303.6	286.6	283.7	99.0
Energy, Infrastructure and Information Communications Technology (EI & ICT)	64.9	12.0	11.0	91.7	52.5	7.6	7.2	94.8

Environmental Protection, Water and Natural Resources	22.5	12.9	12.8	99.2	17.4	9.0	8.9	98.8
General Economic and Commercial Affairs (GECA)	12.5	12.4	12.2	98.4	7.4	7.3	7.2	98.6
Governance, Justice, Law and Order (GJLOS)	177.2	176.5	170	96.3	140.9	140.1	136.7	97.5
Health	35.7	31.8	30.2	95.0	29.2	25.2	25.1	99.7
Public Administration and International Relations (PAIR)	121.0	120.2	111.1	92.4	118.1	116.7	110.4	94.6
Social Protection, Culture and Recreation	25.1	25.1	24.8	98.8	13.6	13.5	13.0	96.7
National Security	130.2	130.2	130.2	100	113.8	113.8	113.7	99.9
<b>Total</b>	<b>934.7</b>	<b>840.6</b>	<b>819.9</b>	<b>97.5</b>	<b>811.6</b>	<b>734.5</b>	<b>720.3</b>	<b>98.1</b>

Source: National Treasury & OCOB

A review of recurrent exchequer issued shows that National Security received the highest proportion of exchequer issues to the revised net estimates at 100 per cent while Energy, Infrastructure and Information Communications Technology (EI & ICT) sector recorded the lowest proportion at 91.7 per cent, a decline compared to 94.8 per cent recorded in FY 2015/16.

#### 2.4.2 Exchequer Issues to Consolidated Fund Services (CFS) in FY 2016/17

The revised allocation to CFS in FY 2016/17 amounted to Kshs.526.2 billion, an increase by 6.4 per cent from Kshs.494.7 billion allocated in FY 2015/16. Table 2.5 shows the annual allocation and exchequer issues to CFS in FY 2016/17 and FY 2015/16 respectively.

**Table 2.5: CFS Budgetary Allocation and Exchequer Issues for FY 2016/17 compared to FY 2015/16 (Kshs. Millions)**

Consolidated Fund Services (CFS)	FY 2016/17			FY 2015/16		
	Revised Net Estimates	Exchequer Issues	% to Rev.Net Estimates	Revised Net Estimates	Exchequer Issues	% to Rev. Net Estimates
Public Debt	459,903.7	435,717	94.7	437,459.4	421,849.9	96.4
Pensions and Gratuities	60,691.1	58,487.6	96.4	51,691.1	50,860.0	98.4
Salaries, Allowances & Miscellaneous	5,615.8	3,905.7	69.5	5,523.7	3,536.4	64.0
Subscriptions to International Organizations	0.5	-	-	2.2	1.8	81.8
<b>Total</b>	<b>526,211.2</b>	<b>498,110.3</b>	<b>94.7</b>	<b>494,676.4</b>	<b>476,248.1</b>	<b>96.3</b>

Source: National Treasury and OCOB

In FY 2016/17, the total exchequer issues to CFS amounted to Kshs.498.1 billion, representing 94.7 per cent of the revised net estimates. Pensions and Gratuities received the highest proportion of exchequer issues to the revised net estimates at 96.4 per cent while Salaries, Allowances and Miscellaneous had the lowest at 69.5 per cent. Subscriptions to International Organizations did not receive exchequer issues in the period under review compared to 81.8 per cent received to 2015/16 financial year.

### 2.4.3 Development Exchequer Issues by Sector

In FY 2016/17, the revised net allocation to development expenditure was Kshs.441.8 billion, 19.5 per cent increase compared to Kshs.369.7 billion allocated in FY 2015/16. The total exchequer issues released to MDAs for development activities in the period under review amounted to Kshs.394.2 billion, representing 89.2 per cent of the revised net estimates, a slight decline compared to 90.1 per cent (Kshs.333.2 billion) recorded in FY 2015/16. Table 2.6 shows Sectoral development annual estimates and exchequer issues for FY 2016/17.

**Table 2.6: Sectoral Development Annual Estimates and Exchequer Issues for FY 2016/17 and FY 2015/16 (Kshs. Billions).**

Name of the Sector	FY 2016/17				FY 2015/16			
	Revised Gross Estimates	Revised Net Estimates	Exch. Issues	% of Exch. to Net Estimates	Revised Gross Estimates	Revised Net Estimates	Exch. Issues	% of Exch. to Rev. Net Estimates
Agriculture, Rural & Urban Development	28.7	18.7	16.4	87.7	55.7	43.0	37.2	86.4
Education	30.3	26.0	24.4	93.8	20.3	16.3	12.1	74.2
Energy, Infrastructure and Information Communications Technology (EI & ICT)	519.9	190.3	171.3	90.0	354.1	111.9	106.4	95.1
Environmental Protection, Water and Natural Resources	73.2	35.7	32.1	89.9	41.7	22.0	18.2	81.6
General Economic and Commercial Affairs (GECA)	9.7	7.3	6.8	93.2	9.9	9.5	8.7	91.2
The Governance, Justice, Law and Order (GJLOS)	33.7	32.6	29.5	90.5	19.8	19.4	16.9	87.3
Health	41.7	31.3	26.2	83.7	32.5	21.5	17.0	79.1
Public Administration and International Relations (PAIR)	95.8	74.4	63.0	84.7	130.3	108.5	103.4	95.3
Social Protection, Culture and Recreation	28.3	25.6	24.5	95.7	17.5	17.4	13.3	76.3
<b>Total</b>	<b>861.3</b>	<b>441.8</b>	<b>394.2</b>	<b>89.2</b>	<b>681.9</b>	<b>369.7</b>	<b>333.2</b>	<b>90.1</b>

Source: National Treasury & OCOB

Analysis of exchequer issues to MDAs development expenditure per sector in FY 2016/17 shows that, Social Protection, Culture and Recreation Sector received the highest proportion of development exchequer issues to revised net estimates at 95.7 per cent while Health Sector received the lowest exchequer issues to revised net estimates at 83.7 per cent.

## 3 NATIONAL GOVERNMENT OVERALL EXPENDITURE ANALYSIS

### 3.1 Introduction

This chapter presents expenditure analysis for FY 2016/17 for both development and recurrent expenditure by the national government Ministries, Departments and Agencies (MDAs). The Consolidated Fund Services (CFS) is discussed under recurrent expenditure and provides information on Public debt; Pensions and gratuity; and Salaries and allowances to Constitutional Office holders and Miscellaneous services. The chapter also presents expenditure by economic classifications by the government entities, for development and recurrent votes respectively.

### 3.2 Overall Government Budget Performance

In FY 2016/17, the revised aggregate budget for the government was Kshs.2.6 trillion, as presented in table 3.1. This includes the budget estimates for the national government entities and the allocation to county governments and compared to the previous financial year, FY 2015/16.

**Table 3.1: Overall Government Budget Performance for FY 2016/17 Compared to FY 2015/16 (Kshs. Billion)**

VOTE	FY 2016/17						FY 2015/16					
	Revised Gross Estimates	Revised Net Estimates	Cumulative Exchequer Issues	Cumulative Expenditure	% of Exchequer to revised Net Estimates	Absorption Rate (%)	Gross Estimates	Net Estimates	Exchequer Issues	Expenditure	% Exchequer to Net Estimates	Absorption rate (%)
<b>Recurrent</b>	1,453.7	1,366.8	1,318	1,357.3	96.4	93.4	1306.2	1,229.2	1,196.5	1,182.0	97.3	90.5
MDAs	927.5	840.6	819.9	858.3	97.5	92.5	811.6	734.5	720.3	706.5	98.1	87.1
CFS	526.2	526.2	498.1	499.0	94.7	94.8	494.7	494.7	476.3	475.5	96.3	96.1
<b>Development</b>	861.2	441.8	394.2	602.3	89.2	69.9	681.9	369.7	333.2	451.8	90.1	66.3
<b>County Governments</b>	300.1	284.7	284.7*	319.1**	100	79.9	287.0	264.2	264.0*	295.3**	99.9	80.4
<b>Total</b>	<b>2,615.0</b>	<b>2,093.3</b>	<b>1,996.9</b>	<b>2,278.7</b>	<b>95.4</b>	<b>87.1</b>	<b>2,275.1</b>	<b>1,863.1</b>	<b>1,793.7</b>	<b>1,929.1</b>	<b>96.3</b>	<b>84.8</b>

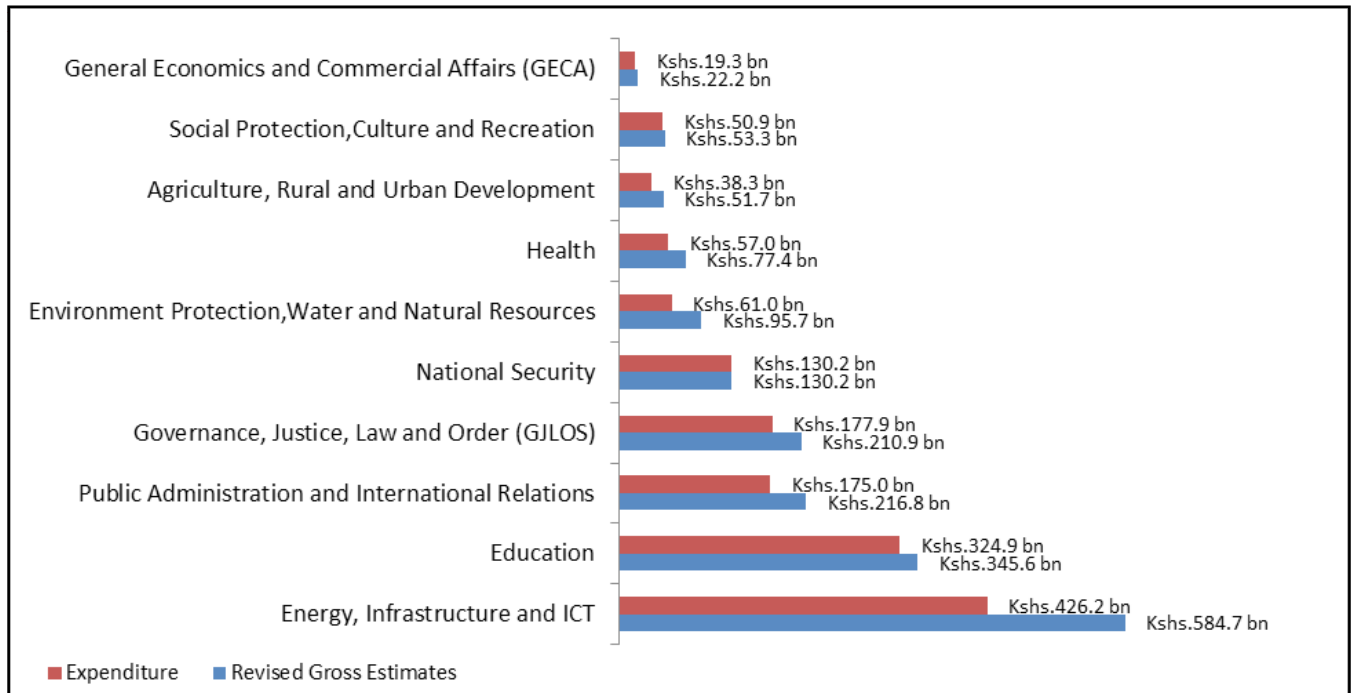
Source: NT, OCOB, MDAs & County Treasuries

\*Refers to shareable revenue exchequer issues.

\*\* The difference between the Exchequer Issues of Kshs.284.7 billion and expenditure of Kshs.319.1 billion was financed by revenue from local sources and opening cash balance brought forward from FY 2015/16

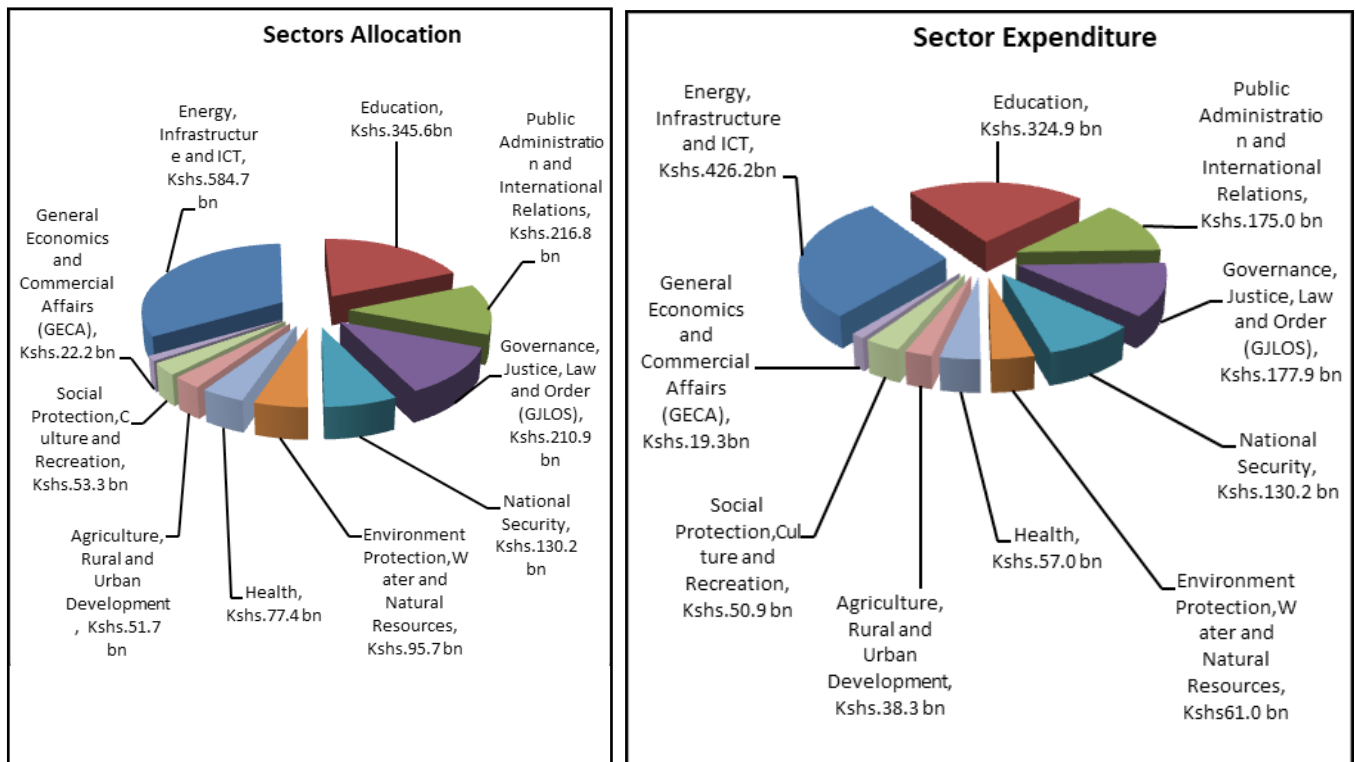
The total funding by the National Government through exchequer issues in FY 2016/17 amounted to Kshs.1,996.9 billion, representing 95.4 per cent of the revised net estimates, (a slight decline from 96.3 per cent in FY 2015/16). The exchequer issues comprised of Kshs.1.3 trillion for recurrent expenditure, Kshs.394.2 billion for development expenditure, and Kshs.284.7 billion for the County governments. Overall expenditure for both the National and County Governments was Kshs.2.3 trillion (Kshs.1,357.3 billion on recurrent, Kshs.602.3 billion on development, and Kshs.319.1 billion by County Governments), representing an overall absorption rate of 87.1 per cent, an increase compared to 84.8 per cent recorded in FY 2015/16.

Figure 3.1 and 3.2 shows comparison of sectors annual budget allocation and total expenditure in FY 2016/17.



Source: MDAs & National Treasury

Figure 3.2: Annual Budget and Expenditure by Sector in FY 2016/17



Source: MDAs & National Treasury



### 3.3 Consolidated Fund Services (CFS)

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

Table 3.2 presents a summary on CFS exchequer issues and expenditure performance in the FY 2016/17.

**Table 3.2: Annual Budget and Cumulative Expenditure for CFS in the FY 2016/17 (Kshs. Millions)**

Consolidated Fund Services (CFS)	Printed Estimates	Revised Estimates	Exchequer Releases	Cumulative Expenditure	Expenditure as a % of Revised Estimates
Public Debt	466,514.0	459,903.7	435,717.0	436,266.7	94.9
Pensions and Gratuities	55,691.1	60,691.1	58,487.6	58,487.6	96.4
Salaries & Allowances	3,956.0	4,271.4	2,355.0	2,807.2	65.7
Subscriptions to International Organizations	0.5	0.5	-	-	-
Miscellaneous Services	128.0	128.0	-	-	-
Guaranteed Debt	1,017.2	1,216.4	1,550.74	1,443.3	118.7
<b>Total</b>	<b>527,306.8</b>	<b>526,211.3</b>	<b>498,110.3</b>	<b>499,004.8</b>	<b>94.8</b>

*Source: National Treasury & OCOB*

The revised allocation for CFS in the FY 2016/17 was Kshs.526.2 billion a 6.4 per cent increase from Kshs.494.7 billion allocated in FY 2015/16. The total exchequer release to CFS amounted to Kshs.498.1 billion, representing 94.7 per cent of the revised net estimates, a 4.5 per cent increase compared to Kshs.476.2 billion released in FY 2015/16. The overall CFS expenditure amounted to Kshs.499 billion, representing 94.8 per cent of the revised net estimates and an increase by 5 per cent from Kshs.475.5 billion spent in FY 2015/16.

#### 3.3.1 Public Debt

The revised allocation towards payment of public debt in FY 2016/17 amounted to Kshs.459.9 billion, a 5.4 per cent increase from Kshs.436.5 billion allocated in FY 2015/16. The total exchequer issues for the period under review amounted to Kshs.435.7 billion representing 94.7 per cent of the revised annual estimates, a 3.3 per cent increase from Kshs.421.8 billion released in FY 2015/16. Total expenditure during the same period was Kshs.436.3 billion, representing 94.9 per cent of the revised annual estimates which is a 3.6 per cent increase from Kshs.421.1 billion spent the FY 2015/16.

#### 3.3.2 Guaranteed Debt to State Parastatals

In FY 2016/17, the revised allocation towards the repayment of guaranteed loans to State Parastatals was Kshs.1.2 billion a slight increase from Kshs.0.9 billion allocated in the FY 2015/16. A total of Kshs.1.6 billion was released for settlement of the guaranteed debts to State Parastatals with a total expenditure of Kshs.1.4 billion, representing 118.7 per cent of the revised annual estimates, 37.5 per cent growth compared to Kshs.1.1 billion spent in the FY 2015/16.

#### 3.3.3 Salaries and Allowances for Constitutional Office Holders

In FY 2016/17, Kshs.4.3 billion was allocated for payment of salaries and allowances for Constitutional Office holders, a decline by 22.7 per cent compared to Kshs.5.5 billion allocated in FY 2015/16. The total exchequer issues released amounted to Kshs.2.4 billion representing 55.3 per cent of the revised annual estimates. Actual expenditure in the period under review was Kshs.2.8 billion representing 65.7 per cent of the revised annual estimates.

### 3.3.4 Pensions and Gratuities

The revised annual estimates for pensions and gratuities in FY 2016/17 was Kshs.60.7 billion, which was a 17.4 per cent increase from Kshs.51.7 billion allocated in FY 2015/16. The exchequer issues for the period under review amounted to Kshs.58.5 billion, representing 96.4 per cent of the revised annual estimates, while expenditure was Kshs.58.5 billion representing 96.4 per cent of the revised annual estimates. This represent 15 per cent increase compared to Kshs.50.9 billion spent in FY 2015/16.

## 3.4 MDAs Expenditure Analysis

This section presents the analysis of MDAs expenditure for both development and recurrent activities and the Appropriations-In-Aid (A~I~A) received in FY 2016/17. Recurrent expenditure is analyzed based on major economic classifications namely; Personnel Emoluments (PE) and Operation and Maintenance (O&M). The O&M includes; Domestic and foreign travel, Printing and advertising, Rentals and rates for non-residential, Training, Hospitality, Maintenance expenses for motor vehicles and other assets, Current transfers to SAGAs and other expenses.

Development expenditure is analyzed by the main economic items, which include; Maintenance of motor vehicles and other assets for programmes/projects, Capital transfers to SAGAs, Civil works and construction of residential buildings, Refurbishment of buildings and infrastructure, Purchase of specialized plant, equipment and machinery, Pre-feasibility studies and other development expenditure.

### 3.4.1 MDAs Recurrent Expenditure Analysis

In the FY 2016/17, the revised allocation for MDAs recurrent expenditure amounted to Kshs.927.5 billion. Gross expenditure on recurrent activities by the MDAs for FY 2016/17 amounted to Kshs.858.3 billion representing 92.5 per cent of the revised annual recurrent estimates. The breakdown of the MDAs' total recurrent expenditure for FY 2016/17 is presented in table 3.3.

Table 3.3 Breakdown of Recurrent Expenditure by MDAs for FY 2016/17 (Kshs. Millions)

MINISTRY/STATE DEPARTMENT	Personnel Emoluments	Domestic Travel	Foreign Travel	Printing and Advertising	Rentals and Rates- Non Residential	Training	Hospitality	Maintenance Expenses- Motor Vehicles	Maintenance Expenses- Other Assets	Current Transfers	Other Expenses for O & M	Gross Expenditure	A-J-A	Net Expenditure
The Presidency	1,699.9	705.2	322.7	52.6	134.7	63.6	1,733.5	252.5	105.2	754.0	3,429.6	9,253.7	-	9,253.7
State Department for Interior	63,175.0	1,020.1	49.4	7.0	746.7	825.0	116.1	400.3	297.3	722.3	22,089.4	89,448.4	-	89,448.4
State Department for Correctional Services	9,652.2	111.3	14.8	7.2	78.0	50.5	45.4	77.7	3.8	3.1	6,757.7	16,801.9	-	16,801.9
State Department for Devolution	169.1	18.1	2.7	1.7	72.5	7.3	25.1	4.5	1.9	407.8	66.9	777.5	-	777.5
State Department for Special Programmes	140.0	24.0	6.4	2.0	77.0	12.8	17.6	5.3	3.0	872.5	7,139.1	8,299.8	-	8,299.8
State Department for Planning & Statistics	334.6	56.9	28.0	19.8	39.4	61.4	72.9	17.9	5.8	4,186.7	112.8	4,936.2	-	4,936.2
Ministry of Defence	779.7	37.2	22.0	1.9	0.0	25.4	8.0	6.3	3.8	100,143.2	120.9	101,148.6	-	101,148.6
Ministry of Foreign Affairs and International Trade	4,516.8	168.6	1,615.6	23.0	1,403.6	37.6	496.8	591.2	55.0	560.1	1,244.9	10,713.1	3.1	10,710.0
State Department for Basic Education	3,272.3	82.1	21.3	14.4	25.8	36.2	43.5	19.3	26.9	17,891.3	33,393.7	54,826.7	1,327.0	53,499.7
State Department for Vocational and Technical Training	0.0	19.9	9.7	1.3	55.6	9.8	10.4	2.9	1.0	2,130.3	205.6	2,446.4	-	2,446.4
State Department for University Education	446.7	25.6	10.4	3.6	45.8	19.2	11.3	8.5	9.7	47,069.3	6,735.9	54,385.9	7,724.2	46,661.7
The National Treasury	2,145.9	83.5	82.0	1.8	40.3	64.1	370.6	35.9	40.5	18,154.2	14,541.2	35,560.0	-	35,560.0
Ministry of Health	4,286.5	42.7	3.9	85.9	-	212.9	26.4	22.7	56.8	23,349.5	1,758.1	29,845.5	1.2	29,844.4
State Department for Infrastructure	1,010.3	26.5	4.8	2.6	-	8.5	18.2	9.6	21.0	48,001.7	192.2	49,295.5	48,004.4	1,291.1
State Department for Transport	180.5	8.5	1.6	0.2	4.8	5.1	4.1	4.2	64.2	5,439.8	70.9	5,783.7	4,375.5	1,408.2
State Department for Maritime Affairs	29.8	13.8	5.3	1.2	7.7	3.8	8.0	1.8	5.8	40.0	107.6	224.8	-	224.8

MINISTRY/STATE DEPARTMENT	Personnel Emoluments	Domestic Travel	Foreign Travel	Printing and Advertising	Rentals and Rates-Non Residential	Training	Hospitality	Maintenance Expenses-Motor Vehicles	Maintenance Expenses-Other Assets	Current Transfers	Other Expenses for O & M	Gross Expenditure	A-J-A	Net Expenditure
State Department for Housing & Urban Development	529.2	28.8	7.7	4.5	93.8	14.0	18.2	8.2	5.9	410.2	186.9	1,307.5	-	1,307.5
State Department for Public Works	454.1	26.1	2.7	1.2	68.2	7.1	10.5	5.3	16.4	40.2	110.1	741.8	-	741.8
State Department for Water Services	529.5	45.8	21.6	1.9	0.1	9.7	2.5	6.1	11.8	1,170.1	362.7	2,161.9	-	2,161.9
State Department for Irrigation	93.5	8.3	7.0	2.3	0.0	5.1	2.9	1.8	0.8	307.9	17.6	447.3	400.0	47.3
State Department for Environment	1,072.0	61.0	43.6	0.7	72.7	13.1	38.8	3.7	38.8	4.8	1,333.7	2,682.7	21.8	2,661.0
State Department for Natural Resources	87.0	29.9	42.9	3.6	86.7	29.0	9.3	10.0	-	11,393.6	863.5	12,555.4	6,240.0	6,315.4
Ministry of Lands and Physical Planning	1,908.7	7.4	2.3	1.2	0.6	12.5	2.4	4.0	7.4	-	136.4	2,082.9	-	2,082.9
State Department of Information Communications & Technology & Innovation	122.4	24.5	13.8	19.9	38.8	115.0	35.1	5.9	2.8	565.7	57.4	1,001.2	-	1,001.2
State Department for Broadcasting & Telecommunications	340.8	31.8	12.6	1,588.3	70.2	10.7	23.5	6.4	5.0	769.6	149.0	3,007.7	94.1	2,913.6
State Department for Sports Development	319.1	127.3	674.3	0.5	54.2	6.6	436.0	4.8	1.4	1,792.3	104.8	3,521.2	-	3,521.2
State Department for Arts and Culture	227.0	59.7	13.4	3.0	84.5	59.9	42.2	12.0	25.4	2,123.2	212.5	2,862.8	9.3	2,853.5
State Department Energy	326.0	32.2	4.2	1.6	0.0	93.2	24.2	200.4	76.5	1,207.6	8.1	1,974.0	92.2	1,881.8
State Department of Petroleum	67.0	17.9	7.0	2.7	3.8	13.5	18.1	0.2	3.9	0.0	36.5	170.7	37.3	133.4

MINISTRY/STATE DEPARTMENT	Personnel Emoluments	Domestic Travel	Foreign Travel	Printing and Advertising	Rentals and Rates- Non Residential	Training	Hospitality	Maintenance Expenses- Motor Vehicles	Maintenance Expenses- Other Assets	Current Transfers	Other Expenses for O & M	Gross Expenditure	A-J-A	Net Expenditure
State Department for Agriculture	867.9	32.9	8.8	9.6	20.4	12.2	3.8	6.7	3.8	4,170.9	6,395.4	11,532.4	-	11,532.4
State Department for Livestock	1,153.0	59.5	1.2	1.9	58.7	6.3	11.0	16.5	2.1	3,160.1	877.4	5,347.8	9.7	5,338.1
State department for Fisheries and the Blue Economy	226.8	24.2	18.4	6.3	-	25.7	27.0	7.7	1.9	1,281.4	52.9	1,672.3	-	1,672.3
State Department of Investment and Industry	536.6	35.4	29.3	5.3	113.2	33.4	14.0	6.1	4.3	1,829.7	255.5	2,862.8	11.9	2,850.9
State Department for Cooperatives	5.0	13.6	7.5	2.1	-	11.8	9.8	2.1	1.9	138.2	2,889.9	3,081.9	6.1	3,075.7
State Department for Trade	194.5	135.5	107.8	110.9	281.9	8.1	268.5	10.7	5.9	1,304.0	868.5	3,296.0	4.8	3,291.3
State Department for East African Integration	181.8	29.2	120.4	10.9	42.9	20.3	46.8	5.0	2.6	25.5	1,020.5	1,505.8	-	1,505.8
State Department for Labour	545.9	36.5	24.2	5.5	233.0	12.8	40.7	7.7	7.0	337.1	127.4	1,377.8	12.1	1,365.7
State Department for Social Protection	939.3	127.6	11.1	35.7	1.7	23.1	126.5	20.7	33.0	5,161.4	420.3	6,900.5	29.4	6,871.1
Ministry of Mining	337.7	16.7	8.9	4.6	4.1	24.1	4.5	6.0	-	-	222.6	629.2	-	629.2
Ministry of Tourism	222.3	6.6	9.8	1.3	45.6	5.2	6.9	1.5	1.5	1,102.9	34.8	1,438.6	698.1	740.5
State Department for Public Service and Youth Affairs	2,231.2	412.5	36.4	20.0	226.4	951.2	159.4	49.1	39.3	683.2	8,269.2	13,077.8	-	13,077.8
State Department for Gender	63.4	41.6	31.7	5.5	20.3	16.9	27.2	5.1	1.7	390.1	97.2	700.8	-	700.8
State Law Office and Department of Justice	893.2	75.2	60.4	11.2	95.7	52.8	40.5	5.3	4.8	2,099.1	568.2	3,906.3	-	3,906.3
The Judiciary	7,265.5	507.9	52.6	69.0	20.6	23.9	128.3	157.6	63.0	770.9	3,446.6	12,506.0	-	12,506.0

MINISTRY/STATE DEPARTMENT	Personnel Emoluments	Domestic Travel	Foreign Travel	Printing and Advertising	Rentals and Rates- Non Residential	Training	Hospitality	Maintenance Expenses- Motor Vehicles	Maintenance Expenses- Other Assets	Current Transfers	Other Expenses for O & M	Gross Expenditure	A-J-A	Net Expenditure
Ethics & Anti-Corruption Commission	1,584.6	-	-	-	-	-	-	-	-	-	1,609.4	3,194.0	-	3,194.0
National Intelligence Service	-	-	-	-	-	-	-	-	-	29,044.1	-	29,044.1	-	29,044.1
Office of the Director of Public Prosecutions	1,168.8	107.4	9.3	7.7	128.3	73.3	57.9	13.0	6.7	0.0	243.4	1,815.8	-	1,815.8
Office of the Registrar of Political Parties	121.4	16.3	1.3	4.3	17.1	31.7	17.1	1.5	-	370.5	51.4	632.7	-	632.7
Witness Protection Agency	171.0	6.9	1.2	1.6	13.2	7.2	12.5	6.1	1.2	-	160.4	381.3	-	381.3
Kenya National Commission on Human Rights	210.8	22.4	16.8	10.0	46.9	7.9	8.3	6.0	0.9	37.2	52.2	419.5	-	419.5
National Lands Commission	707.9	65.8	21.3	36.3	25.9	19.4	194.8	7.6	-	-	167.3	1,246.3	-	1,246.3
Independent Electoral and Boundaries Commission	4,544.2	-	-	-	-	-	-	-	-	-	15,048.3	19,592.5	-	19,592.5
Parliamentary Service Commission	4,198.6	983.2	824.3	107.0	271.0	211.0	217.5	41.1	80.6	5.0	1,625.9	8,565.2	-	8,565.2
National Assembly	9,388.9	3,009.6	1,486.5	43.6	-	135.8	264.8	31.9	16.7	5.0	1,414.4	15,797.2	-	15,797.2
Judicial Service Commission	2.3	46.3	48.4	14.4	10.0	145.8	100.7	0.6	0.5	-	54.7	423.8	-	423.8
Commission on Revenue Allocation	155.8	10.6	2.8	4.6	45.0	8.8	14.6	4.7	2.3	-	60.6	309.8	-	309.8
Public Service Commission	568.2	64.5	16.2	30.1	6.9	32.1	55.2	4.7	7.0	0.3	433.3	1,218.6	0.7	1,217.9
Salaries & Remuneration Commission	258.6	23.7	4.5	3.9	28.7	5.2	91.8	2.2	4.1	-	107.3	529.9	0.1	529.8

MINISTRY/STATE DEPARTMENT	Personnel Emoluments	Domestic Travel	Foreign Travel	Printing and Advertising	Rentals and Rates-Non Residential	Training	Hospitality	Maintenance Expenses-Motor Vehicles	Maintenance Expenses-Other Assets	Current Transfers	Other Expenses for O & M	Gross Expenditure	A-I-A	Net Expenditure
Teachers Service Commission	189,555.9	142.4	14.4	9.6	19.7	95.7	27.3	31.6	43.8	-	983.2	190,923.6	521.6	190,402.0
National Police Service Commission	199.7	38.9	-	2.9	56.2	4.8	26.8	13.8	1.9	425.3	80.4	425.3	-	425.3
Auditor General	2,522.7	354.9	44.6	12.7	168.3	96.0	23.5	23.8	11.8	-	742.1	4,000.4	204.0	3,796.4
Controller of Budget	240.3	14.9	3.7	62.1	1.9	15.9	12.8	4.6	1.6	-	136.3	494.0	-	494.0
The Commission on Administrative Justice	212.7	10.3	4.4	5.9	45.4	12.9	5.0	3.9	2.7	-	116.1	419.1	-	419.1
National Gender & Equality Commission	144.4	30.3	8.0	5.3	41.5	29.1	7.6	5.4	1.0	-	108.5	381.2	-	381.2
Independent Police Oversight Authority	222.8	33.6	1.5	3.6	38.1	3.9	28.9	2.8	2.4	-	95.9	433.4	-	433.4
<b>Total</b>	<b>329,759.1</b>	<b>9,481.7</b>	<b>6,091.4</b>	<b>2,523.1</b>	<b>5,433.9</b>	<b>3,996.6</b>	<b>5,753.5</b>	<b>2,242.6</b>	<b>1,255.7</b>	<b>341,427.7</b>	<b>150,383.3</b>	<b>858,348.6</b>	<b>69,828.5</b>	<b>788,5210.1</b>

Source: MDAs and National Treasury IFMIS Directorate

**Note:** Based on expenditure reports from IFMIS and financial reports from the MDAs, some MDAs generated and utilised Appropriations-in-Aid (A-I-A). Expenditure on PE does not include figures for the National Intelligence Service and partially for the Ministry of Defence and Ethics and Anti-Corruption Commission.

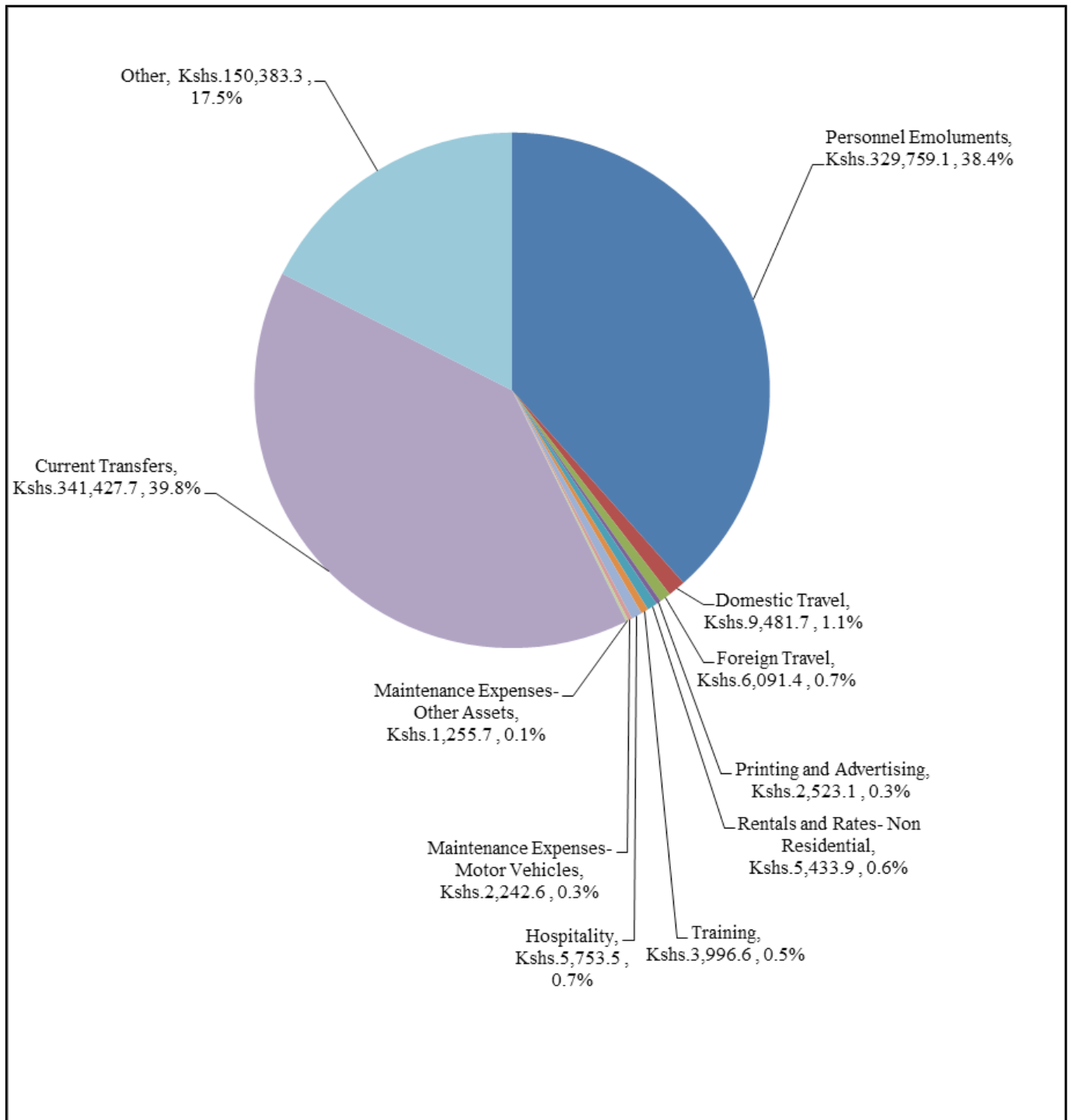
Analysis of recurrent expenditure breakdown by MDAs in the FY 2016/17 shows that, the highest spending category was current transfers to SAGAs which amounted to Kshs.341.4 billion representing 39.8 per cent of total recurrent expenditure, followed by Personnel Emoluments at Kshs.329.8 billion representing 38.4 per cent of the total recurrent expenditure. Expenditure on domestic travels amounted to Kshs.9.5 billion, while that on foreign travel was Kshs.6.1 billion. Other expenditures includes hospitality at Kshs.5.8 billion, Rentals and Rates at Kshs.5.4 billion, Training (Kshs.4 billion), Printing and Advertising (Kshs.2.5 billion) among others.

The highest expenditure on personnel emoluments was incurred by TSC at Kshs.189.6 billion, which was 57.5 per cent of the total PE expenditure by MDAs while current transfers to SAGAs was highest in the Ministry of Defence at Kshs.100.1 billion.

From the analysis, other categories with high expenditures include; Kshs.3 billion on Domestic travel by the National Assembly, Kshs.1.6 billion on foreign travel by the Ministry of Foreign Affairs and International Trade, Kshs.1.6 billion on Printing and Advertising by State Department for Broadcasting & Telecommunications, Kshs.1.4 billion on rentals and rates for non-residential buildings by the Ministry of Foreign Affairs and International Trade, Kshs.951.2 million on training by the State Department for Public Service and Youth Affairs, Kshs.1.7 billion on hospitality by the Presidency, Kshs.591.2 million on maintenance of motor vehicles by the Ministry of Foreign Affairs and International Trade, and Kshs.297.3 million on maintenance of other assets by the State Department for Interior. The category on 'Other O&M expenditure' was highest in State Department for the Interior recording Kshs.22.1 billion. Figure 3.3 shows the composition of MDAs recurrent expenditure for FY 2016/17.



**Figure 3.3: Summary Analysis of MDAs’ Recurrent Expenditure in FY 2016/17 (Kshs. Millions)**



*Source: MDAs and National Treasury*

**MDAs Development Expenditure Analysis**

In FY 2016/17, the revised allocation to MDAs development expenditure amounted to Kshs.861.2 billion. The gross development expenditure was Kshs.602.3 billion translating to an absorption rate of 69.9 per cent. This was an improvement compared to 66.3 per cent recorded in FY 2015/16.

Table 3.4 shows breakdown of development expenditure by MDAs for FY 2016/17.

**Table 3.4: Breakdown of Development Expenditure by MDAs for FY 2016/17 (Kshs. Millions)**

Ministry/State Department	Maintenance of Motor Vehicles (Projects/Programmes)	Maintenance of other Assets	Capital Transfers	Construction of Building	Refurbishment of Buildings/Infrastructure	Residential (Including Hostels)	Construction and Civil Works	Purchase of Specialized Plant, Equipment and Machinery	Pre-Feasibility and Appraisal Studies	Other Expenses	Gross Expenditure	(A-I-A)	Net Expenditure
The Presidency	-	-	280.0	121.9	43.0	-	-	-	-	10.7	455.6	-	455.6
State Department for Interior	0.3	28.1	1,978.0	607.2	56.5	-	22.6	20,240.9	-	1,286.7	24,220.3	-	24,220.3
State Department for Constitutional Services	-	-	-	-	-	-	-	-	-	242.0	242.0	-	242.0
State Department for Devolution	-	-	137.0	-	-	-	-	-	-	247.6	384.6	19.9	364.7
State Department for Special Programmes	-	-	-	-	-	-	32.2	-	-	7,257.1	7,289.3	2,646.2	4,643.0
State Department for Planning & Statistics	-	-	29,114.3	23.8	-	-	213.3	-	295.1	8.1	29,654.7	-	29,654.7
Ministry of Defence	-	-	-	-	-	-	-	-	-	25.0	25.0	25.0	-
Ministry of Foreign Affairs	-	-	69.4	-	-	-	-	-	-	89.7	159.1	-	159.1
State Department for Basic Education	-	-	8,111.4	-	-	-	-	-	-	22.4	8,133.8	-	8,133.8
State Department for Vocational and Technical Training	-	-	2,326.0	101.1	-	-	-	-	-	2,317.5	4,744.6	-	4,744.6
State Department for University Education	4.7	-	7,875.7	1,001.5	-	-	-	-	-	499.6	9,381.5	1,451.1	7,930.4
The National Treasury	0.1	-	11,009.8	79.0	158.7	-	-	247.4	682.3	10,430.6	22,607.8	4,301.5	18,306.3
Ministry of Health	-	-	16,328.8	350.4	-	-	-	65.5	-	10,414.2	27,159.0	-	27,159.0
State Department for Infrastructure	-	-	107,999.2	161.5	78.1	-	280.1	-	141.3	907.3	109,567.5	33,845.3	75,722.3
State Department for Transport	-	-	-	-	101,124.1	-	38,500.0	-	-	9,983.0	149,607.2	-	149,607.2
State Department Housing and Urban Development	-	-	50.0	236.1	145.0	-	12,049.3	30.0	405.0	1,106.0	14,021.3	-	14,021.3

Ministry/State Department	Maintenance of Motor Vehicles (Projects/Programmes)	Maintenance of other Assets	Capital Transfers	Construction of Building	Refurbishment of Buildings/Infrastructure	Residential (Including Hostels.)	Construction and Civil Works	Purchase of Specialized Plant, Equipment and Machinery	Pre-Feasibility and Appraisal Studies	Other Expenses	Gross Expenditure	(A-I-A)	Net Expenditure
State Department of Public Works	-	-	-	863.8	63.9	-	-	-	41.6	-	969.3	-	969.3
State Department for Water Services	10.0	-	22,199.6	-	7,048.0	-	-	60.6	-	681.8	29,999.9	110.6	29,889.3
State Department for Irrigation	-	-	6,938.0	-	-	-	357.8	-	-	685.6	7,981.5	1,608.9	6,372.6
State Department for Environment	-	-	674.0	-	98.0	-	-	-	-	891.1	1,663.2	-	1,663.2
State Department for Natural Resources	-	-	-	-	12.5	-	-	-	-	1,533.6	1,546.1	-	1,546.1
Ministry of Lands and Physical Planning	-	12.3	3.4	87.4	39.8	-	-	-	570.0	2,231.2	2,944.2	-	2,944.2
State Department of Information Communications & Technology & Innovation	-	-	19,314.4	-	-	-	-	-	-	-	19,314.4	-	19,314.4
State Department of Broadcasting and Telecommunications	-	-	319.0	-	-	-	-	-	-	10.0	329.0	-	329.0
State Department for Sports Development	-	-	1,998.0	-	-	-	-	-	-	-	1,998.0	-	1,998.0
State Department for Arts and Culture	-	-	399.7	12.0	-	-	-	-	-	77.6	489.3	-	489.3
State Department for Energy	-	-	31,236.2	-	-	-	28,801.8	16.7	528.2	6,825.7	67,408.6	-	67,408.6
State Department of Petroleum	-	-	300.5	30.8	14.5	-	-	-	595.4	506.0	1,447.1	-	1,447.1
State Department for Agriculture	-	-	3,304.8	56.1	-	-	141.7	-	63.4	5,876.0	9,442.1	-	9,442.1
State Department for Livestock	1.9	-	1,449.1	20.0	52.5	-	-	-	-	285.5	1,808.9	-	1,808.9
State department for Fisheries and Blue Economy	-	-	1,026.2	0.5	-	-	589.6	-	-	487.1	2,103.4	532.7	1,570.7

Ministry/State Department	Maintenance of Motor Vehicles (Projects/Programmes)	Maintenance of other Assets	Capital Transfers	Construction of Building	Refurbishment of Buildings/Infrastructure	Residential (Including Hostels)	Construction and Civil Works	Purchase of Specialized Plant, Equipment and Machinery	Pre-Feasibility and Appraisal Studies	Other Expenses	Gross Expenditure (A-I-A)	Net Expenditure
State Department for Investment and Industry	-	-	2,738.0	-	3.0	-	8.3	-	12.7	379.3	3,141.3	3,044.3
State Department for Cooperatives	-	-	-	-	-	-	-	-	-	530.0	530.0	530.0
State Department for Trade	-	-	50.0	-	-	-	-	-	27.0	12.7	89.7	89.7
State Department for East African Integration	-	-	-	-	-	-	-	-	1.9	14.2	16.1	16.1
State Department for Labour	-	-	15.7	155.4	3.7	-	-	-	67.9	161.8	404.5	404.5
State Department for Social Protection	-	-	12,514.8	29.1	20.6	-	-	-	-	1,094.8	13,659.3	13,659.3
Ministry of Mining	-	18.4	22.3	6.0	85.8	-	-	-	-	1,177.6	1,310.1	1,310.1
Ministry of Tourism	-	-	2,171.0	-	-	-	-	-	1,004.5	200.0	3,375.5	3,375.5
State Department for Public Service and Youth Affairs	100.0	-	32.0	460.4	4,586.3	518.4	-	-	675.0	7,657.8	14,029.9	14,029.9
State Department for Gender	-	-	3,430.0	-	-	-	-	-	-	-	3,430.0	3,430.0
State Law Office and Department of Justice	-	-	-	-	6.7	-	-	-	-	19.0	25.7	25.7
The Judiciary	-	-	2,259.8	295.2	125.8	-	-	-	-	104.1	2,784.9	2,784.9
Ethics & Anti-Corruption Commission	-	-	-	-	-	-	-	-	-	250.0	250.0	250.0
Office of the Directorate of Public Prosecution	-	-	-	-	-	-	-	-	-	2.6	2.6	2.6
National Land Commission	-	-	-	-	-	-	-	-	82.0	21.3	103.3	103.3
Parliamentary Service Commission	-	-	-	1,460.5	419.3	-	-	-	-	-	1,879.7	1,879.7
Public Service Commission	-	-	-	29.8	8.5	-	-	-	-	-	38.3	38.3

Ministry/State Department	Mainten- ance of Motor Ve- hicles (Pro- jects/Pro- grammes)	Mainten- ance of other As- sets	Capital Transfers	Con- struction of Build- ing	Refurbish- ment of Buildings/ Infrastruc- ture	Residen- tial (In- cluding Hostels.)	Con- struction and Civil Works	Purchase of Specialized Plant, Equip- ment and Machinery	Pre-Feasi- bility and Appraisal Studies	Other Ex- penses	Gross Ex- penditure	(A-I-A)	Net Ex- penditure
Teachers Service Commis- sion	31.6	-	-	12.7	30.0	-	-	-	-	- 61.6	12.7	521.6	- 508.9
Auditor General	-	-	-	144.0	-	-	-	-	-	-	144.0	-	144.0
<b>Total</b>	<b>148.5</b>	<b>58.9</b>	<b>297,676.1</b>	<b>6,346.2</b>	<b>114,224.4</b>	<b>518.4</b>	<b>80,996.7</b>	<b>20,661.1</b>	<b>5,193.3</b>	<b>76,502.2</b>	<b>602,325.9</b>	<b>45,159.9</b>	<b>557,166.0</b>

Source: MDAs and National Treasury IFMIS Directorate

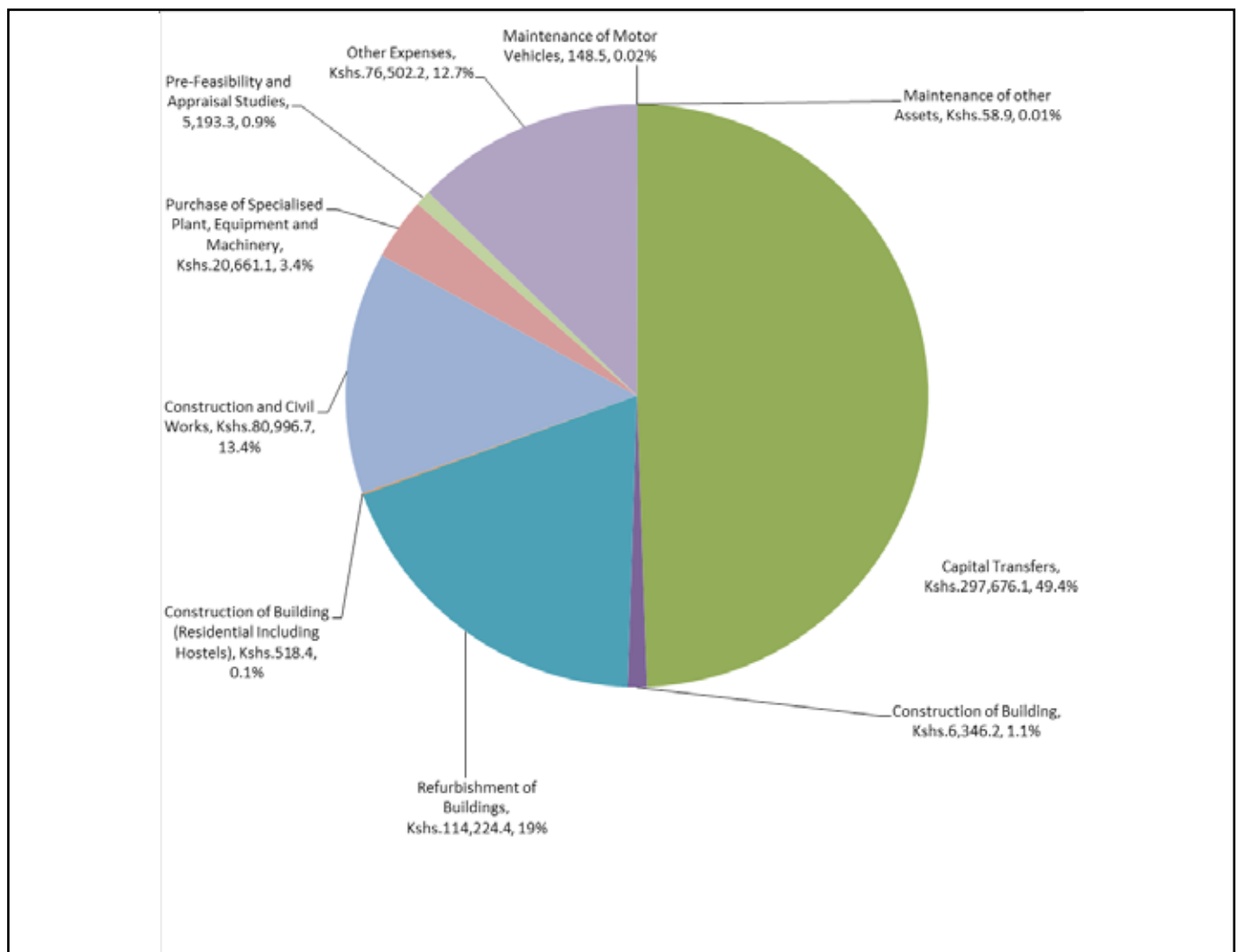
Analysis of MDAs development expenditure by economic items in FY 2016/17 shows that, the highest expenditure by category recorded by the MDAs was on capital transfers to SAGAs at Kshs.297.7 billion which represents 49.4 per cent of the revised gross development expenditure by the MDAs. The second highest expenditure category was refurbishment of buildings/infrastructure at Kshs.114.2 billion which accounted for 19 per cent of the revised gross development expenditure. Other categories with high expenditures include; Construction and civil works at Kshs.81 billion, purchase of specialized plant, equipment and machinery at Kshs.20.6 billion, construction of buildings (non-residential) at Kshs.6.3 billion and pre-feasibility and appraisal studies at Kshs.5.2 billion.

The highest spending on capital transfers to SAGAs was Kshs.108 billion by the State Department for Infrastructure accounting for 36.3 per cent of the category expenditure followed by Kshs.31.2 billion by the State Department for Energy which accounted for 10.5 per cent of the category gross expenditure.

The highest expenditure on refurbishment of buildings was Kshs.101.1 billion by the State Department for Transport translating to 88.5 per cent of the total MDA expenditure under this category. The State Department for Transport also spent the highest amount on construction and civil works at Kshs.38.5 billion which accounts for 47.5 per cent of the total expenditure under this category. The highest expenditure under the category of the Purchase of Specialized Plant, Equipment and Machinery was Kshs.20.2 billion by the State Department for Interior representing 98.0 per cent of the total expenditure under the category. The State Department for University Education spent the highest amount on Construction of buildings at Kshs.1 billion translating to 15.8 per cent of the total expenditure in that economic item.

Figure 3.4 shows the composition of MDAs development expenditure for FY 2016/17.

**Figure 3.4:** Summary Analysis of MDAs' Development Expenditure in FY 2016/17 (Kshs. Million)



Source; MDAs and National Treasury

## 4 DEVELOPMENT AND RECURRENT EXPENDITURE ANALYSIS BY SECTOR IN FY 2016/17

### 4.1 Introduction

This chapter presents analysis of performance by Sector for both development and recurrent expenditure in FY 2016/17. The Sectors are discussed in alphabetical order as follows; Agriculture, Rural and Urban Development (ARUD); Education; Energy, Infrastructure and Information Communications Technology (EI & ICT); Environmental Protection, Water and Natural Resources (EWNR); Governance, Justice, Law and Order (GJLOS); Health, Public Administration and International Relations (PAIR); National Security; and Social Protection, Culture and Recreation Sector.

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

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

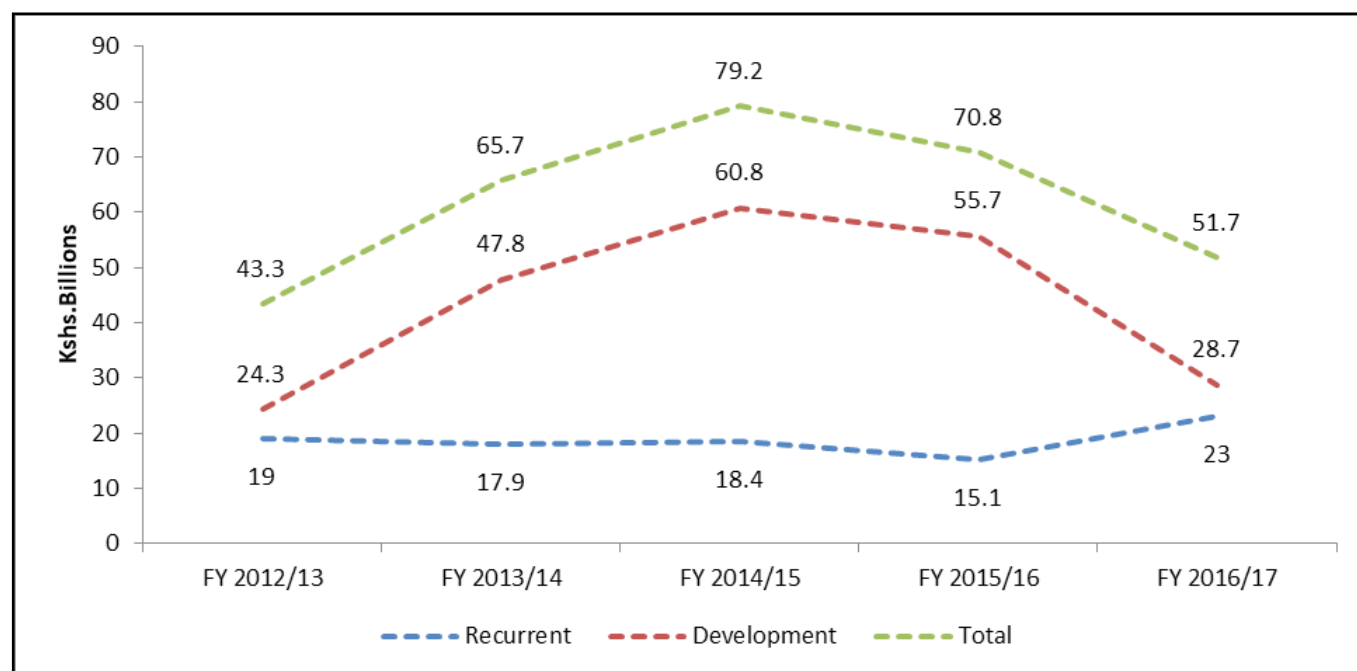
The Sector contributes significantly to the economy through the provision of raw materials for agro-based industries, agricultural exports as well as availing food to the Kenyan population. The goal of this Sector is to attain national food security and sustainable management of land, and the blue economy.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

The revised annual budgetary allocation to the Sector in FY 2016/17 was Kshs.51.7 billion representing 2.1 per cent of the revised gross national budget, a significant decrease from Kshs.70.8 billion of revised allocation in FY 2015/16. This decline is attributed to the reorganization of the national government that led to moving of the State Department for Housing & Urban Development from AR & UD Sector to Energy, Infrastructure and Information Communication Technology Sector.

The revised allocation comprised of Kshs.28.7 billion (55.5 per cent) for development activities and Kshs.23 billion (44.5 per cent) for recurrent expenditure. State Department for Agriculture received the highest budgetary allocation of Kshs.23.1 billion (44.7 per cent of the Sector's allocation), while National Land Commission (NLC) had the lowest budgetary allocation of Kshs.1.4 billion (2.7 per cent of the Sector's allocation).

Figure 4.1 shows the budgetary allocation trend for the AR & UD sector for the period FY 2012/13 to FY 2016/17

**Figure 4.1: Budgetary Allocation Trend for AR & UD Sector from FY 2012/13 to FY 2016/17 (Kshs. billion)**



Source: National Treasury

In FY 2016/17, the total exchequer issues to the sector amounted Kshs.38.4 billion, representing 92.3 per cent of the sector's revised net estimates. This comprised of Kshs.16.4 billion for development expenditure, representing 87.5 per cent of the revised development net estimates and Kshs.22.1 billion for recurrent expenditure, representing 96.2 per cent of the revised annual recurrent net estimates.

Table 4.1 shows AR & UD Sector analysis of exchequer issues and expenditure in FY 2016/17.

**Table 4.1: AR & UD Sector-Analysis of Exchequer Issues and Expenditure for FY 2016/17 (Kshs. Billions)**

VOTE	Development						Recurrent					
	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Rev. Gross Est.	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
Ministry of Lands and Physical Planning	3.4	3.4	2.7	2.9	80.3	87.2	2.3	2.3	2.2	2.1	96.1	92.2
State Department for Agriculture	11.5	9.7	8.9	9.4	91.4	82.4	11.6	11.6	11.6	11.5	99.8	99.3
State Department for Livestock	11.1	3.4	2.6	1.8	75.6	16.3	6.0	6.0	5.3	5.3	87.6	88.6
State department for Fisheries and Blue Economy	2.7	2.2	2.1	2.1	99.1	79.0	1.8	1.8	1.8	1.7	99.1	91.2
National Land Commission	0.1	0.1	0.1	0.1	100	100	1.3	1.3	1.3	1.2	99.7	98.3



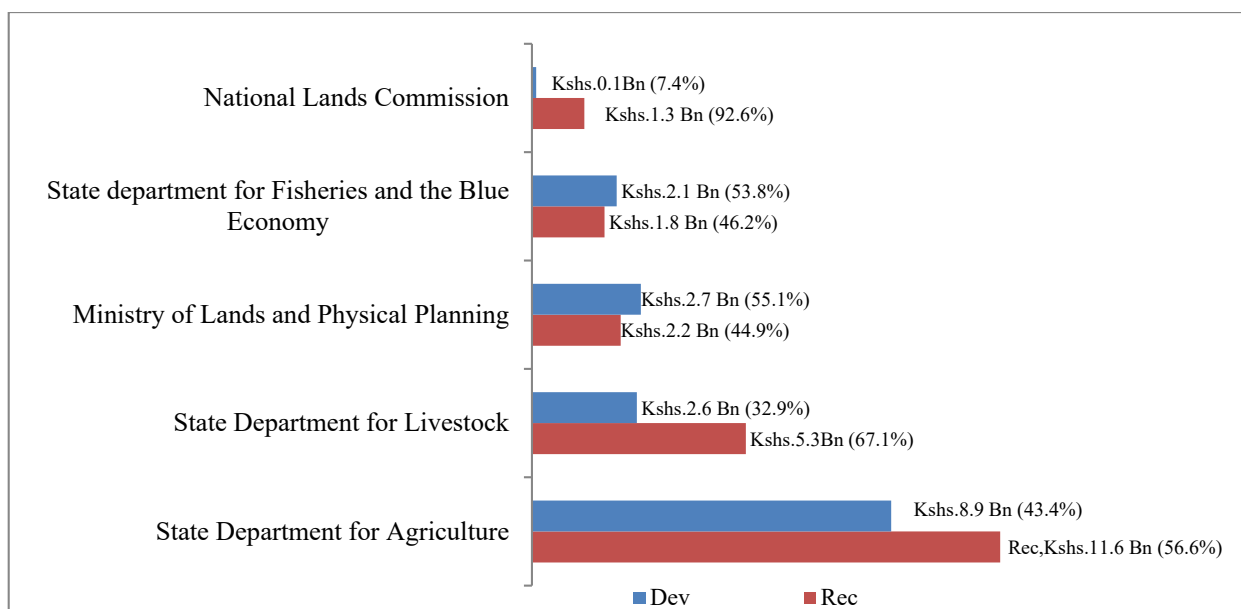
VOTE	Development						Recurrent					
	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Rev. Gross Est.	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
<b>Total</b>	28.7	18.7	16.4	16.4	87.5	57.1	23.0	23.0	22.1	21.9	96.2	95.1
<b>Total for the Sector</b>							Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Revised Net Est.	% of Exp. to Rev. Gross Est.
<b>Development</b>							28.7	18.7	16.4	16.4	87.5	57.1
<b>Recurrent</b>							23.0	23.0	22.1	21.9	96.2	95.1
<b>Total</b>							51.7	41.6	38.4	38.3	92.3	74.0

Source: MDAs and National Treasury

In the period under review, The National Land Commission received the highest proportion of development exchequer issues to revised development net estimates at 100 per cent while the State Department for Livestock received the lowest at 75.6 per cent. State Department for Agriculture received the highest proportion of recurrent exchequer issues to the revised recurrent net estimates at 99.8 per cent while State Department for Livestock received the lowest at 87.6 per cent.

Figure 4.2 shows the exchequer issues to ARUD Sector in FY 2016/17.

**Figure 4.2: Exchequer Issues to AR & UD Sector for FY 2016/17 (Kshs. Billions)**



Source: National Treasury

The total expenditure for the sector during FY 2016/17 amounted to Kshs.38.3 billion, representing 74 per cent of the revised gross estimates, an increase compared to 69 per cent recorded in FY 2015/16. The expenditure comprised of Kshs.16.4 billion as development expenditure, representing an absorption rate of 57.1 per cent,(a decline from 63.9 per cent recorded in FY 2015/16) and Kshs.21.9 billion as recurrent expenditure, representing 95.1 per cent of the revised recurrent estimates, an increase from 87.9 per cent (Kshs.13.3 billion) recorded in FY 2016/17.

National Land Commission recorded the highest absorption on development budget at 100 per cent while the State Department for Livestock had the lowest absorption on development budget at 16.3 per cent. State Department for Agriculture recorded the highest percentage of recurrent expenditure to revised annual recurrent estimates at 99.3 per cent while State Department Livestock had the lowest at 88.6 per cent.

Some of the major projects implemented by the ARUD sector in the period under review includes; Regional Pastoral Livelihood Resilience Programme and Small Holder Diary Commercialisation Programme at Kshs.1.6 billion and Kshs.198.3 million respectively, Agricultural Sector Development Support Programme (ASDSP) and Kenya Cereal Enhancement Programme (KCEP) at Kshs.790 million and Kshs.554 million respectively, Processing and Registration of Titles and Digitization of Land Registry at Kshs.1.3 billion and Kshs.834 million respectively while the Public Land Information Management System accounted for Kshs.82 million.

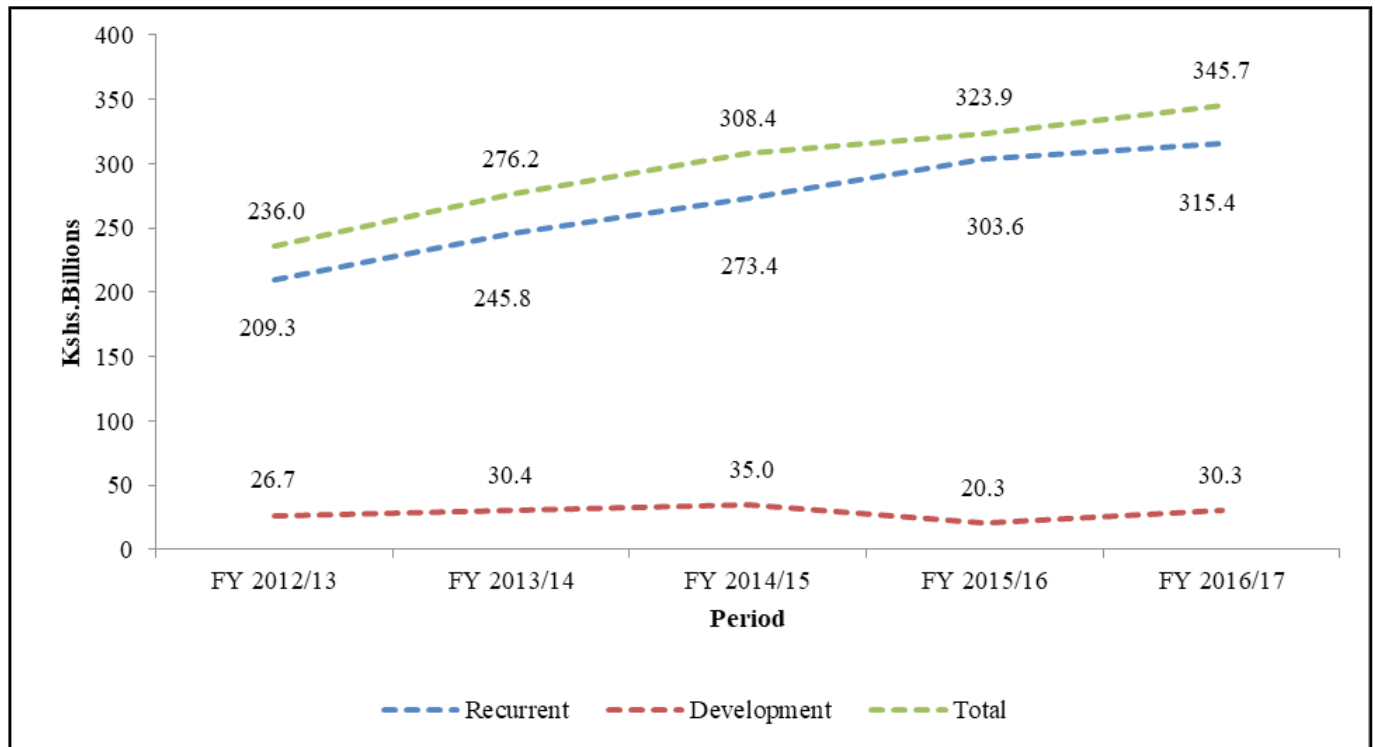
### 4.3 Education Sector

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

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

The sector's goals and objectives have been aligned to the Constitution of Kenya 2010 and Vision 2030 as well as to international commitments and policies; legal and regulatory reforms aimed at achieving the objects of the Constitution with regard to education and training. These objectives are; quality education, expanded access and inclusivity in education. The Sector also aims at ensuring that the education system is relevant and promotes innovativeness.

The revised annual budgetary allocation to the sector in FY 2016/17 was Kshs.345.7 billion representing 13.8 per cent of gross national budget, an increase from Kshs.323.9 billion allocated in FY 2015/16. The allocation comprised of Kshs.30.3 billion (8.8 per cent) for development expenditure and Kshs.315.4 billion (91.2 per cent) for recurrent expenditure. The Teachers Service Commission received the highest budgetary allocation of Kshs.191.2 billion (55.3 per cent of the sector's allocation), while State Department for Vocational and Technical Training had the lowest budgetary allocation of Kshs.7.4 billion (2.1 per cent of the sector's allocation). Figure 4.3 shows budgetary allocation trend of the Education Sector for the period FY 2012/13 to FY 2016/17

**Figure 4.3: Budgetary Allocation Trend for the Education Sector from FY 2012/13 to FY 2016/17 (Kshs. Billion)**

Source: National Treasury

In FY 2016/17, the sector received exchequer issues amounting to Kshs.319.9 billion representing 99.1 per cent of the sectors' revised net estimates. This comprised of Kshs.24.4 billion for development expenditure representing 93.7 per cent of the revised development net estimates and Kshs.295.5 billion to recurrent expenditure representing 99.6 per cent of the revised recurrent net estimates.

Table 4.2 shows Education sector analysis of exchequer issues and expenditure in FY 2016/17.

**Table 4.2: Education Sector-Analysis of Exchequer Issues and Expenditure for FY 2016/17. (Kshs. Billions)**

VOTE	Development						Recurrent					
	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Rev. Gross Est.	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
State Department for Basic Education	15.3	12.8	11.5	8.1	89.7	53.2	58.1	56.7	56.2	54.8	99.2	94.3
State Department for Vocational and Technical Training	4.9	4.9	4.7	4.7	96.8	97.0	2.5	2.5	2.5	2.4	98.9	96.7

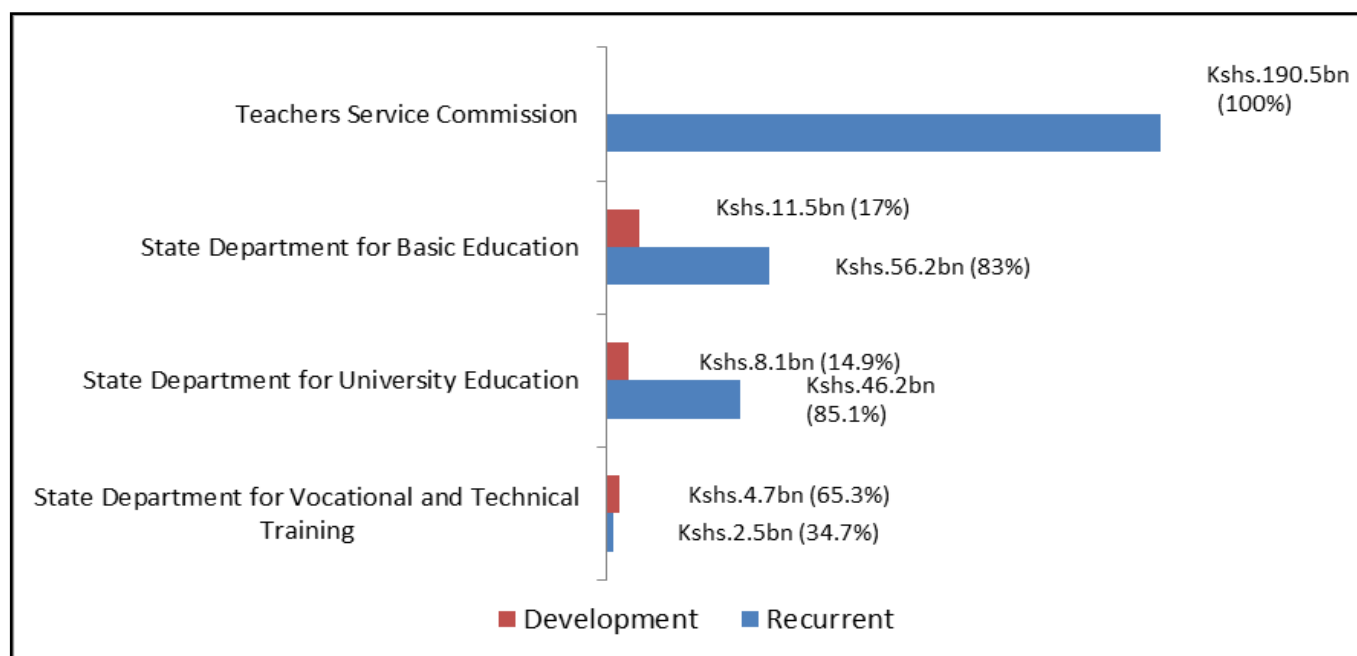
State Department for University Education	10	8.2	8.1	9.4	99.1	94.1	63.6	46.9	46.2	54.4	98.5	85.5
Teachers Service Commission	0.1	0.1	-	0.01	-	12.7	191.1	190.5	190.5	190.9	100	99.9
<b>Total</b>	<b>30.3</b>	<b>26.0</b>	<b>24.4</b>	<b>22.3</b>	<b>93.7</b>	<b>73.6</b>	<b>315.4</b>	<b>296.7</b>	<b>295.5</b>	<b>302.6</b>	<b>99.6</b>	<b>95.9</b>
<b>Total for the Sector</b>							<b>Revised Gross Est.</b>	<b>Revised Net Est.</b>	<b>Exch. Issues</b>	<b>Exp.</b>	<b>% of Exch. to Revised Net Est.</b>	<b>% of Exp. to Rev. Gross Est.</b>
<b>Development</b>							30.3	26.0	24.4	22.3	93.7	73.6
<b>Recurrent</b>							315.4	296.7	295.5	302.6	99.6	95.9
<b>Total</b>							<b>345.6</b>	<b>322.7</b>	<b>319.9</b>	<b>324.9</b>	<b>99.1</b>	<b>94.0</b>

Source: MDAs and National Treasury

In the period under review, State Department for University Education received the highest proportion of development exchequer issues to the revised development net estimates at 99.1 per cent while State Department for Basic Education had the lowest at 89.7 per cent. Teachers Service Commission received the highest proportion of recurrent exchequer issues to the revised recurrent net estimates at 100 per cent while State Department for University Education received the lowest at 98.5 per cent.

Figure 4.4 shows the exchequer issues to the Education Sector in FY 2016/17.

**Figure 4.4: Exchequer Issues to the Education Sector for FY 2016/17 (Kshs. Billions)**



Source: National Treasury

The total expenditure for the sector during FY 2016/17 amounted to Kshs.324.9 billion, representing 94 per cent of the revised annual estimates, an increase compared to 90.7 per cent (Kshs.293.8 billion) recorded in FY 2015/16. The expenditure comprised of Kshs.22.3 billion for development activities, representing an absorption rate of 73.6 per cent, and Kshs.302.6 billion, representing 95.9 per cent of the revised recurrent estimates.

The State Department for Vocational and Technical Training recorded the highest absorption of development budget at 97 per cent (Kshs.4.7 billion) while Teachers Service Commission had the lowest absorption of development budget at 12.7 per cent. Teachers Service Commission recorded the highest percentage of recurrent expenditure to revised annual recurrent estimates at 99.9 per cent while State Department for University Education had the lowest at 85.5 per cent.

Some of the major projects implemented by the sector in the period under review includes; Kenya Primary Education Project – GPE Programme at Kshs.1.8 billion, Construction of Kenyatta University Children Hospital at Kshs.869.1 million, Construction of Tuition Block at Turkana University College at Kshs.862 million, Secondary Infrastructure Improvement at Kshs.643 million, ICT Integration in Secondary Education Project at Kshs.312.5 million and Upgrading of National Schools at Kshs.285 million.

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

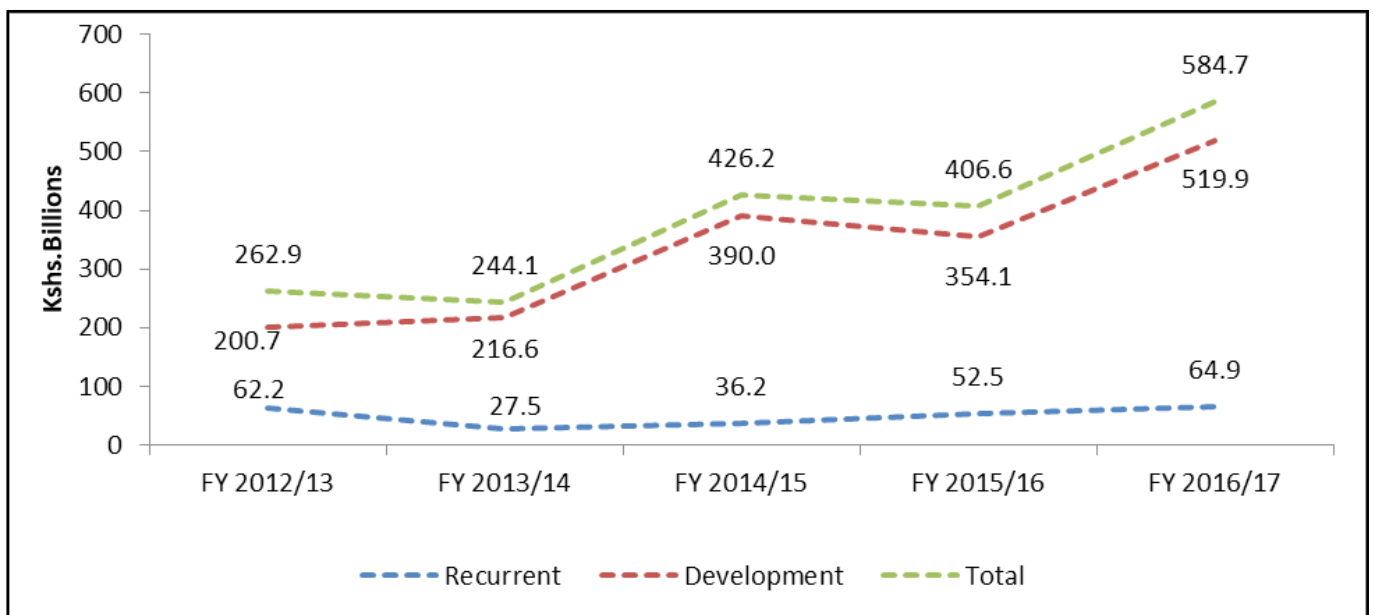
This sector comprises of 9 MDAs namely: State Department for Infrastructure, Transport, Maritime and Shipping Affairs, Housing and Urban Development, Public Works, Information Communications Technology and Innovation, Broadcasting and Telecommunication, Petroleum and Energy.

The sector is identified as one of the key areas upon which the three pillars of the Kenya Vision 2030 are anchored and an enabler of sustainable economic growth, development and poverty reduction. The sector aims at sustaining and expanding physical infrastructure to support a rapidly-growing economy in line with the priorities in the Constitution of Kenya and Kenya Vision 2030.

The revised annual budgetary allocation to the sector in the FY 2016/17 was Kshs.584.7 billion representing 22.4 per cent of revised gross national budget, a significant increase from Kshs.406.6 billion (43.8 per cent increase) allocated in FY 2015/16. This increase is attributed to the government reorganization and additional state departments which increased from four (4) to nine (9) for the sector. The allocation comprised of Kshs.519.9 billion (88.9 per cent) for development expenditure and Kshs.64.9 billion (11.1 per cent) for recurrent expenditure. State Department for Infrastructure received the highest budgetary allocation of Kshs.210.8 billion (36.1 per cent of the sector’s allocation) while State Department for Maritime and Shipping Affairs had the lowest budgetary allocation of Kshs.0.3 billion of the sectors’ allocation.

Figure 4.5 shows the budgetary allocation trend for the EI & ICT Sector for the period FY 2012/13 to FY 2016/17.

**Figure 4.5: Budgetary Allocation Trend for the EI & ICT Sector from FY 2012/13 to FY 2016/17 (Kshs. Billion)**



Source: National Treasury

In FY 2016/17, the sector received exchequer issues of Kshs.182.3 billion representing 90.1 per cent of the sectors' revised net estimates. This comprised of Kshs.171.3 billion for development expenditure representing 90 per cent of the revised development net estimates and Kshs.11 billion representing 91.6 per cent of the revised annual recurrent net estimates.

Table 4.3 shows EI&ICT sector analysis of exchequer issues and expenditure in FY 2016/17.

**Table 4.3: EI & ICT-Analysis of Exchequer Issues and Expenditure for FY2016/17 (Kshs. Billions)**

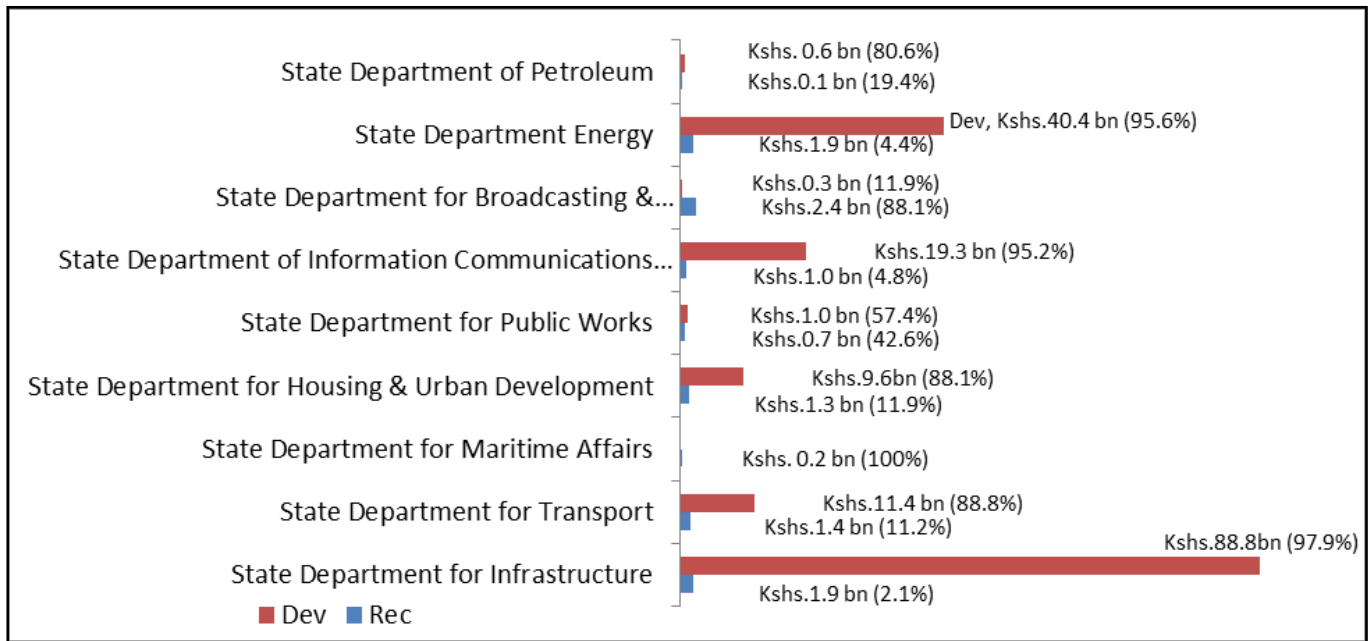
VOTE	Development						Recurrent					
	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Rev. Gross Est.	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
State Department for Infrastructure	160.9	95.0	88.8	109.6	93.4	68.1	49.9	1.9	1.9	49.3	98.7	98.7
State Department for Transport	163.3	15.9	11.4	149.6	71.7	91.6	5.8	1.4	1.4	5.8	99.2	99.3
State Department for Maritime & Shipping Affairs	-	-	-	-	-	-	0.3	0.3	0.2	0.2	94.4	88.5
State Department for Housing & Urban Development	17.5	11.6	9.6	14.0	82.4	80.0	1.3	1.3	1.3	1.3	98.3	99.2
State Department for Public Works	1.2	1.2	1.0	1.0	86.4	83.1	0.8	0.8	0.7	0.7	97.1	95.6
State Department of ICT & Innovation	21.1	21.1	19.3	19.3	91.3	91.3	1.1	1.1	1.0	1.0	84.2	87.4
State Department for Broadcasting & Telecommunications	0.3	0.3	0.3	0.3	97.0	100	3.3	3.1	2.4	3.0	76.7	91.0
State Department Energy	152.7	43.7	40.4	67.4	92.5	44.2	2.1	1.9	1.9	2.0	99.7	94.8
State Department of Petroleum	2.9	1.5	0.6	1.5	39.2	50.4	0.2	0.2	0.1	0.2	92.9	84.1
<b>Total</b>	<b>519.9</b>	<b>190.3</b>	<b>171.3</b>	<b>362.7</b>	<b>90.0</b>	<b>69.8</b>	<b>64.9</b>	<b>12.0</b>	<b>11.0</b>	<b>63.5</b>	<b>91.6</b>	<b>97.9</b>
<b>Total for the Sector</b>							<b>Revised Gross Estimates</b>	<b>Revised Net Estimates</b>	<b>Exch. Issues</b>	<b>Exp.</b>	<b>% of Exch. to Revised Net Est.</b>	<b>% of Exp. to Rev. Gross Est.</b>
<b>Development</b>							519.9	190.3	171.3	362.7	90.0	69.8
<b>Recurrent</b>							64.9	12.0	11.0	63.5	91.6	97.9
<b>Total</b>							<b>584.7</b>	<b>202.3</b>	<b>182.3</b>	<b>426.2</b>	<b>90.1</b>	<b>72.9</b>

Source: MDAs and National Treasury

In the period under review, State Department for Broadcasting and Telecommunication received the highest proportion of development exchequer issues to the revised development net estimates at 97 per cent while State Department for Petroleum had the lowest at 39.2 per cent. State Department for Energy received the highest proportion of recurrent exchequer issues to revised recurrent net estimates at 99.7 per cent while the State Department for Broadcasting and Telecommunication had the lowest proportion of recurrent exchequer issues at 76.7 per cent.

Figure 4.6 shows the exchequer issues to the EI & ICT Sector in FY 2016/17.

**Figure 4.6: Exchequer Issues to the EI & ICT Sector for FY 2016/17 (Kshs. Billions)**



Source: National Treasury

The total expenditure for the sector during the FY 2016/17 amounted to Kshs.426.2 billion, representing 72.9 per cent of the revised gross estimates, an increase compared to 59.8 per cent (Kshs.243.1 billion) recorded in 2015/16 financial year. This comprised of Kshs.362.7 billion as development expenditure, representing an absorption rate of 69.8 per cent, an increase from 64.3 per cent recorded in FY 2015/16 and Kshs.63.5 billion in recurrent expenditure, representing 97.9 per cent of the revised recurrent estimates, a significant increase compared to 29.6 per cent recorded in FY 2016/17.

State Department for Broadcasting and Telecommunication recorded the highest absorption of development expenditure at 100 per cent while the State Department for Energy recorded the lowest absorption of development expenditure at 44.2 per cent. State Department for Transport recorded the highest percentage of recurrent expenditure to revised recurrent gross estimates at 99.3 per cent while State Department of Petroleum had the lowest at 84.1 per cent.

Some of the key projects implemented by sector in the period under review include; Construction of Mombasa to Nairobi and Nairobi to Naivasha Standard Gauge Railway at a cost of Kshs.98.9 billion and Kshs.38.5 billion respectively, Relocation Units at Kibera and Mukuru slums at Kshs.2.2 billion and Acquisition of two ferries for Likoni Channel at Kshs.650 million, Construction of 1,850 housing units for National Police and Kenya Prison Service at Kshs.1.5 billion and the Kenya Informal Settlement Improvement Project at Kshs.2.7 billion.

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

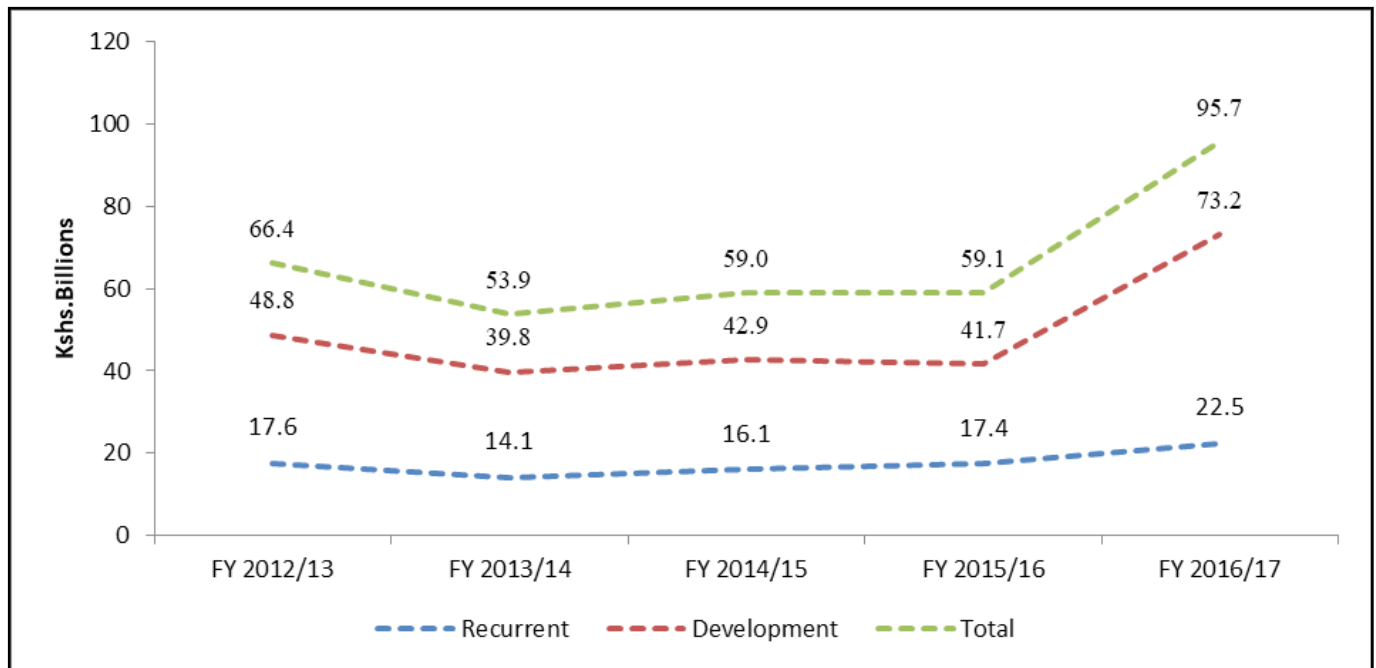
The Environmental Protection, Water and Natural Resources Sector consist of five MDAs namely: The State Department for; Environment, Natural Resources, Water Services, Irrigation and Ministry of Mining with a total of 26 Semi-Autonomous Government Agencies.

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

The revised annual budgetary allocation to the sector in FY 2016/17 was Kshs.95.7 billion, representing 3.7 per cent of gross national budget, a significant increase from the revised allocation for FY 2015/16 (Kshs.59.1 billion). The allocation comprised of Kshs.73.2 billion (76.5 per cent) for development expenditure and Kshs.22.5 billion (23.5 per cent) for recurrent expenditure. The State Department for Water Services received the highest budgetary allocation of Kshs.55 billion (57.5 per cent of the Sector's allocation), while the Ministry of Mining had the lowest budgetary allocation of Kshs.2.2 billion (2.3 per cent of the Sector's allocation).

Figure 4.7 shows the budgetary allocation trend for the Environmental Protection, Water and Natural Resources Sector for the period FY 2012/13 to FY 2016/17.

**Figure 4.7: Budgetary Allocation Trend for the Environmental Protection, Water and Natural Resources Sector from FY 2012/13 to FY 2016/17 (Kshs. Billions)**



Source: National Treasury

In FY 2016/17, the sector received exchequer issues of Kshs.44.9 billion representing 92.6 per cent of the sectors' revised net estimates. This comprised of Kshs.32.1 billion for development expenditure representing 90 per cent of the revised development net estimates and Kshs.12.8 billion for recurrent expenditure representing 99.5 per cent of the revised annual recurrent net estimates.

Table 4.4 shows Environmental Protection, Water and Natural Resources sector analysis of exchequer issues and expenditure in FY 2016/17.



**Table 4.4: Environmental Protection, Water and Natural Resources Sector-Analysis of Exchequer Issues and Expenditure for the period FY 2016/17 (Kshs. Billions)**

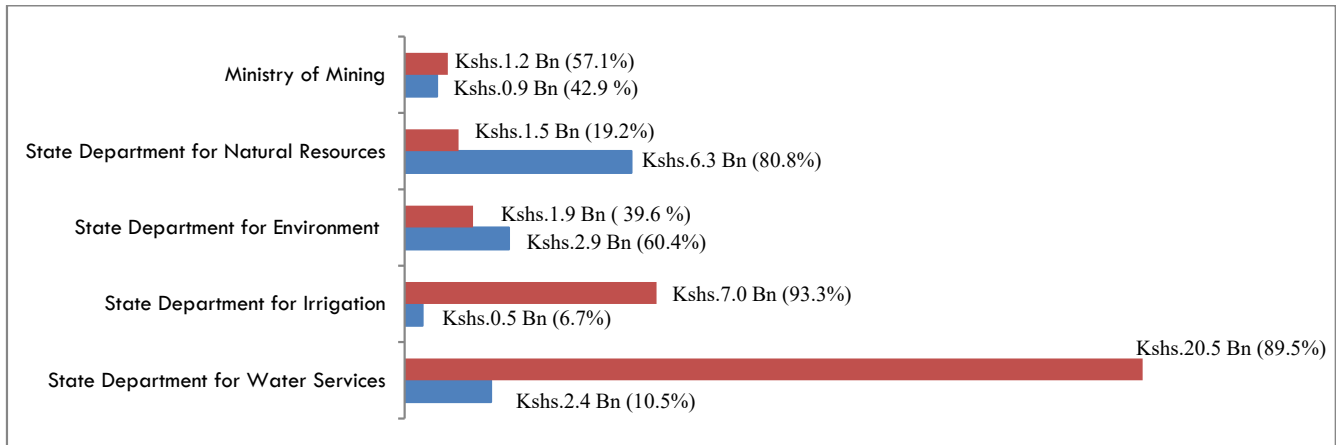
VOTE	Development						Recurrent					
	Revised Gross Est.	Revised Net Estimates	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Rev. Gross Est.	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
State Department for Water Services	50.5	22.0	20.5	30.0	93.0	59.4	4.5	2.4	2.4	2.2	99.6	48.0
State Department for Irrigation	16.6	8.3	7.0	8.0	84.4	48.2	0.9	0.5	0.5	0.4	99.9	51.5
State Department for Environment	2.8	2.5	1.9	1.7	77.2	58.5	3.7	2.9	2.9	2.7	100	73.1
State Department for Natural Resources	2.0	1.5	1.5	1.5	100	79.0	12.6	6.3	6.3	12.6	99.2	99.9
Ministry of Mining	1.3	1.3	1.2	1.3	89.2	99.2	0.9	0.9	0.9	0.6	99.6	69.9
<b>Total</b>	<b>73.2</b>	<b>35.7</b>	<b>32.1</b>	<b>42.5</b>	<b>90.0</b>	<b>58.1</b>	<b>22.5</b>	<b>12.9</b>	<b>12.8</b>	<b>18.5</b>	<b>99.5</b>	<b>82.1</b>
<b>Total for the Sector</b>							<b>Revised Gross Estimates</b>	<b>Revised Net Est.</b>	<b>Exch. Issues</b>	<b>Exp.</b>	<b>% of Exch. to Revised Net Est.</b>	<b>% of Exp. to Rev. Gross Est.</b>
<b>Development</b>							73.2	35.7	32.1	42.5	90.0	58.1
<b>Recurrent</b>							22.5	12.9	12.8	18.5	99.5	82.1
<b>Total</b>							<b>95.7</b>	<b>48.6</b>	<b>44.9</b>	<b>61.0</b>	<b>92.6</b>	<b>63.7</b>

Source: MDAs and National Treasury

In FY 2016/17, State Department for Natural Resources received the highest proportion of development exchequer issues to the revised annual development net estimates at 100 per cent while State Department for Environment received the lowest at 77.2 per cent. State Department for Environment received the highest proportion of recurrent exchequer issues to the revised net estimates at 100 per cent while State Department for Natural Resources received the lowest at 99.2 per cent.

Figure 4.8 shows the exchequer issues to the Environmental Protection, Water and Natural Resources sector in FY 2016/17.

**Figure 4.8: Exchequer Issues to Environmental Protection, Water and Natural Resources Sector for FY 2016/17 (Kshs. Billions)**



*Source: National Treasury*

The total expenditure for the sector during FY 2016/17 amounted to Kshs.61 billion, representing 63.7 per cent of the revised annual estimates, an increase compared to 45.1 per cent (Kshs.26.7 billion) recorded in FY 2015/16. The expenditure comprised of Kshs.42.5 billion in development expenditure, representing an absorption rate of 58.1 per cent, an improvement compared to 46.1 per cent (Kshs.19.2 billion) recorded in FY 2015/16 and Kshs.18.5 billion in the recurrent expenditure, representing 82.1 per cent of the revised recurrent estimates, an increase compared to 42.9 per cent (Kshs.7.5 billion) reported in FY 2015/16.

Ministry of Mining recorded the highest absorption of development expenditure at 99.2 per cent while State Department for Irrigation recorded the lowest at 48.2 per cent. State Department for Natural Resources recorded the highest percentage of expenditure on its recurrent budget at 99.9 per cent while the State Department for Water Services recorded the lowest expenditure at 48 per cent.

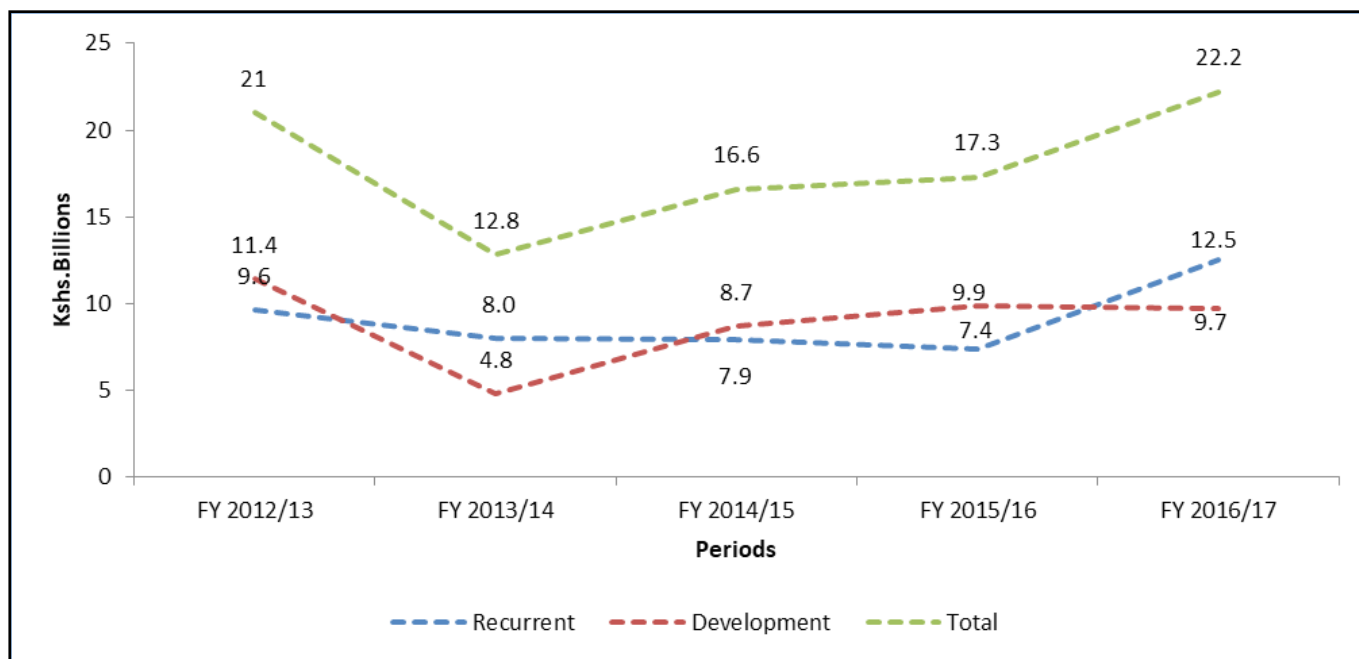
Some of the major projects implemented by the sector in the period under review includes: Itare Dam Water Project and Karimenu Dam Water Supply Project at Kshs.4.2 billion and Kshs.3.7 billion respectively, National Expanded Irrigation Programme and the Galana Kulalu Irrigation Development Project at Kshs.2.3 billion and Kshs. 1.8 billion respectively, Lake Victoria Environment Management Programme at Ksh.508.9 million, and The Green Schools Programme and the Construction of Wildlife Security Fence in Laikipia at Kshs.544.5 million and Kshs.200 million respectively.

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

The General Economic and Commercial Affairs (GECA) Sector consists of five MDAs namely; State Departments for Investment and Industry, Cooperatives, Trade, East African Integration, and Ministry of Tourism. The Sector aims at promoting investments, increased manufacturing share to the GDP and exports, improvement of the business environment, savings mobilization and good governance in cooperative development, trade development and fair trade practices, promotion of regional integration and sustaining tourism recovery.

The revised annual budgetary allocation to the sector in FY 2016/17 was Kshs.22.2 billion, representing 1 per cent of the gross national budget, an increase from Kshs.17.3 billion allocated in FY 2015/16. The allocation comprised of Kshs.9.7 billion (43.6 per cent) for development expenditure and Kshs.12.5 billion (56.4 per cent) for recurrent expenditure. State Department for Investment and Industry received the highest budgetary allocation of Kshs.8.3 billion (37.3 per cent of the sector's allocation), while State Department for East African Integration had the lowest allocation at Kshs.1.6 billion (7.2 per cent of the sector's allocation).

Figure 4.9 shows the budgetary allocation trend for the GECA Sector from FY 2012/13 to FY 2016/17.

**Figure 4.9: Budgetary Allocation Trend for the GECA Sector from FY 2012/13 to FY (2016/17 (Kshs. Billion)**

Source: National Treasury

In the FY 2016/17, the Sector received exchequer issues amounting to Kshs.19 billion, representing 96.3 per cent of the sector's revised net estimates. The exchequer issues comprised of Kshs.6.8 billion towards development expenditure, representing 93.1 per cent of the revised development net estimates, and Kshs.12.2 billion for recurrent expenditure, representing 98.2 per cent of the revised recurrent net estimates.

Table 4.5 presents analysis of exchequer issues to GECA Sector and expenditure in FY 2016/17.

**Table 4.5: GECA Sector-Analysis of Exchequer Issues and Expenditure for FY 2016/17 (Kshs. Billions)**

VOTE	Development						Recurrent					
	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Rev. Gross Est.	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
State Department for Investment and Industry	5.4	3.1	3.0	3.1	97.1	58.4	2.9	2.8	2.8	2.9	100	98.2
State Department for Co-operatives	0.5	0.5	0.5	0.5	98.3	100	3.2	3.2	3.1	3.1	98.2	97.6
State Department for Trade	0.1	0.1	0.1	0.1	81.9	73.2	3.5	3.5	3.3	3.3	96.3	94.2
State Department for East African Integration	0.1	-	-	0.02	-	24.8	1.5	1.5	1.5	1.5	98.4	99.5
Ministry of Tourism	3.6	3.6	3.2	3.4	89.2	94.0	1.5	1.5	1.4	1.4	99.2	98.6

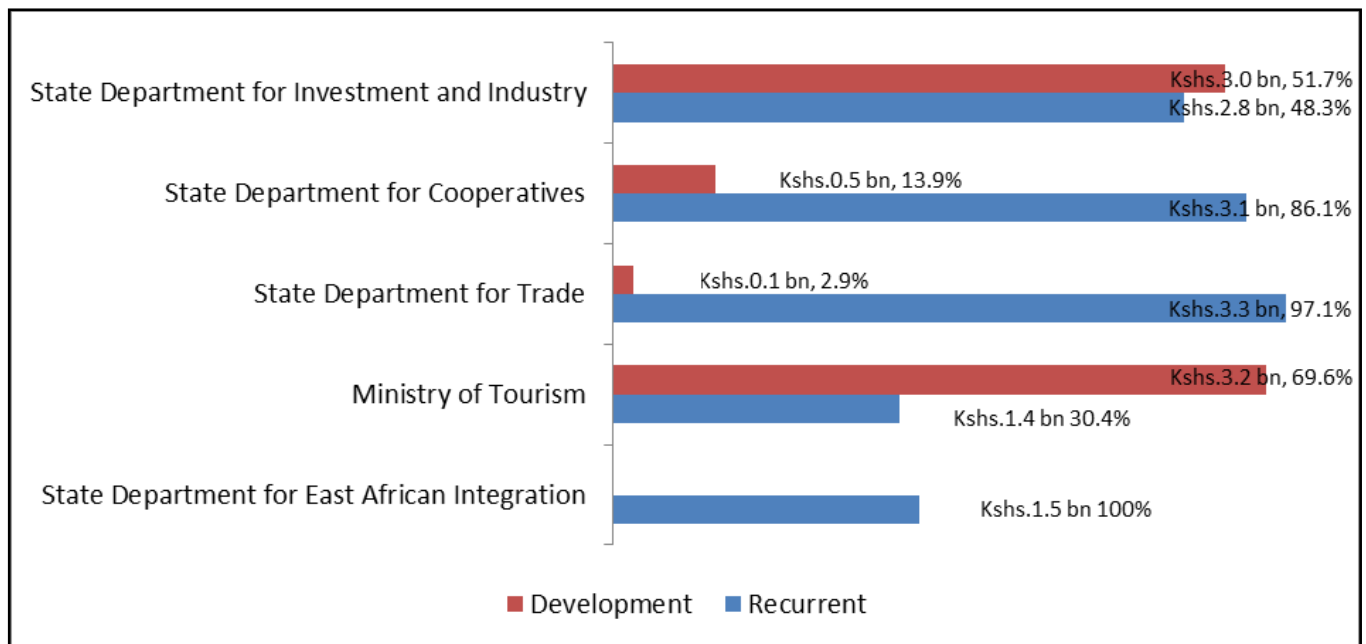
VOTE	Development						Recurrent					
	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Rev. Gross Est.	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
<b>Total</b>	9.7	7.3	6.8	7.2	93.1	73.8	12.5	12.4	12.2	12.2	98.2	97.1
<b>Total for the Sector</b>							Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Revised Net Est.	% of Exp. to Rev. Gross Est.
<b>Development</b>							9.7	7.3	6.8	7.2	93.1	73.8
<b>Recurrent</b>							12.5	12.4	12.2	12.2	98.2	97.1
<b>Total</b>							22.2	19.8	19.0	19.3	96.3	87.0

Source: MDAs and National Treasury

In the reporting period, State Department for Cooperatives received the highest proportion of development exchequer issues to the revised development net estimates at 98.3 per cent while State Department of Trade received the lowest at 81.9 per cent whereas State department for East African Integration did not receive any exchequer. State Department for Investment and Industry received the highest proportion of recurrent exchequer issues to the revised recurrent net estimates at 100 per cent while State Department for Trade received the lowest at 96.3 per cent.

Figure 4.10 shows the exchequer issues to GECA Sector in FY 2016/17.

**Figure 4.10: Exchequer Issues to the GECA Sector for the FY 2016/17 (Kshs. Billions)**



Source: National Treasury

The total expenditure for the sector in FY 2016/17 amounted to Kshs.19.3 billion, representing 87 per cent of the revised annual estimates, a decline compared to 93 per cent (Kshs.15.9 billion) recorded in the same period of FY

2015/16. The expenditure consisted of Kshs.7.2 billion for development expenditure, representing an absorption rate of 73.8 per cent, a decline from 91.3 per cent recorded in the same period FY 2015/16 and Kshs.12.2 billion for recurrent expenditure, representing 97.9 per cent of the revised recurrent estimates, an improvement compared to 95.3 per cent (Kshs.7 billion) reported in FY 2015/16.

The State Department for Cooperatives recorded the highest absorption of development budget at 100 per cent (Kshs.0.5 billion) while The State Department for Investment and Industry recorded the lowest at 58.4 per cent whereas, State Department for East African Integration did not spend on development activities. State Department for East African Integration recorded the highest percentage of recurrent expenditure to the revised annual recurrent estimates at 99.5 per cent while State Department for Trade had the lowest at 94.2 per cent.

Some of the major projects implemented by the sector in the period under review includes: Tourism Recovery Project Programme and Sustaining of New Markets and Siting Booths in Tourism Target Programme – Kenya Tourism Board at Kshs.1.1 billion and Kshs.860 million respectively, Acquisition of equipment and machinery for the New KCC at Kshs.470 million and Establishment of Commodities Exchange Platform at Kshs.27 million.

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

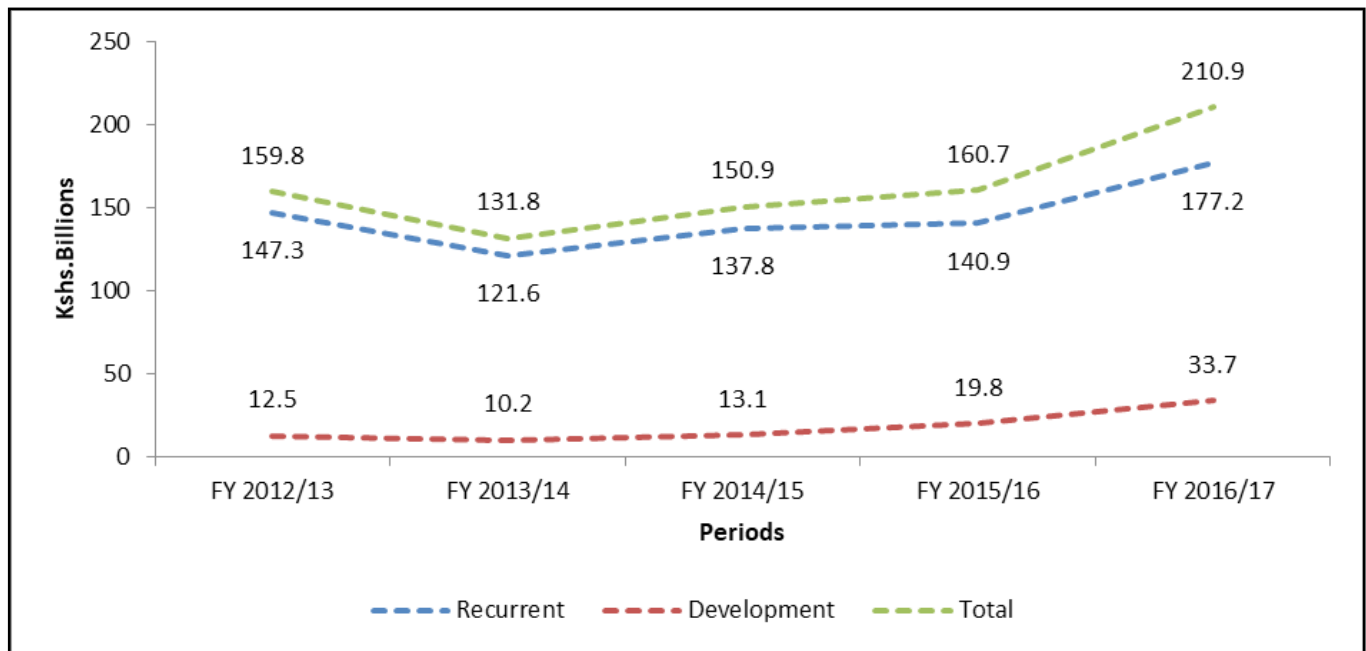
The GJLOS Sector consists of fourteen (14) MDAs, twenty (20) Semi-Autonomous Government Agencies (SAGAs) and fifteen (15) Tribunals with specific mandates. The 14 MDAs are: State Department for Interior, State Department for Correctional Services, State Law Office and Department of Justice, The Judiciary,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

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

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

The revised annual budgetary allocation to the sector in FY 2016/17 was Kshs.210.9 billion representing 8.1 per cent of gross national budget, an increase compared to Kshs.160.7 billion allocated in FY 2015/16. The allocation comprised of Kshs.33.7 billion (16 per cent) for development expenditure and Kshs.177.2 billion (84 per cent) for recurrent expenditure. State Department for Interior received the highest budgetary allocation of Kshs.135.1 billion (64.1 per cent of the sector's allocation), while Witness Protection Agency had the lowest at Kshs.0.4 billion (0.2 per cent of the sector's allocation). Figure 4.11 shows the budgetary allocation trend for the GJLOS for the period FY 2012/13 to FY 2016/17.

**Figure 4.11: Budgetary Allocation Trend for the GJLOS Sector from FY 2012/13 to FY 2016/17 (Kshs. Billion)**



*Source: National Treasury*

In FY 2016/17, the total exchequer issues for the sector was Kshs.199.5 billion, representing 95.4 per cent of the Sectors' revised net estimates. This amount comprised of Ksh.29.5 billion for development expenditure representing 90.6 per cent of the revised development net estimates. The recurrent exchequer issues amounted to Ksh.170 billion, representing 96.3 per cent of the revised recurrent net estimates. Table 4.6 shows the GJLO Sector's analysis of exchequer issues and expenditure in FY 2016/17.

**Table 4.6 GJLOS Sector-Analysis of Exchequer Issues and Expenditure for FY2016/17 (Kshs. Billions)**

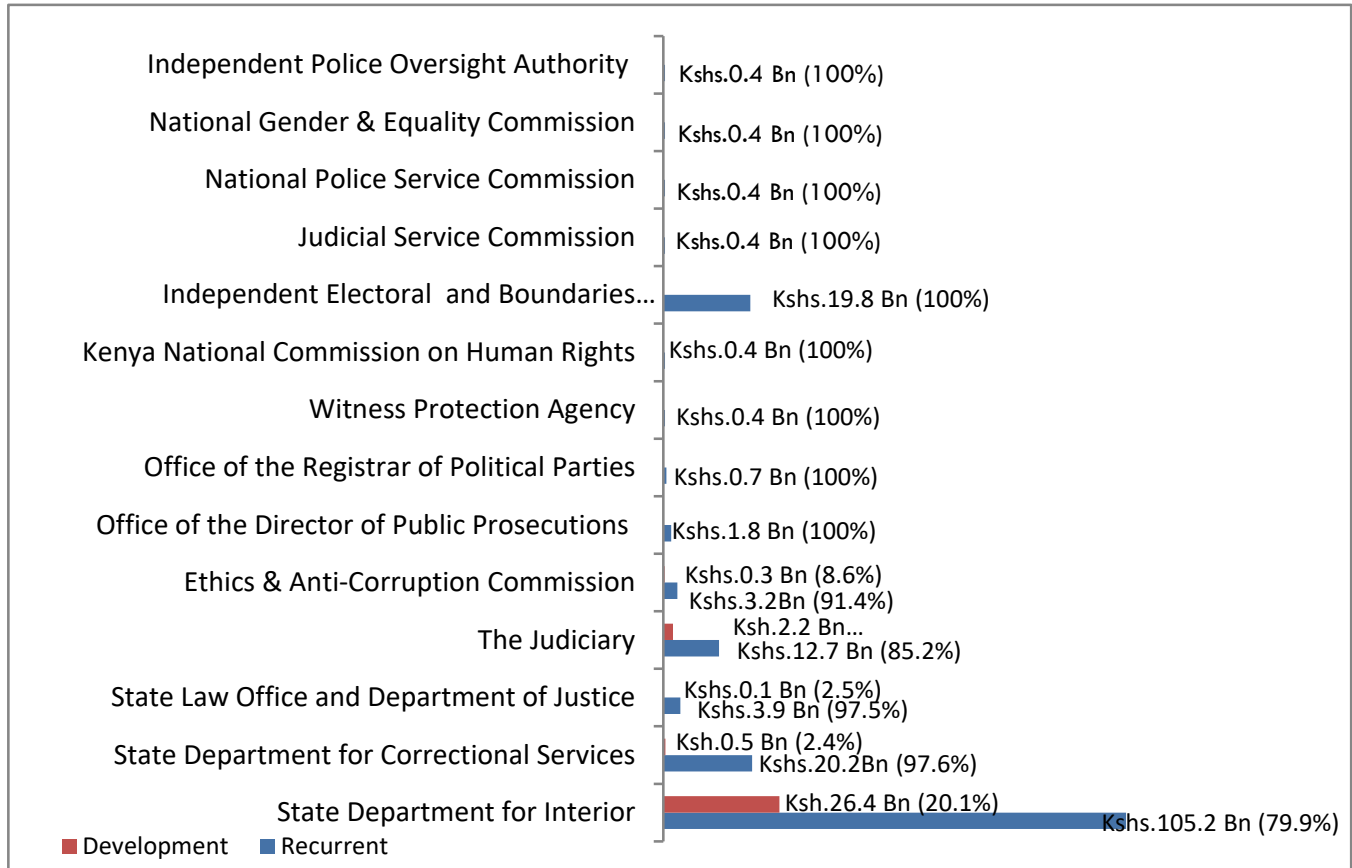
VOTE	Development						Recurrent					
	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Rev. Gross Est.	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
State Department for Interior	27.5	27.4	26.4	24.2	96.5	88.0	107.6	107.2	105.2	89.4	98.1	83.1
State Department for Correctional Services	0.5	0.5	0.5	0.2	99.8	46.1	20.2	20.2	20.2	16.8	100	83.1
State Law Office and Department of Justice	0.4	0.1	0.1	0.02	99.3	6.8	4.6	4.3	3.9	3.9	91.3	84.1
The Judiciary	4.2	4.2	2.2	2.8	53.3	67.1	13.0	13.0	12.7	12.5	97.7	96.5
Ethics & Anti-Corruption Commission	0.3	0.3	0.3	0.3	100	100	3.2	3.2	3.2	3.2	99.8	98.9
Office of the Director of Public Prosecutions	0.1	0.1	-	0.003	-	2.6	2.1	2.1	1.8	1.8	85.7	85.9
Office of the Registrar of Political Parties	-	-	-	-	-	-	0.8	0.8	0.7	0.6	80.7	76.6
Witness Protection Agency	-	-	-	-	-	-	0.4	0.4	0.4	0.4	100.0	98.2
Kenya National Commission on Human Rights	-	-	-	-	-	-	0.4	0.4	0.4	0.40	98.9	95.3
Independent Electoral and Boundaries Commission	0.8	0.1	-	-	-	-	23.1	23.1	19.8	19.6	86.0	84.9
Judicial Service Commission	-	-	-	-	-	-	0.5	0.5	0.4	0.4	96.7	94.2
National Police Service Commission	-	-	-	-	-	-	0.4	0.4	0.4	0.4	98.6	97.8
National Gender & Equality Commission	-	-	-	-	-	-	0.4	0.4	0.4	0.4	98.5	98.5
Independent Policing Oversight Authority	-	-	-	-	-	-	0.5	0.5	0.4	0.4	89.4	89.4
<b>Total</b>	<b>33.7</b>	<b>32.6</b>	<b>29.5</b>	<b>27.5</b>	<b>90.6</b>	<b>81.7</b>	<b>177.2</b>	<b>176.5</b>	<b>170.0</b>	<b>150.4</b>	<b>96.3</b>	<b>84.8</b>
<b>Total for the Sector</b>							<b>Revised Gross Est.</b>	<b>Revised Net Est.</b>	<b>Exch. Issues</b>	<b>Exp.</b>	<b>% of Exch. to Revised Net Est.</b>	<b>% of Exp. to Rev. Gross Est.</b>
<b>Development</b>							33.7	32.6	29.5	27.5	90.6	81.7
<b>Recurrent</b>							177.2	176.5	170.0	150.4	96.3	84.8
<b>Total</b>							<b>210.9</b>	<b>209.0</b>	<b>199.5</b>	<b>177.9</b>	<b>95.4</b>	<b>84.3</b>

Source: MDAs and National Treasury

From the sector analysis on the exchequer issued in the FY2016/17, the Ethics and Anti-Corruption Commission (EACC) received the highest proportion of development exchequer issues to revised development net estimates at 100 per cent, while the Judiciary recorded the lowest at 53.3 per cent. The Witness Protection Agency and the State Department for Correctional Services received the highest proportion of recurrent exchequer issues to revised recurrent net estimates at 100 per cent, while the Office of the Registrar of Political Parties received the lowest at 80.7 per cent.

Figure 4.12 shows the exchequer issues to the GJLOS Sector in FY 2016/17.

**Figure 4.12: Exchequer Issues to the GJLOS Sector for FY 2016/17 (Kshs. Billions)**



*Source: National Treasury*

The total expenditure for the sector in FY 2016/17 amounted to Kshs.177.9 billion, representing 84.3 per cent of the revised annual estimates. The development expenditure was Kshs.27.5 billion, translating to an absorption rate of 81.7 per cent while total recurrent expenditure was Kshs.150.4 billion, representing 84.8 per cent of the revised recurrent annual estimates. EACC recorded the highest absorption rate of development expenditure at 100 per cent while the Office of the Director of Public Prosecutions recorded the lowest at 2.6 per cent. Equally, EACC recorded the highest proportion of recurrent expenditure to the revised annual estimates at 98.9 per cent while the Office of the Registrar of Political Parties recorded the lowest at 76.5 per cent.

In the period under review GJLOS Sector undertook the following projects; The Judiciary Performance Improvement Project at Kshs.2.3 billion, Construction of Embu High Court at Kshs.65.6 million and the Construction of Prefabricated Courts in Tawa, Garsen and Runyenjes by the Judiciary at Kshs.50.1 million.

## 4.8 Health Sector

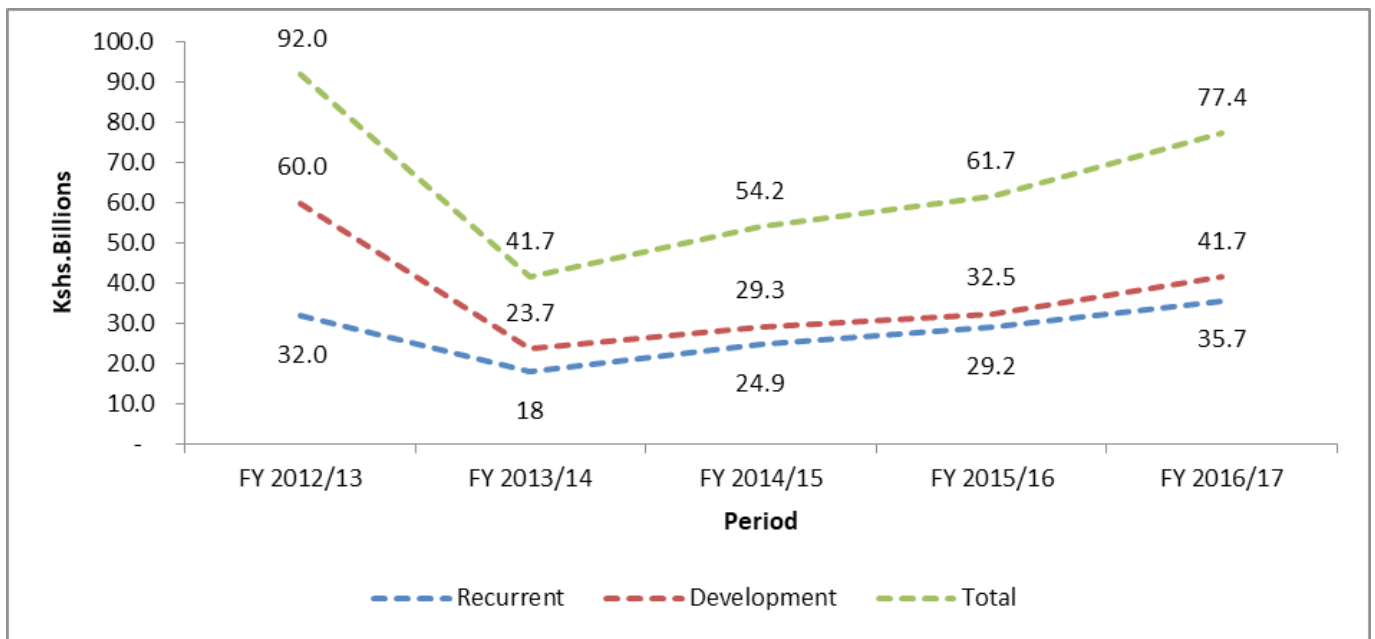
The Health Sector consists of Ministry of Health and seven Semi-Autonomous Government Agencies (SAGAs) namely; Kenyatta National Hospital (KNH), Moi Teaching and Referral Hospital (MTRH), Kenya Medical Research Institute (KEMRI), Kenya Medical Supplies Authority (KEMSA), Kenya Medical Training College (KEMTC), National AIDS Control Council (NACC), and the National Health Insurance Fund (NHIF).



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

The revised annual budgetary allocation to the Sector in FY 2016/17 was Kshs.77.4 billion representing 3.1 per cent of gross national budget, an increase from Kshs.61.7 billion allocated in FY 2015/16. The allocation comprised of Kshs.41.7 billion (53.9 per cent) for development expenditure and Kshs.35.7 billion (46.1 per cent) for recurrent expenditure. Figure 4.13 shows the budgetary allocation trend for the Health Sector for the period FY 2012/13 to FY 2016/17.

**Figure 4.13: Budgetary Allocation Trend for the Health Sector from FY 2012/13 to FY 2016/17 (Kshs. Billion)**



Source: National Treasury

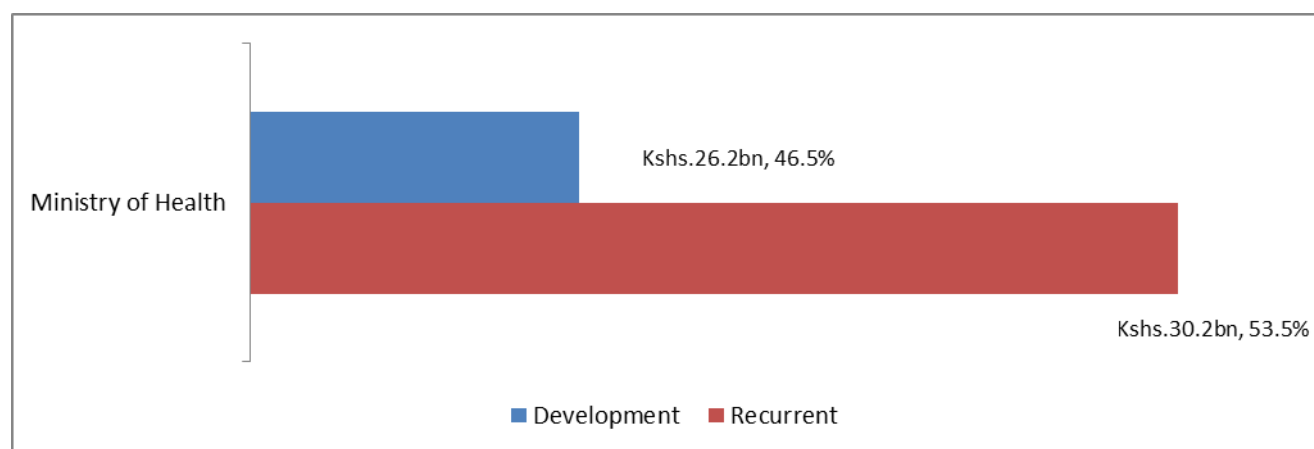
In FY 2016/17, the sector received exchequer issues of Kshs.56.5 billion representing 89.6 per cent of the sectors’ revised net estimates. This comprised of Kshs.26.2 billion for development expenditure, representing 83.9 per cent of the revised development net estimates and Kshs.30.2 billion for recurrent expenditure, representing 95.2 per cent of the revised annual net recurrent estimates. Table 4.7 shows Health sector analysis of exchequer issues and expenditure in the FY 2016/17.

**Table 4.7: Health Sector-Analysis of Exchequer Issues and Expenditure for the period July 2016 to July, 2017. (Kshs. Billions)**

VOTE	Development						Recurrent					
	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Rev. Gross Est.	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
Ministry of Health	41.7	31.3	26.2	27.2	83.9	65.1	35.7	31.8	30.2	29.8	95.2	83.5
<b>Total</b>	<b>41.7</b>	<b>31.3</b>	<b>26.2</b>	<b>27.2</b>	<b>83.9</b>	<b>65.1</b>	<b>35.7</b>	<b>31.8</b>	<b>30.2</b>	<b>29.8</b>	<b>95.2</b>	<b>83.5</b>
<b>Total for the Sector</b>							<b>Revised Gross Est.</b>	<b>Revised Net Est.</b>	<b>Exch. Issues</b>	<b>Exp.</b>	<b>% of Exch. to Revised Net Est.</b>	<b>% of Exp. to Rev. Gross Est.</b>
<b>Development</b>							41.7	31.3	26.2	27.2	83.9	65.1
<b>Recurrent</b>							35.7	31.8	30.2	29.8	95.2	83.5
<b>Total</b>							<b>77.4</b>	<b>63.1</b>	<b>56.5</b>	<b>57.0</b>	<b>89.6</b>	<b>73.6</b>

Source: MDAs and National Treasury

Figure 4.14 shows the exchequer issues to Health Sector in the FY 2016/17.

**Figure 4.14: Exchequer Issues to the Health Sector for the FY 2016/17 (Kshs. Billions)**

Source: National Treasury

The total expenditure for the sector in FY 2016/17 amounted to Kshs.57 billion, representing 73.6 per cent of the revised annual estimates, an increase compared to 68.5 per cent recorded in FY 2015/16. The expenditure consists of Kshs.27.2 billion for development activities, representing an absorption rate of 65.1 per cent, an increase compared to 52.5 per cent (17.1 billion) recorded in FY 2015/16 and Kshs.29.8 billion for recurrent expenditure, representing 83.5 per cent of the revised gross recurrent estimates, a decline from 86.3 per cent (Kshs.25.2 billion) recorded in FY 2015/16.

In the period under review, Ministry of Health undertook the following projects; Hire of medical equipment for 98 hospitals at Kshs.9.6 billion, Free Maternity Programme at Kshs.5.2 billion, Kenya Health Sector Support Project (KHSSP) at Kshs.3.5 billion, Tuberculosis Round 6 Programme at Kshs.865.5 million and Malaria Round 10 under-Special Global Fund Programme at Kshs.539.3 million.

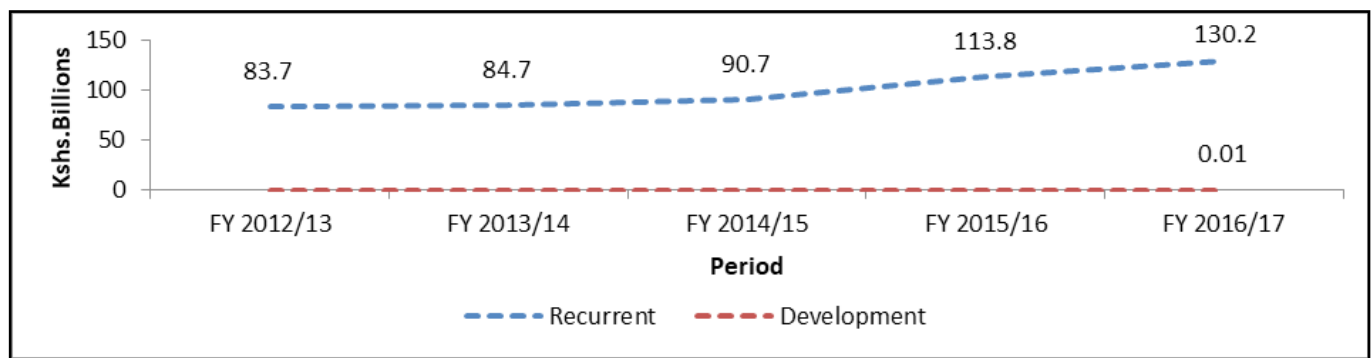
## 4.9 National Security Sector

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

The revised annual budgetary allocation to the sector in FY 2016/17 was Kshs.130.2 billion translating to 5.2 per cent of gross national budget, an increase from Kshs.113.8 billion allocated in FY 2015/16. The allocation comprised of Kshs.45 million for development expenditure and Kshs.130.2 billion for recurrent expenditure. Ministry of Defence received the highest budgetary allocation of Kshs.101.2 billion (77.7 per cent of the sector's allocation), while National Intelligence Service received Kshs.29.0 billion (22.3 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 2012/13 to FY 2016/17.

**Figure 4.15: Budgetary Allocation Trend for the National Security Sector from FY 2012/13 to FY 2016/17 (Kshs. Billion)**



Source: National Treasury

In FY 2016/17, the sector received Kshs.130.2 billion as exchequer issues, representing 100 per cent of the sector's revised net estimates. Ministry of Defence received Kshs.101.1 billion and National Intelligence Services (NIS) Kshs.29 billion, representing 100 per cent of revised net estimates respectively. Table 4.8 shows the National Security sector analysis of exchequer issues and expenditure in the FY 2016/17.

**Table 4.8: National Security Sector-Analysis of Exchequer Issues and Expenditure for FY2016/17. (Kshs Billions)**

VOTE	Development						Recurrent					
	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Rev. Gross Est.	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
Ministry of Defence	0.05	-	-	0.03	-	55.6	101.1	101.1	101.1	101.1	100	100
National Intelligence Service	-	-	-	-	-	-	29.0	29.0	29.0	29.0	100	100
<b>Total</b>	<b>0.05</b>			<b>0.03</b>		<b>55.6</b>	<b>130.2</b>	<b>130.2</b>	<b>130.2</b>	<b>130.2</b>	<b>100</b>	<b>100</b>
<b>Total for the Sector</b>							<b>Revised Gross Est.</b>	<b>Revised Net Est.</b>	<b>Exch. Issues</b>	<b>Exp.</b>	<b>% of Exch. to Revised Net Est.</b>	<b>% of Exp. to Rev. Gross Est.</b>
<b>Development</b>							0.05	-	-	0.03	-	55.6

<b>Recurrent</b>	130.2	130.2	130.2	130.2	100	100
<b>Total</b>	<b>130.2</b>	<b>130.2</b>	<b>130.2</b>	<b>130.2</b>	<b>100.0</b>	<b>100</b>

*Source: MDAs and National Treasury*

The total expenditure for the sector in FY 2016/17 amounted to Kshs.130.2 billion, representing 100 per cent of the revised annual estimates, and an increase from 99.9 per cent recorded in FY 2015/16. Expenditure for the Ministry of Defence amounted to Kshs.101.1 billion, representing 100 per cent of the recurrent estimates, recording an increase compared to 99.9 per cent (Kshs.92.2 billion) for FY 2015/16. NIS expenditure amounted to Kshs.29 billion, representing 100 per cent of its revised annual recurrent estimates, an increase compared to Kshs.21.5 billion spent in FY 2015/16.

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

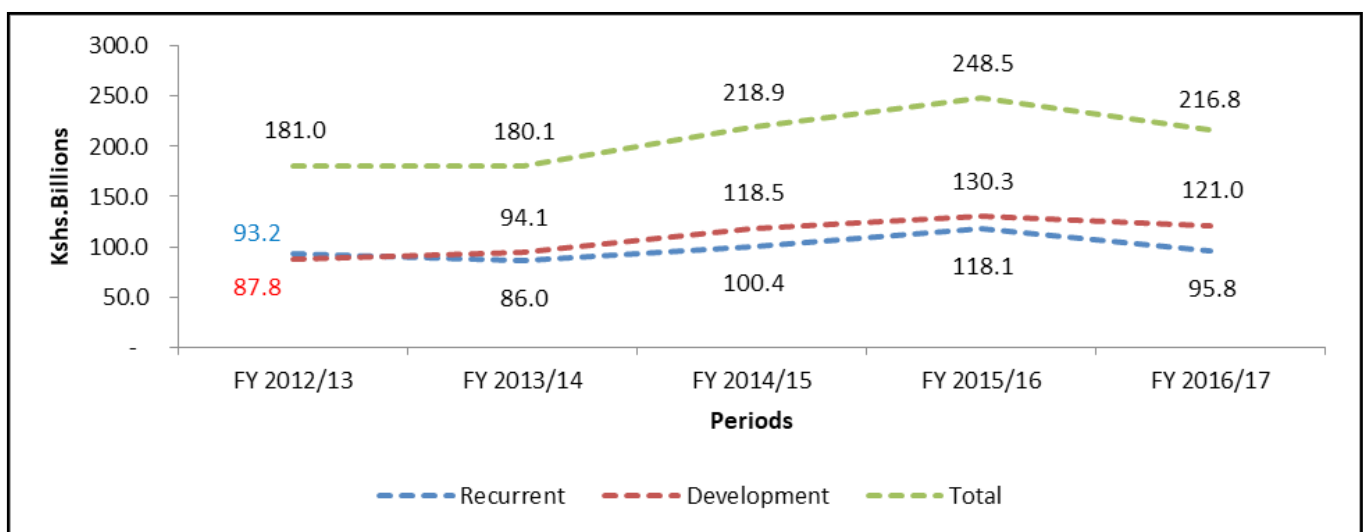
The Public Administration and International Relations Sector (PAIR) consists of 14 MDAs namely; The Presidency, State Department for Planning and Statistics, State Department for Devolution, Ministry of Foreign Affairs, National Treasury, State Department for Public Service and Youth Affairs, Parliamentary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

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

The revised annual budgetary allocation to the sector in FY 2016/17 was Kshs.216.8 billion representing 8.3 per cent of gross national budget, a decrease compared to Kshs.284.5 billion allocated in FY 2015/16. The allocation comprised of Kshs.95.8 billion (44.2 per cent) for development expenditure and Kshs.121 billion (55.8 per cent) for recurrent expenditure. The National Treasury received the highest budgetary allocation of Kshs.77.9 billion (35.9 per cent of the sector's allocation), while Commission on Revenue Allocation (CRA) had the lowest at Kshs.0.4 billion (0.2 per cent of the sector's allocation).

Figure 4.16 shows the budgetary allocation trend for the PAIR Sector for the period FY 2012/13 to FY 2016/17

**Figure 4.16: Budgetary Allocation Trend for the PAIR Sector from FY 2012/13 to FY 2016/17 (Kshs. Billion)**



*Source: National Treasury*

In FY 2016/17, the sector received exchequer issues of Kshs.174.1 billion, representing 89.5 per cent of the sector's revised net estimates. This comprised of Kshs.63 billion for development programmes, representing 84.7 per cent of the revised development net estimates, and Kshs.111.1 billion for recurrent activities representing 92.5 per cent of the revised recurrent net estimates. Table 4.9 shows PAIR Sector analysis of exchequer issues and expenditure in FY 2016/17.

**Table 4.9: PAIR Sector-Analysis of Exchequer Issues and Expenditure for FY2016/17 (Kshs. Billions)**

VOTE	Development						Recurrent					
	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Rev. Gross Est.	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
The Presidency	0.5	0.5	0.5	0.5	95.3	96.8	10.5	10.5	9.6	9.3	91.5	88.4
State Department for Devolution	1.2	1.0	0.3	0.4	33.4	33.0	0.8	0.8	0.8	0.8	99.9	97.9
State Department for Planning & Statistics	32.1	30.7	30.5	29.7	99.2	92.3	5.4	5.1	5.0	4.9	98.7	91.7
Ministry of Foreign Affairs and International Trade	2.8	2.8	2.8	0.2	100	5.8	17.8	17.6	16.5	10.7	93.7	60.3
The National Treasury	40.4	21.5	16.9	22.6	78.5	56.0	37.5	37.5	36.0	35.6	95.9	94.8
State Department for Public Service and Youth Affairs	14.5	14.5	10.0	14.0	69.3	96.9	14.4	14.2	11.9	13.1	84.0	91.0
Parliamentary Service Commission	4.2	3.2	1.8	1.9	57.8	45.3	10.5	10.5	8.8	8.6	84.5	82.0
National Assembly	-	-	-	-	-	-	16.9	16.9	15.5	15.8	91.5	93.2
Commission on Revenue Allocation	-	-	-	-	-	-	0.4	0.4	0.3	0.3	89.6	87.1
Public Service Commission	0.04	0.04	0.04	0.04	100	98.3	1.2	1.2	1.2	1.2	99.7	99.2
Salaries & Remuneration Commission	-	-	-	-	-	-	0.6	0.6	0.6	0.5	99.9	95.2
Auditor General	0.2	0.2	0.1	0.1	81.8	81.8	4.2	4.0	4.0	4.0	99.8	95.6
Controller of Budget	-	-	-	-	-	-	0.5	0.5	0.5	0.5	94.0	94.8
The Commission on Administrative Justice	-	-	-	-	-	-	0.4	0.4	0.4	0.4	99.6	93.3
<b>Total</b>	<b>95.8</b>	<b>74.4</b>	<b>63.0</b>	<b>69.4</b>	<b>84.7</b>	<b>72.4</b>	<b>121.0</b>	<b>120.2</b>	<b>111.1</b>	<b>105.7</b>	<b>92.5</b>	<b>87.3</b>
<b>Total for the Sector</b>							<b>Revised Gross Est.</b>	<b>Revised Net Est.</b>	<b>Exch. Issues</b>	<b>Exp.</b>	<b>% of Exch. to Revised Net Est.</b>	<b>% of Exp. to Rev. Gross Est.</b>
<b>Development</b>							95.8	74.4	63.0	69.4	84.7	72.4
<b>Recurrent</b>							121.0	120.2	111.1	105.7	92.5	87.3

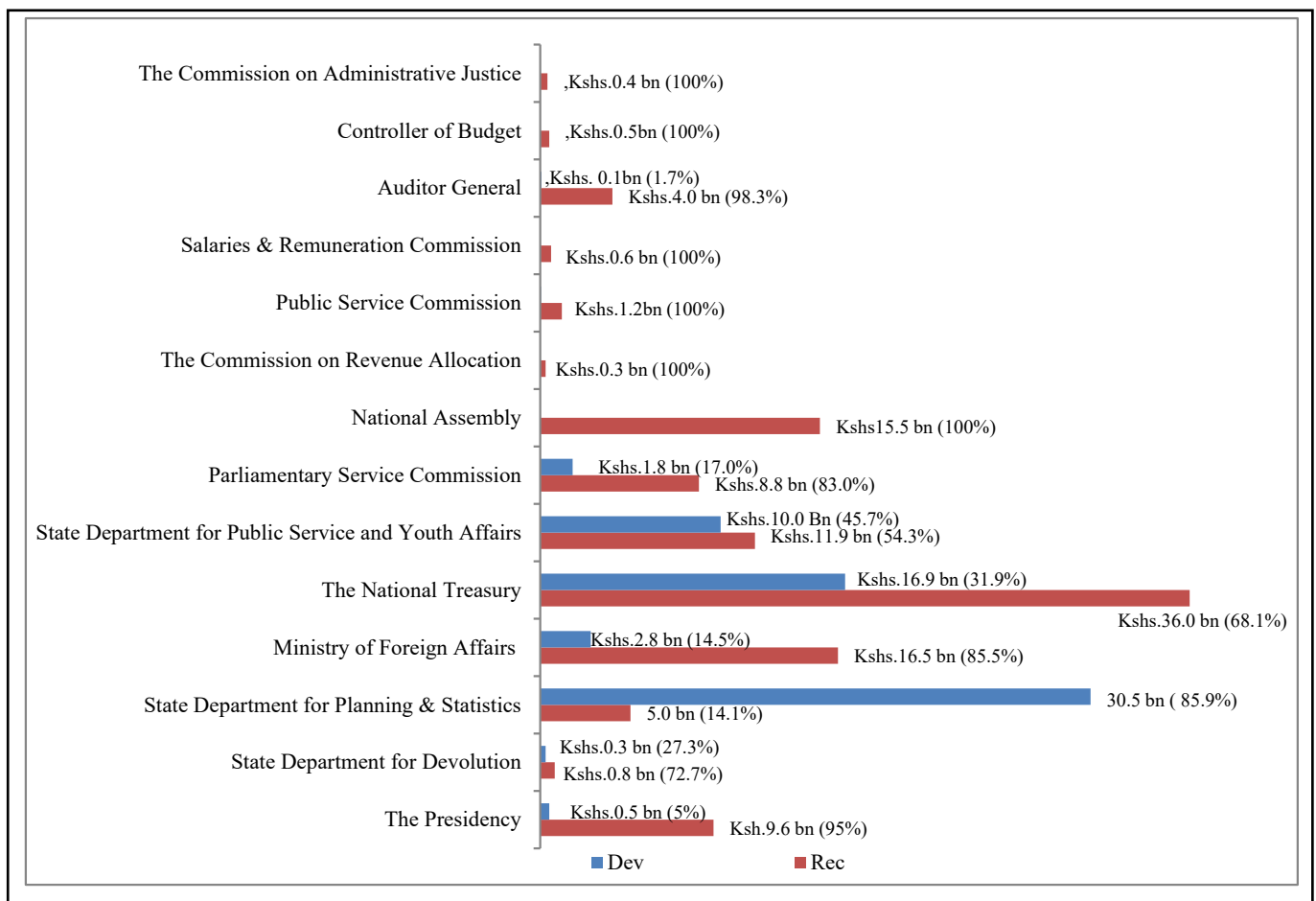
VOTE	Development						Recurrent					
	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Rev. Gross Est.	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
<b>Total</b>							<b>216.8</b>	<b>194.5</b>	<b>174.1</b>	<b>175.0</b>	<b>89.5</b>	<b>80.7</b>

Source: MDAs and National Treasury

The Ministry for Foreign Affairs and the Public Service Commission received the highest proportion of development exchequer issues to the revised development net estimates at 100 per cent each while State Department for Devolution received the lowest at 33.4 per cent. The Salaries and Remuneration Commission and State Department for Devolution received the highest proportion of recurrent exchequer issues to the revised recurrent net estimates at 99.9 per cent each while the State Department for Public Service and Youth Affairs received the lowest at 84 per cent.

Figure 4.17 shows the exchequer issues to the PAIR Sector in FY 2016/17.

**Figure 4.17: Exchequer Issues to the PAIR Sector for FY 2016/17 (Kshs. billions)**



Source: National Treasury

The total expenditure for the sector in FY 2016/17 totalled Kshs.175 billion, representing 80.7 per cent of the revised annual gross estimates, a decrease compared to 81.4 per cent (Kshs.202.2 billion) recorded in FY 2015/16. Expenditure comprised of Kshs.69.4 billion in development expenditure, representing an absorption rate of 72.4 per cent, a decrease from 78.3 cent recorded in the same period of FY 2015/16 and Kshs.105.7 billion for recurrent expenditure, representing an absorption rate of 87.3 per cent and an increase compared to 84.8 per cent (Kshs.100.2 billion) reported in the same period of FY 2016/17.

Public Service Commission recorded the highest absorption for both development budget and recurrent budget at 98.3 per cent (Kshs.38.3 million) and 99.2 per cent (Kshs.1.2 billion) respectively. The Ministry of Foreign Affairs had the absorption for both development and recurrent expenditure at 5.8 per cent (0.2 billion) and 60.3 per cent (10.7 billion) respectively.

Some of the major projects implemented by the PAIR sector in the period under review includes; The Kenya Hunger and Safety Net Programme and the Ending Drought Emergencies, and Support Drought Risk Management at Kshs.2.5 billion and Kshs.500 million respectively, Kenya Statistics Programme for Results Programme and Integration and Coordination with International Conference on Population and Development (ICPD) and National Coordinating Agency for Population and Development(NCAPD) Programme at Kshs.1.4 billion and Kshs.164 million respectively, Devolution Support Programme for Results at Kshs.287.7 million and the Completion of perimeter fence at Nairobi State House at Kshs.99.6 million.

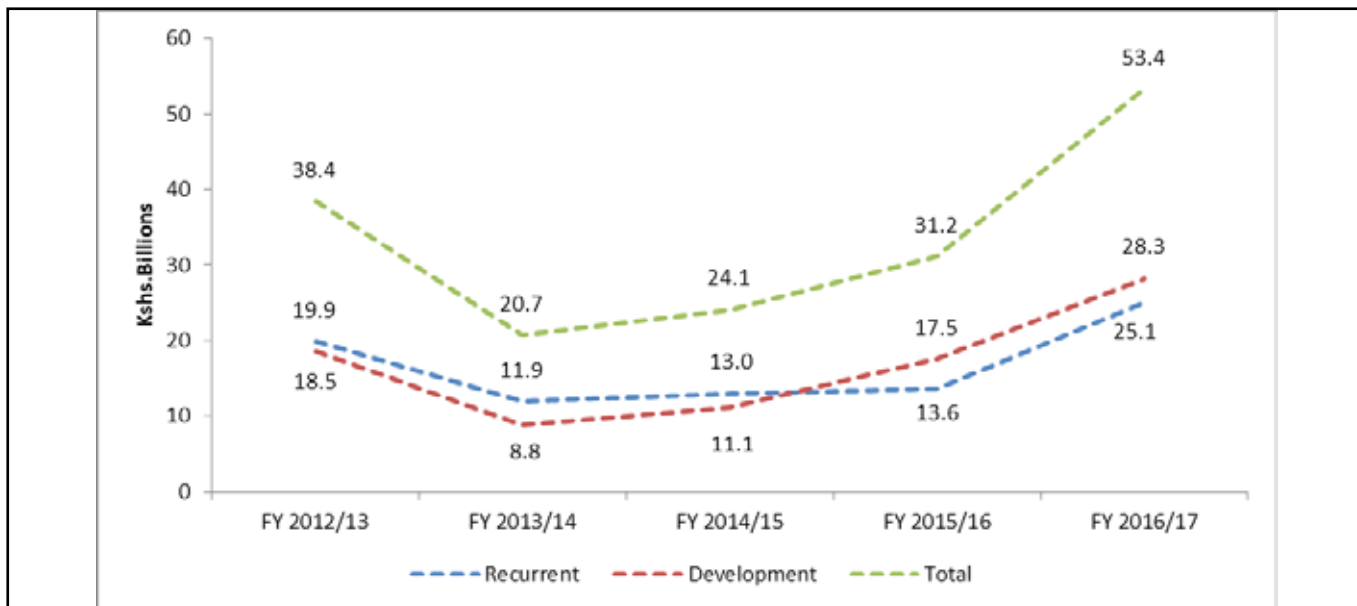
### 4.11 Social Protection, Culture and Recreation Sector

The Social Protection, Culture and Recreation Sector comprise of five MDAs namely; State Departments for Sports Development, Arts and Culture, Labour, Social Protection, Special Programmes, and Gender Affairs. The sector plays a major role in the country’s transformation by promoting and exploiting Kenya’s diverse cultures and arts; enhancing a reading culture; regulation, development and promotion of sports, the film and music industry; and preservation of the country’s heritage. It also promotes harmonious industrial relations, safety and health at workplaces, employment promotion, industrial training, regulation of trade unions, productivity improvement, manpower planning and development, social security, social assistance, children care and protection and vocational training for Persons Living with Disability (PLWDs) and development of community groups.

The revised annual budgetary allocation to the sector in FY 2016/17 was Kshs.53.4 billion, representing 2.1 per cent of gross national budget, an increase from Kshs.31.2 billion allocated in FY 2015/16. The allocation comprised of Kshs.28.3 billion (53 per cent) for development expenditure and Kshs.25.1 billion (47 per cent) for recurrent expenditure. State Department for Social Protection received the highest budgetary allocation of Kshs.22.5 billion (42.2 per cent of the Sector’s allocation), while State Department for Labour had the lowest budgetary allocation of Kshs.1.9 billion (3.6 per cent of the Sector’s allocation).

Figure 4.18 shows the budgetary allocation trend for the Social Protection, Culture Recreation Sector for the period FY 2012/13 to FY 2016/17.

**Figure 4.18: Budgetary Allocation Trend for the Social Protection, Culture Recreation Sector from FY 2012/13 to FY 2016/17 (Kshs. Billion)**



Source: National Treasury

In FY 2016/17, the sector received exchequer issues amounting to Kshs.49.3 billion, representing 97.3 per cent of the sector's revised net estimates. The exchequer issues comprised of Kshs.24.5 billion for development expenditure, representing 95.8 per cent of the revised annual development net estimates, and Kshs.24.8 billion for recurrent expenditure, representing 98.9 per cent of the revised recurrent annual net estimates.

Table 4.10 shows an analysis of exchequer issues and expenditure incurred by the Social Protection, Culture Recreation Sector in FY 2016/17.

**Table 4.10: Social Protection, Culture Recreation Sector-Analysis of Exchequer Issues and Expenditure, FY 2016/17 (Kshs. Billions)**

VOTE	Development						Recurrent					
	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to Rev. Gross Est.	Revised Gross Est.	Revised Net Est.	Exch. Issues	Exp.	% of Exch. to Rev. Net Est.	% of Exp. to Rev. Gross Est.
State Department for Special Programmes	7.5	4.8	4.8	7.3	100	97.7	8.3	8.3	8.3	8.3	100	99.6
State Department for Sports Development	2.0	2.0	2.0	2.0	99.9	99.4	3.5	3.5	3.5	3.5	99.0	100
State Department for Arts and Culture	0.5	0.5	0.5	0.5	97.5	98.7	3.0	3.0	2.9	2.9	98.9	96.8
State Department for Labour	0.4	0.4	0.4	0.4	87.5	96.6	1.5	1.5	1.4	1.4	93.1	90.7
State Department for Social Protection	14.5	14.5	13.5	13.7	93.1	94.5	8.0	8.0	8.0	6.9	99.9	86.6
State Department for Gender	3.4	3.4	3.4	3.4	100	100.0	0.8	0.8	0.7	0.7	86.4	90.2
<b>Total</b>	<b>28.3</b>	<b>25.6</b>	<b>24.5</b>	<b>27.3</b>	<b>95.8</b>	<b>96.5</b>	<b>25.1</b>	<b>25.1</b>	<b>24.8</b>	<b>23.7</b>	<b>98.9</b>	<b>94.4</b>
<b>Total for the Sector</b>							<b>Revised Gross Est.</b>	<b>Revised Net Est.</b>	<b>Exch. Issues</b>	<b>Exp.</b>	<b>% of Exch. to Revised Net Est.</b>	<b>% of Exp. to Rev. Gross Est.</b>
<b>Development</b>							28.3	25.6	24.5	27.3	95.8	96.5
<b>Recurrent</b>							25.1	25.1	24.8	23.7	98.9	94.4
<b>Total</b>							<b>53.4</b>	<b>50.7</b>	<b>49.3</b>	<b>50.9</b>	<b>97.3</b>	<b>95.5</b>

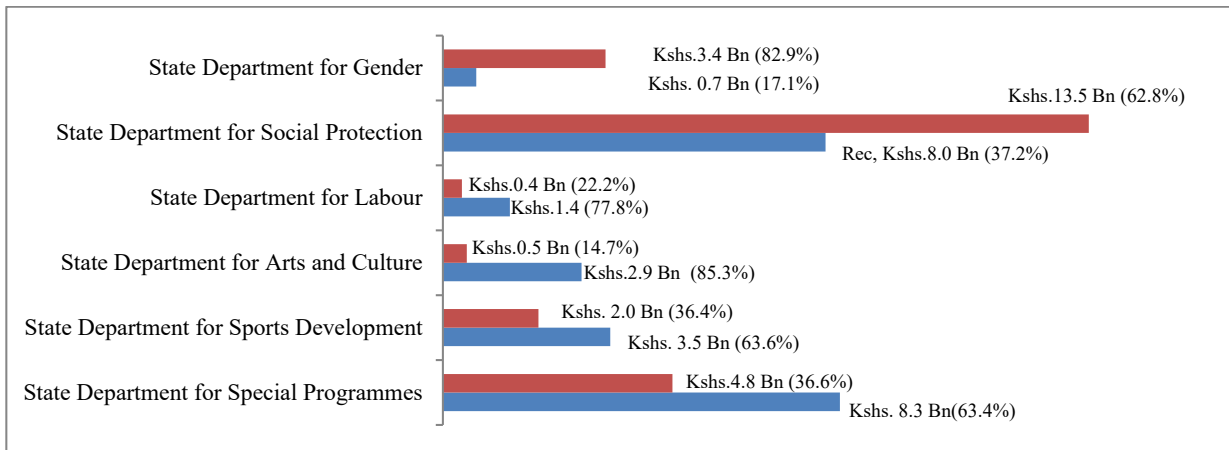
Source: MDAs and National Treasury

The State Departments for Gender and Special Programmes received the highest proportion of development exchequer issues to revised development net estimates at 100 per cent each while State Department for Labour received the lowest at 87.5 per cent. State Department for Special Programmes received the highest proportion of recurrent exchequer issues to revised net estimates at 100 per cent while State Department for Gender received the lowest at 86.4 per cent.

Figure 4.19 shows the exchequer issues to the Social Protection, Culture Recreation Sector in FY 2016/17.



**Figure 4.19: Exchequer Issues to the Social Protection, Culture Recreation Sector in FY 2016/17 (Kshs. Billions)**



Source: National Treasury

The total expenditure for the sector in FY 2016/17 amounted to Kshs.50.9 billion, representing 95.5 per cent of the revised gross estimates, an increase compared to 86.7 per cent recorded in FY 2015/16.

The State Department for Gender recorded the highest absorption rate of its revised development budget which was at 100 per cent while State Department for Social Protection recorded the lowest rate at 94.5 per cent. On recurrent expenditure, State Department for Sports Development recorded the highest proportion expenditure to its revised gross recurrent budget at 100 per cent while the State Department for Social Protection recorded the least at a rate of 86.6 per cent.

Some of the major projects implemented by the sector in the period under review includes: National Social Safety Net Programme at Kshs.12.9 billion, Women Enterprise Fund and Uwezo Fund Programmes at Kshs.800 million and Kshs.500 million respectively, Restoration of Monuments at Fort Jesus at Kshs.150 million and the Establishment of national Labour Market Information System (LMIS) at Kshs.82.7 million.

## 5 BUDGET PERFORMANCE BY PROGRAMMES FOR FY 2016/17

### 5.1 Introduction

This chapter presents analysis of MDAs budget performance based on programmes implemented in FY 2016/17. The chapter also provides detailed information on how funds were allocated to the various programmes within the ministries/ departments for both development and recurrent expenditure and the implementation status of each programme. The Sectors are presented in an alphabetical order.

### 5.2 Agriculture, Rural and Urban Development (AR & UD) Sector

In FY 2016/17, the sector revised budgetary allocation for AR & UD sector was Kshs.51.7 billion comprising of Kshs.28.7 billion (55.5 per cent) for development activities and Kshs.23 billion (44.5 per cent) for recurrent expenditure to fund 10 programmes. The analysis of Sector programmes for the period under review is presented in table 5.1.

**Table 5.1: AR &UD Sector's Programme Performance for FY 2016/17 (Kshs. Billions)**

VOTE	Programme	Rev Dev. Est.	Rev Rec. Est.	Rev Gross Est.	Dev. Exp.	Rec. Exp.	Total Exp.	Programme Implementation Rate (%)
Ministry of Lands and Physical Planning	Land Policy and Planning	3.4	2.3	5.6	2.9	2.1	5.0	89.2
State Department for Agriculture	General Administration Planning and Support Services	0.7	2.5	3.2	0.4	2.5	3.0	92.8
	Crop Development and Management	10.6	8.9	19.5	9.0	8.8	17.9	91.8
	Agribusiness and Information Management	0.2	0.2	0.4	0.1	0.2	0.3	68.6
State Department for Livestock	Livestock Resources Management and Development	11.1	6.0	17.2	1.6	5.3	6.9	40.5
State Department for Fisheries and the Blue Economy	Fisheries Development and Management	2.7	1.8	4.5	2.1	1.7	3.8	84.0
National Land Commission	Land Administration and Management	-	0.1	0.1	-	0.06	0.1	95.4
	General Administration Planning and Support Services	0.02	1.1	1.1	0.02	1.1	1.1	98.4
	Land Disputes and Conflict Resolutions	-	0.1	0.1	-	0.1	0.1	99.4
	National Land Information Management Systems	0.1	0.01	0.1	0.1	0.01	0.1	99.6
<b>Total</b>		<b>28.7</b>	<b>23.0</b>	<b>51.7</b>	<b>16.3</b>	<b>21.9</b>	<b>38.3</b>	<b>74.0</b>

*Source: MDAs and National Treasury*

The Crop Development and Management programme under State Department for Agriculture received the highest budgetary allocation at Kshs.19.4 billion, which accounted for 37.6 per cent of the total budgetary allocation to the sector while the Land Administration and Management under the NLC received the lowest allocation at Kshs.62.2 million which was less than 1 per cent of the sector total budgetary allocation.

The total expenditure for the programmes in the period under review amounted to Kshs.38.3 billion representing 74 per cent of the revised gross estimates. It comprised of development expenditure at Kshs.16.4 billion, representing an absorption rate of 57.1 per cent and Kshs.21.9 billion as recurrent expenditure representing 95.1 per cent of the revised annual estimates for recurrent programmes.

Analysis of programme performance shows that National Land Information Management Systems programme under NLC recorded the highest proportion of programme expenditure to its revised annual estimates at 99.6 per cent while the Livestock Resources Management and Development programme under State Department for Livestock recorded the lowest proportion of its programme expenditure to the revised annual estimates at 40.5 per cent.

### 5.3 Education Sector

The Education sector revised budgetary allocation in FY 2016/17 was Kshs.345.6 billion comprising of Kshs.30.3 billion (8.8 per cent) for development programmes and Kshs.315.4 billion (91.2 per cent) for recurrent programmes to fund 13 programmes. The analysis of Sector programmes for FY 2016/17 is presented in table 5.2.

**Table 5.2: Education Sector's Programme Performance for FY 2016/17 (Kshs. Billions)**

VOTE	Programme	Rev Dev. Est.	Rev Rec. Est.	Rev Gross Est.	Dev. Exp.	Rec. Exp.	Total Exp.	Programme Implementation Rate (%)
State Department for Education	Primary Education	4.3	16.9	21.2	2.4	16.2	18.6	87.6
	Secondary Education	8.6	32.3	40.9	5.4	32.0	37.4	91.6
	Quality Assurance and Standards	0.3	4.1	4.4	0.3	2.1	2.4	55.7
	General Administration, Planning and Support Services	0.1	4.8	5.0	0.0	3.9	3.9	78.3
State Department for Vocational Training and Technical Training	Technical Vocational Education and Training	6.8	2.3	9.1	4.7	2.3	7.0	76.3
	Youth Training and Development	0.1	-	0.1	0.1	-	0.1	53.4
	General Administration, Planning and Support Services	-	0.2	0.2	-	0.17	0.17	92.9
State Department for University Education	University Education	9.9	61.6	71.5	9.1	53.3	62.5	87.3
	Research, Science, Technology and Innovation	0.03	1.1	1.1	0.03	1.0	1.1	94.2
	General Administration, Planning and Support Services	-	0.9	0.9	-	0.6	0.6	66.0
Teachers Service Commission	Teacher Resource Management	-	185.3	185.3	-	185.2	185.2	99.9
	Governance and Standards	-	0.1	0.1	-	0.0	0.0	91.8
	General Administration, Planning and Support Services	0.1	5.8	5.9	0.05	5.7	5.7	96.9
<b>Total</b>		<b>30.3</b>	<b>315.4</b>	<b>345.6</b>	<b>22.3</b>	<b>302.6</b>	<b>324.9</b>	<b>94.0</b>

Source: MDAs and National Treasury

The Teacher Resource Management programme under TSC received the highest budgetary allocation at Kshs.185.3 billion (53.6 per cent of the total budget allocation for the sector) while its' Governance and Standards Programme received the lowest at Kshs.51.3 million (less than 1 per cent).

The total expenditure for the sector programmes during the reporting period amounted to Kshs.324.9 billion representing 94 per cent of the revised annual estimates. This comprised of Kshs.22.3 billion as development expenditure, representing an absorption rate of 73.6 per cent while recurrent expenditure amounted to Kshs.302.6 billion, representing 95.9 per cent of the revised annual estimates for the recurrent programmes.

Analysis of the programmes performance shows that the Teacher Resource Management programme under TSC recorded the highest proportion of programme expenditure to its revised annual budget estimates at 99.9 per cent while the Youth Training and Development programme under the State Department for Vocational Training and Technical Training recorded the lowest and 53.4 per cent.

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

In FY 2016/17, the EI & ICT sector revised budgetary allocation was Kshs.584.7 billion to implement 24 programmes. The allocation comprised of Kshs.519.9 billion (88.9per cent) for development expenditure and Kshs.64.9 billion (11.1 per cent) as recurrent expenditure. The analysis of the EI&ICT Sector's programmes for FY 2016/17 is presented in Table 5.3.

**Table 5.3: EI & ICT Sector's Programme Performance for FY 2016/17 (Kshs. Billions)**

VOTE	Programme	Rev Dev. Est.	Rev Rec. Est	Rev Gross Est.	Dev. Exp	Rec. Exp.	Total Exp	Programme Implementation Rate (%)
State Department of Transport	General Administration, Planning and Support Services	0.6	0.7	1.3	0.3	0.6	0.9	67.8
	Rail Transport	151.4	-	151.4	139.6	-	139.6	92.2
	Marine Transport	9.0	0.6	9.6	9.0	0.6	9.7	100.8
	Air Transport	1.4	5.5	6.9	1.7	5.2	6.9	99.4
	Road Safety	1.0	0.01	1.0	0.9	0.01	0.9	92.3
State Department of Infrastructure	Road Transport	160.9	49.6	210.5	109.6	49.3	158.9	75.5
State Department for Maritime Affairs	Marine Transport	-	0.3	0.3	-	0.2	0.2	88.5
State Department for Public Works	Government Buildings	1.1	0.4	1.5	0.9	0.3	1.3	85.7
	Coastline Infrastructure and Pedestrian Access	0.1	0.1	0.1	0.06	0.08	0.1	98.6
	General Administration, Planning and Support Services	-	0.3	0.3	-	0.3	0.3	91.2
State Department for Housing & Urban Development	Housing Development and Human Settlement	5.2	0.8	6.1	5.0	0.8	5.8	96.5
	Urban and Metropolitan Development	11.0	0.3	11.3	9.0	0.3	9.3	82.4
	General Administration, Planning and Support Services	-	0.2	0.2	-	0.2	0.2	98.4

VOTE	Programme	Rev Dev. Est.	Rev Rec. Est	Rev Gross Est.	Dev. Exp	Rec. Exp.	Total Exp	Programme Implementation Rate (%)
State Department for Information Communications & Technology	General Administration Planning and Support Services	-	0.2	0.2	-	0.2	0.2	79.4
	ICT Infrastructure Development	21.1	0.3	21.5	19.3	0.3	19.6	91.2
	E-Government Services	-	0.6	0.6	-	0.5	0.5	92.3
State Department for Broadcasting & Telecommunication	General Administration Planning and Support Services	-	0.4	0.4	-	0.3	0.3	88.8
	Information and Communication Services	0.2	2.4	2.7	0.2	2.4	2.6	97.6
	Mass Media Skills Development	0.1	0.2	0.3	0.1	0.2	0.3	100.0
State Department for Energy	General Administration Planning and Support Services	0.4	0.3	0.7	0.2	0.3	0.5	69.0
	Power Generation	31.6	0.8	32.4	15.4	0.8	16.2	49.9
	Power Transmission and Distribution	118.8	0.4	119.2	47.9	0.3	48.2	40.4
	Alternative Energy Technologies	2.9	0.2	3.1	1.9	0.1	2.0	67.2
State Department for Petroleum	Exploration and Distribution of Oil and Gas	2.9	0.2	3.1	1.4	0.2	1.6	52.6
<b>Total</b>		<b>519.9</b>	<b>64.9</b>	<b>584.7</b>	<b>362.7</b>	<b>63.5</b>	<b>426.2</b>	<b>72.9</b>

Source: MDAs and National Treasury

From the analysis, Road Transport programme under State Department for Infrastructure received the highest allocation of Kshs.210.5 billion (36 per cent of the total budget allocation for the sector) while the Coastline Infrastructure and Pedestrian Access programme under State Department for Public Works had the lowest allocation of Kshs.141.3 million (less than 1 per cent of the total budget allocation for the sector).

The total expenditure for the sector programmes in the period under review amounted to Kshs.426.2 billion representing 72.9 per cent of the revised annual estimates. This comprised of Kshs.362.7 billion for development expenditure, representing an absorption rate of 69.8 per cent and Kshs.63.5 billion for recurrent expenditure representing 97.9 per cent of the revised recurrent annual estimates.

Analysis of the programme performance shows that Marine Transport Programme under State Department for Transport recorded the highest absorption of programme expenditure to its' annual revised estimates at 100.8 per cent while Power Transmission and Distribution programme under State Department for Energy had the lowest programme expenditure rate of 40.4 per cent.

## 5.5 Environment Protection, Water and Natural Resources Sector

In FY 2016/17, the revised budgetary allocation to the sector was Kshs.95.7 billion for implementing 11 programmes. This comprised of Kshs.73.2 billion (76.5 per cent) for development programmes and Kshs.22.5 billion (23.5 per cent) for recurrent expenditure. The analysis of Environment Protection, Water and Natural Resources sector programmes for FY 2016/17 is presented in Table 5.4.

**Table 5.4: Environment Protection, Water and Natural Resources Sector's Programme for FY 2016/17 (Kshs. Billions)**

VOTE	Programme	Rev Dev. Est.	Rev Rec. Est.	Rev Gross Est.	Dev. Exp.	Rec. Exp	Total Exp	Programme Implementation Rate (%)
State Department for Water Services	General Administration, Planning and Support Services	0.3	0.6	0.9	0.63	0.4	1.0	111.7
	Water Resources Management	43.9	4.1	48.0	28.5	1.9	30.4	63.3
State Department for Irrigation	Irrigation and Land Reclamation	8.3	0.9	9.1	6.1	0.8	7.0	76.1
	Water Storage and Flood Control	3.6	-	3.6	1.9	-	1.9	51.5
State Department for Environment	Meteorological Services	0.5	1.3	1.8	0.5	1.2	1.8	98.4
	Environment Management and Protection	1.7	1.8	3.5	0.98	0.9	1.9	54.1
	General Administration, Planning and Support Services	0.4	0.6	1.0	0.2	0.5	0.7	69.7
State Department for Natural Resources	Natural Resource Management	2.0	12.6	14.5	1.5	12.6	14.1	97.1
Ministry of Mining	General Administration Planning and Support Services	-	0.4	0.4	-	0.4	0.4	87.4
	Resources Surveys and Remote Sensing	0.4	0.1	0.5	0.4	0.1	0.5	89.6
	Mineral Resources Management	0.9	0.3	1.2	0.93	0.1	1.1	87.3
<b>Total</b>		<b>73.2</b>	<b>22.5</b>	<b>95.7</b>	<b>42.5</b>	<b>18.5</b>	<b>60.9</b>	<b>63.7</b>

Source: MDAs and National Treasury

From the analysis Water Resources Management programme under State Department for Water Services received the highest budgetary allocation at Kshs.48 billion (56.7 per cent of the total budget allocation for the sector) while General Administration, Planning and Support Services programme under Ministry of Mining received the lowest budgetary allocation at Kshs.0.4 billion (less than 1 per cent of the total budget allocation for the sector).

The total expenditure for the sectors' programmes in the period under review amounted to Kshs.60.9 billion representing an absorption rate of 63.7 per cent. This expenditure comprised of Kshs.42.5 billion for development expenditure, representing an absorption rate of 58.1 per cent and Kshs.18.5 billion for recurrent expenditure, representing 82.1 per cent of the revised annual estimates for recurrent programmes.

The General Administration, Planning and Support Services programme under State Department for Water Services recorded the highest proportion of programme expenditure to its' revised annual estimates at 111.7 per cent while Water Storage and Flood Control programme under State Department for Irrigation recorded the lowest proportion of programme expenditure to its' revised annual estimates at 51.5 per cent.

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

In FY 2016/17, the sector's revised budgetary allocation was Kshs.22.2 billion for implementing 7 programmes. This comprise of Kshs.9.7 billion (43.5 per cent) for development programmes and Kshs.12.5 billion (56.5 per cent) for recurrent programmes. Analysis of GECA sector programmes for the period under review is presented in Table 5.5.

**Table 5.5: GECA Sector's Programme Performance for FY 2016/17 (Kshs. Billions)**

VOTE	Programme	Rev Dev. Est.	Rev Rec. Est	Rev Gross Est.	Dev. Exp.	Rec. Exp.	Total Exp	Programme Implementation Rate (%)
State Department for Investment and Industry	General Administration Planning and Support Services	0.2	0.7	0.9	0.04	0.6	0.7	75.5
	Industrial Development and Investments	3.3	1.2	4.5	2.2	1.1	3.3	71.6
	Standards and Business Incubation	1.9	1.0	2.9	10	1.0	1.9	66.0
State Department for Cooperatives	Cooperative Development and Management	0.5	3.2	3.7	0.5	3.1	3.6	97.9
State Department for Trade	Trade Development and Promotion	0.1	3.5	3.6	0.1	3.3	3.4	93.5
State Department for East African Integration	East African Affairs and Regional Integration	0.07	1.5	1.6	0.02	1.5	1.5	96.4
Ministry of Tourism	Tourism Development and Promotion	3.6	1.5	5.1	3.4	1.4	4.8	95.3
<b>Total</b>		<b>9.7</b>	<b>12.5</b>	<b>22.2</b>	<b>7.2</b>	<b>12.2</b>	<b>19.3</b>	<b>87.0</b>

*Source: MDAs and National Treasury*

The Tourism Development and Promotion programme under Ministry of Tourism received the highest allocation at Kshs.5.1billion (22.7 per cent of the total budget allocation for the sector) while General Administration, Planning and Support programme under State Department for Industry and Investment received the lowest allocation at Kshs.0.9 billion (3.9 per cent of the total budget allocation for the sector).

The total expenditure for the sector programmes in FY 2016/17 amounted to Kshs.19.3 billion representing an absorption rate of 87 per cent. This comprised of Kshs.7.2 billion for development activities, representing an absorption rate of 73.8 per cent of the revised annual estimates and Kshs.12.2 billion incurred on recurrent expenditure representing 97.1 per cent of the revised recurrent estimates.

The Cooperative Development and Management programme under State Department for Cooperatives recorded the highest proportion of programme expenditure to its revised annual estimates at 97.9 per cent while Standards and Business Incubation programme under State Department for Industry and Investment recorded the lowest at 66 per cent.

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

The GJLOS sector revised budgetary allocation in FY 2016/17 was Kshs.210.9 billion to implement 21 programmes. The allocation comprised of Kshs.33.7 billion (16 per cent) for development expenditure and Kshs.177.2 billion (84 per cent) for recurrent expenditure. Analysis of the GJLOS sector programmes for period under the review is presented in Table 5.6.

**Table 5.6: GJLOS Sector's Programme Performance for FY 2016/17 (Kshs. Billions)**

VOTE	Programme	Rev Dev. Est.	Rev Rec. Est	Rev Gross Est.	Dev. Exp	Rec. Exp.	Total Exp	Programme Implementation Rate (%)
State Department for Interior	Policing services	11.9	83.9	95.8	10.3	72.2	82.6	86.2
	Planning, policy Coordination and Support Services	13.8	16.3	30.0	12.3	12.6	25.0	83.1
	Government Printing Services	0.2	0.8	1.0	0.05	0.6	0.6	64.4
	Population Management Services	1.8	5.6	7.3	1.5	4.0	5.5	74.7
	Betting Control, Licensing and regulation Services	-	0.1	0.1	-	0.01	0.01	9.3
State Department for Correctional Services	Correctional services	0.5	19.9	20.4	0.2	16.3	16.5	80.9
	General Administration, Planning and Support Services	0.01	1.3	1.3	0.04	0.5	0.5	41.1
State Law Office and Department of Justice	Legal Services	0.01	1.9	1.9	-	1.5	1.5	78.8
	Governance, Legal Training And Constitutional Affairs	0.3	1.7	2.0	-	1.5	1.5	74.0
	General Administration, Planning and Support Services	0.1	1.1	1.1	0.03	0.9	1.0	84.9
The Judiciary	Dispensation of Justice	4.2	13.0	17.1	2.8	12.5	15.3	89.4
Ethics and Anti-Corruption Commission	Ethics and Anti-Corruption	0.3	3.2	3.5	0.3	3.2	3.4	99.0
Office of Director of Public Prosecutions	Public Prosecution Services	0.1	2.1	2.2	0.003	1.8	1.8	82.2
Office of the Registrar of Political Parties	Registration, Regulation and Funding of Political Parties	-	0.8	0.8	-	0.6	0.6	76.5
Witness Protection Authority	Witness Protection	-	0.4	0.4	-	0.4	0.4	98.2
Kenya National Commission on Human Rights (KNCHR)	Protection and Promotion of Human Rights	-	0.4	0.4	-	0.4	0.4	99.7
Independent Electoral and Boundaries Commission	Management of Electoral Processes	0.8	23.1	23.8	-	19.6	19.6	82.2
Judicial Service Commission	Dispensation of Justice	-	0.5	0.5	-	0.4	0.4	94.2
National Police Service Commission	National Police Service Human Resource Management	-	0.4	0.4	-	0.4	0.4	97.8
National Gender and Equality Commission	Promotion of Gender Equality and Freedom from Discrimination	-	0.4	0.4	-	0.4	0.4	98.5
Independent Police Oversight Authority	Policing Oversight Services	-	0.5	0.5	-	0.4	0.4	89.4
<b>Total</b>		<b>33.7</b>	<b>177.2</b>	<b>211.0</b>	<b>27.5</b>	<b>150.4</b>	<b>177.9</b>	<b>84.3</b>

Source: MDAs and National Treasury



From the analysis of the sector's programmes, Policing Services under State Department for Interior received the highest allocation at Kshs.95.8 billion (45.4 per cent of the revised annual estimates for the sector) while Betting Licensing and Regulations Services received the lowest allocation at Kshs.89.5 million, translating to less than 1 per cent.

The total expenditure for the sector programmes in the reporting period amounted to Kshs.177.9 billion representing 84.3 per cent of the sector revised annual estimates. This comprise of Kshs.27.5 billion for development expenditure, representing an absorption rate of 81.7 per cent and Kshs.150.4 billion for recurrent expenditure representing 84.8 per cent of the revised annual estimates for recurrent programmes.

Analysis of the programme performance shows that, the Protection and Promotion of Human Rights programme under the KNCHR recorded the highest proportion of programme expenditure to its revised annual estimates at 99.7 per cent while the General Administration, Planning and Support Services programme under State Department for Correctional Services had the lowest proportion of programme expenditure to its annual budget estimates at 41.1 per cent.

## 5.8 Health Sector

The Health sector revised budgetary allocation in FY 2016/17 was Kshs.77.4 billion to fund 5 programmes. The allocation comprised of Kshs.41.7 billion (53.9 per cent) for development programmes and Kshs.35.7 billion (46.1 per cent) for recurrent programmes. Table 5.7 presents an analysis of the Health sector programmes for FY 2016/17.

**Table 5.7: Health Sector's Programme Performance for FY 2016/17 (Kshs. Billions)**

VOTE	Programme	Rev Dev. Est.	Rev Rec. Est	Rev Gross Est.	Dev. Exp.	Rec. Exp.	Total Exp	Programme Implementation Rate (%)
Ministry of Health	Preventive & Promotive Health Services	6.3	2.2	8.5	4.1	1.9	6.0	70.6
	National Referral & Specialized Services	13.6	17.7	31.3	10.8	14.5	25.3	80.8
	Health Research and Development	0.3	5.6	5.9	0.3	4.5	4.8	81.4
	General Administration, Planning & Support Services	10.2	10.3	20.5	5.6	9.0	14.6	71.2
	Health Policy, Standards and Regulations	9.6	0.05	9.7	5.9	0.04	5.9	60.8
<b>Total</b>		<b>41.7</b>	<b>35.7</b>	<b>77.4</b>	<b>27.2</b>	<b>29.8</b>	<b>57.0</b>	<b>73.6</b>

*Source: MDAs and National Treasury*

Analysis of the Health sector shows that, National Referral & Specialized Services programme received the highest budgetary allocation of Kshs.30.9 billion (39.9 per cent of the revised annual allocation for the sector) while Health Research and Development programme had the lowest allocation at Kshs.5.9 billion (7.6 per cent of the sector's revised annual allocation).

The total expenditure for the sector programmes in the period under review amounted to Kshs.57 billion, representing 73.6 per cent of the revised annual estimates. This expenditure comprised of Kshs.27.2 billion for development programmes, representing an absorption rate of 65.1 per cent, and Kshs.29.8 billion for recurrent programmes representing 83.5 per cent.

Analysis of programmes performance shows that Health Research and Development programme recorded the highest proportion of programme expenditure to its' annual estimates at 81.4 per cent while the Health Policy, Standards and Regulations programme recorded the lowest proportion at 60.8 per cent.

## 5.9 National Security Sector

The National Security sector revised budgetary allocation to fund its 2 programmes in FY 2016/17 was Kshs.130.2 billion. This comprised of Kshs.45 million (less than 1 per cent) for development expenditure and Kshs.130.2 billion (99.9 per cent) for recurrent expenditure. The analysis of National Security sector programmes for the FY 2016/17 is presented in Table 5.8.

**Table 5.8: National Security Sector's Programme Performance for FY 2016/17 (Kshs. Billions)**

VOTE	Programme	Rev Dev. Est.	Rev Rec. Est	Rev Gross Est.	Dev. Exp.	Rec. Exp.	Total Exp	Programme Implementation Rate (%)
Ministry of Defence	Defence	0.05	101.1	101.2	0.0	101.1	101.2	100
National Intelligence Service	National Security Intelligence	-	29.0	29.0	0.0	29.0	29.0	100
<b>Total</b>		<b>0.05</b>	<b>130.2</b>	<b>130.2</b>	<b>0.0</b>	<b>130.2</b>	<b>130.2</b>	<b>100</b>

*Source: MDAs and National Treasury*

The Sector has two programs namely the Defence and the National Security Intelligence. Defence programme under Ministry of Defence received the highest allocation at Kshs.101.2 billion (77.7 per cent of the total allocation for the sector) and National Security Intelligence under National Intelligence Service received Kshs.29 billion (22.3 per cent of the total allocation for the sector) respectively.

The total recurrent expenditure for the sector programmes in the reporting period amounted to Kshs.130.2 billion, representing 100 per cent of the revised annual estimates. Analysis of programme performance indicated that expenditure by both National Intelligence Service and Defence programme was at 100 per cent of the revised annual estimates, the only sector which reported 100 per cent utilisation of the allocated amount.

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

The Public Administration and International Relations (PAIR) sector revised budgetary allocation in FY 2016/17 to implement 32 programmes was Kshs.216.8 billion. The budget comprise of Kshs.95.8 billion (44.2 per cent) for development programmes and Kshs.121 billion (55.8 per cent) for recurrent programmes. Analysis of PAIR sector programmes for FY 2016/17 is presented in Table 5.9.

**Table 5.9: PAIR Sector's Programme Performance for FY 2016/17 (Kshs. Billions)**

VOTE	Programme	Rev Dev. Est.	Rev Rec. Est	Rev Gross Est.	Dev. Exp.	Rec. Exp.	Total Exp.	Programme Implementation Rate (%)
The Presidency	Cabinet Affairs	0.3	1.9	2.2	0.3	1.5	1.8	80.5
	Government Advisory Services	-	1.2	1.2	-	1.1	1.1	93.4
	State House Affairs	0.2	4.7	4.8	0.1	4.5	4.6	96.0
	Deputy President Services	0.03	2.7	2.7	0.02	2.2	2.2	80.8
State Department for Planning and Statistics	Economic Policy and National Planning	25.7	1.1	26.8	25.5	1.0	26.5	99.1
	National Statistical Information Services	1.4	1.8	3.3	1.4	1.8	3.2	97.4
	Monitoring and Evaluation Services	0.1	0.01	0.1	0.1	0.05	0.2	104.1
	General Administration Planning and Support Services	-	0.5	0.5	-	0.5	0.5	97.9
	NGO Regulatory Services	-	0.1	0.1	-	0.1	0.1	100.0
	Integrated Regional Development	3.5	1.8	5.3	2.6	1.5	4.2	78.7

VOTE	Programme	Rev Dev. Est.	Rev Rec. Est	Rev GrossEst.	Dev. Exp.	Rec. Exp.	Total Exp.	Programme Implementation Rate (%)
State Department for Devolution	Devolution Services	1.0	0.6	1.6	0.4	0.5	0.9	57.8
	General Administration and Management	0.0	0.2	0.3	0.0	0.2	0.2	95.8
Ministry of Foreign Affairs	General Administration Planning and Support Services	0.1	5.6	5.7	0.1	3.0	3.1	54.4
	Foreign Relation and Diplomacy	2.6	12.1	14.7	0.1	7.7	7.8	52.8
The National Treasury	General Administration, Planning and Support Services	7.2	31.5	38.7	3.0	30.0	33.0	85.3
	Public Financial Management	34.3	4.6	39.0	18.6	4.2	22.8	58.5
	Economic and Financial Policy Formulation and Management	1.4	1.1	2.5	1.0	0.9	1.9	77.3
	Market Competition	-	0.5	0.5	-	0.4	0.4	69.8
	Government Clearing Services	-	0.05	0.05	-	0.03	0.0	61.8
State Department for Public Service and Youth Affairs	Public Service Transformation	1.8	5.5	7.3	1.8	4.7	6.5	88.6
	Youth Empowerment	12.7	8.7	21.4	12.3	8.4	20.6	96.5
Parliamentary Service Commission	Senate Affairs	-	4.0	4.0	-	3.1	3.1	77.4
	General Administration, Planning and Support Services	3.2	6.4	9.6	1.9	5.4	7.3	76.5
National Assembly	National Legislation, Representation and Oversight	-	16.9	16.9	-	15.8	15.8	93.2
Commission on Revenue Allocation	Inter-Governmental Revenue and Financial Matters	-	0.4	0.4	-	0.3	0.3	87.1
Public Service Commission	General Administration, Planning and Support Services	0.04	0.9	1.0	0.01	0.9	1.0	99.1
	Human Resource management and Development	-	0.2	0.2	-	0.2	0.2	99.7
	Governance and National Values	-	0.1	0.1	-	0.1	0.1	99.9
Salaries and Remuneration Commission	Salaries and Remuneration Management	-	0.6	0.6	-	0.5	0.5	95.2
Auditor General	Audit Services	0.2	4.2	4.4	0.1	4.0	4.1	95.1
Controller of Budget	Control and Management of Public finances	-	0.5	0.5	-	0.5	0.5	94.8
Commission on Administrative Justice	Promotion of Administrative Justice	-	0.4	0.4	-	0.4	0.4	93.3
<b>Total</b>		<b>95.8</b>	<b>121.0</b>	<b>216.8</b>	<b>69.4</b>	<b>105.7</b>	<b>175.0</b>	<b>80.7</b>

Source: MDAs and National Treasury

Analysis of programme budgetary allocation shows that Public Financial Management programme received the highest budgetary allocation at Kshs.39 billion which was 18 per cent of the sector's revised annual allocation while the Government Clearing Services received the lowest allocation at Kshs.48.5 million, translating to less than 1 per cent, all under the National Treasury.

The total expenditure for the Sector in the period under review amounted to Kshs.175 billion, representing 80.7 of the revised annual estimates. This comprises of Kshs.69.4 billion as development expenditure, representing an absorption rate of 72.4 per cent and Kshs.105.7 billion as recurrent expenditure, which represented 87.3 per cent for recurrent programmes.

Analysis of the programme performance indicated that Monitoring and Evaluation Services programme under State Department for Planning and Statistics recorded the highest proportion of programme expenditure to its revised annual estimates at 104.1 per cent while the Foreign Relation and Diplomacy programme under the Ministry of Foreign Affairs had the lowest at 52.8 per cent.

## 5.11 Social Protection, Culture and Recreation Sector

The Social Protection, Culture and Recreation sector revised budgetary allocation to fund 16 programmes in FY 2016/17 was Kshs.53.3 billion. The allocation comprise of Kshs.28.3 billion (53 per cent) for development programmes and Kshs.25.1 billion (47 per cent) for recurrent programmes.

Table 5.10 presents an analysis of the Social Protection, Culture and Recreation sector's programme for FY 2016/17.

**Table 5.10: Social Protection, Culture and Recreation Sector's Programme Performance for FY 2016/17 (Kshs. Billions)**

VOTE	Programme	Rev Dev. Est.	Rev Rec. Est	Rev Gross Est.	Dev. Exp.	Rec. Exp.	Total Exp	Programme Implementation Rate (%)
State Department for Special Programmes	Special Initiatives	7.5	0.9	8.4	7.3	0.9	8.2	98.0
	Accelerated ASAL Development	0.03	7.3	7.3	0.03	7.3	7.3	100
State Department for Sports Development	Sports	2.0	3.1	5.1	2.0	2.9	4.9	96.0
	General Administration, Planning and Support Services	-	0.6	0.6	-	0.6	0.6	98.9
State Department for Arts and Culture	Culture	0.2	1.4	1.6	0.2	1.3	1.6	98.1
	The Arts	0.1	0.7	0.8	0.1	0.7	0.8	99.1
	Library Services	0.1	0.6	0.8	0.1	0.6	0.8	99.6
	General Administration, Planning and Support Services	-	0.3	0.3	-	0.3	0.3	98.5
State Department for Labour	Promotion of the Best Labour Practice	-	0.6	0.6	-	0.5	0.5	82.6
	Manpower Development, Employment and Productivity Management	0.4	0.4	0.8	0.4	0.3	0.7	94.7
	General Administration, Planning and Support Services	-	0.6	0.6	-	0.5	0.5	95.8
State Department for Social Protection	Social Development and Children Services	0.8	3.0	3.8	0.7	2.3	3.0	77.4
	National Social Safety Net	13.6	4.8	18.4	12.9	4.6	17.6	95.2
	General Administration, Planning and Support Services	0.0	0.1	0.1	0.0	0.1	0.12	94.2
State Department for Gender	Community Development	2.1	-	2.1	2.1	-	2.1	100
	Gender Empowerment	1.3	0.8	2.1	1.3	0.7	2.0	96.3
<b>Total</b>		<b>28.3</b>	<b>25.1</b>	<b>53.3</b>	<b>27.3</b>	<b>23.7</b>	<b>50.9</b>	<b>95.5</b>

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.18.4 billion (34.5 per cent of allocation to the sector) while the General Administration, Planning and Support Services programme under State Department for Social Protection received the lowest allocation at Kshs.132.3 million (less than 1 per cent of allocation to the sector).

The total expenditure for the sector programmes in the reporting period amounted to Kshs.50.9 billion representing 95.5 per cent of the revised annual estimates. This comprised of Kshs.27.3 billion for development expenditure representing an absorption rate of 96.5 per cent while Kshs.23.7 billion was spent as recurrent expenditure which accounted for 94.4 per cent.

Analysis of the programme performance shows that Accelerated ASAL Development programme under the State Department for Special Programmes and Community Development programme under State Department for Gender recorded the highest proportion of programme expenditure to its total annual budget estimates at 100 per cent. Social Development and Children Services programme under the State Department for Social Protection recorded the lowest absorption at 77.4 per cent.

## 6 KEY ISSUES AND RECOMMENDATIONS

### 6.1 Introduction

According to the FY 2016/17 BPS, budget implementation was based on the high expectations for economic growth in the Country. This was to be achieved through improved business environment coupled with high investment in infrastructure and other sectors that would stimulate growth and employment creation. This objective was to be supported by key social welfare initiatives such as the investment in accessible health care, education as well as the strengthening of safety nets through cash transfers to the vulnerable groups in the society.

This objective was to be delivered through the annual budgetary allocation to spending entities mainly the MDAs and was meticulously anchored in the FY 2016/17 Budget Policy Statement and the MTEF. Chapter six highlights the key cross-cutting issues and challenges that affected the budget performance by the MDAs in the FY 2016/17 and makes recommendations aimed at mitigating such challenges for seamless budget execution.

### 6.2 Key Issues and Recommendation

Budget implementation in the FY 2016/17 witnessed mixed results compared to the previous financial year. Despite the increased level of performance, a number of factors impacted negatively on the budget execution during the financial year. These factors included:-

#### 6.2.1 Delay in Submission of Quarterly Reports on Financial and Non-Financial Performance

A number of MDAs delayed to submit their quarterly financial reports to the Office of the Controller of Budget. Article 228 (6) of the Constitution of Kenya, 2010 requires the Controller of Budget to submit to each House of Parliament a report on the implementation of budgets of the national and county governments every four months. Further, Section 83(1) & (4) of the Public Finance Management Act, 2012 requires an accounting officer for national government entity to prepare a report on financial and non-financial performance of the entity for each quarter and submit to the Cabinet Secretary in charge of the National Treasury and a copy to be forwarded to the Controller of Budget not later than fifteen days after the end of each quarter.

The delay in submission of quarterly financial reports to the Controller of Budget affects the preparation of the Budget Implementation Review Report (BIRR).

In order to meet the constitutional and legal requirements, MDAs should ensure timely preparation and submission of the quarterly expenditure reports to the Controller of Budget in line with Section 83(4) of the PFM Act, 2012 to allow timely preparation and publication of the Budget Implementation Review Reports.

## 7 CONCLUSION

This National Government Budget Implementation Review Report gives a synopsis of the performance of the budget for FY 2016/17 covering the period July 2016 to June 2017. The report has been prepared in line with Article 228 (6) of the Constitution of Kenya and Section 9 of COB Act, 2016 which require the Controller of Budget to submit to each House of Parliament a report on the implementation of budgets of the national and county governments every four months,

Analysis of the FY 2016/17 Budget Implementation Review Report shows a commendable improvement in the overall budget execution. The total expenditure by the National Government increased by 14.8 per cent from Kshs.1.18 trillion recorded in FY 2015/16 to Kshs.1.96 trillion in FY 2016/17. Development expenditure amounted to Kshs.602.3 billion, representing an absorption rate of 69.9 per cent, an increase from 66.3 per cent recorded in the previous financial year.

Budget implementation in the FY 2016/17 recorded overall improvement compared to the previous financial year. Revenue received into the Consolidated Fund was Kshs.2 trillion representing 96.9 per cent of the revised annual estimates, an increase compared to Kshs.1.8 trillion received in the FY 2015/16 (99.5 per cent of the annual target). Funds released towards recurrent and development expenditure as well as the County governments increased compared to FY 2015/16, with total exchequer releases amounting to Kshs.2 trillion representing 95.4 per cent of the net revised estimates. This is an increase compared to Kshs.1.8 trillion (96.3 per cent of the revised net estimates) released in the FY 2015/16. Total expenditure by National Government entities amounted to Kshs.1.96 trillion (84.7 per cent of the revised gross estimates), an improvement compared to Kshs.1.6 trillion (82.2 per cent) recorded in FY 2015/16. Total MDAs development expenditure was Kshs.602.3 billion, recording an absorption rate of **69.9 per cent** and **33.3 per cent** growth compared to Kshs.451.8 billion (an absorption rate of 66.3 per cent) recorded in FY 2015/16. Recurrent expenditure, inclusive of CFS expenditure, totalled Kshs.1.4 trillion (93.4 per cent of the revised gross estimates), which was a 13 per cent increase compared to Kshs.1.2 trillion (90.5) recorded in FY 2015/16.

The Office appreciates the continuously efforts by the National Government entities in implementing the budget in order to achieve the Country's economic growth projections. To achieve these economic growth projections, more resources should be allocated towards development activities in order for the spending entities to deliver services to the public in an efficient manner while observing the principles of public finance. There is therefore need for timely reporting on financial and non-financial performance for informed decision making. In this regard, the Office calls upon all stakeholders to continue engaging the Government on budget implementation to ensure prudent use of public resources and ensure budgeted activities are implemented for the benefit of the citizenry.

**ANNEX I: MDAs Development Expenditure for FY 2016/17 (Kshs.)**

VOTE	MINISTRY/STATE DEPARTMENT	Gross Estimates	Revised Gross Estimates 2	Net Estimates	Revised Net Estimates 2	Exchequer Issues	Expenditure	% of Exch. To Rev Net Est.	% of Exp. To Rev Gross Est.
D1011	The Presidency	481,340,000	470,640,000	481,340,000	470,640,000	448,500,000	455,571,266	95.3%	96.8%
D1021	State Department for Interior	22,854,796,889	27,534,566,889	22,722,800,000	27,402,570,000	26,434,500,000	24,220,292,159	96.5%	88.0%
D1023	State Department for Correctional Services	1,050,000,000	525,000,000	1,050,000,000	525,000,000	524,200,000	242,035,681	99.8%	46.1%
D1032	State Department for Devolution	2,424,000,000	1,164,809,000	2,304,000,000	1,044,809,000	348,868,883	384,578,606	33.4%	33.0%
D1033	State Department for Special Programmes	5,111,345,330	7,459,545,330	2,678,000,000	4,788,000,000	4,787,200,000	7,289,273,875	100.0%	97.7%
D1034	State Department for Planning & Statistics	41,506,246,464	32,133,978,364	40,089,318,664	30,717,050,564	30,466,284,001	29,654,695,866	99.2%	92.3%
D1041	Ministry of Defence	45,000,000	45,000,000	-	-	-	25,000,000	-	55.6%
D1052	Ministry of Foreign Affairs	3,000,000,000	2,750,000,000	3,000,000,000	2,750,000,000	2,750,000,000	159,096,667	100.0%	5.8%
D1063	State Department for Basic Education	8,395,219,512	15,297,034,486	5,942,420,568	12,844,235,542	11,521,544,472	8,133,818,119	89.7%	53.2%
D1064	State Department for Vocational and Technical Training	4,200,999,358	4,893,049,370	2,450,999,370	4,893,049,370	4,737,000,000	4,744,574,084	96.8%	97.0%
D1065	State Department for University Education	11,479,095,026	9,966,000,630	8,503,750,630	8,200,785,630	8,129,086,500	9,381,530,872	99.1%	94.1%
D1071	The National Treasury	45,530,120,315	40,400,112,214	26,657,892,403	21,527,884,302	16,900,474,028	22,607,827,894	78.5%	56.0%
D1081	Ministry of Health	31,279,819,184	41,705,757,703	20,826,356,164	31,252,294,683	26,223,017,388	27,158,997,583	83.9%	65.1%
D1091	State Department for Infrastructure	147,711,782,851	160,892,917,596	84,782,200,000	94,983,480,370	88,753,616,810	109,567,513,911	93.4%	68.1%



VOTE	MINISTRY/STATE DEPARTMENT	Gross Estimates	Revised Gross Estimates 2	Net Estimates	Revised Net Estimates 2	Exchequer Issues	Expenditure	% of Exch. To Rev Net Est.	% of Exp. To Rev Gross Est.
D1092	State Department for Transport	175,806,596,000	163,305,396,000	15,345,000,000	15,854,800,000	11,367,776,343	149,607,189,638	71.7%	91.6%
D1094	State Department Housing and Urban Development	19,289,020,000	17,521,835,000	13,364,020,000	11,596,835,000	9,560,020,511	14,021,321,026	82.4%	80.0%
D1095	State Department of Public Works	2,047,000,000	1,168,500,000	2,047,000,000	1,168,500,000	1,009,600,000	969,258,267	86.4%	82.9%
D1103	State Department for Water Services	39,606,072,000	50,472,606,131	11,139,000,000	22,005,534,131	20,460,757,602	29,999,947,098	93.0%	59.4%
D1104	State Department for Irrigation	18,107,929,750	16,568,429,750	9,840,000,000	8,300,500,000	7,008,794,345	7,981,484,374	84.4%	48.2%
D1105	State Department for Environment	4,246,619,731	2,843,881,500	3,900,544,731	2,497,806,500	1,927,241,490	1,663,152,944	77.2%	58.5%
D1106	State Department for Natural Resources	3,592,000,000	1,957,000,000	2,146,000,000	1,545,500,000	1,545,500,000	1,546,054,472	100.0%	79.0%
D1112	Ministry of Lands and Physical Planning	3,841,480,000	3,375,480,000	3,832,080,000	3,366,080,000	2,703,400,000	2,944,158,893	80.3%	87.2%
D1122	State Department of Information Communications & Technology & Innovation	22,313,000,000	21,147,895,788	19,501,000,000	21,147,895,788	19,305,556,336	19,314,401,846	91.3%	91.3%
D1123	State Department of Broadcasting and Telecommunications	658,000,000	329,000,000	658,000,000	329,000,000	319,000,000	328,967,700	97.0%	100.0%
D1132	State Department for Sports Development	1,555,000,000	2,010,500,000	1,555,000,000	2,010,500,000	2,008,000,000	1,997,999,999	99.9%	99.4%
D1133	State Department for Arts and Culture	986,000,000	495,820,660	986,000,000	495,820,660	483,500,000	489,257,174	97.5%	98.7%

VOTE	MINISTRY/STATE DEPARTMENT	Gross Estimates	Revised Gross Estimates 2	Net Estimates	Revised Net Estimates 2	Exchequer Issues	Expenditure	% of Exch. To Rev Net Est.	% of Exp. To Rev Gross Est.
D1152	State Department for Energy	115,183,331,715	152,653,383,120	36,530,936,986	43,678,974,925	40,399,452,654	67,408,612,746	92.5%	44.2%
D1153	State Department of Petroleum	4,208,400,000	2,870,250,000	2,870,900,000	1,532,750,000	600,692,640	1,447,138,066	39.2%	50.4%
D1161	State Department for Agriculture	12,678,265,821	11,457,809,152	9,918,136,783	9,682,486,047	8,854,395,970	9,442,105,337	91.4%	82.4%
D1162	State Department for Livestock	11,742,135,480	11,121,635,480	4,003,031,164	3,382,531,164	2,555,676,956	1,808,937,720	75.6%	16.3%
D1164	State Department for Fisheries and Blue Economy	2,530,000,000	2,661,345,654	2,030,000,000	2,161,345,654	2,142,534,238	2,103,424,833	99.1%	79.0%
D1172	State Department for Investment and Industry	5,379,787,000	5,379,787,000	5,053,600,000	3,100,000,000	3,009,178,329	3,141,325,470	97.1%	58.4%
D1173	State Department for Cooperatives	530,000,000	530,000,000	530,000,000	530,000,000	520,900,000	530,000,000	98.3%	100.0%
D1174	State Department for Trade	245,000,000	122,500,000	245,000,000	122,500,000	100,300,000	89,676,238	81.9%	73.2%
D1183	State Department for East African Integration	65,000,000	65,000,000	-	-	-	16,142,748	-	24.8%
D1184	State Department for Labour	477,200,000	418,610,000	477,200,000	418,610,000	366,322,824	404,522,451	87.5%	96.6%
D1185	State Department for Social Protection	14,821,800,000	14,457,898,000	14,820,400,000	14,457,898,000	13,459,338,520	13,659,270,602	93.1%	94.5%
D1191	Ministry of Mining	3,890,321,429	1,321,134,978	3,868,000,000	1,321,134,978	1,178,700,000	1,310,134,978	89.2%	99.2%
D1201	Ministry of Tourism	4,842,000,000	3,592,000,000	4,842,000,000	3,592,000,000	3,205,100,000	3,375,452,013	89.2%	94.0%
D1211	State Department for Public Service and Youth Affairs	12,648,065,996	14,483,065,996	12,648,065,996	14,483,065,996	10,041,963,550	14,029,925,156	69.3%	96.9%

VOTE	MINISTRY/STATE DEPARTMENT	Gross Estimates	Revised Gross Estimates 2	Net Estimates	Revised Net Estimates 2	Exchequer Issues	Expenditure	% of Exch. To Rev Net Est.	% of Exp. To Rev Gross Est.
D1212	State Department for Gender	3,496,900,000	3,430,000,000	3,472,400,000	3,430,000,000	3,430,000,000	3,430,000,000	100.0%	100.0%
D1252	State Law Office and Department of Justice	379,000,000	379,000,000	70,000,000	70,000,000	69,500,000	25,703,851	99.3%	6.8%
D1261	The Judiciary	4,449,000,000	4,153,000,000	4,449,000,000	4,153,000,000	2,214,046,247	2,784,879,718	53.3%	67.1%
D1271	Ethics & Anti-Corruption Commission	100,000,000	250,000,000	100,000,000	250,000,000	250,000,000	250,000,000	100.0%	100.0%
D1291	Office of the Directorate of Public Prosecution	98,550,000	98,550,000	98,550,000	98,550,000	-	2,550,000	0.0%	2.6%
	National Land Commission	-	103,326,135		103,326,135	103,300,000	103,326,135	100.0%	100.0%
D2031	Independent Electoral and Boundaries Commission	765,209,700	765,209,700	53,000,000	53,000,000	-	-	-	-
D2041	Parliamentary Service Commission	4,150,000,000	4,150,000,000	4,150,000,000	3,150,000,000	1,821,600,000	1,879,743,202	57.8%	45.3%
D2071	Public Service Commission	39,000,000	39,000,000	39,000,000	39,000,000	39,000,000	38,339,399	100.0%	98.3%
D2091	Teachers Service Commission	100,000,000	100,000,000	100,000,000	100,000,000	-	12,677,531	0.0%	12.7%
D2111	Auditor General	224,000,000	176,000,000	224,000,000	176,000,000	144,000,000	144,012,529	81.8%	81.8%
	<b>TOTAL</b>	<b>820,161,449,551</b>	<b>861,213,261,626</b>	<b>416,395,943,459</b>	<b>441,804,744,439</b>	<b>394,229,440,637</b>	<b>602,325,900,737</b>	<b>89.2%</b>	<b>69.9%</b>

**ANNEX II: MDAs Recurrent Expenditure for FY 2016/17 (Kshs)**

VOTE	MINISTRY/STATE DEPARTMENT	Gross Estimates	Revised Gross Estimates 2	Net Estimates	Revised Net Estimates 2	Exchequer Issues	Expenditure	% of Exch. To Rev Net Est.	% of Exp. To Rev Gross Est.
R1011	The Presidency	7,943,324,669	10,471,755,462	7,934,692,595	10,463,123,388	9,572,963,000	9,253,652,988	91.5%	88.4%
R1021	State Department for Interior	102,907,039,319	107,602,862,445	102,533,302,319	107,229,125,445	105,219,650,000	89,448,416,390	98.1%	83.1%
R1023	State Department for Correctional Services	19,209,032,569	20,226,920,720	19,209,032,569	20,226,920,720	20,220,600,000	16,801,886,446	100.0%	83.1%
R1032	State Department for Devolution	649,451,492	794,465,766	649,451,492	794,465,766	793,950,000	777,505,932	99.9%	97.9%
R1033	State Department for Special Programmes	1,405,811,247	8,331,211,404	1,405,811,247	8,331,211,404	8,330,700,000	8,299,754,832	100.0%	99.6%
R1034	State Department for Planning & Statistics	4,717,330,425	5,384,829,891	4,391,330,425	5,058,829,891	4,994,300,000	4,936,199,724	98.7%	91.7%
R1041	Ministry of Defence	98,654,161,519	101,149,926,564	98,654,161,519	101,149,926,564	101,148,200,000	101,148,580,576	100.0%	100.0%
R1052	Ministry of Foreign Affairs	17,206,235,947	17,759,129,758	17,036,640,947	17,589,534,758	16,481,100,000	10,713,126,002	93.7%	60.3%
R1063	State Department for Basic Education	58,779,803,088	58,135,511,960	57,347,203,088	56,702,911,960	56,237,860,000	54,826,685,220	99.2%	94.3%
R1064	State Department for Vocational and Technical Training	2,324,529,852	2,529,461,570	2,324,529,852	2,529,461,570	2,502,800,000	2,446,394,178	98.9%	96.7%
R1065	State Department for University Education	60,652,433,681	63,594,179,787	43,969,833,681	46,911,579,787	46,217,688,000	54,385,908,425	98.5%	85.5%
R1071	The National Treasury	36,740,857,285	37,527,564,690	36,740,857,285	37,527,564,690	35,996,000,000	35,560,013,048	95.9%	94.8%
R1081	Ministry of Health	28,990,110,838	35,737,009,339	25,012,234,361	31,759,132,862	30,229,300,000	29,845,520,061	95.2%	83.5%

VOTE	MINISTRY/STATE DEPARTMENT	Gross Estimates	Revised Gross Estimates 2	Net Estimates	Revised Net Estimates 2	Exchequer Issues	Expenditure	% of Exch. To Rev Net Est.	% of Exp. To Rev Gross Est.
R1091	State Department for Infrastructure	29,039,085,190	49,945,690,901	1,839,085,190	1,941,318,901	1,916,650,000	49,295,501,103	98.7%	98.7%
R1092	State Department for Transport	5,780,740,412	5,825,225,133	1,403,740,412	1,448,225,133	1,437,208,000	5,783,722,173	99.2%	99.3%
R1093	State Department for Maritime Affairs	237,159,288	254,159,288	237,159,288	254,159,288	239,900,000	224,842,746	94.4%	88.5%
R1094	State Department for Housing & Urban Development	862,299,444	1,317,662,844	862,299,444	1,317,662,844	1,295,000,000	1,307,537,124	98.3%	99.2%
R1095	State Department for Public Works	897,187,546	775,867,268	893,187,546	771,867,268	749,400,000	741,768,488	97.1%	95.6%
R1103	State Department for Water Services	3,624,591,649	4,502,367,370	1,486,833,410	2,364,609,131	2,355,300,000	2,161,858,239	99.6%	48.0%
R1104	State Department for Irrigation	933,008,351	869,090,276	533,008,351	469,090,276	468,500,000	447,287,518	99.9%	51.5%
R1105	State Department for Environment	2,979,114,030	3,669,367,951	2,160,214,030	2,850,467,951	2,850,430,000	2,682,711,745	100.0%	73.1%
R1106	State Department for Natural Resources	11,322,343,046	12,563,069,746	5,082,322,046	6,323,048,746	6,269,800,000	12,555,387,759	99.2%	99.9%
R1112	Ministry of Lands and Physical Planning	2,188,601,179	2,259,636,094	2,179,186,429	2,250,221,344	2,162,501,000	2,082,923,692	96.1%	92.2%
R1122	State Department of Information Communications & Technology & Innovation	909,425,207	1,145,923,022	909,425,207	1,145,923,022	964,923,000	1,001,210,505	84.2%	87.4%
R1123	State Department for Broadcasting & Telecommunications	2,050,126,830	3,305,431,277	1,870,126,830	3,085,431,277	2,365,300,000	3,007,749,959	76.7%	91.0%

VOTE	MINISTRY/STATE DEPARTMENT	Gross Estimates	Revised Gross Estimates 2	Net Estimates	Revised Net Estimates 2	Exchequer Issues	Expenditure	% of Exch. To Rev Net Est.	% of Exp. To Rev Gross Est.
R1132	State Department for Sports Development	3,606,950,551	3,517,631,688	3,606,550,551	3,517,231,688	3,481,364,000	3,521,248,437	99.0%	100.1%
R1133	State Department for Arts and Culture	2,651,046,449	2,957,352,359	2,640,446,449	2,957,352,359	2,923,500,000	2,862,822,065	98.9%	96.8%
R1152	State Department Energy	2,078,552,046	2,083,052,046	1,871,436,740	1,875,936,740	1,870,585,000	1,973,999,222	99.7%	94.8%
R1153	State Department of Petroleum	91,151,598	202,851,598	43,786,904	155,486,904	144,400,000	170,661,601	92.9%	84.1%
R1161	State Department for Agriculture	8,586,076,695	11,618,155,989	8,557,076,695	11,589,155,989	11,568,560,000	11,532,388,431	99.8%	99.3%
R1162	State Department for Livestock	1,889,938,320	6,034,845,571	1,865,938,320	6,010,845,571	5,265,200,000	5,347,802,664	87.6%	88.6%
R1163	State Department for Fisheries and the Blue Economy	1,653,196,791	1,834,575,736	1,653,196,791	1,834,575,736	1,817,400,000	1,672,339,306	99.1%	91.2%
R1172	State Department of Investment and Industry	2,668,815,153	2,914,569,024	2,646,315,153	2,835,444,807	2,835,400,000	2,862,822,065	100.0%	98.2%
R1173	State Department for Cooperatives	3,120,950,523	3,159,241,635	3,114,450,523	3,152,741,635	3,095,800,000	3,081,872,409	98.2%	97.6%
R1174	State Department for Trade	2,919,282,136	3,499,339,747	2,899,522,136	3,471,579,747	3,342,160,000	3,296,046,273	96.3%	94.2%
R1183	State Department for East African Integration	1,541,165,024	1,513,815,010	1,539,165,024	1,511,815,010	1,487,060,000	1,505,754,784	98.4%	99.5%
R1184	State Department for Labour	1,301,843,257	1,519,694,230	1,292,843,257	1,519,694,230	1,414,800,000	1,377,800,317	93.1%	90.7%
R1185	State Department for Social Protection	8,108,136,032	7,964,957,811	8,064,371,032	7,964,957,811	7,957,820,000	6,900,506,115	99.9%	86.6%

VOTE	MINISTRY/STATE DEPARTMENT	Gross Estimates	Revised Gross Estimates 2	Net Estimates	Revised Net Estimates 2	Exchequer Issues	Expenditure	% of Exch. To Rev Net Est.	% of Exp. To Rev Gross Est.
R1191	Ministry of Mining	697,364,217	899,652,150	683,364,217	885,652,150	882,265,000	629,153,123	99.6%	69.9%
R1201	Ministry of Tourism	2,354,228,209	1,459,600,000	1,375,553,209	1,459,600,000	1,447,750,000	1,438,584,766	99.2%	98.6%
R1211	State Department for Public Service and Youth Affairs	13,038,823,969	14,368,085,124	12,862,973,969	14,192,235,124	11,916,900,000	13,077,813,903	84.0%	91.0%
R1212	State Department for Gender	1,125,441,006	776,647,815	1,125,441,006	776,647,815	670,950,000	700,773,311	86.4%	90.2%
R1252	State Law Office and Department of Justice	4,035,232,362	4,645,232,362	3,640,732,362	4,250,732,362	3,880,802,000	3,906,323,769	91.3%	84.1%
R1261	The Judiciary	12,859,460,378	12,956,160,378	12,859,460,378	12,956,160,378	12,656,955,000	12,505,973,723	97.7%	96.5%
R1271	Ethics & Anti-Corruption Commission	2,691,080,000	3,230,080,000	2,691,080,000	3,230,080,000	3,224,879,000	3,194,048,936	99.8%	98.9%
R1281	National Intelligence Service	25,346,000,000	29,046,000,000	25,346,000,000	29,046,000,000	29,045,930,000	29,044,147,550	100.0%	100.0%
R1291	Office of the Director of Public Prosecutions	2,125,584,100	2,113,393,129	2,125,584,100	2,113,393,129	1,811,949,000	1,815,809,893	85.7%	85.9%
R1311	Office of the Registrar of Political Parties	826,916,880	826,916,880	826,916,880	826,916,880	667,592,000	632,706,990	80.7%	76.5%
R1321	Witness Protection Agency	379,542,900	388,440,000	379,542,900	388,440,000	388,440,000	381,299,341	100.0%	98.2%
R2011	Kenya National Commission on Human Rights	428,785,600	420,785,600	428,785,600	420,785,600	416,145,000	419,490,765	98.9%	99.7%
R2021	National Lands Commission	1,434,548,504	1,267,476,968	1,434,548,504	1,267,476,968	1,264,100,000	1,246,284,970	99.7%	98.3%

VOTE	MINISTRY/STATE DEPARTMENT	Gross Estimates	Revised Gross Estimates 2	Net Estimates	Revised Net Estimates 2	Exchequer Issues	Expenditure	% of Exch. To Rev Net Est.	% of Exp. To Rev Gross Est.
R2031	Independent Electoral and Boundaries Commission	18,565,800,000	23,065,800,000	18,560,800,000	23,060,800,000	19,823,900,000	19,592,528,611	86.0%	84.9%
R2041	Parliamentary Service Commission	10,382,000,000	10,451,736,000	10,382,000,000	10,451,736,000	8,827,300,000	8,565,245,425	84.5%	82.0%
R2042	National Assembly	16,948,000,000	16,948,000,000	16,948,000,000	16,948,000,000	15,504,200,000	15,797,171,069	91.5%	93.2%
R2051	Judicial Service Commission	450,000,000	450,000,000	450,000,000	450,000,000	435,200,000	423,784,393	96.7%	94.2%
R2061	The Commission on Revenue Allocation	355,781,774	355,781,774	355,781,774	355,781,774	318,957,000	309,791,804	89.6%	87.1%
R2071	Public Service Commission	1,179,370,000	1,228,301,597	1,178,870,000	1,227,801,597	1,224,100,000	1,218,585,433	99.7%	99.2%
R2081	Salaries & Remuneration Commission	533,040,000	556,440,000	532,940,000	556,340,000	555,650,000	529,911,010	99.9%	95.2%
R2091	Teachers Service Commission	193,992,348,650	191,120,010,342	193,772,348,650	190,545,010,342	190,544,600,000	190,923,602,538	100.0%	99.9%
R2101	National Police Service Commission	435,340,000	434,998,700	435,340,000	434,998,700	429,100,000	425,257,377	98.6%	97.8%
R2111	Auditor General	4,182,880,000	4,182,880,000	4,032,880,000	4,032,880,000	4,026,600,000	4,000,418,612	99.8%	95.6%
R2121	Controller of Budget	561,269,850	521,174,791	561,269,850	521,174,791	490,000,000	493,976,206	94.0%	94.8%
R2131	The Commission on Administrative Justice	468,632,000	448,989,051	468,632,000	448,989,051	447,300,000	419,091,369	99.6%	93.3%
R2141	National Gender & Equality Commission	416,270,878	386,970,435	416,270,878	386,970,435	381,200,000	381,160,841	98.5%	98.5%



VOTE	MINISTRY/STATE DEPARTMENT	Gross Estimates	Revised Gross Estimates 2	Net Estimates	Revised Net Estimates 2	Exchequer Issues	Expenditure	% of Exch. To Rev Net Est.	% of Exp. To Rev Gross Est.
R2151	Independent Police Oversight Authority	491,338,899	484,935,269	491,338,899	484,935,269	433,610,000	433,439,275	89.4%	89.4%
	<b>TOTAL</b>	<b>857,525,988,854</b>	<b>927,532,891,335</b>	<b>790,827,224,314</b>	<b>840,612,170,578</b>	<b>819,940,446,000</b>	<b>858,348,583,565</b>	<b>97.5%</b>	<b>92.5%</b>

**ANNEX III: Sectoral Development Expenditure for FY 2016/17 (Kshs)**

Sector	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	Expenditure	% of Exch. To Rev Net Est.	% of Exp. To Rev Gross Est.
Agriculture, Rural and Urban Development	28,719,596,421	18,695,769,000	16,359,307,164	16,401,952,918	87.5%	57.1%
Energy, Infrastructure and ICT	519,889,177,504	190,292,236,083	171,315,715,294	362,664,403,200	90.0%	69.8%
General Economics and Commercial Affairs (GECA)	9,689,287,000	7,344,500,000	6,835,478,329	7,152,596,469	93.1%	73.8%
Health	41,705,757,703	31,252,294,683	26,223,017,388	27,158,997,583	83.9%	65.1%
Education	30,256,084,486	26,038,070,542	24,387,630,972	22,272,600,606	93.7%	73.6%
Governance, Justice, Law and Order (GJLOS)	33,705,326,589	32,552,120,000	29,492,246,247	27,525,461,409	90.6%	81.7%
Public Administration and International Relations	95,767,605,574	74,358,449,862	62,960,690,462	69,353,790,585	84.7%	72.4%
National Security	45,000,000	-	-	25,000,000	-	55.6%
Social Protection, Culture and Recreation	28,272,373,990	25,600,828,660	24,534,361,344	27,270,324,101	95.8%	96.5%
Environment Protection, Water and Natural Resources	73,163,052,359	35,670,475,609	32,120,993,437	42,500,773,866	90.0%	58.1%
<b>Total</b>	<b>861,213,261,626</b>	<b>441,804,744,439</b>	<b>394,229,440,637</b>	<b>602,325,900,737</b>	<b>89.2%</b>	<b>69.9%</b>

**ANNEX IV: Sectoral Recurrent Expenditure for FY 2016/17 (Kshs)**

Sector	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	Expenditure	% of Exch. To Rev Net Est.	% of Exp. To Rev Gross Est.
Agriculture, Rural and Urban Development	23,014,690,358	22,952,275,608	22,077,761,000	21,881,739,063	96.2%	95.1%
Energy, Infrastructure and ICT	64,855,863,377	11,996,011,377	10,983,366,000	63,506,992,921	91.6%	97.9%
General Economics and Commercial Affairs (GECA)	12,546,565,416	12,431,181,199	12,208,170,000	12,185,080,297	98.2%	97.1%
Health	35,737,009,339	31,759,132,862	30,229,300,000	29,845,520,061	95.2%	83.5%
Education	315,379,163,659	296,688,963,659	295,502,948,000	302,582,590,361	99.6%	95.9%
Government, Justice, Law and Order (GJLOS)	177,233,495,918	176,460,258,918	169,990,022,000	150,362,126,750	96.3%	84.8%
Public Administration and International Relations	120,999,133,904	120,168,456,830	111,149,320,000	105,652,502,525	92.5%	87.3%
National Security	130,195,926,564	130,195,926,564	130,194,130,000	130,192,728,126	100.0%	100.0%
Social Protection, Culture and Recreation	25,067,495,307	25,067,095,307	24,779,134,000	23,662,905,077	98.9%	94.4%
Environment Protection, Water and Natural Resources	22,503,547,493	12,892,868,254	12,826,295,000	18,476,398,384	99.5%	82.1%
<b>Total</b>	<b>927,532,891,335</b>	<b>840,612,170,578</b>	<b>819,940,446,000</b>	<b>858,348,583,565</b>	<b>97.5%</b>	<b>92.5%</b>

**Bima House, 12th Floor, Harambee Avenue  
P.O. Box 35616-00100 Nairobi, Kenya  
Tel: +254 (0) 20 318939, 2211056  
Fax: +254 (0) 20 2211920  
Email: [cob@cob.go.ke](mailto:cob@cob.go.ke) Website: [www.cob.go.ke](http://www.cob.go.ke)**

