



THE REPUBLIC OF KENYA

**OFFICE OF THE CONTROLLER OF BUDGET**

**ANNUAL NATIONAL GOVERNMENT  
BUDGET IMPLEMENTATION REVIEW REPORT  
FY 2015/16**



**AUGUST, 2016**





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## FOREWORD

The Office of the Controller of Budget (OCOB) is pleased to present the Annual Budget Implementation Review Report (BIRR) for the Financial Year (FY) 2015/16. The report covers the period of July 2015 to June 2016 and has been prepared in fulfilment of Article 228(6) of the Constitution of Kenya, 2010 which requires the Controller of Budget (COB) to submit a report on the implementation of the budgets of both the National and the County Governments to each House of Parliament every four months.

The report reviews budget implementation by the National Government Ministries, Departments and Agencies (MDAs) and presents the revenue, expenditure and program performance. The performance is compared to the FY 2015/16 approved targets and estimates and is based on expenditure reports from the Integrated Financial Management and Information System (IFMIS) and financial reports received from the MDAs and the National Treasury. The report further identifies some of the key challenges that faced budget implementation in the FY 2015/16 and makes appropriate recommendations.

Through this report, the Office endeavours to contribute towards enhancing prudent financial management in the public sector and will continue to publish regular reports on budget implementation for dissemination to the public. Further, this report also informs the Legislature and the Executive on the progress made towards achieving the FY 2015/16 budget goals.

This report is a good step in providing valuable information on budget implementation by National Government entities. I therefore urge the readers of this report to effectively use the information contained in this report in holding the players in budget implementation to account. It is also my hope that the report will inform policy decisions and ultimately contribute to improvement of budget performance in the Country.



**Mrs. Agnes Odhiambo**  
**Controller of Budget**

**TABLE OF CONTENTS**

<b>1</b>	<b>INTRODUCTION.....</b>	<b>1</b>
<b>2</b>	<b>ANALYSIS OF RECEIPTS AND EXCHEQUER ISSUES .....</b>	<b>2</b>
2.1	Introduction.....	2
2.2	Analysis of Revenue Estimates and Receipts into the Consolidated Fund.....	2
2.2.1	Revenue Estimates.....	2
2.2.2	Receipts into the Consolidated Fund .....	2
2.3	Exchequer Issues to the MDAs and County Governments.....	3
2.3.1	Recurrent Exchequer Issues by Sector.....	5
2.3.2	Development Exchequer Issues by Sector.....	7
<b>3</b>	<b>NATIONAL GOVERNMENT OVERALL EXPENDITURE ANALYSIS.....</b>	<b>8</b>
3.1	Introduction.....	8
3.2	Overall Government Budget Performance.....	8
3.3	Consolidated Fund Services (CFS).....	9
3.3.1	Public Debt.....	10
3.3.2	Guaranteed Debt to State Parastatals .....	11
3.3.3	Salaries and Allowances for Constitutional Office Holders .....	12
3.3.4	Pensions and Gratuities.....	12
3.3.5	Subscriptions to International Organizations.....	12
3.4	MDAs Expenditure Analysis .....	12
3.4.1	Recurrent Expenditure Analysis .....	13
3.4.2	MDAs Development Expenditure Analysis.....	18
<b>4</b>	<b>DEVELOPMENT AND RECURRENT EXPENDITURE ANALYSIS BY SECTOR.....</b>	<b>24</b>
4.1	Introduction.....	24
4.2	Agricultural, Rural and Urban Development (AR&UD) Sector .....	24
4.3	Education Sector .....	26
4.4	Energy, Infrastructure and Information Communications Technology (EI & ICT) Sector .....	29
4.5	Environmental Protection, Water and Natural Resource Sector .....	31
4.6	General Economic and Commercial Affairs (GECA) Sector .....	33
4.7	Governance, Justice, Law and Order Sector (GJLOS) .....	36
4.8	Health Sector.....	39

4.9	The Public Administration and International Relations (PAIR) Sector .....	41
4.10	National Security Sector .....	44
4.11	Social Protection, Culture and Recreation Sector .....	45
<b>5</b>	<b>BUDGET PERFORMANCE BY PROGRAMMES .....</b>	<b>49</b>
5.1	Introduction .....	49
5.2	Agricultural, Rural and Urban Development (AR & UD) Sector .....	49
5.3	Education Sector .....	50
5.4	The Energy, Infrastructure and Information Communications Technology (EI & ICT) Sector .....	51
5.5	Environment Protection, Water and Natural Resources Sector .....	52
5.6	General Economic and Commercial Affairs (GECA) Sector .....	53
5.7	Governance, Justice, Law and Order (GJLOS) Sector .....	54
5.8	Health Sector .....	56
5.9	Public Administration and International Relations (PAIR) Sector .....	57
5.10	National Security Sector .....	59
5.11	Social Protection, Culture and Recreation Sector .....	60
<b>6</b>	<b>KEY ISSUES AND RECOMMENDATIONS .....</b>	<b>62</b>
6.1	Introduction .....	62
6.2	Issues and Recommendations .....	62
6.2.1	Timing of Supplementary Budgets .....	62
6.2.2	Delay in Submission of Expenditure Reports to the OCOB .....	62
6.2.3	Non-disclosure of A-I-A in the IFMIS generated reports .....	62
6.2.4	Accounting for Expenditure on Capital Transfers. ....	63
<b>7</b>	<b>CONCLUSION .....</b>	<b>64</b>
	<b>ANNEXES: .....</b>	<b>65</b>
	ANNEX I: MDAs Development Expenditure - FY 2015/16 (Kshs.) .....	65
	ANNEX II: MDAs Recurrent Expenditure – FY 2015/16 (Kshs.) .....	68
	ANNEX III: Sectoral Development Expenditure – FY 2015/16 (Kshs.) .....	71
	ANNEX IV: Sectoral Recurrent Expenditure – FY 2015/16 (Kshs.) .....	72

## LIST OF TABLES

Table 2.1:	Statement of Rereceipts into the Consolidated Fund for FY 2015/16 (Kshs. Billions).....	3
Table 2.2:	Summary of Exchequer Issues FY 2015/16 (Kshs. Billions).....	4
Table 2.3:	Annual Estimates and Exchequer Issues, FY 2015/16 (Kshs. Billions).....	5
Table 2.4:	Sectoral Recurrent Estimates and Exchequer issues, FY 2015/16 (Kshs. Billions).....	6
Table 2.5:	Sectoral Development Estimates and Exchequer Issues FY 2015/16 (Kshs. Billions).....	7
Table 3.1:	Overall Government Budget Performance FY 2015/16 and FY 2014/15 (Kshs. Billion) .....	8
Table 3.2:	Cumulative Expenditure for CFS, FY 2015/16 (Kshs. Millions).....	10
Table 3.3:	Guaranteed Debts Repayment (Millions) FY 2015/16.....	12
Table 3.4:	Breakdown of Recurrent Expenditure, by MDAs, FY 2015/16 (Kshs. Million) .....	14
Table 3.5:	Development Expenditure by MDAs Breakdown, FY 2015/16 (Kshs. Millions) .....	19
Table 4.1:	AR &UD Sector-Analysis of Exchequer Issues and Expenditure FY 2015/16 (Kshs. Billions) .....	25
Table 4.2:	Education Sector- Analysis of Exchequer Issues and Expenditure FY 2015/16 (Kshs. Billions).....	27
Table 4.3:	EI & ICT Sector - Analysis of Exchequer Issues and Expenditure FY 2015/16 (Kshs. Billions) .....	30
Table 4.4:	Environmental Protection, Water and Natural Resources Sector - Analysis of Exchequer Issues and Expenditure FY 2015/16 (Kshs. Billions) .....	32
Table 4.5:	GECA Sector - Analysis of Exchequer Issues and Expenditure FY 2015/16 (Kshs. Billions).....	34
Table 4.6:	GJLOS – Analysis of Exchequer Issues and Expenditure, FY 2015/16 (Kshs. Billions) .....	37
Table 4.7:	Health Sector - Analysis of Exchequer Issues and Expenditure FY 2015/16 (Kshs. Billions).....	40
Table 4.8:	PAIR Sector - Analysis of Exchequer Issues and Expenditure-FY 2015/16 (Kshs. Billions).....	43
Table 4.9:	National Security Sector - Analysis of Exchequer Issues and Expenditure for the FY 2015/16 (Kshs. Billions).....	45
Table 4.10:	Social Protection, Culture and Recreation Sector - Analysis of Exchequer Issues and Expenditure FY 2015/16 (Kshs. Billions).....	47
Table 5.1:	AR &UD Sector’s Programme Performance FY 2015/16 (Kshs. Billions).....	49
Table 5.2:	Education Sector’s Programme Performance FY 2015/16 (Kshs. Billions) .....	50
Table 5.3:	EI & ICT Sector’s Programme Performance FY 2015/16 (Kshs. Billions) .....	51
Table 5.4:	Environment Protection, Water and Natural Resources Sector’s Programme FY 2015/16 (Kshs. Billions).....	52
Table 5.5:	GECA Sector’s Programme Performance FY 2015/16 (Kshs. Billions).....	53
Table 5.6:	GJLOs Sector’s Programme Performance FY 2015/16 (Kshs. Billions) .....	55
Table 5.7:	Health Sector’s Programme Performance FY 2015/16 (Kshs. Billions).....	56
Table 5.8:	PAIR Sector’s Programme Performance FY 2015/16 (Kshs. Billions).....	57
Table 5.9:	National Security Sector’s Programme Performance FY 2015/16 (Kshs. Billions) .....	59
Table 5.10:	Social Protection, Culture and Recreation Sector’s Programme Performance FY 2015/16 (Kshs. Billions).....	60

**LIST OF FIGURES**

Figure 3.1:	Comparison of Sector Gross Budget Allocations and Expenditure, FY 2015/16 .....	9
Figure 3.2:	Budget Allocation and Expenditure Sector, FY 2015/16 .....	9
Figure 3.3:	CFS expenditure for FY 2014/15 and FY 2015/16 (Kshs. Billions) .....	11
Figure 3.4:	Composition of MDA Recurrent Expenditure, FY 2015/16 (Kshs. Millions) .....	18
Figure 3.5:	Composition of Development Expenditure FY 2015/16 (Kshs. million).....	23
Figure 4.1:	Budgetary Allocation Trend for the AR &UD Sector from FY 2012/13 to FY 2015/16 (Kshs. Billion) .....	24
Figure 4.2:	AR&UD Sector Exchequer Issues FY 2015/16 (Kshs. Billions) .....	26
Figure 4.3:	Budgetary Allocation Trend for the Education Sector from FY 2012/13 to FY 2015/16 (Kshs. Billion) .....	27
Figure 4.4:	Education Sector Exchequer Issues FY 2015/16 (Kshs. Billions) .....	28
Figure 4.5:	Trends in Budgetary Allocation for the PAIR Sector for the period FY 2012/13 - FY 2015/16 (Kshs. Billions).....	29
Figure 4.6:	EI & ICT Sector Exchequer Issues FY 2015/16 (Kshs. Billions) .....	31
Figure 4.7:	Budgetary Allocation Trend - Environmental Protection, Water and Natural Resources Sector from FY 2012/13 to FY 2015/16 (Kshs. Billion).....	32
Figure 4.8:	Environment Protection, Water and Natural Resources Sector Exchequer Issues FY 2015/16 (Kshs. Billions).....	33
Figure 4.9:	Budgetary Allocation Trend to the GECA Sector from FY 2012/13 to FY.....	34
Figure 4.10:	GECA Sector Exchequer Issues FY 2015/16 (Kshs. Billions).....	35
Figure 4.11:	Budgetary Allocation Trend -- GJLOS Sector for FY 2012/13 to FY 2015/16 (Kshs. Billion).....	36
Figure 4.12:	Governance, Justice, Law and Order Sector (GJLOS) Exchequer Issues FY 2015/16 (Kshs. Billions).....	38
Figure 4.13:	Budgetary Allocation Trend for the Health Sector for FY 2012/13 to FY 2015/16 (Kshs. Billion) .....	39
Figure 4.14:	Health Sector Exchequer Issues FY 2015/16 (Kshs. Billion) .....	40
Figure 4.15:	Trends in Budgetary Allocation for the PAIR Sector for the period FY 2012/13 - FY 2015/16 (Kshs. Billions).....	41
Figure 4.16:	The PAIR Sector Exchequer Issues – FY 2015/16 (Kshs. Billions).....	42
Figure 4.17:	Budgetary Allocation Trend National Security Sector FY 2012/13 – FY 2015/16 (Kshs. Billion) .....	44
Figure 4.18:	Budgetary Allocation Trend for the Social Protection, Culture and Recreation Sector from FY 2012/13 to FY 2015/16 (Kshs. Billion) .....	46
Figure 4.19:	Social Protection, Culture and Recreation Sector Exchequer Issues FY 2015/16 (Kshs. Billions).....	46



## LIST OF ABBREVIATIONS AND ACRONYMS

A-I-A	Appropriations in Aid
AIDS	Acquired Immune Deficiency Syndrome
AMISOM	Africa Union Mission in Somali
AR & UD	Agricultural Rural and Urban Development
Bn	Billion
BIRR	Budget Implementation Review Report
BPS	Budget Policy Statement
CBK	Central Bank of Kenya
CFS	Consolidated Fund Services
CIC	Commission for Implementation of the Constitution
COB	Controller of Budget
CPI	Consumer Price Index
DPP	Directorate of Public Prosecutions
EACC	Ethics and Anti-Corruption Commission
EI & ICT	Energy Infrastructure and Information Communication Technology
ERC	Energy Regulatory Commission
FY	Financial Year
GBP	Great Britain Pound
GDP	Gross Domestic Product
GECA	General Economic and Commercial Affairs
GJLOS	Governance, Justice, Law and Order Sector
HIV	Human Immunodeficiency Virus
IEBC	Independent Electoral and Boundaries Commission
IFMIS	Integrated Financial Management Information System
IPOA	Independent Police Oversight Authority
IPPD	Integrated Personnel Payment Data
JSC	Judicial Service Commission
KEMRI	Kenya Medical Research Institute
KEMSA	Kenya Medical Supplies Agency
KMTC	Kenya Medical Training College

KIHBS	Kenya Integrated Household Budget Survey
KNBS	Kenya National Bureau of Statistics
KNCHR	Kenya National Commission for Human Rights
KNH	Kenyatta National Hospital
KRA	Kenya Revenue Authority
Kshs.	Kenya Shillings
MDA(s)	Ministries Departments and Agencies
Mn	Million
MOEST	Ministry of Education Science and Technology
NACC	National Aids Control Council
NGEC	National Gender and Equality Commission
NHIF	National Hospital Insurance Fund
NIS	National Intelligence Service
NLC	National Land Commission
NPSC	National Police Service Commission
NT	National Treasury
OCOB	Office of the Controller of Budget
O&M	Operations and Maintenance
PAIR	Public Administration and International Relations
PAYE	Pay As You Earn
PFM Act	Public Finance Management Act
RPP	Registrar of Political Parties
SAGAs	Semi-Autonomous Government Agencies
SEZ	Special Economic Zones
TARDA	Tana-Athi River Development Authority
TSC	Teachers Service Commission
US	United States
VAT	Value Added Tax
WPA	Witness Protection Agency

## EXECUTIVE SUMMARY

This Budget Implementation Review Report (BIRR) covers the FY 2015/16. It has been prepared in line with Article 228(6) of the Constitution of Kenya 2010, which requires the Controller of Budget (COB) to oversee and report on the implementation of the budgets of both the National and the County Governments and also identifies the challenges faced in budget implementation during the reporting period.

The report presents disaggregated fiscal performance of Government Ministries, Departments and Agencies (MDAs) in the FY 2015/16 against targets set in the annual budget and the objectives stated in the 2015 Budget Policy Statement (BPS). It also highlights challenges that affected budget implementation by MDAs during the reporting period and makes recommendations to address these challenges.

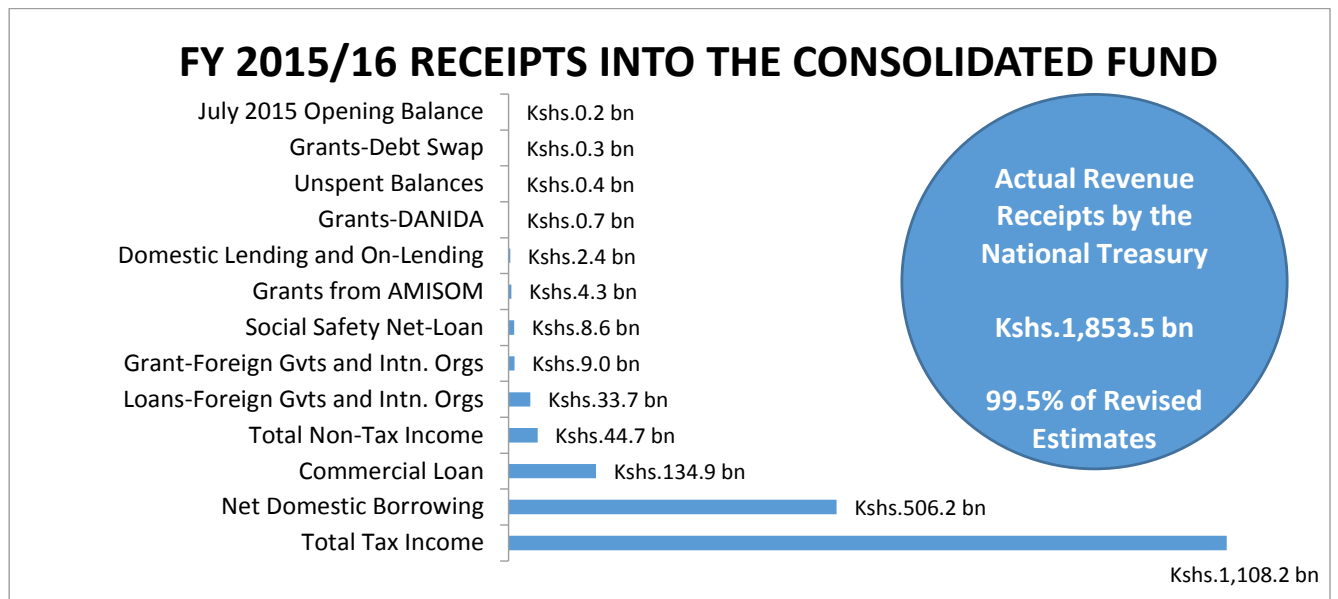
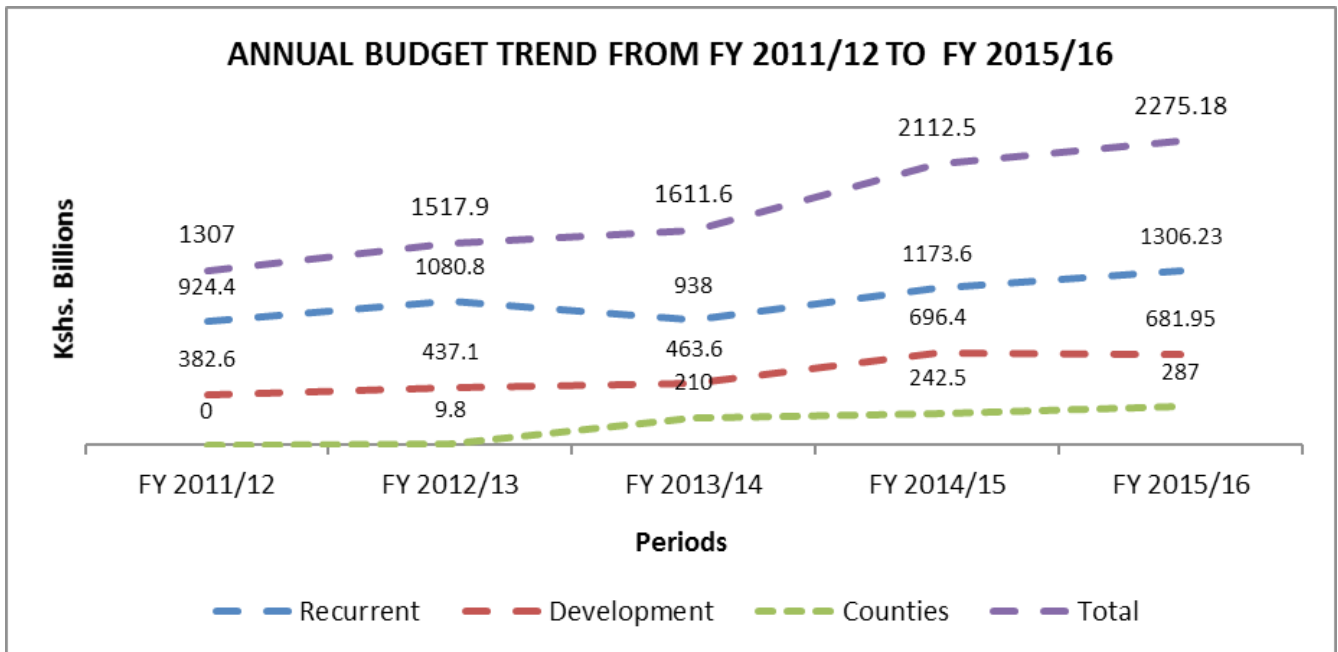
During the reporting period, actual receipts into the Echequer Account amounted to Kshs.1,853.5 billion representing 99.5 per cent of the revised annual target of Kshs.1,863.1 billion. This represented a growth of 16.2 per cent compared to Kshs.1,594.6 billion received in the FY 2014/15.

The total exchequer issues to MDAs and County Governments during the period under review amounted to Kshs.1,793.74 billion. The issues comprised of Kshs.720.28 billion towards MDAs recurrent expenditure, Kshs.333.17 billion for MDAs development expenditure, Kshs.476.25 billion for the Consolidated Fund Services (CFS) and Kshs.264.04 billion to the County Governments.

Total expenditure for the MDAs amounted to Kshs.1,633.9 billion which translated to 71.8 per cent of the overall annual revised estimates of Kshs.2,275.13 billion, an improvement compared to the 65.0 per cent realised in a similar period of FY 2014/15. The total expenditure grew by 20.8 per cent from Kshs.1,373.6 billion spent in FY 2014/15. This expenditure comprised of; (i) recurrent expenditure of Kshs.706.5 billion representing 87.1 per cent of the annual recurrent estimates compared to Kshs.623.2 billion spent in FY 2014/15 which was 84.6 per cent, (ii) development expenditure of Kshs.451.8 billion representing an absorption rate of 66.3 per cent compared to Kshs.318.7 billion spent in FY 2014/15 with an absorption rate of 45.8 per cent, and (iii) Consolidated Fund Services expenditure of Kshs.475.5 billion representing 96.1 per cent absorption rate, an increase from Kshs.431.7 billion (98.8 per cent absorption rate) spent in FY 2014/15.

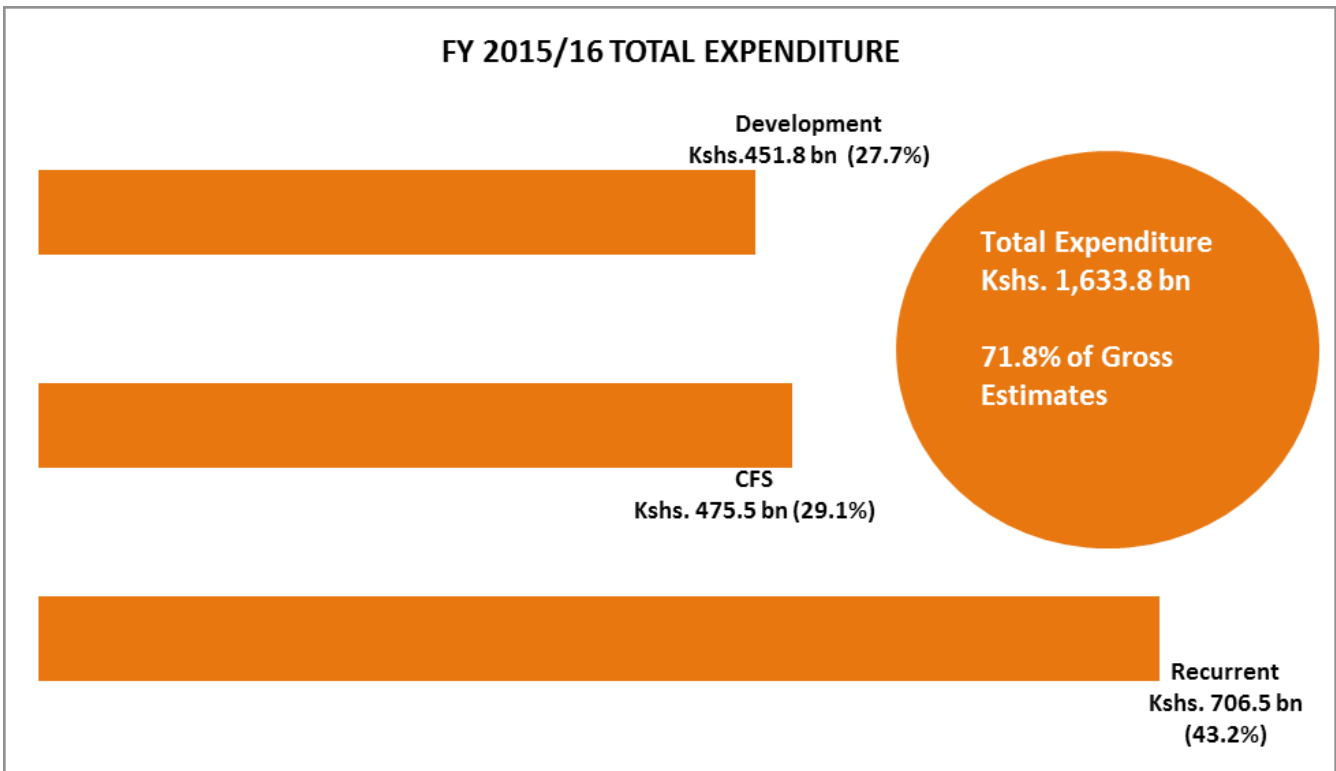
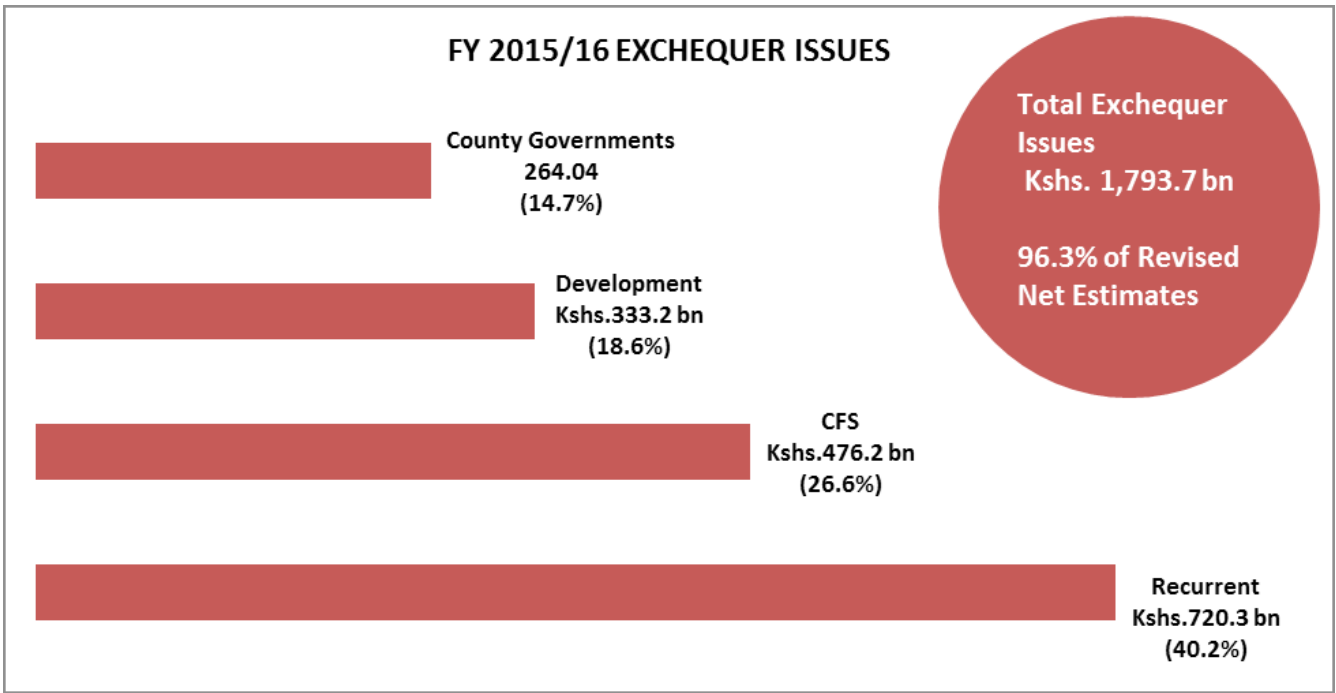
During the year, the absorption of both recurrent and development funds increased compared to the FY 2014/15. Absorption of development expenditure improved from 45.8 per cent to 66.3 per cent while recurrent expenditure improved from 84.6 per cent to 87.1 per cent. However, budget implementation faced a number of challenges during the year. These included; delay in submission of expenditure reports by the MDAs, timing of the supplementary budgets, non-disclosure of A-I-As in IFMIS and tracking expenditure on capital transfers. There is need to address the above stated challenges so as to improve on budget implementation.

## KEY HIGHLIGHTS

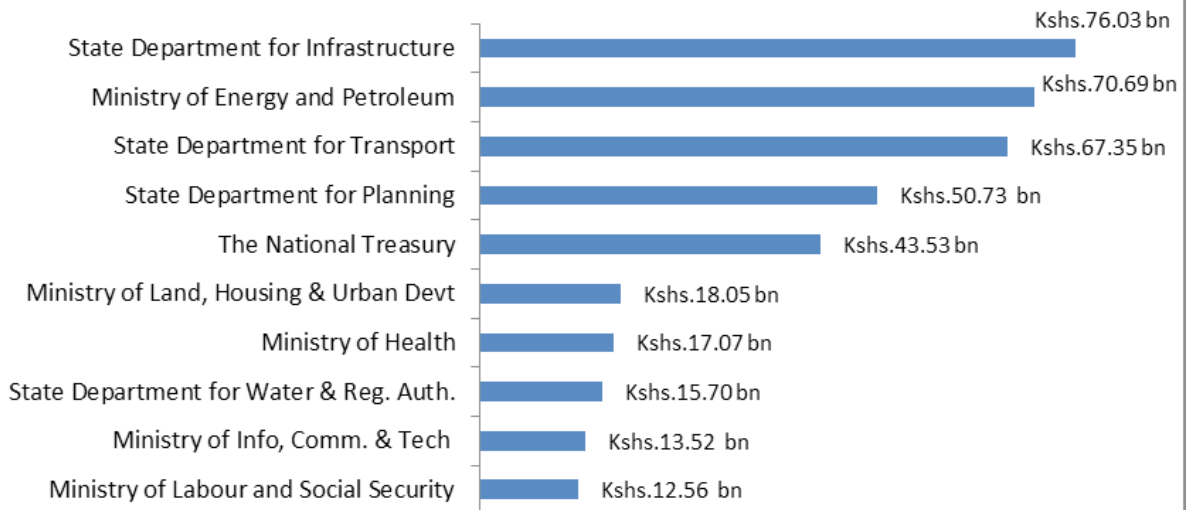


\*Opening Balance – revenue received in the previous period and not disbursed to government entities

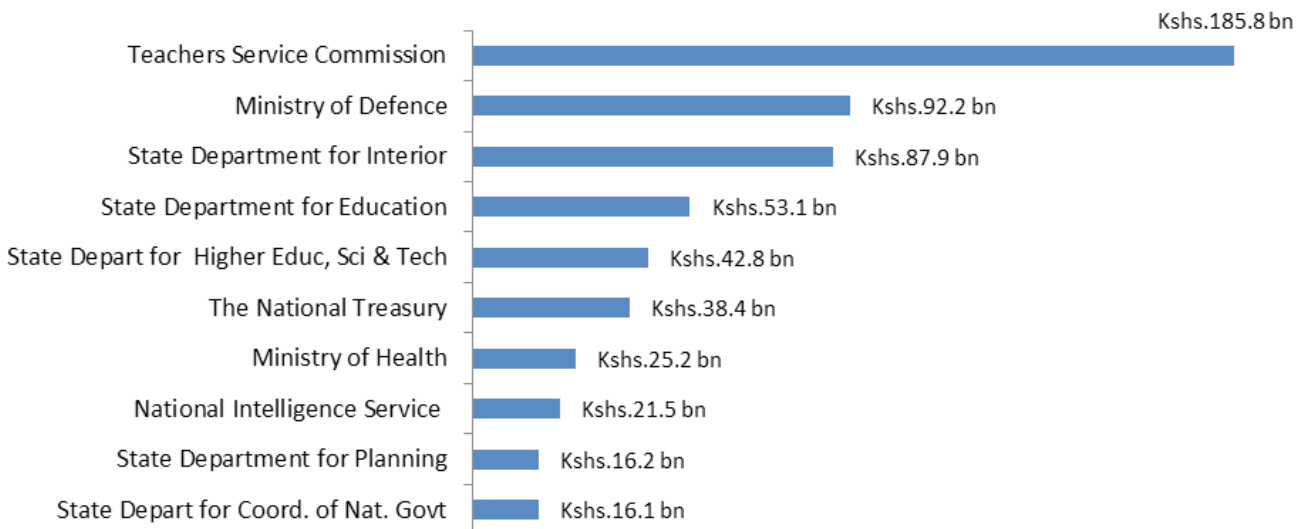
\*\*Unspent Balance – Funds released to MDAs but not spent by the end of the period.

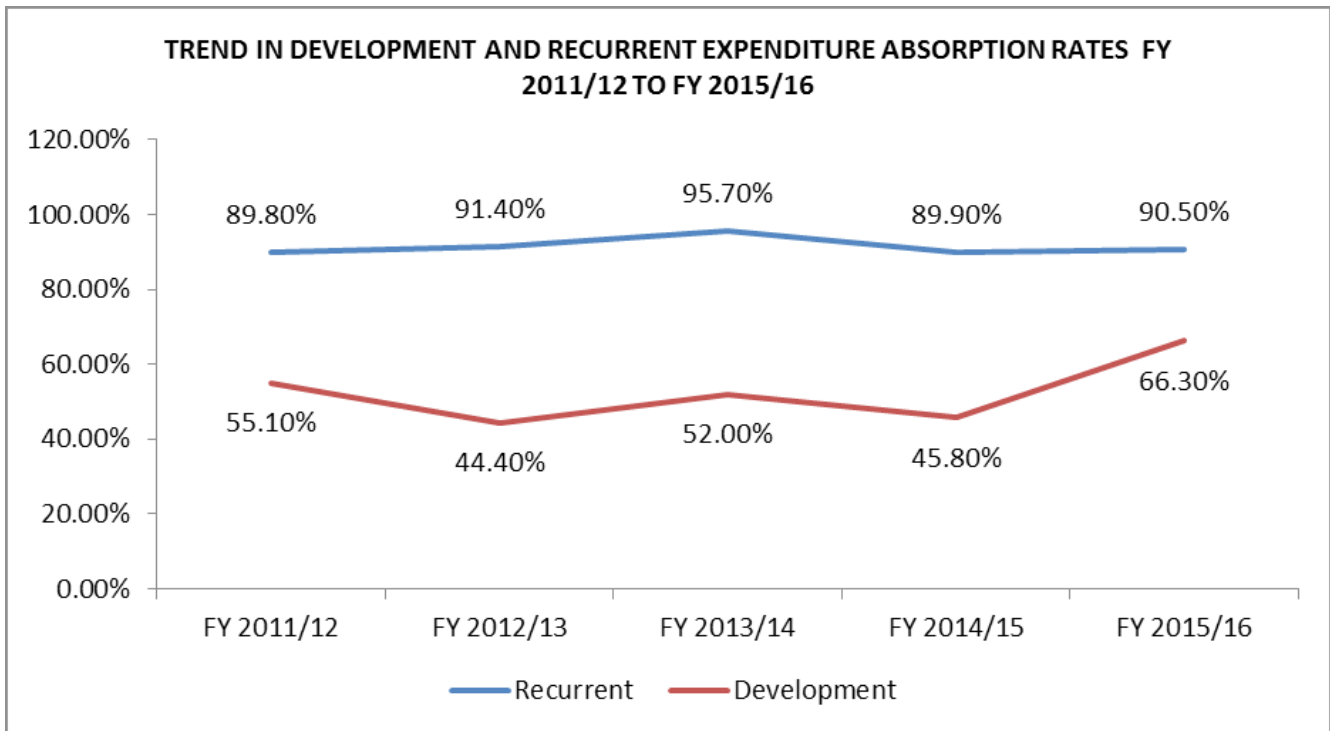
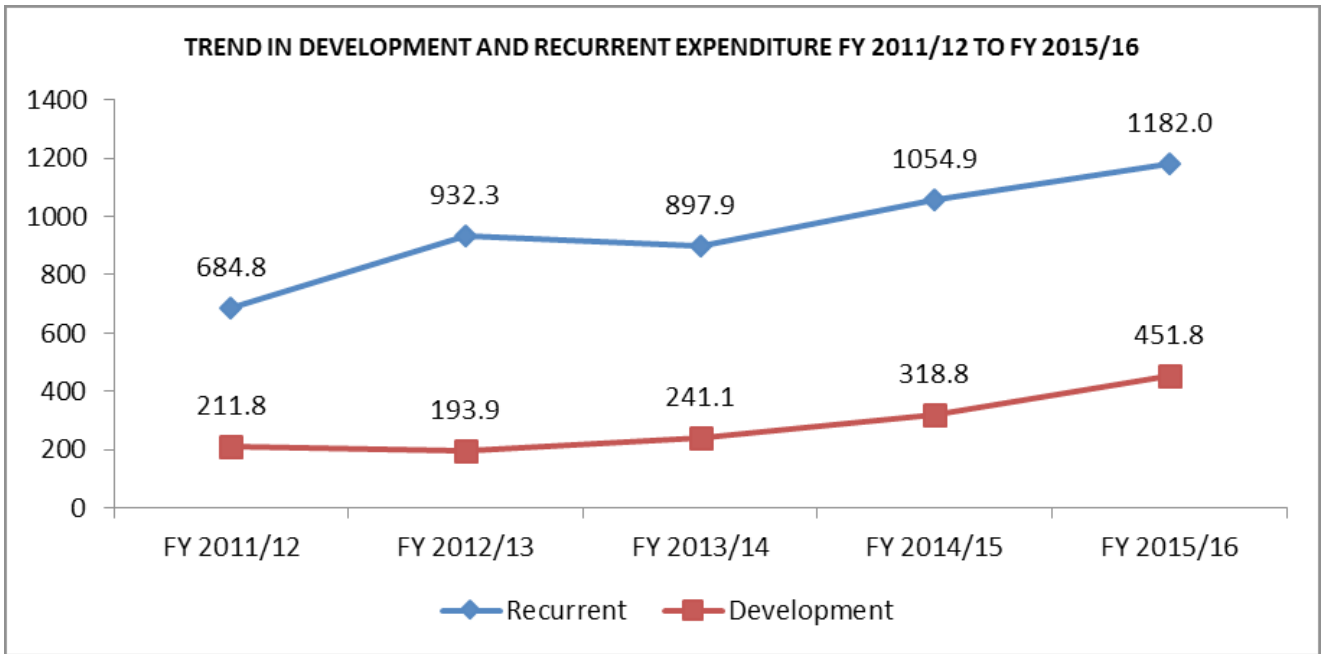


### TOP SPENDING MDAS - DEVELOPMENT EXPENDITURE



### TOP SPENDING MDAS - RECURRENT EXPENDITURE









# 1 INTRODUCTION

Article 228(4) and Article 228(6) of the Constitution of Kenya, 2010 mandates the Controller of Budget (COB) to oversee the implementation of the budgets of the National and County Governments by authorising withdrawals from public funds and submit to Parliament a report on the implementation of the budgets by both levels of Government every four months.

In line with this mandate, COB has prepared the Annual National Government Budget Implementation Review Report (BIRR) for FY 2015/16, which covers the period 1<sup>st</sup> July 2015 to 30<sup>th</sup> June, 2016. This report primarily provides Parliament with the status of budget implementation for FY 2015/16. It also seeks to sensitize other stakeholders and members of the public on matters pertaining to budget implementation by the Ministries, Departments and Agencies (MDAs) in fulfilment of Article 35 of the Constitution of Kenya, 2010 and Section 39(8) of the Public Finance Management (PFM) Act, 2012.

This report contains seven chapters which are organized as follows; Chapter Two provides a detailed analysis of receipts into the Consolidated Fund. It also presents exchequer issues to MDAs and County Governments for implementation of various programmes and exchequer issues to Consolidated Fund Services (CFS). Chapter Three provides an analysis of actual expenditure by MDAs against gross budget estimates for recurrent and development expenditure as and the CFS, which captures public debt, salaries and allowances to Constitutional Office holders and payments for pensions and gratuities. Expenditure is expressed as a percentage of gross budget estimates to indicate the level of budget absorption while exchequer issues are expressed as a percentage of the net estimates. The performance is also compared with that of FY 2014/15. Recurrent expenditure is further disaggregated into compensation to employees and operations and maintenance.

Chapter Four presents expenditure by sector while Chapter Five presents budget performance by programme for each of the sectors. Chapter Six highlights the key challenges that faced budget implementation and also provides appropriate recommendations on how to address the identified challenges in order to enhance smooth execution of the budget in the future. Chapter Seven provides the conclusion of the report.

## 2 ANALYSIS OF RECEIPTS AND EXCHEQUER ISSUES

### 2.1 Introduction

This chapter presents the overview of revenue performance in FY 2015/16 compared with FY 2014/15 performance.

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

This section provides analysis of revenue performance by National Treasury for the period under review.

#### 2.2.1 FY 2015/16 Revenue Estimates

The overall Government Budget Estimates for FY 2015/16 was Kshs.2.27 trillion. The National Treasury projected to finance the budget through ordinary revenue, grants, and loans from both domestic and foreign markets.

The National Treasury (NT) estimated to raise Kshs.1,863.1 billion following revision of the target from Kshs.1,811.9 billion in the Supplementary Budget approved in the fourth quarter. The NT projected to finance the budget from the following revenue categories; Tax income (Kshs.1,141.9 billion), Non-tax income (Kshs.42.5 billion), Net Domestic Borrowing (Kshs.427.7 billion), Commercial Loan (Kshs.154.3 billion), Loans from Foreign Governments and International Organisations (Kshs.61.1 billion) and Social Safety Net Loan (Kshs.8.2 billion). Other sources of national revenue included; Grants from Foreign Governments and International Organisations (Kshs.17.0 billion), Grants from AMISOM (Kshs.6.4 billion), Domestic Lending and on-Lending (Kshs.2.6 billion), and Kshs.0.8 billion and Kshs.0.5 billion as grants from DANIDA and Debt Swap respectively.

#### 2.2.2 Receipts into the Consolidated Fund

In the FY 2015/16, the actual receipts into the Consolidated Fund amounted to Kshs.1,853.5 billion representing 99.5 per cent of the revised net estimates, a 16.2 per cent growth from Kshs.1,594.6 billion received in FY 2014/15. Table 2.1 shows how the various revenue categories performed in the year.

**Table 2.1: Statement of Receipts into the Consolidated Fund for FY 2015/16 (Kshs. Billions)**

<b>RECEIPTED</b>	<b>Revised Estimates</b>	<b>Actual Receipts</b>	<b>Performance Against Annual Target (%)</b>	<b>Contribution by Category (%)</b>	<b>Actual Receipts by June 2015</b>	<b>Growth Over FY 2014/15 %</b>
July 2014 and 2015 Opening Balance	-	0.2	-	0.01%	140.67	-99.9
Total Tax Income	1,141.9	1,108.2	97.0	59.79%	1,001.43	10.7
Total Non-Tax Income	42.5	44.7	105.2	2.41%	39.31	13.7
Net Domestic Borrowing	427.7	506.2	118.4	27.31%	292.68	73.0
Loans-Foreign Governments and International Organisations	61.1	33.7	55.2	1.82%	30.31	11.2
Social Safety Net-Loan	8.2	8.6	104.9	0.46%	3.45	149.3
Domestic Lending and On-Lending	2.6	2.4	92.3	0.13%	1.03	133.0
Grant-Foreign Governments and International Organisations	17.0	9.0	52.9	0.49%	6.92	30.1
Grants-DANIDA	0.8	0.7	87.5	0.04%	-	-
Grants-Debt Swap	0.5	0.3	57.2	0.01%	-	-
Grants from AMISOM	6.4	4.3	67.2	0.23%	3.84	12.0
NBK Rights Issue	-	-	-	-	-	-
Commercial Loan	154.3	134.9	87.4	7.28%	73.81	82.8
Commercial Loan ( Exchange Gain)	-	-	-	-	1.16	-
Export Credit	-	-	-	-	-	-
Unspent Balances	-	0.4	-	0.02%	-	-
<b>Total</b>	<b>1,863.10</b>	<b>1,853.5</b>	<b>99.5</b>	<b>100.0%</b>	<b>1,594.61</b>	<b>16.2</b>

*Source: National Treasury*

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

The revised budget for the FY 2015/16 amounted to Kshs.2,275.18 billion, and comprised of Kshs.811.55 billion and Kshs.681.95 billion for MDAs' recurrent and development expenditure respectively, Kshs.494.68 billion for CFS, and Kshs.287.0 billion towards County governments.

Table 2.2 shows a summary of exchequer issues to various votes for the FY 2015/16.

**Table 2.2: Summary of Exchequer Issues FY 2015/16 (Kshs. Billions)**

VOTE	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	% of Exch. Issues to Net Estimates	% of Exchequer issues to total Issues
Recurrent (MDAs)	811.55	734.51	720.28	98.1	40.2
CFS	494.68	494.68	476.25	96.3	26.6
Development (MDAs)	681.95	369.66	333.17	90.1	18.6
County Governments	287.0	264.22	264.04	99.9	14.7
<b>Total</b>	<b>2,275.18</b>	<b>1,863.07</b>	<b>1793.74</b>	<b>96.3</b>	<b>100.0</b>

Source: National Treasury & OCOB

In the FY 2015/16, total exchequer issues to MDAs, County governments was Kshs.1,793.74 billion representing 96.3 per cent of the net estimates, an improvement from 93.9 per cent recorded in the FY 2014/15. The total exchequer issues authorized for withdrawal by MDAs amounted to Kshs.1,053.45 billion representing 95.4 cent of the total net budget estimates. This was an increase from 88.3 per cent recorded in the FY 2014/15.

Exchequer issues amounting to Kshs.476.25 billion was released for Consolidated Fund Services (CFS) representing 96.3 per cent of the annual net estimates and Kshs.264.04 billion was transferred from the Consolidated Fund to the various County Government's County Revenue Funds (CRF). This represented 99.9 per cent of the net total transfers<sup>1</sup> earmarked for Counties in FY 2015/16.

Table 2.3 provides analysis of the Annual Exchequer Issues by Sector.

<sup>1</sup> The transfers to the Counties comprised of Equitable Share of Revenue raised nationally, Conditional Allocations for Level Five Hospitals and Conditional allocations from DANIDA and EXCLUDES conditional allocations from Road Maintenance Fuel Levy Fund which are disbursed through the Kenya Roads Board (KRB), Conditional allocations for Free Maternity Healthcare which are disbursed through the Ministry of Health and Conditional allocations from the World Bank grant to supplement financing of county health facilities.

**Table 2.3: Annual Estimates and Exchequer Issues, FY 2015/16 (Kshs. Billions)**

Sector	FY 2015/16				FY 2014/15			
	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	70.8	57.7	51.5	89.3	79.2	68.4	54.5	79.7
Education	323.9	302.9	295.8	97.7	305.0	277.9	270.1	97.2
Energy, Infrastructure and Information Communications Technology (EI & ICT)	406.6	119.5	113.6	95.1	426.3	119.2	95.0	79.7
Environmental Protection, Water and Natural Resources	59.1	31.0	26.9	86.6	59.0	38.1	32.6	85.6
General Economic & Commercial Affairs (GECA)	17.3	16.8	15.9	94.4	16.6	16.2	12.5	77.3
Governance, Justice, Law and Order (GJLOS)	160.7	159.5	153.6	96.3	150.9	149.7	132.8	88.7
Health	61.7	46.7	42.2	90.2	54.1	42.9	34.0	79.4
Public Administration and International Relations (PAIR)	248.5	225.2	213.8	83.8	218.9	196.6	162.3	82.5
Social Protection, Culture and Recreation	31.2	30.9	26.3	85.2	25.2	24.8	22.9	92.4
National Security	113.8	113.8	113.7	99.9	97.9	97.9	93.7	95.7
<b>Sub -Total for MDAs</b>	<b>1,493.3</b>	<b>1,104.2</b>	<b>1,053.5</b>	<b>92.9</b>	<b>1,433.1</b>	<b>1,031.8</b>	<b>910.6</b>	<b>88.3</b>
<b>Total Consolidated Fund Services</b>	<b>494.7</b>	<b>494.7</b>	<b>476.2</b>	<b>96.3</b>	<b>436.9</b>	<b>436.9</b>	<b>454.5</b>	<b>104.0</b>
<b>County Governments</b>	<b>287.0</b>	<b>264.2</b>	<b>264.0</b>	<b>99.9</b>	<b>242.4</b>	<b>229.3</b>	<b>229.3</b>	<b>100.4</b>
<b>Grand Total</b>	<b>2,275.18</b>	<b>1,863.10</b>	<b>1,793.7</b>	<b>96.3</b>	<b>2,112.5</b>	<b>1,698.0</b>	<b>1,594.5</b>	<b>93.9</b>

Source: National Treasury & OCOB

Analysis of Exchequer Issues by Sector, indicated that the National Security received the highest percentage of total exchequer issues to its total net estimates at 99.9 per cent while the Public Administration and International Relations sector received the lowest at 83.8 per cent.

### 2.3.1 Recurrent Exchequer Issues by Sector

During the period under review, the total MDAs recurrent exchequer issues amounted to Kshs.720.28 billion, representing 98.1 per cent of the net recurrent estimates, an increase compared to 94.8 per cent (Kshs.640.27 billion) recorded in the FY 2014/15. Analysis of funds released towards MDAs recurrent

activities indicated that the National Security sector received the highest percentage of recurrent exchequer releases to its net recurrent estimates at 99.9 per cent, an increase from 95.7 per cent recorded in FY 2014/15. On the other hand, the Public Administration and International Relations sector recorded the lowest recurrent exchequer issues to annual net recurrent estimates at 94.6 per cent as shown in Table 2.4.

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

Sector	FY 2015/16				FY 2014/15			
	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	15.1	14.6	14.4	98.1	18.4	17.9	15.9	88.6
Education	303.6	286.6	283.7	99.0	280.9	259.9	254.0	97.8
Energy, Infrastructure and Information Communications Technology (EI & ICT)	52.5	7.6	7.2	94.8	36.2	7.1	6.7	94.5
Environmental Protection, Water and Natural Resources	17.4	9.0	8.9	98.8	16.1	11.1	10.6	95.2
General Economic and Commercial Affairs (GECA)	7.4	7.3	7.2	98.6	7.9	7.9	7.2	91.2
Governance, Justice, Law and Order (GJLOS)	140.9	140.1	136.7	97.5	137.8	137.1	126.1	92.0
Health	29.2	25.2	25.1	99.7	29.3	25.4	23.5	92.7
Public Administration and International Relations (PAIR)	118.1	116.7	110.4	94.6	100.4	99.3	91.5	92.2
Social Protection, Culture and Recreation	13.6	13.5	13.0	96.7	11.8	11.6	10.9	94.6
National Security	113.8	113.8	113.7	99.9	97.9	97.9	93.7	95.7
<b>Total</b>	<b>811.6</b>	<b>734.5</b>	<b>720.3</b>	<b>98.1</b>	<b>736.7</b>	<b>675.1</b>	<b>640.3</b>	<b>94.8</b>

*Source: National Treasury & OCOB*

### 2.3.2 Development Exchequer Issues by Sector

The total exchequer issues released to MDAs towards development activities in the FY 2015/16 amounted to Kshs.333.2 billion, representing 90.1 per cent of the net development estimates, an increase compared to 75.8 per cent (Kshs.270.3 billion) released to the MDAs in FY 2014/15.

During the period under review, the Public Administration and International Relations (PAIR) sector received the highest development exchequer issues to net development estimates at 95.3 per cent, which was an increase compared to 72.7 per cent recorded in FY 2014/15. The Education sector received the lowest percentage of development exchequer issues to net development estimates at 74.2 per cent which was a decline from 89.1 per cent attained in FY 2014/15. Table 2.5 shows development exchequer issues by sector in the FY 2015/16

**Table 2.5: Sectoral Development Estimates and Exchequer Issues FY 2015/16 (Kshs. Billions)**

Sector	FY 2015/16				FY 2014/15			
	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	55.7	43.0	37.2	86.4	60.8	50.5	38.7	76.6
Education	20.3	16.3	12.1	74.2	24.1	18.0	16.0	89.1
Energy, Infrastructure and Information Communications Technology (EI & ICT)	354.1	111.9	106.4	95.1	390.0	112.1	88.3	78.7
Environmental Protection, Water and Natural Resources	41.7	22.0	18.2	81.6	42.9	27.0	22.1	81.7
General Economic and Commercial Affairs (GECA)	9.9	9.5	8.7	91.2	8.7	8.3	5.3	64.1
The Governance, Justice, Law and Order (GJLOS)	19.8	19.4	16.9	87.3	13.1	12.7	6.7	52.9
Health	32.5	21.5	17.0	79.1	24.9	17.5	10.5	60.0
Public Administration and International Relations (PAIR)	130.3	108.5	103.4	95.3	118.5	97.3	70.8	72.7
Social Protection, Culture and Recreation	17.5	17.4	13.3	76.3	13.4	13.2	11.9	90.7
<b>Total</b>	<b>681.9</b>	<b>369.7</b>	<b>333.2</b>	<b>90.1</b>	<b>696.4</b>	<b>356.7</b>	<b>270.3</b>	<b>75.8</b>

**Source:** National Treasury & OCOB

## 3 OVERALL EXPENDITURE ANALYSIS

### 3.1 Introduction

This chapter presents expenditure analysis for FY 2015/16 for both development and recurrent expenditure by the MDAs. The Consolidated Fund Services (CFS) is discussed under recurrent expenditure.

### 3.2 Overall Government Budget Performance

In the FY 2015/16, the aggregate budget for the government was Kshs.2,234.0, billion which was later revised to Kshs.2,275.18 billion in the Supplementary Budget II.

Overall, budget performance in the FY 2015/16 improved compared to FY 2014/15 as shown in table 3.1.

**Table 3.1: Overall Government Budget Performance FY 2015/16 and FY 2014/15 (Kshs. Billion)**

VOTE	FY2015/16						FY2014/15					
	Rev.Gross- Estimate	Rev.NetEsti- mate	Cumula- tiveExche- quer	Expenditure	%of- Exche- quer- toN- etEst.	Absorp- tion- Rate(%)	Rev.Gross- Estimates	Rev. NetEsti- mates	Exche- querIs- sues	Expendi- ture	%Ex- che- quer- toN- etEst.	Ab- sorp- tion- rate(%)
<b>Recurrent</b>	1,306.23	1,229.19	1,196.53	1,182.04	97.3	90.5	1,173.6	1,112.3	1,094.7	1,054.9	98	89.9
<i>MDAs</i>	811.55	734.51	720.28	706.50	98.1	87.1	736.7	675.4	640.2	623.2	94.8	84.6
<i>CFS</i>	494.68	494.68	476.25	475.54	96.3	96.1	436.9	436.9	454.5	431.7	104	98.8
<b>Development</b>	681.90	369.66	333.17	451.83	90.1	66.3	696.5	356.7	270.3	318.7	76	45.8
<b>County Governments</b>	287.00	264.22*	264.04	295.27**	99.9	80.4	242.4	229.3	229.3	258.6	100	79.1
<b>Total</b>	<b>2,275.13</b>	<b>1,863.07</b>	<b>1,793.74</b>	<b>1,929.14</b>	<b>96.3</b>	<b>84.8</b>	<b>2,112.5</b>	<b>1,698.1</b>	<b>1,594.3</b>	<b>1,632.2</b>	<b>94</b>	<b>77.3</b>

Source: NT, OCOB, MDAs & County Treasuries

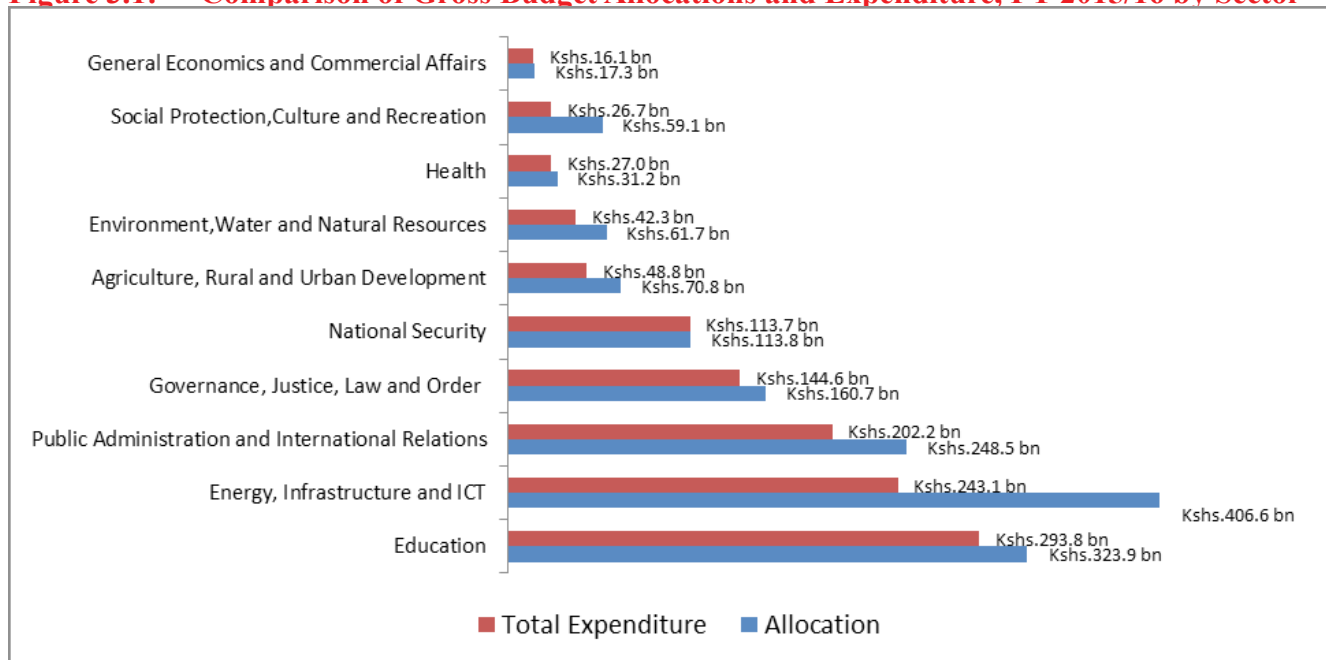
\*Refers to the shareable revenue exchequer issues.

\*\* the difference between exchequer issues of Kshs.264.22 billion and expenditure of Kshs.295.27 billion was financed by revenue raised from local sources and opening cash balances.

The total exchequer issues by the National Treasury in FY 2015/16 amounted to Kshs.1,793.74 billion, representing 96.3 per cent of the net estimates, an improvement from 93.8 per cent issued in FY 2014/15. The issues comprised of Kshs.1,196.53 billion for recurrent expenditure, Kshs.333.17 billion for development expenditure, and Kshs.264.22 billion for the County governments. Overall expenditure for both the national and county governments was Kshs.1,929.14 billion (Kshs.1,182.04 billion on recurrent activities, Kshs.451.83 billion on development activities and Kshs.Kshs.295.27 billion by County governments) representing an overall absorption rate of 84.8 per cent, an improvement from 77.3 per cent recorded in FY 2014/15. Figures 3.1 and 3.2 shows a comparison of sector budget allocations and expenditure for FY 2015/16.

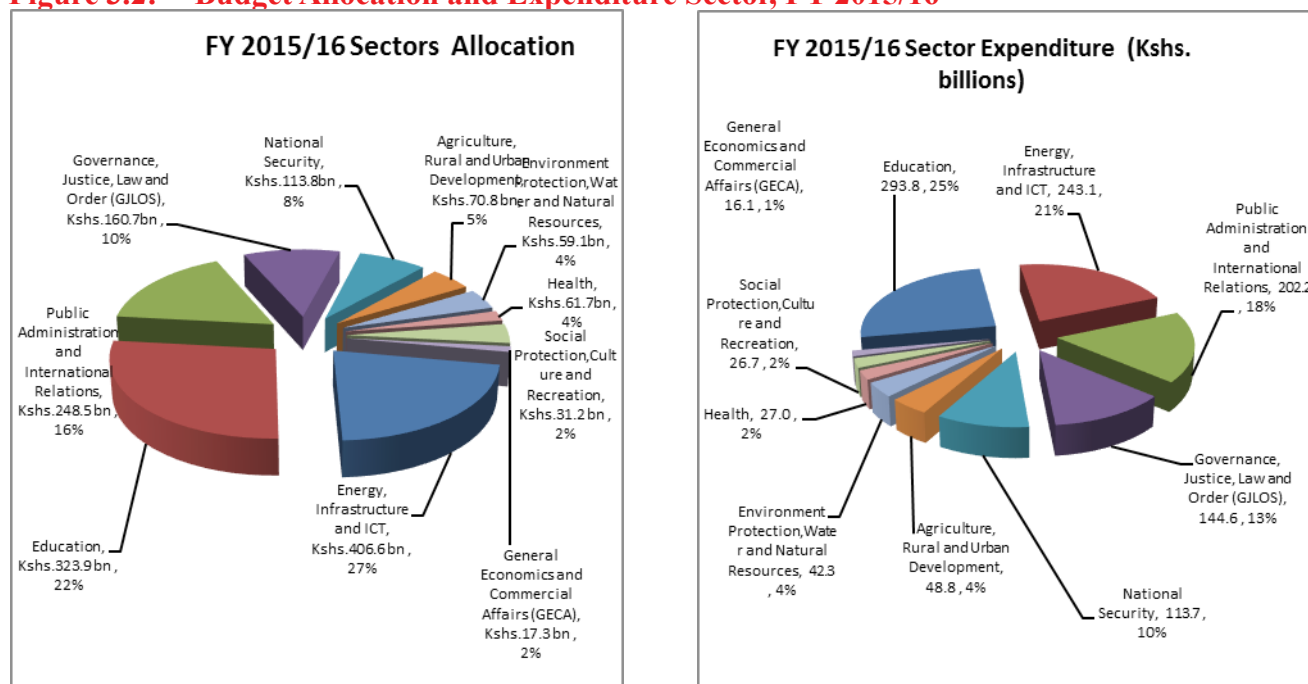


**Figure 3.1: Comparison of Gross Budget Allocations and Expenditure, FY 2015/16 by Sector**



Source: MDAs & National Treasury

**Figure 3.2: Budget Allocation and Expenditure Sector, FY 2015/16**



Source: MDAs & National Treasury

### 3.3 Consolidated Fund Services (CFS)

The 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 (iv) Subscriptions to International Organizations.

Table 3.2 presents a summary on CFS exchequer issues and expenditure performance in the FY 2015/16.

**Table 3.2: Cumulative Expenditure for CFS, FY 2015/16 (Kshs. Millions)**

Consolidated Fund Services (CFS)	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	Actual Expenditure	Expenditure as a % of Gross Estimates
Public Debt	436,515.4	436,515.4	421,849.94	421,090	96.5
Pensions and Gratuities	51,691.1	51,691.1	50,860.00	50,860	98.4
Salaries and Allowances & Miscellaneous	5,523.7	5,523.7	3,536.43	2,540	46.0
Subscriptions to International Organizations	2.2	2.2	1.84	1.84	82.1
Guaranteed Loans	944.00	944.0	700.0	1,050	111.2
<b>Total</b>	<b>494,676.4</b>	<b>494,676.4</b>	<b>476,248.2</b>	<b>475,542</b>	<b>96.1</b>

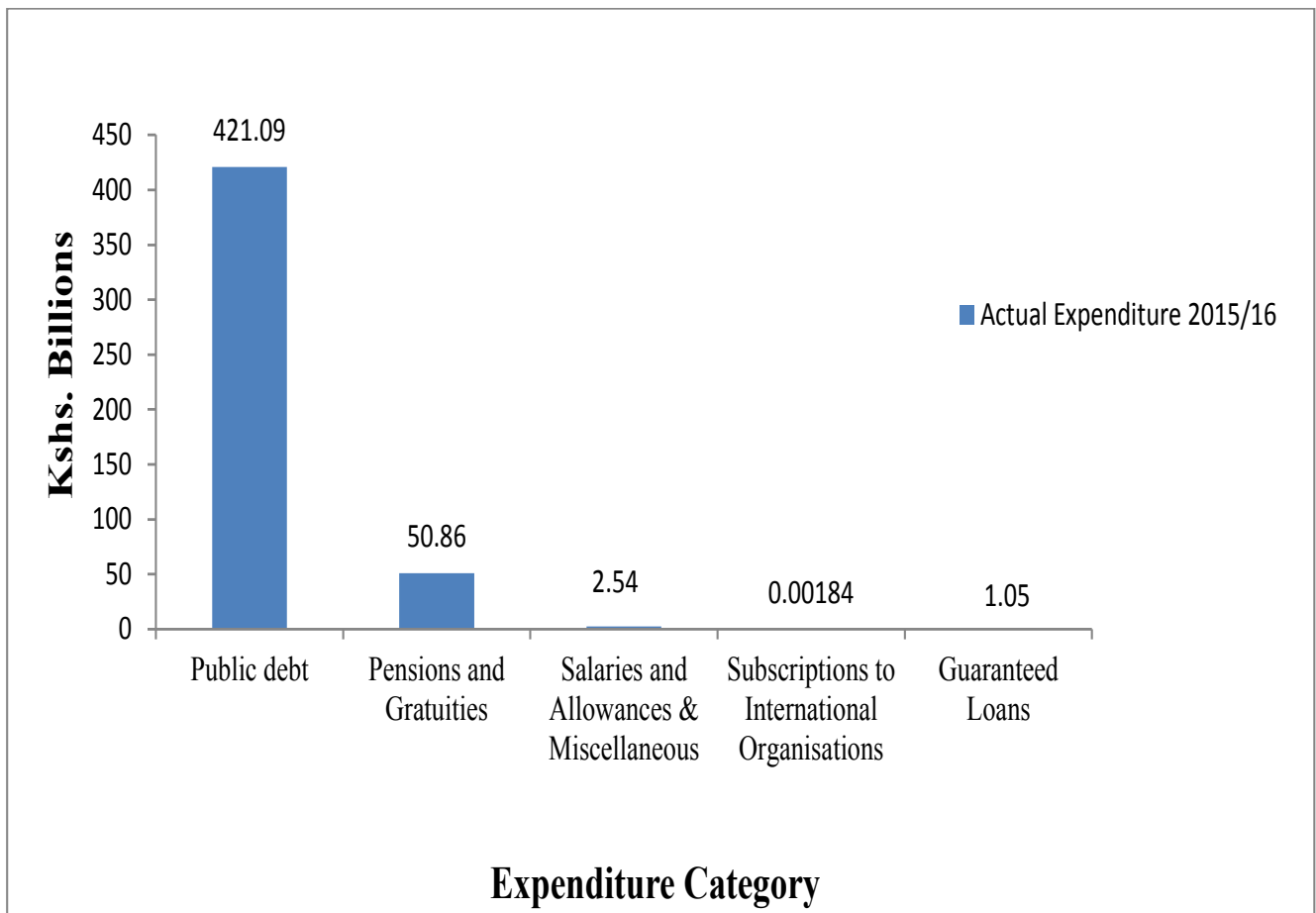
Source: National Treasury & OCOB

In the FY 2015/16, the total exchequer releases to CFS totalled Kshs.476.2 billion with public debt receiving the highest proportion at 88.6 per cent (Kshs.421.8 billion) of the funds released. This is a decline from 91.6 per cent (Kshs.416.2 billion) of funds released for public debt in the FY 2014/15.

The overall CFS expenditure amounted to Kshs.475.5 billion representing a marginal increase of 10 per cent from Kshs.431.7 billion spent in FY 2014/15.

### 3.3.1 Public Debt

During the year, Kshs.436.51 billion was allocated towards settlement of public debt. The total exchequer issues for the period amounted to Kshs.421.85 billion, representing 96.64 per cent of revised net estimates. Actual expenditure during the period was Kshs.421.09 billion, representing 96.5 per cent of the revised net estimates. Figure 3.3 shows the CFS expenditure in FY 2015/16.

**Figure 3.3: CFS expenditure for FY 2015/16 (Kshs. Billions)**

Source: National Treasury

### 3.3.2 Guaranteed Debt to State Parastatals

In FY 2015/16, Kshs.944 million was allocated towards settlement of guaranteed loans. The total exchequer issues released was Kshs.700 million, representing 74 per cent of revised net estimates. Actual expenditure during the period under review was Kshs.1.05 billion, representing 111.2 per cent of the revised net estimates. Table 3.3 present the guaranteed loans repayment status for the period under review.

**Table 3.3: Guaranteed Debts Repayment (Millions) FY 2015/16.**

Loan Title	Year Loan Contracted	Currency	Guaranteed Loans (Amounts in Foreign Currency)			Loan Repayments (In Kshs)		
			Revised Principal Amount	Cumulative Amount Paid as at June 2016	Outstanding Balance at June 2016	Principal	Interest	Total
TARDA	1990	YEN	4,855.5	3,679.96	1,175.52	265.18	31.57	296.75
KBC	1989	YEN	12,427.7	10,545.8	1,883.1	688.95	64.52	753.46
<b>Total</b>						<b>954.12</b>	<b>96.09</b>	<b>1,050.21</b>

Source: National Treasury

### 3.3.3 Salaries and Allowances for Constitutional Office Holders

In the FY 2015/16, Kshs.4.43 billion was allocated for payment of salaries and allowances for Constitutional Office holders. The total exchequer issues released was Kshs.3.54 billion, representing 64 per cent of the net revised estimates. Actual expenditure during the period under review was Kshs.2.54 billion, representing 46.0 per cent of the gross estimates.

### 3.3.4 Pensions and Gratuities

The revised budget for pensions and gratuities in the FY 2015/16 was Kshs.51.69 billion, which was a 59.5 per cent increase from Kshs.32.4 billion allocated in the FY 2014/15. The exchequer issues for the period under review amounted to Kshs.50.86 billion, representing 98.4 per cent of the pensions and gratuities annual net revised estimates.

Expenditure amounted to Kshs.50.86 per cent representing 44.4 per cent increase from Kshs.35.23 billion spent in the FY 2014/15

### 3.3.5 Subscriptions to International Organizations

The revised allocation towards subscriptions to international organizations was Kshs.2.24 million, having been revised from Kshs.0.5 million and was to cater for International Monetary Fund (IMF) subscriptions. The actual exchequer issues was Kshs.1.84 million and expenditure was to Kshs.1.84 million.

## 3.4 MDAs Expenditure Analysis

This section presents analysis of MDAs expenditure for both development and recurrent expenditure votes and the Appropriations-In-Aid (A~I~A) received in the FY 2015/16. The recurrent expenditure is analysed using the following major expenditure categories; Personnel Emoluments (PE), Domestic and Foreign Travel, Printing and advertising, Rentals and rates for non-residential, Training, Hospitality, Maintenance expenses for motor vehicles and other assets, transfers to Semi-Autonomous Government Agencies (SAGAs) and other expenses.

The development expenditure is also analysed using the major expenditure categories of; Maintenance of motor vehicles and other assets, Capital transfers to SAGAs, Civil works and construction of major and residential buildings, Refurbishment of buildings, Purchase of specialized plant, equipment and machinery, Pre-feasibility studies and other development expenditure. The section shows the spending of public funds between the core activities and the non-core activities.

### **3.4.1 Recurrent Expenditure Analysis**

The annual expenditure by MDAs in FY 2015/16 shows that Kshs.706.5 billion was spent on recurrent programmes translating to 87.1 per cent of the revised annual recurrent gross estimates. This is an increase in absorption rate from 84.6 per cent recorded in FY 2014/15.

Table 3.4 shows breakdown of recurrent expenditure by MDAs in the FY 2015/16.

**Table 3.4: Breakdown of Recurrent Expenditure, by MDAs, FY 2015/16 (Kshs. Million)**

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	AIA	Total
The Presidency	1,582.1	529.2	240.7	7.1	74.3	28.7	1,410.7	180.2	49.7	293.0	3,206.5	13.7	7,588.5
State Department for Interior	57,422.1	978.7	64.1	26.2	926.5	132.5	132.5	885.5	309.4	603.1	26,423.9	0.0	87,904.7
State Department for Coordination of National Government	10,182.2	93.5	13.7	5.9	66.8	281.3	49.5	58.4	5.8	2.5	5,350.1	0.0	16,109.6
State Department for Planning	5,736.10	123.5	67.9	36.2	157.6	637.6	194.2	42	150	3,420.60	5,694.10	21	16,238.60
State Department for Devolution	535.6	32.0	12.7	4.3	137.7	7.2	35.4	9.4	16.4	1,138.9	488.4	0.0	2,418.0
Ministry of Defence	757.0	38.6	16.6	2.9	0.0	25.1	14.9	7.7	10.6	91,177.1	158.6	0.0	92,209.2
Ministry of Foreign Affairs and International Trade	3,045.1	166.3	1,948.0	235.5	1,102.8	11.6	570.4	28.1	28.0	0.0	1,474.9	407.3	8,203.4
State Department for Education	1,878.4	100.0	28.0	8.2	31.0	57.6	45.1	30.5	28.5	16,353.9	34,545.1	49.9	53,097.0
State Department for Higher Education, Science and Technology	519.4	45.0	16.3	4.2	136.6	15.4	13.4	19.4	20.6	34,762.4	7,273.8	0.0	42,826.5
The National Treasury	2,191.6	27.5	70.6	0.9	20.1	48.6	482.2	10.5	22.9	24,680.3	10,867.6	0.0	38,422.8
Ministry of Health	5,193.6	60.5	5.7	9.4	0.0	251.6	42.2	21.7	77.2	16,861.0	2,676.5	0.0	25,199.4
State Department for Infrastructure	935.9	20.3	5.2	2.4	0.0	16.7	34.4	14.5	27.0	32,868.9	191.0	24,592.3	9,524.1
State Department for Transport	134.8	25.7	12.3	2.2	8.5	7.5	14.5	8.0	28.7	5,198.5	556.3	4,720.9	1,276.1
State Department for Environment & Natural Resources	1,287.8	21.2	32.4	1.6	96.3	12.3	43.1	7.8	8.5	4,242.0	582.5	3.7	6,331.8
State Department for Water & Regional Authorities	653.5	22.1	5.5	1.9	42.0	9.4	4.9	7.6	7.4	1,043.4	127.5	1,449.1	476.1
Ministry of Lands Housing and Urban Development	2,787.0	47.6	10.2	8.6	107.9	18.0	25.6	20.5	42.2	160.0	323.7	0.0	3,551.3
Ministry of Information & Communication and Technology	416.9	70.5	33.9	349.5	95.6	181.1	69.6	17.7	5.9	1,193.2	412.6	84.0	2,762.6

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	AIA	Total
Ministry of Sports Culture and Arts	412.4	186.4	483.5	102.8	37.6	6.9	176.4	11.8	7.2	2,764.2	211.0	10.0	4,390.1
Ministry of Labour Social Security and Services	1,229.8	212.5	13.2	12.3	200.9	38.7	165.7	47.2	41.2	5,326.4	490.8	5.5	7,773.2
Ministry of Energy and Petroleum	290.0	23.0	7.5	2.3	9.3	17.5	12.7	7.9	6.5	1,526.6	284.9	223.5	1,964.5
State Department for Agriculture	884.8	44.2	21.8	10.9	17.7	10.5	6.9	10.1	6.6	3,186.4	1,453.6	3.5	5,650.2
State Department for Livestock	1,081.8	18.4	1.9	0.9	35.4	4.3	8.3	10.7	4.4	151.9	366.4	3.4	1,674.6
State Department for Fisheries	219.9	14.2	20.5	1.7	0.0	13.4	5.7	5.3	0.8	885.6	83.6	0.0	1,250.9
Ministry of Industrialization and Enterprise Development	537.7	36.5	21.7	13.7	115.6	22.0	23.0	12.8	12.8	1,369.0	707.7	26.4	2,846.0
State Department for Commerce & Tourism	369.3	41.6	67.9	6.1	121.6	14.0	43.2	12.4	7.0	1,862.8	188.7	46.9	2,687.7
State Department for East African Affairs	166.6	35.2	83.1	9.9	40.3	16.7	44.3	6.7	0.0	0.0	1,095.1	0.0	1,497.9
Ministry of Mining	319.0	39.0	11.7	5.1	2.0	16.3	13.0	10.1	4.5	0.0	242.2	19.0	643.9
Office of the Attorney General and Department of Justice	961.0	72.0	91.3	32.9	96.1	30.8	108.0	6.6	16.0	1,418.6	174.0	0.0	3,007.4
The Judiciary	6,324.9	453.4	51.9	44.7	13.4	17.9	121.5	153.3	60.5	778.5	3,239.6	0.0	11,259.5
Ethics & Anti-Corruption Commission	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2,495.3	0.0	0.0	2,495.3
National Intelligence Service	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	21,486.3	0.0	0.0	21,486.3
Directorate of Public Prosecutions	1,107.9	149.7	13.9	9.2	136.6	144.4	65.2	14.7	9.0	0.0	488.4	0.1	2,139.1
Commission for Implementation of the Constitution	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	295.1	0.0	0.0	295.1
Registrar of Political Parties	79.8	7.3	0.8	0.9	16.3	1.4	4.3	1.5	1.3	367.2	40.2	3.4	517.6
Witness Protection Agency	162.4	6.8	1.0	1.1	13.2	7.2	12.8	4.9	1.0	0.0	151.1	0.0	361.5

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	AIA	Total
Kenya National Commission on Human Rights	190.8	34.7	18.2	10.3	44.9	4.0	4.8	5.4	0.6	0.0	126.6	0.0	440.4
National Lands Commission	673.0	80.1	14.2	73.1	17.8	18.4	108.6	3.5	0.9	0.0	159.2	0.3	1,148.3
Independent Electoral and Boundaries Commission	2,229.8	264.4	29.2	18.7	427.8	23.9	212.6	16.7	5.0	0.0	920.5	1.9	4,146.8
Parliamentary Service Commission	3,223.5	853.5	835.7	116.0	302.3	314.5	270.9	39.5	87.7	-58.2	1,553.3	0.0	7,538.7
National Assembly	8,075.9	2,875.7	766.5	37.8	0.0	70.3	259.9	0.0	16.6	0.0	1,194.9	0.0	13,297.5
Judicial Service Commission	0.4	34.2	57.8	18.1	6.5	125.4	103.5	0.0	0.8	0.0	56.3	0.0	403.0
The Commission on Revenue Allocation	151.1	21.5	5.6	3.6	42.1	10.4	16.5	5.5	0.8	0.0	41.5	1.8	296.7
Public Service Commission	535.7	53.4	8.9	30.6	7.6	36.4	54.6	5.5	7.3	1.7	335.3	0.0	1,076.9
Salaries & Remuneration Commission	192.3	44.2	4.3	4.6	39.2	5.1	110.9	2.1	6.7	0.0	346.5	0.0	756.0
Teachers Service Commission	184,020.3	125.6	10.8	9.2	9.3	43.9	28.9	28.6	30.7	0.0	1,508.1	0.0	185,815.4
National Police Service Commission	194.0	57.4	0.0	11.1	58.7	2.0	38.9	12.4	1.3	0.0	85.4	0.0	461.1
Auditor General	2,119.6	374.6	51.6	9.2	148.2	77.4	10.2	12.1	4.3	0.0	837.9	190.0	3,455.1
Controller of Budget	214.2	19.4	2.3	56.5	1.8	15.4	9.9	4.3	1.6	0.0	160.1	0.0	485.5
The Commission on Administrative Justice	210.8	11.0	5.6	6.2	45.9	6.5	4.2	0.0	0.0	0.0	137.9	0.0	428.0
National Gender & Equality Commission	110.3	23.6	7.9	3.6	47.7	12.5	4.5	3.2	0.9	0.0	90.1	0.0	304.3
Independent Police Oversight Authority	208.8	26.8	2.9	2.9	28.1	4.2	6.5	2.7	0.4	0.0	79.1	0.0	362.4
<b>Total</b>	<b>311,756.9</b>	<b>8,642.5</b>	<b>5,297.0</b>	<b>1,373.0</b>	<b>5,087.8</b>	<b>2,874.4</b>	<b>5,239.0</b>	<b>1,827.3</b>	<b>1,183.1</b>	<b>277,856.4</b>	<b>117,203.1</b>	<b>31,877.7</b>	<b>706,496.6</b>

**Source:** MDAs and National Treasury

**Note:** Based on the expenditure reports from IFMIS and printed reports submitted by MDAs, some state departments captured Appropriations in Aid which was spent among the various expenditure categories. The Personnel Emoluments total does include amount for Kenya Defence Forces, Ethics and Anti-Corruption Commission, National Intelligence Service and Commission for Implementation of the Constitution, which is captured under current transfers.



Analysis of the MDAs recurrent expenditure by major expenditure category indicated that, personnel emoluments (PE) was the highest spending category at Kshs.311.8 billion, translating to 41 per cent of the total recurrent expenditure. This was an increase from Kshs.282.7 billion reported in FY 2014/15. Cumulative recurrent transfers to Semi-Autonomous State Agencies (SAGAs) were Kshs.277.6 billion, translating to 36 per cent of the total recurrent expenditure, and an increase from Kshs.145.7 billion reported in FY 2014/15.

Further analysis of the recurrent expenditure by MDAs shows that the Teachers Service Commission (TSC) had the highest expenditure on personnel emoluments at Kshs.184.0 billion which translated to 59.1 per cent of the total PE expenditure. The Ministry of Defence and State Department for Higher Education, Science and Technology had the highest transfers to their SAGAs at Kshs.91.2 billion and Kshs.34.8 billion respectively.

The National Assembly reported the highest expenditure on domestic travel at Kshs.2.9 billion accounting for 33.4 per cent of the total domestic travel expenditure while the Ministry of Foreign Affairs and International Trade reported the highest foreign travel expenditure at Kshs.1.9 billion which was 36.8 per cent of the total expenditure on foreign travel.

As shown in table 3.4, other Operations and Maintenance (O&M) expenditure amounted to Kshs.117.2 billion, accounting for 15 per cent of the total recurrent expenditure. Some of the MDAs with significant expenditure under this category included;

**State Department for Education (Kshs.34.5 billion):** This expenditure includes Kshs.30.1 billion spent as subsidies on free secondary education, Kshs.3.1 billion spent on school examinations and invigilation fees for free secondary and primary education, Kshs.870.3 million on Kshs.422.8 million on office and general supplies.

**State Department for Interior (Kshs.26.4 billion):** Amount included; Kshs.8.1 billion on specialized materials and supplies, Kshs.7.9 billion on other assorted operating expenses, Kshs.1.8 billion on Utilities, Supplies and Services, Kshs.1.7 billion on insurance costs, and Kshs.1.0 billion for purchase of vehicles and other transport equipment. The specialized materials and supplies include among others, food and rations for Administration Police Services, uniforms and clothing for police trainees, and, refined fuels and lubricants.

**National Treasury (Kshs.10.9 billion):** Expenditure included: Kshs. 2.0 billion on domestic loans to individuals and households, Kshs.1.2 billion paid as group health insurance for staff and Kshs.151.0 million on membership fees and dues and subscriptions to international organizations. A further Kshs.5.1 billion was spent on other assorted operating expenses.

**The State Department for Planning (Kshs.5.7 billion):** A breakdown of this expenditure included: Kshs.2.7 billion for purchase of specialised plant, equipment and machinery that included firefighting equipment, educational aids and related materials, Kshs.1.3 billion on specialised materials and supplies, and Kshs.357.3 million on miscellaneous operating expenses.

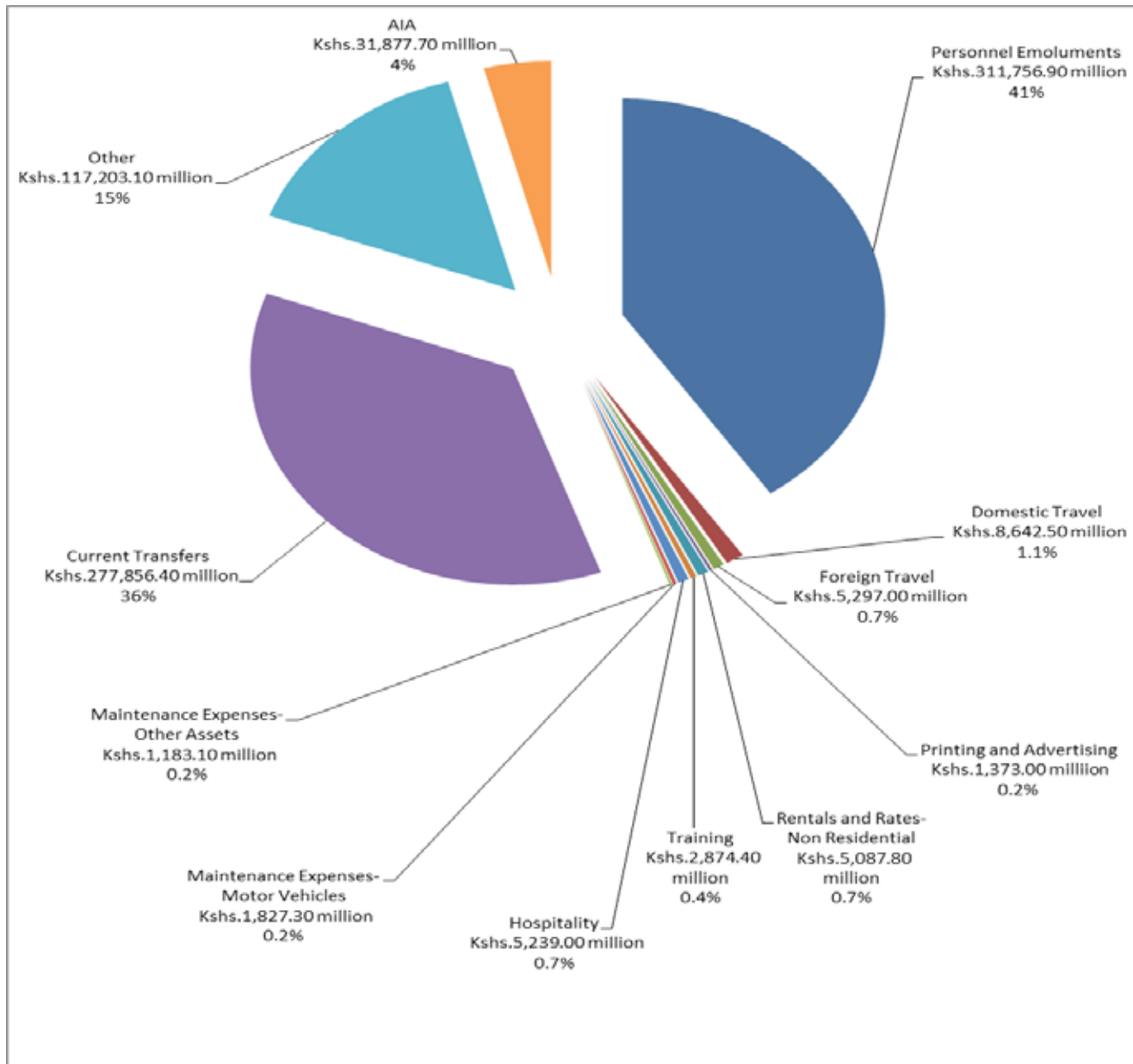
**State Department for Higher Education, Science and Technology (Kshs.7.3 billion):** Amount included Kshs.6.2 billion spent as domestic loans to individuals and households, Kshs.322.3 million on

specialized materials and supplies, Kshs.200.9 million on scholarships and other educational benefits, and Kshs.182.0 million on purchase of specialized plant, equipment and machinery.

**State for Department Coordination of National Government (Kshs.5.4 billion):** Includes; Kshs.3.2 billion spent on specialized materials and supplies, Kshs.575.4 million for utilities, supplies and services, Kshs.238.6 million for fuel oil and lubricants.

Figure 3.4 shows the composition of MDAs recurrent expenditure for the FY 2015/16.

**Figure 3.4: Composition of MDA Recurrent Expenditure, FY 2015/16 (Kshs. Millions)**



Source: MDAs and National Treasury

### 3.4.2 MDAs Development Expenditure Analysis

The cumulative development expenditure by MDAs and amounted to Kshs.451.8 billion translating to an absorption rate of 66.3 per cent, an improvement from 45.8 per cent reported in FY 2014/15. Table 3.5 shows the development expenditure breakdown by category.

**Table 3.5: Development Expenditure by MDAs Breakdown, FY 2015/16 (Kshs. Millions)**

MINISTRY/STATE DEPARTMENT	Mainten-ance of Motor Vehicles	Mainten-ance of other Assets	Capital Transfers	Const-ru-ction of Building	Refur-bishment of Buildings	Residential (Including Hostels)	Constru-ction and Civil Works	Purchase of Specialized Plant, Equipment and Machinery	Pre-Feasibility and Appraisal Studies	Other Expenses	Gross Expendi-ture	(A-I-A)	Net Expendi-ture
The Presidency	-	5.1	120	-	-	-	429.9	-	-	6.3	561.4	-	561.4
State Department for Interior	0.5	53.2	-	1319.8	334.5	-	0	361.8	-	9723.5	11793.3	-	11793.3
State Department for Coordination of National Government	-	-	-	242.7	17	-	-	279.6	-	-	539.3	-	539.3
State Department for Planning	1.3	408	40750	145.1	350.7	53.4	48	1025.7	158.6	8306.3	51247.1	520.4	50726.7
State Department for Devolution	12	0.2	5218.8	3	-	-	324.5	121	-	1508.3	7187.7	2454.7	4733
Ministry of Foreign Affairs and International Trade	-	-	217	94.8	15.3	-	-	-	-	1.5	328.6	-	328.6
State Department for Education	-	-	1527.9	693.1	-	1.9	553.1	-	-	708.2	3484.1	-	3484.1
State Department for Higher Education, Science and Technology	-	-	2331	6443.1	-	-	62.9	-	-	1653.8	10490.8	1897.3	8593.5
The National Treasury	0.1	108.8	10665.1	134.3	2	-	4.3	1139.4	850.8	38639.9	51544.7	8016.2	43528.5
Ministry of Health	17.8	243.6	7382.9	1598.5	1181.3	-	-	70.1	25	9524.3	20043.3	2971	17072.3
State Department for Infrastructure	-	-	73373.7	9	12.3	-	32	5.4	123.1	2475.5	76031	21724	76031
State Department for Transport	-	16.7	7810.5	-	0.2	-	58045.7	-	4.1	1476.2	67353.4	60406.8	67353.5
State Department for Environment & Natural Resources	18.3	6.7	139	142.9	20	-	665.6	482.9	199.3	1549.8	3224.4	39.5	3184.8
State Department for Water & Regional Authorities	-	-	2824	54	0.2	-	14609.2	5.5	77.3	794.4	18364.5	2665.7	15698.9

MINISTRY/STATE DEPARTMENT	Mainten-ance of Motor Vehicles	Mainten-ance of other Assets	Capital Transfers	Const-ruction of Building	Refur-bishment of Buildings	Residential (Including Hostels)	Constru-ction and Civil Works	Purchase of Specialized Plant, Equipment and Machinery	Pre-Feasibility and Appraisal Studies	Other Expenses	Gross Expendi-ture	(A-I-A)	Net Expendi-ture
Ministry of Lands Housing, and Urban Development	-	204.8	884.5	1879.5	35.2	-	8402.1	-	1084.6	7124	19614.7	1563.3	18051.3
Ministry of Information & Communication and Technology	-	44.4	1816.1	-	-	-	1	-	2655.6	10800	15317.1	1793.1	13524
Ministry of Sports Culture and Arts	-	-	1004.1	32	1115.6	-	-	50	9	60.2	2270.9	-	2270.9
Ministry of Labour Social Security and Services	9.4	9.1	11689.9	235.4	38.7	-	-	-	0.1	582.3	12564.9	-	12564.9
Ministry of Energy and Petroleum	-	-	33190	275	-	-	35810.6	-	524.4	35705.9	105505.9	34820.4	70685.5
State Department for Agriculture	-	-	7245.3	19.8	-	194.5	-	3.3	35.1	5462.6	12960.5	417.4	12543.1
State Department for Livestock	-	-	1898.3	-	-	-	23.3	62.1	-	593.7	2577.3	185.3	2392
State Department for Fisheries	0.4	-	1372.9	-	-	-	73	3.5	-	843.4	2293.3	21.1	2272.2
Ministry of Industrialization and Enterprise Development	-	-	4662.6	-	5.2	-	175.8	9.6	8.2	126.1	4987.5	43.3	4944.2
State Department for Commerce & Tourism	-	-	3389.2	-	-	-	-	6.1	72	632.1	4099.4	-	4099.4
State Department for East African Affairs	-	-	-	-	-	-	-	-	0.3	19.5	19.8	19.8	-
Ministry of Mining	-	-	-	29.4	2.7	-	-	-	155.9	141.3	329.4	-	329.4
Office of the Attorney General and Department of Justice	-	-	96.1	-	-	-	-	-	297.1	12.7	405.9	-	405.9
The Judiciary	-	-	20	453.8	125	-	-	16.6	-	1062.9	1678.3	87	1591.3
Directorate of Public Prosecutions	-	-	-	28.5	34.4	-	-	-	-	0.7	63.7	-	63.7

MINISTRY/STATE DEPARTMENT	Mainten-ance of Motor Vehicles	Mainten-ance of other Assets	Capital Transfers	Const-ru-ction of Building	Refur-bishment of Buildings	Residential (Including Hostels,)	Constru-ction and Civil Works	Purchase of Specialized Plant, Equipment and Machinery	Pre-Feasibility and Appraisal Studies	Other Expenses	Gross Expendi-ture	(A-I-A)	Net Expendi-ture
National Lands Commission	-	-	-	-	-	-	-	-	-	289	289	-	289
Independent Electoral and Boundaries Commission	-	-	-	27	-	-	-	-	-	-	27	-	27
Parliamentary Service Commission	-	-	-	982	601.1	-	-	-	-	387.5	1970.6	-	1970.6
Public Service Commission	-	-	-	26.8	24.8	-	-	-	-	-	51.7	-	51.7
Auditor General	-	-	-	108	-	-	-	-	-	-	108	-	108
National Gender and Equality Commission	-	-	-	-	-	-	-	-	-	18.2	18.2	-	18.2
<b>Total</b>	<b>59.80</b>	<b>1,100.60</b>	<b>219,628.90</b>	<b>14,977.50</b>	<b>3,916.20</b>	<b>249.80</b>	<b>119,261.00</b>	<b>3,642.60</b>	<b>6,280.50</b>	<b>140,230.10</b>	<b>509,346.70</b>	<b>139,646.30</b>	<b>451,831.20</b>

*Source: MDAs and National Treasury*

During the reporting period, MDAs Capital Transfers to Semi-Autonomous Government Agencies (SAGAs) was the highest spending category at Kshs.219.6 billion representing 48.6 per cent of the total development expenditure (net). The second highest category was other expenses at Kshs.140.2 billion or 31.0 per cent of the total development expenditure by the MDAs followed by construction and civil works category at Kshs.119.3 billion that represented 26.4 per cent of the total development expenditure. Other categories with notable expenditure amounts included; construction of buildings at Kshs.14.9 billion, pre-feasibility and appraisal studies, at Kshs.6.3 billion, and refurbishment of buildings at Kshs.3.9 billion.

A review of the development expenditure by the MDAs during the FY 2015/16 shows that the State Department for Infrastructure had the highest capital transfers to its SAGAs at Kshs.73.4 billion accounting for 33.4 per cent of the total capital transfers followed by the State Department for Planning at Kshs.40.8 billion, which is equivalent to 18.6 per cent of the total capital transfers by the MDAs.

The State Department for Transport reported the highest expenditure on construction and civil works at Kshs.58.0 billion translating to 48.7 per cent of the total MDAs expenditure under this category. The Ministry of Energy and Petroleum and State Department for Water & Regional Authorities reported the second and third highest expenditure under this category at Kshs.35.8 billion and Kshs.14.6 billion respectively.

The MDAs with notable development expenditure under the “other” expenditure category are analysed as follows:

**The National Treasury (Kshs.38.6 billion):** Expenditure includes Kshs.20.3 billion on domestic loans to non-financial public enterprises, Kshs.7.3 billion on specialised materials and supplies, Kshs.5.0 billion on civil contingency reserves, Kshs.3.8 billion on equity participation in foreign financial institutions operating abroad, and Kshs.1.1 billion on specialized plant, equipment and machinery.

Specialised materials and supplies comprise of medical drugs and laboratory materials (HIV/AIDS Round 7 project), Dressing and non-pharmaceuticals medical items (malaria round 10 special global fund. Specialized plant and equipment include purchase of software and ICT networking and communication equipment.

**Ministry of Energy and Petroleum (Kshs.35.7 billion):** This expenditure included: Kshs. 31.0 billion as direct payments (foreign borrowing), Kshs.1.3 billion on rehabilitation of civil works, Kshs. 535.8 million on other assorted operating expenses, and Kshs.255.3 million on training expenses.

**Ministry of Information, Communication and Technology (Kshs.10.8 billion):** Expenditure includes Kshs. 2.3 billion on Equity Participation in Domestic Public Non-Financial Enterprises towards the National Optic Fibre Backbone Infrastructure project, Kshs.1.8 billion as direct payments (foreign borrowing), Kshs.134.9 million on purchases of vehicles and other transport equipment. A further Kshs.1.2 billion was spent on other assorted operating expenses.

**State Department for Interior (Kshs.9.7 billion):** Expenditure includes Kshs.8.8 billion for purchase of specialised plant, equipment and machinery (police security equipment under police modernization programme) and Kshs.1.0 billion spent on specialised materials and supplies.

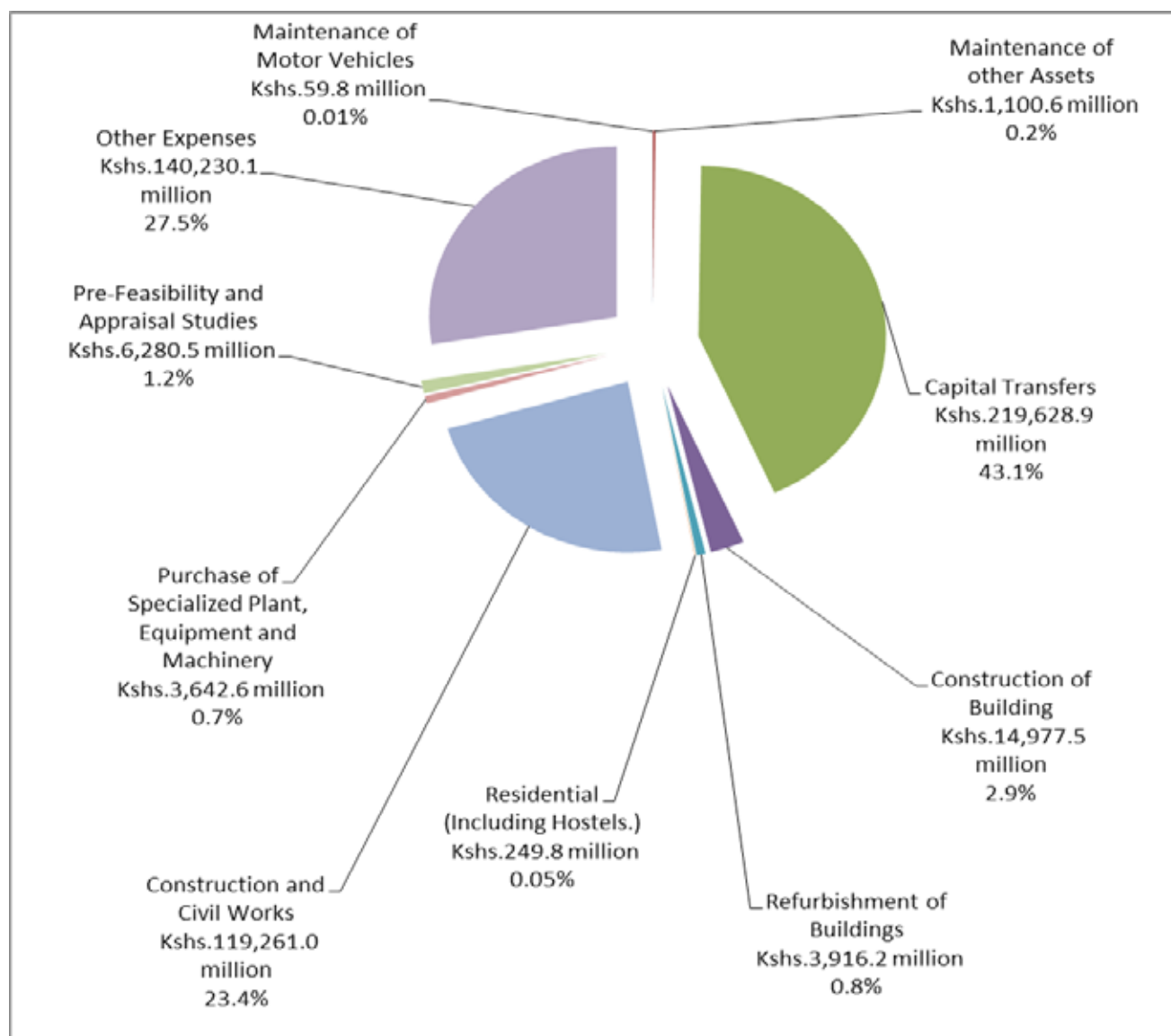
**Ministry of Health (Kshs.9.5 billion):** Expenditure includes Kshs.4.6 billion on rental of produced assets (hire of medical equipment, plant and machinery), Kshs.1.6 billion on specialized materials and supplies which includes purchase of medical drugs, vaccines and laboratory materials, Kshs.551.8 million on training, and Kshs.243.6 million on routine maintenance of assets.

**State Department for Planning (Kshs.8.3 billion):** This expenditure includes Kshs.4.1 billion paid as wages for temporary staff, i.e. casual labourers under youth development initiative, Kshs.2.7 billion spent on rehabilitation of civil works, Kshs.439.3 million on fuel oil and lubricants, Kshs.350.8 on Refurbishment of Buildings, and Kshs.314.3 as direct payment for ongoing projects (foreign borrowing).

**Ministry of Lands Housing and Urban Development (Kshs.7.1 billion):** Expenditure includes Kshs.1.3 billion paid on acquisition of the Waitiki farm by the government, and Kshs.1.1 billion on research, feasibility studies, project preparation and design, project supervision and Kshs.627.9 on construction of roads. A further Kshs.2.3 billion was spent on assorted expenses.

Figure 3.5 shows the composition of development expenditure for the FY 2015/16.

**Figure 3.5: Composition of Development Expenditure FY 2015/16 (Kshs. million)**



Source: MDAs and National Treasury

## 4 DEVELOPMENT AND RECURRENT EXPENDITURE ANALYSIS BY SECTOR

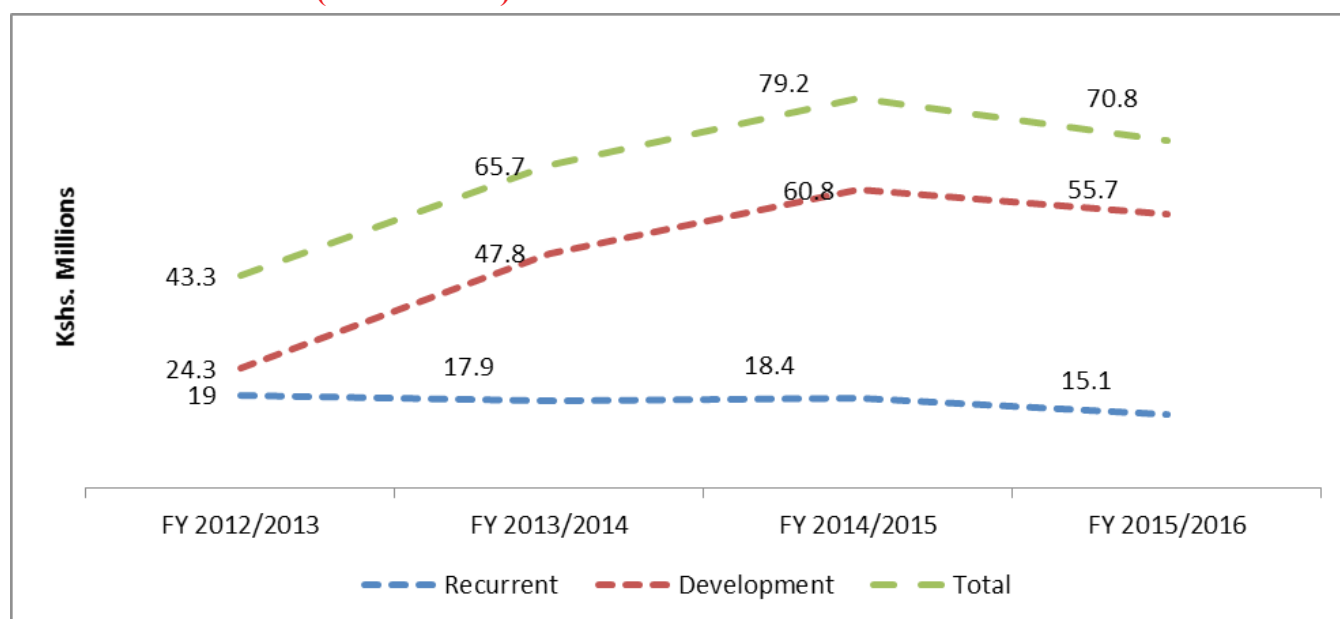
### 4.1 Introduction

This section presents analysis of sector performance for both recurrent and development expenditure in FY 2015/16. The 10 sectors are discussed in alphabetical order.

### 4.2 Agricultural, Rural and Urban Development (AR&UD) Sector

This sector is composed of five ministries/departments namely: Ministry of Land, Housing and Urban Development, State Department for Agriculture, State Department for Livestock, State Department for Fisheries and the National Land Commission (NLC). 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 food security, sustainable land management, affordable housing and urban infrastructure development. Figure 4.1 shows budgetary allocation trend for the AR & UD sector from FY 2012/13 to FY 2015/16.

**Figure 4.1: Budgetary Allocation Trend for the AR & UD Sector from FY 2012/13 to FY 2015/16 (Kshs. Billion)**



Source: National Treasury

The revised allocation for the sector in the FY 2015/16 was Kshs.70.8 billion representing 3.1 per cent of the revised gross national budget, a significant decrease from Kshs.79.2 billion allocated in FY 2014/15. It comprised of Kshs.55.7 billion (78.7 per cent) for development expenditure and Kshs.15.1 billion (23.3 per cent) for recurrent expenditure. The Ministry of Land, Housing and Urban Development received the highest budgetary allocation of Kshs.30.5 billion (43.1 per cent of the sector's allocation) while National Land Commission (NLC) had the lowest budgetary allocation of Kshs.1.5 billion (2.1 per cent of the sector's allocation). Table 4.1 shows AR&UD sector analysis of exchequer issues and expenditure in the FY 2015/16.



**Table 4.1: AR & UD Sector-Analysis of Exchequer Issues and Expenditure FY 2015/16 (Kshs. Billions)**

VOTE	Development						Recurrent					
	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to G. Est.	Rev. Gross Est.	Rev Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to G. Est.
Ministry of Land, Housing and Urban Development	26.7	22.2	18.9	18.1	85.5	67.7	3.8	3.8	3.8	3.6	99.9	93.9
State Department for Agriculture	20.7	15.0	13.3	12.5	88.5	60.5	6.7	6.3	6.1	5.7	97.2	84.4
State Department for Livestock	4.6	3.2	2.8	2.4	87.9	51.9	2.1	2.0	2.0	1.7	97.9	81.1
State department for Fisheries	3.3	2.3	1.8	2.3	77.5	68.2	1.3	1.3	1.3	1.3	100.0	94.0
National Land Commission	0.3	0.3	0.3	0.3	99.8	99.9	1.2	1.2	1.2	1.1	95.3	92.6
<b>Total</b>	<b>55.7</b>	<b>43.0</b>	<b>37.2</b>	<b>35.5</b>	<b>86.4</b>	<b>63.9</b>	<b>15.1</b>	<b>14.6</b>	<b>14.4</b>	<b>13.3</b>	<b>98.1</b>	<b>87.9</b>
<b>Total for the Sector</b>							<b>Rev. Gross Est.</b>	<b>Rev. Net Est.</b>	<b>Exch. Issues</b>	<b>Exp.</b>	<b>% of Exch. to Net Est.</b>	<b>% of Exp. to G. Est.</b>
<b>Development</b>							55.7	43.0	37.2	35.5	86.4	63.9
<b>Recurrent</b>							15.1	14.6	14.4	13.3	98.1	87.9
<b>Total</b>							<b>70.8</b>	<b>57.7</b>	<b>51.5</b>	<b>48.8</b>	<b>89.3</b>	<b>69.0</b>

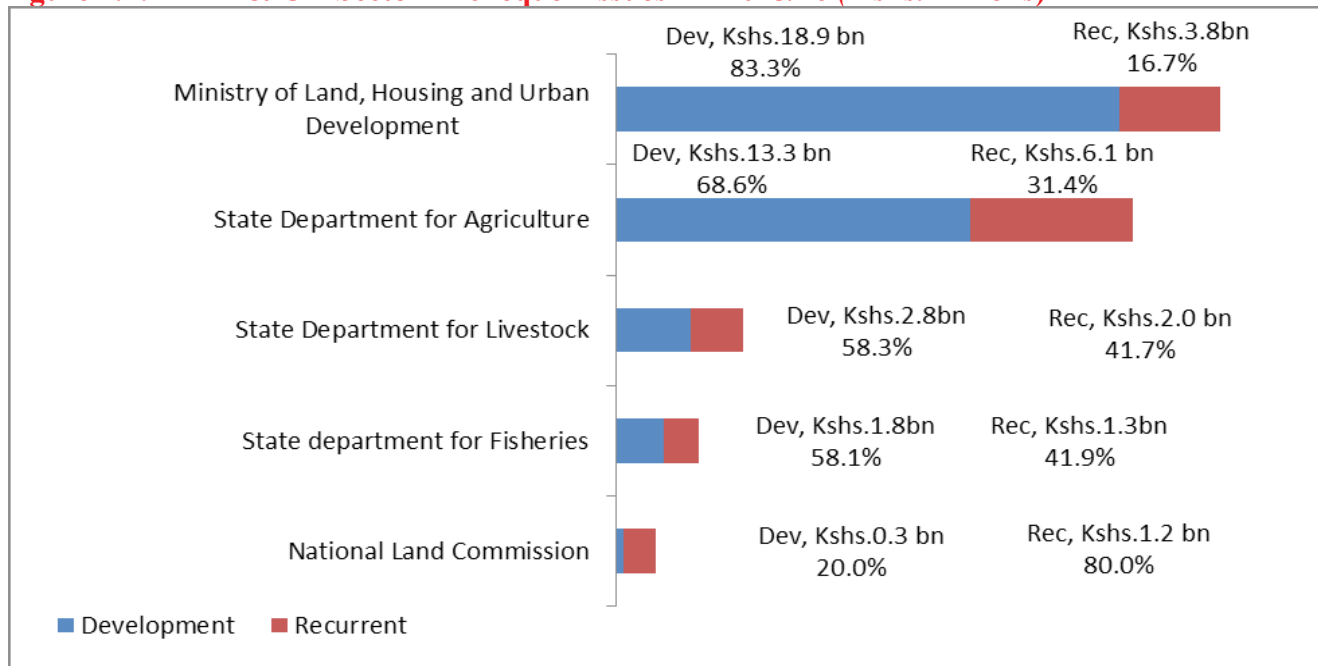
Source: MDAs and National Treasury

In FY 2015/16, the sector received total exchequer issues of Kshs.51.5 billion, translating to 89.3 per cent of the sector's revised annual net estimates. The exchequer issues to the sector comprised of Kshs.37.2 billion for development expenditure and Kshs.14.4 billion for recurrent expenditure.

The National Land Commission received the highest proportion of development exchequer issues to revised recurrent net estimates at 99.8 per cent while the State Department for Fisheries received the least at 77.5 per cent.

The State Department for Fisheries received the highest proportion of recurrent exchequer issues to revised recurrent net estimates at 100.0 per cent while the National Land Commission received the least at 95.3 per cent.

Figure 4.2 shows the exchequer issues to AR&UD sector in FY 2015/16.

**Figure 4.2: AR & UD Sector Exchequer Issues FY 2015/16 (Kshs. Billions)**

Source: National Treasury

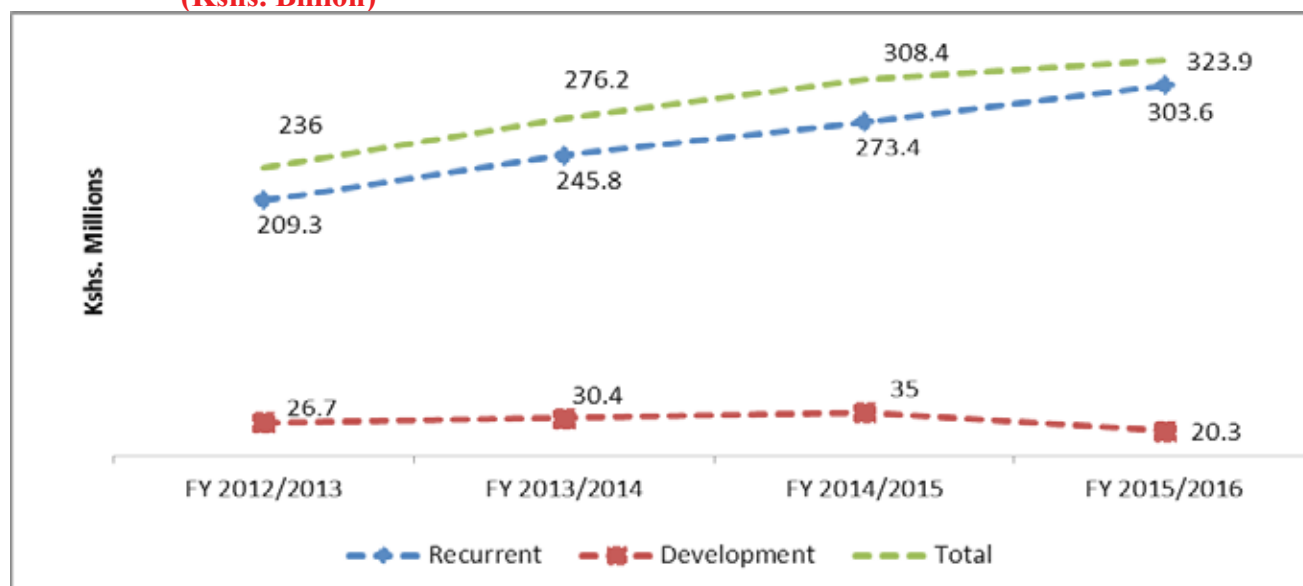
The total expenditure for the AR & UD sector in the FY 2015/16 amounted to Kshs.48.8 billion, representing 69.0 per cent of the revised gross estimates, a decline compared to 71.8 per cent (Kshs.56.9 billion) recorded in FY 2014/15. The expenditure consisted of Kshs.35.5 billion in development expenditure, representing an absorption rate of 63.9 per cent, a decline from 68.7 per cent recorded in the FY 2014/15 and Kshs.13.3 billion in the recurrent expenditure, representing 87.9 per cent of the annual recurrent estimates, showing an improvement compared to 82.1 per cent (Kshs.15.1 billion) reported in the FY 2014/15.

The National Land Commission recorded the highest absorption of development budget at 99.9 per cent (Kshs.0.3 billion) while the State Department for Livestock recorded the lowest at 51.9 per cent (Kshs.2.4 billion). The Ministry of Land, Housing and Urban Development and the State Department of Fisheries had the highest percentage of recurrent expenditure to annual recurrent estimates at 93.9 per cent while the State Department for Livestock had the lowest at 81.1 per cent.

From the analysis, there was a decline in the Agricultural sub-sector budgetary allocation, which is attributed to devolution of some of the functions to the Counties in line with the fourth schedule of the Constitution of Kenya, 2010.

### 4.3 Education Sector

This Sector comprises of the State Department for Education, State Department of Higher Education, Science and Technology, the Teachers Service Commission (TSC) and affiliated institutions. Education is a vital component in the realization of Kenya's Vision 2030 and a key economic and social right recognized by the Constitution of Kenya, 2010. The sector's goal is to increase access to education and training; improve quality and relevance of education, reduce inequality as well as exploit knowledge and skills in science, technology and innovation for global competitiveness. Figure 4.3 shows the trend in budgetary allocation to the sector from FY 2012/13 - FY 2015/16.

**Figure 4.3: Budgetary Allocation Trend for the Education Sector from FY 2012/13 to FY 2015/16 (Kshs. Billion)**

Source: National Treasury

The revised allocation for the sector in FY 2015/16 was Kshs.323.9 billion representing 14.2 per cent of the revised gross budget, a significant increase from Kshs.308.4 billion allocated in the FY 2014/15. It comprised of Kshs. 20.3 billion (6.3 per cent) for development expenditure and Kshs. 303.6 billion (97.3 per cent) for recurrent expenditure. The Teachers Service Commission (TSC) received the highest budgetary allocation of Kshs.186.6 billion (57.6 per cent of the sector's allocation) while the State Department for Education had the least allocation of Kshs.67.1 billion (20.7 per cent of the sector's allocation).

**Table 4.2: Education Sector- Analysis of Exchequer Issues and Expenditure FY 2015/16 (Kshs. Billions)**

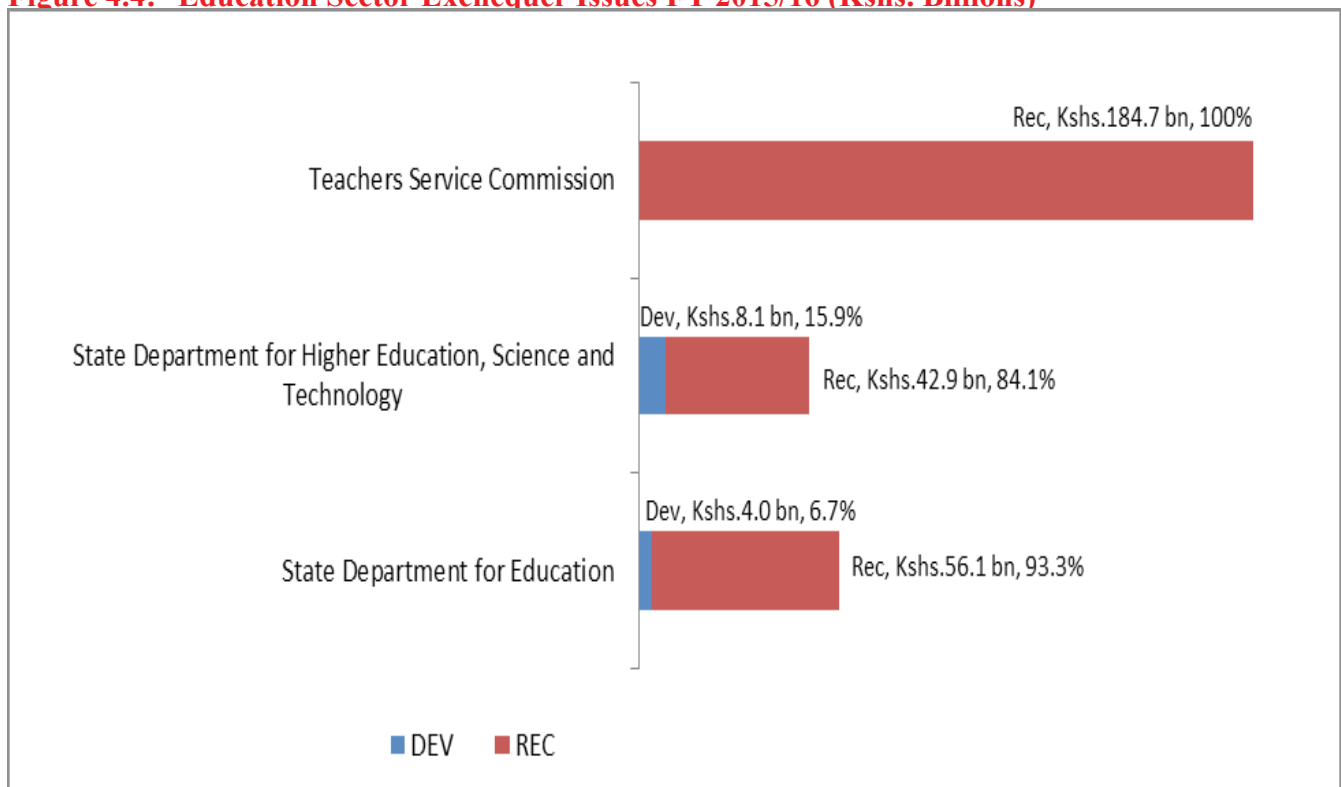
VOTE	Development						Recurrent					
	Rev. Gross Est.	Revised Net Estimates	Ex-chequer Issues	Exp.	% Exch. Issues to Net Est.	% Exp to G. Est.	Rev. Gross Est.	Rev. Net Est.	Ex-chequer Issues	Exp.	% Exch. Issues to Net Est.	% Exp to G. Est.
State Department for Education	8.4	7.4	4.0	3.4	54.5	40.9	58.7	56.6	56.1	53.1	99.1	90.4
State Department for Higher Education, Science and Technology	11.9	8.9	8.1	8.6	91.1	72.4	58.3	43.7	42.9	53.1	98.2	73.4
Teachers Service Commission	0.1	0.1	-	-	0.0	0.0	186.5	186.3	184.7	185.8	99.1	99.6
<b>Total</b>	<b>20.3</b>	<b>16.3</b>	<b>12.1</b>	<b>12.0</b>	<b>74.2</b>	<b>59.1</b>	<b>303.6</b>	<b>286.6</b>	<b>283.7</b>	<b>281.7</b>	<b>99.0</b>	<b>92.8</b>
<b>Total for the Sector</b>							<b>Rev. Gross Est.</b>	<b>Rev. Net Est.</b>	<b>Exch. Issues</b>	<b>Exp.</b>	<b>% of Exch. to Net Est.</b>	<b>% of Exp. to G. Est.</b>
<b>Development</b>							20.3	16.3	12.1	12.0	74.2	59.1
<b>Recurrent</b>							303.6	286.5	283.7	281.7	99.0	92.8
<b>Total</b>							<b>323.9</b>	<b>302.9</b>	<b>295.8</b>	<b>293.8</b>	<b>97.7</b>	<b>90.7</b>

Source: MDAs and National Treasury

The total exchequer issues to the sector in the FY 2015/16 amounted to Kshs.295.8 billion and comprised of Kshs.12.1 billion for development expenditure and Kshs.283.7 billion for recurrent expenditure. The State Department for Higher Education, Science and Technology received Kshs.8.1 billion for development activities, representing the highest proportion of development exchequer issues to the revised net estimates at 91.1 per cent. The Teachers Service Commission and the State Department for Education received the highest proportion of recurrent exchequer issues to revised recurrent net estimates at 99.1 per cent, while the State Department for Higher Education, Science and Technology received the least recurrent exchequer issues to revised recurrent net estimates at 98.2 per cent.

The breakdown of the exchequer issues for the education sector is shown in Figure 4.4.

**Figure 4.4: Education Sector Exchequer Issues FY 2015/16 (Kshs. Billions)**



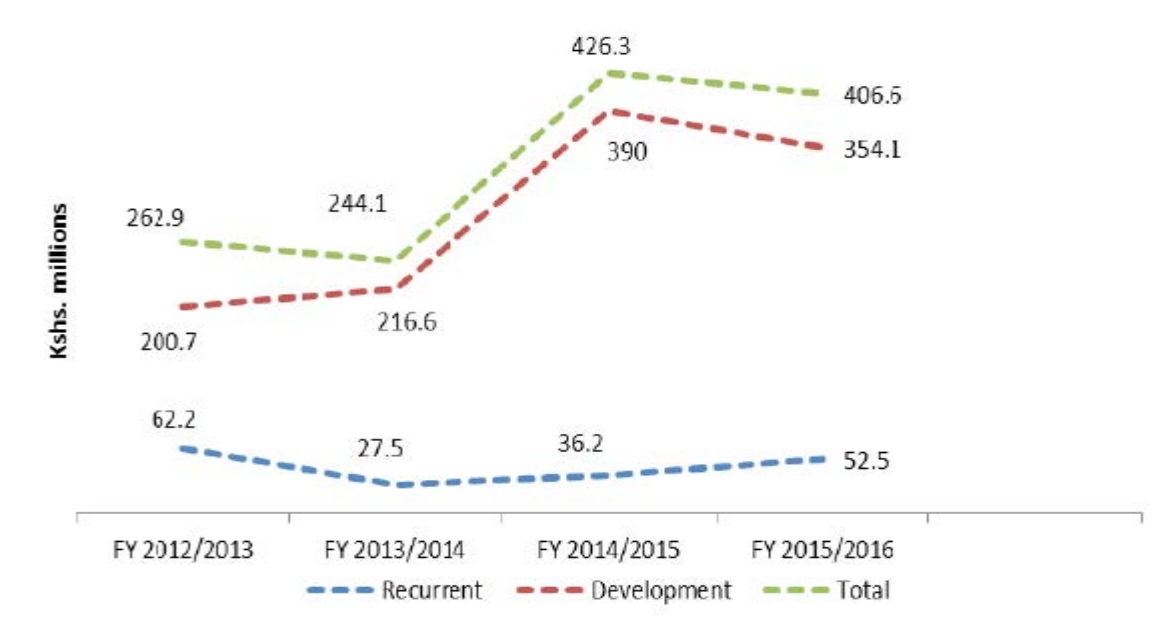
*Source: National Treasury*

The total expenditure for the sector in the FY 2015/16 was Kshs.293.8 billion, representing absorption of 90.7 per cent, an increase from 88.0 per cent recorded in the FY 2014/15. This comprised of Kshs.12.0 billion in development expenditure, representing 59.1 per cent of the annual development budget and Kshs.281.7 billion in recurrent expenditure representing 92.8 per cent of the revised recurrent expenditure. The State Department of Higher Education, Science and Technology recorded the highest absorption rate, at 72.4 per cent, while Teachers Service Commission did not spend funds on development activities. The Teachers Service Commission recorded the highest percentage of recurrent expenditure at 99.6 per cent to the revised net recurrent estimates while the State Department for Higher Education, Science and Technology recorded the lowest at 73.4 per cent.

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

This sector consists of four su-sectors, namely; State Department for Infrastructure, State Department for Transport, Ministry of Information Communication and Technology and Ministry of Energy and Petroleum. The sector aims at becoming a world-class provider of cost-effective public utility infrastructure facilities and services in energy, transport and ICT that meets international standards to make Kenya a globally competitive country. Figure 4.5 shows budgetary allocation trend for the EI & ICT sector for the period FY 2012/13 to FY 2015/16.

**Figure 4.5: Budgetary Allocation Trend for the EI & ICT Sector From FY 2012/13 - FY 2015/16 (Kshs Billions)**



*Source: National Treasury*

The revised allocation for the sector in the FY 2015/16 was Kshs 406.6 billion representing 17.8 per cent of the revised gross national budget, a decline compared to Kshs.426.3 billion allocated in the FY 2014/15. The allocation comprised of Kshs.354.1 billion (87.1 per cent) for development expenditure and Kshs.52.5 billion (12.9 per cent) for recurrent expenditure. The State Department of Transport received the highest budgetary allocation of Kshs.165.8 billion (40.8 per cent of the sector's allocation) while the Ministry of Information, Communication and Technology had the lowest budgetary allocation of Kshs.17.7 billion or 4.4 per cent of the sector's allocation.

Table 4.3 shows the analysis of the EI & ICT sector exchequer issues and expenditure.

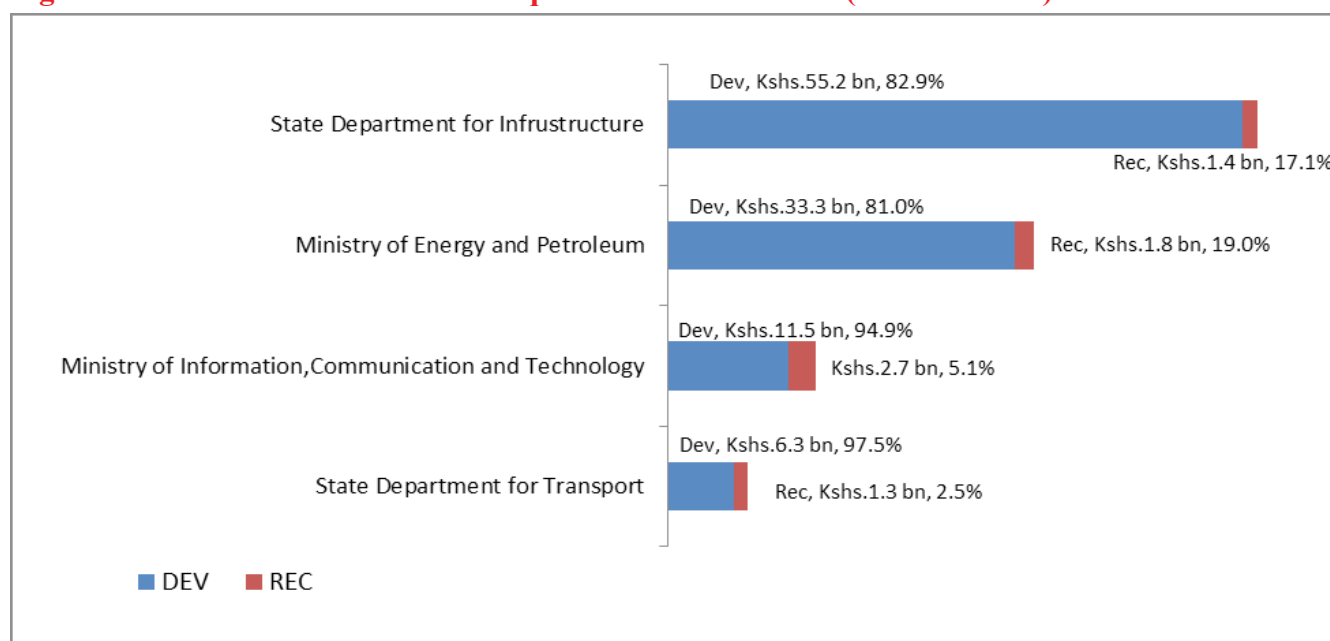
**Table 4.3: EI & ICT Sector - Analysis of Exchequer Issues and Expenditure FY 2015/16 (Kshs. Billions)**

VOTE	Development						Recurrent					
	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp	% of Exch. to Net Est.	% of Exp. to G. Est.	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to G. Est.
State Department for Infrastructure	84.7	57.8	55.2	76.0	95.5	89.8	41.6	1.6	1.4	9.5	85.8	22.9
State Department for Transport	160.0	6.9	6.3	67.4	91.7	42.1	5.8	1.4	1.4	1.3	98.8	22.1
Ministry of Information, Communication and Technology	14.7	11.6	11.5	13.5	99.6	92.0	3.0	2.8	2.7	2.8	94.4	92.1
Ministry of Energy and Petroleum	94.7	35.6	33.3	70.7	93.6	74.6	2.1	1.8	1.8	2.0	100.0	94.0
<b>Total</b>	<b>354.1</b>	<b>111.9</b>	<b>106.4</b>	<b>227.6</b>	<b>95.1</b>	<b>64.3</b>	<b>52.5</b>	<b>7.6</b>	<b>7.2</b>	<b>15.5</b>	<b>94.8</b>	<b>29.6</b>
<b>Total for the Sector</b>							<b>Rev. Gross Est.</b>	<b>Rev. Net Est.</b>	<b>Exch. Issues</b>	<b>Exp.</b>	<b>% of Exch. to Net Est.</b>	<b>% of Exp. to G. Est.</b>
<b>Development</b>							354.1	111.9	106.4	227.6	95.1	64.3
<b>Recurrent</b>							52.5	7.6	7.2	15.5	94.8	29.6
<b>Total</b>							<b>406.6</b>	<b>119.5</b>	<b>113.6</b>	<b>243.1</b>	<b>95.1</b>	<b>59.8</b>

Source: MDAs & National Treasury

The total exchequer issues to the sector in FY 2015/16 amounted to Kshs.113.6 billion, representing 95.1 per cent of the revised net estimates an improvement compared to 79.7 per cent recorded in the FY 2014/15. Development exchequer issues amounted to Kshs.106.4 billion, representing 95.1 per cent of the revised net development estimates. The Ministry of Information, Communication and Technology received the highest proportion of development exchequer issues to the revised net development estimates at 99.6 per cent, while the State Department for Transport received the lowest at 91.7 per cent.

Recurrent exchequer issues amounted to Kshs.7.2 billion, representing 94.8 per cent of the revised net recurrent estimates. The Ministry of Energy and Petroleum received the highest proportion of exchequer issues to revised recurrent net estimates at 100.0 per cent, while the State Department for Infrastructure received the least at 85.8 per cent. Figure 4.6 shows analysis of exchequer issues to the EI & ICT sector.

**Figure 4.6: EI & ICT Sector Exchequer Issues FY 2015/16 (Kshs. Billions)**

*Source: National Treasury*

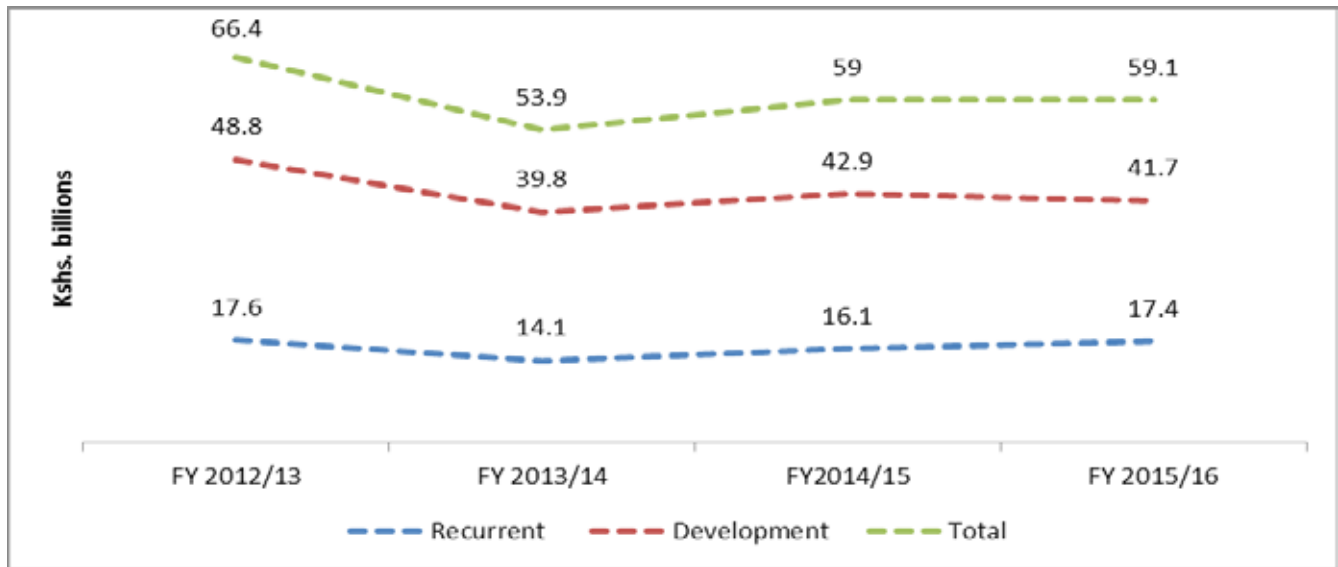
Total expenditure for the EI & ICT sector during the FY 2015/16 was Kshs.243.1 billion representing absorption of 59.8 per cent, a significant growth compared to 30.1 per cent recorded in the FY 2014/15. The development expenditure was Kshs.227.6 billion, representing an absorption rate of 64.3 per cent while recurrent expenditure amounted to Kshs.15.5 billion, representing 29.6 per cent of the revised net recurrent estimates. The Ministry of Information, Communication and Technology recorded the highest absorption of development expenditure at 92.0 per cent while the State Department for Transport recorded the lowest at 42.1 per cent. The Ministry of Energy and Petroleum had the highest percentage of recurrent expenditure to its revised gross estimates at 94.0 per cent while State Department for Transport recorded the lowest at 22.1 per cent

In the FY 2015/16, the sub-sectors spent funds towards implementation of some major on-going projects that included: Construction of Nairobi Southern Bypass (Kshs.4.6 billion), Mwatate-Taveta road (Kshs.3.5 billion), Merille - Marsabit road (Kshs.2.7 billion), Outering roads (Kshs.2.0 billion), rehabilitation of Mau Summit - Kericho road (Kshs.1.2 billion), Eldoret- Webuye road (Kshs.1.1 billion and Nuno-Modogashe road project (Kshs.570.8 million).The Ministry further spent Ksh.781 million on the Rehabilitation and Upgrading of Upper Hill roads Phase one which was 95% complete as at end of the FY 2015/16. The Ministry of Information, Communication and Technology spent Kshs.5.2 billion on the Digital Literacy Programme - Laptops for primary schools.

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

The sector consists of three sub-sectors namely: the State Department for Environment & Natural Resources; State Department for Water and Regional Authorities and Ministry of Mining. The sector endeavours to provide decent, secure and habitable environment as well as access to portable water. It also promotes mineral exploration and mining management, development of mineral development policies, conducting inventory and mapping of mineral resources.

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 2015/16.

**Figure 4.7: Budgetary Allocation Trend - Environmental Protection, Water and Natural Resources Sector from FY 2012/13 to FY 2015/16 (Kshs. Billion)**

Source: National Treasury

The revised allocation for the sector in FY 2015/16 was Kshs.59.1 billion representing 2.6 per cent of the revised gross national budget, a marginal increase from the Kshs.59.0 billion allocated in FY 2014/15. This comprised of Kshs.41.7 billion (70.5 per cent) for development expenditure and Kshs.17.4 billion (29.5 per cent) for recurrent activities. The State Department for Water and Regional Authorities received the highest allocation of Kshs.37.6 billion, or 64 per cent of the sector's total budget allocation. The Ministry of Mining received the lowest allocation of Kshs.1.3 billion, representing 2.2 per cent of the total sector's budget.

Table 4.4 shows the analysis of the Environment Protection, Water and Natural Resources sector exchequer issues and expenditure for the FY 2015/16

**Table 4.4: Environmental Protection, Water and Natural Resources Sector - Analysis of Exchequer Issues and Expenditure FY 2015/16 (Kshs. Billions)**

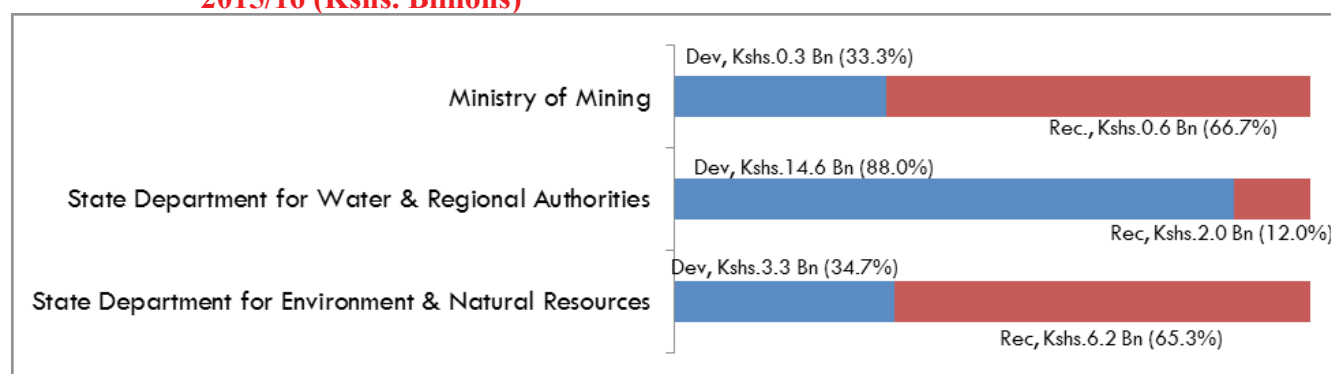
VOTE	Development						Recurrent					
	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp	% of Exch. to Net Est.	% of Exp. to G. Est.	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to G. Est.
State Department for Environment & Natural Resources	7.8	4.7	3.3	3.2	70.6	40.9	12.4	6.2	6.2	6.3	100.0	50.9
State Department for Water & Regional Authorities	33.4	16.8	14.6	15.7	86.8	47.1	4.2	2.1	2.1	0.5	99.3	11.3
Ministry of Mining	0.6	0.6	0.3	0.3	57.0	58.0	0.7	0.7	0.6	0.6	86.9	87.4
<b>Total</b>	<b>41.7</b>	<b>22.0</b>	<b>18.2</b>	<b>19.2</b>	<b>82.6</b>	<b>46.1</b>	<b>17.4</b>	<b>9.0</b>	<b>8.9</b>	<b>7.5</b>	<b>98.8</b>	<b>42.9</b>
<b>Total for the Sector</b>							<b>Rev. Gross Est.</b>	<b>Rev. Net Est.</b>	<b>Exch. Issues</b>	<b>Exp.</b>	<b>% of Exch. to Net Est.</b>	<b>% of Exp. to G. Est.</b>
<b>Development</b>							41.7	22.0	18.2	19.2	81.6	46.1
<b>Recurrent</b>							17.4	9.0	8.9	7.5	98.8	42.9
<b>Total</b>							59.1	31.0	26.9	26.7	86.6	45.1

Source: MDAs and National Treasury



Exchequer issues to the sector amounted to Kshs.27.1 billion representing 87.3 per cent of the revised net estimates. The development exchequer issues were Kshs.18.2 billion or 82.6 per cent of the revised net development estimates while recurrent exchequer issues to the sector were Kshs.8.9 billion representing 98.8 per cent of the revised net recurrent estimates. The State Department for Water and Regional Authorities received the highest proportion of development exchequer issues to revised net development estimates at 86.8 per cent while the Ministry of Mining received the lowest at 57.0 per cent. The State Department for Environment and Natural Resources received the highest proportion of recurrent exchequer issues to revised net recurrent estimates at 100.0 per cent while the Ministry of Mining received the lowest at 86.9 per cent. Figure 4.8 shows the Environment Protection, Water and Natural Resources sector's exchequer issues for the FY 2015/16.

**Figure 4.8: Environment Protection, Water and Natural Resources Sector Exchequer Issues FY 2015/16 (Kshs. Billions)**



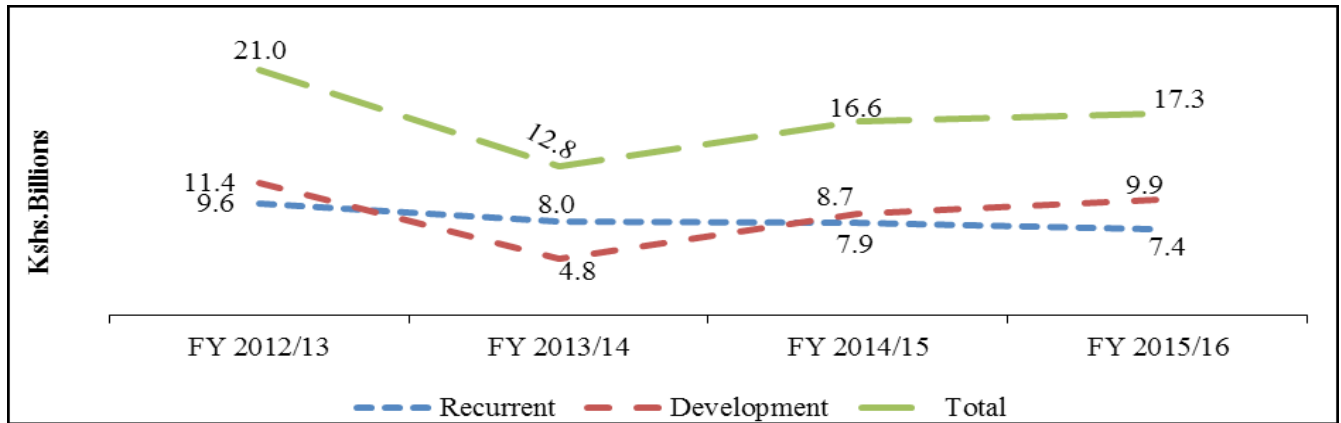
Source: National Treasury

The total expenditure for the sector was Kshs.26.7 billion translating to an absorption rate of 45.1 per cent of the revised gross estimates. This comprised of Kshs.19.2 billion on development activities translating to an absorption rate of 46.1 per cent and Kshs.7.5 billion on recurrent expenditure which represented 42.9 per cent of the revised recurrent budget. The Ministry of Mining recorded the highest absorption of development expenditure at 58.0 per cent while the State Department for Environment and Natural Resources recorded the lowest at 40.9 per cent. The Ministry of Mining also recorded the highest percentage of its recurrent budget at 87.4 per cent while the State Department for Water & Regional Authorities recorded the lowest at 11.3 per cent.

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

The General Economic and Commercial Affairs (GECA) Sector comprises of the Ministry of Industry, Trade and Cooperatives, State Department for East African Affairs and State Department for Commerce and Tourism. The sector aims at promoting regional integration and cooperation, growth and development of commerce, tourism promotion and development, savings and investment mobilization, employment creation, and industrial and entrepreneurship development. The sector contributes significantly to the overall national development and accounts for about 33 per cent of the overall GDP. It is also a major source of government revenue in form of taxes, duties, license fees, National Park entry fees, among others.

Figure 4.9 shows the trend in budgetary allocation GECA sector trend from FY 2012/2013 to FY 2015/2016.

**Figure 4.9: Budgetary Allocation Trend to the GECA Sector from FY 2012/13 to FY 2015/16 (Kshs. Billion)**

Source: National Treasury

The annual budgetary allocation for the sector in FY 2015/16 amounted to Kshs.16.6 billion which represented 0.8 per cent of national total budget. The allocation was revised in the fourth quarter of FY 2015/16 to Kshs.17.3 billion (0.8 per cent of the revised total budgetary allocation), an increase compared to Kshs.16.6 billion allocated in a similar period of FY 2014/15 (8.6 per cent of the FY 2014/15 total budgetary allocation). The allocation comprised of Kshs.7.4 billion (42.7 per cent) for recurrent expenditure and Kshs.9.9 billion (57.3 per cent) for development expenditure.

Table 4.5 presents the analysis of exchequer issues and expenditure for GECA sector FY 2015/16

**Table 4.5: GECA Sector - Analysis of Exchequer Issues and Expenditure FY 2015/16 (Kshs. Billions)**

VOTE	Development						Recurrent					
	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp	% of Exch. to Net Est.	% of Exp. to G. Est.	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to G. Est.
Ministry of Industry, Trade and Cooperatives	5.5	5.1	4.8	4.9	93.7	90.6	3.0	2.9	2.9	2.8	99.5	95.8
State Department for East African Affairs	0.1	-	-	-	-	-	1.6	1.6	1.6	1.5	99.7	92.4
State Department for Commerce & Tourism	4.4	4.4	3.9	4.1	88.1	93.6	2.8	2.7	2.7	2.7	97.0	96.4
<b>Total</b>	<b>9.9</b>	<b>9.5</b>	<b>8.7</b>	<b>9.0</b>	<b>91.2</b>	<b>91.3</b>	<b>7.4</b>	<b>7.3</b>	<b>7.2</b>	<b>7.0</b>	<b>98.6</b>	<b>95.3</b>
<b>Total for the Sector- FY 2015/16</b>							<b>Rev. Gross Est.</b>	<b>Rev. Net Est.</b>	<b>Exch. Issues</b>	<b>Exp.</b>	<b>% of Exch. to Net Est.</b>	<b>% of Exp. to G. Est.</b>
<b>Development</b>							9.9	9.5	8.7	9.0	91.2	91.3
<b>Recurrent</b>							7.4	7.3	7.2	7.0	98.6	95.3
<b>Total</b>							<b>17.3</b>	<b>16.8</b>	<b>15.9</b>	<b>16.0</b>	<b>94.4</b>	<b>93.0</b>

Source: MDAs and National Treasury

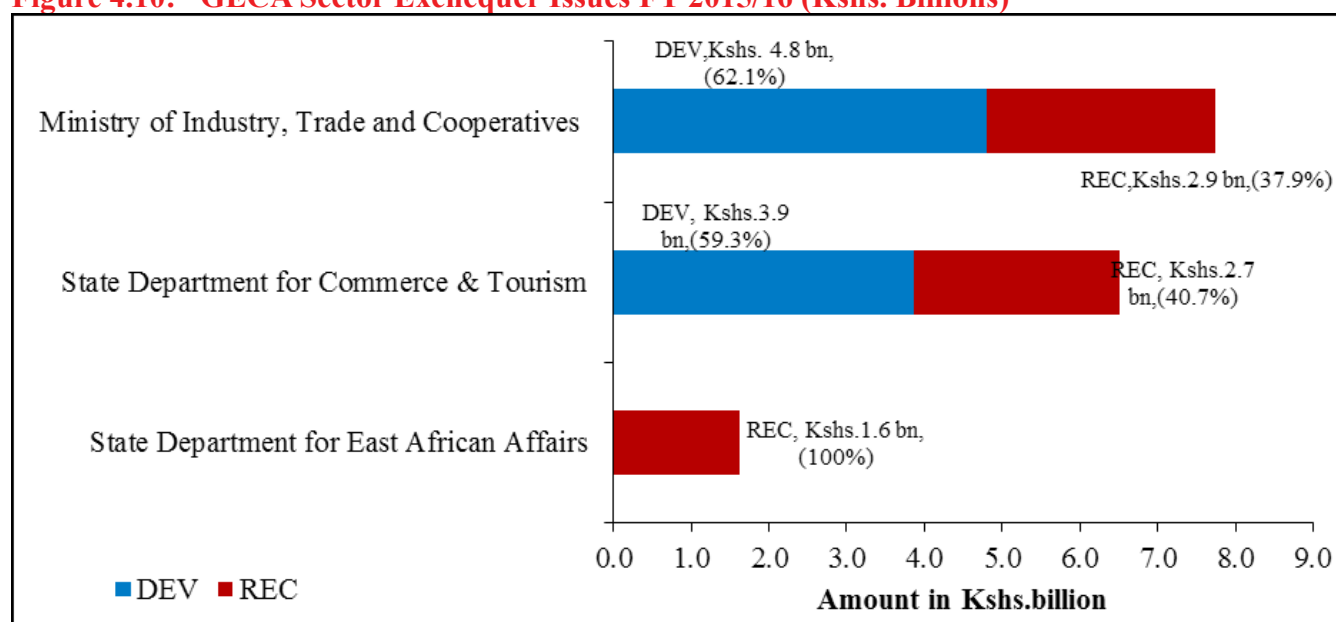
The total exchequer issues to the sector in the reporting period amounted to Kshs.15.9 billion representing 94.4 per cent of the revised net estimates. Exchequer issues for development activities amounted to Kshs.8.7 billion representing 91.2 per cent of the revised net development estimates while the exchequer issues for recurrent activities amounted to Kshs.7.2 billion, representing 98.6 per cent of the revised net recurrent estimates.

The Ministry of Industry, Trade and Cooperatives received the highest proportion of development exchequer issues to its development net estimates at 93.7 per cent while the State Department for Commerce and Tourism received the lowest proportion of development exchequer issues to its development net estimates at 88.1 per cent.

The State Department for East African Affairs received the highest proportion of recurrent exchequer issues to its revised net recurrent estimates at 99.7 per cent while the State Department for Commerce and Tourism received the lowest proportion at 97.0 per cent. .

Figure 4.10 presents the breakdown of exchequer issues for the GECA sector.

**Figure 4.10: GECA Sector Exchequer Issues FY 2015/16 (Kshs. Billions)**



Source: National Treasury

During the period under review, the sector incurred expenditure amounting to Kshs.16.0 billion, equivalent to an absorption rate of 93.0 per cent of the revised gross estimates.

The State Department for Commerce and Tourism had the highest absorption rate of its revised development budget and highest proportion of recurrent expenditure to its revised recurrent budget at 93.6 per cent and 96.4 per cent respectively. On the other hand, the State Department for East African Affairs did not incur any development expenditure in the period under review and had the lowest proportion of its recurrent expenditure to its recurrent budget at 92.4 per cent.

Recurrent expenditure amounted to Kshs.7.0 billion representing 95.3 per cent of the revised recurrent estimates while the development expenditure amounted to Kshs.9.0 billion representing an absorption rate of 91.3 per cent.

During the year, MDAs in this sector experienced challenges which affected their budget execution. For instance; the State Department for Commerce and Tourism and the Ministry of Industry, Trade and

Cooperatives reported that budget implementation was hindered by delays in the release of exchequer issues for development activities. The Ministry of Industry, Trade and Cooperatives further indicated that there was delay in project implementation due to slow approval process of the Special Economic Zones (SEZ) regulations and low budgetary provisions.

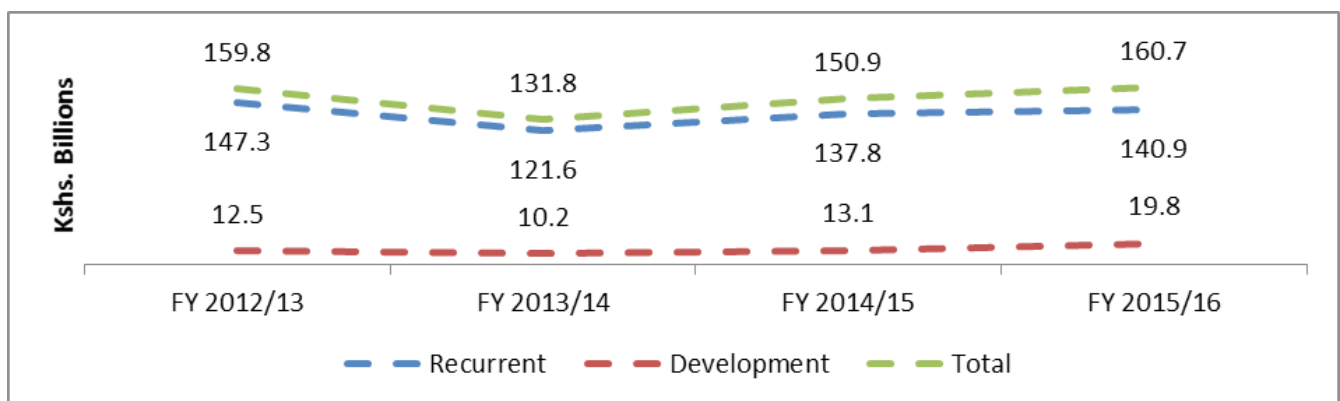
#### 4.7 Governance, Justice, Law and Order Sector (GJLOS)

The GJLOS sector comprises of 14 departments/ministries which include; Ministry of Interior and Coordination of National Government, Office of the Attorney General and Department of Justice, Directorate of Public Prosecution (DPP), The Judiciary, Judicial Service Commission (JSC), Ethics and Anti-Corruption Commission (EACC), Kenya National Commission for Human Rights (KNCHR), Registrar of Political Parties (RPP), Witness Protection Agency (WPA), National Police Service Commission (NPSC), Independent Electoral and Boundaries Commission (IEBC), National Gender and Equality Commission (NGEC), Commission for Implementation of the Constitution (CIC) and Independent Policing Oversight Authority (IPOA).

The role of the sector includes provision of security, prosecution services, management of elections and electoral boundaries, ensuring good governance and accountability of public resources, registration and regulation of political parties, facilitating and overseeing implementation of the Constitution. The sector also aims at protecting and promoting human rights, rehabilitation, re-integration and resettlement of custodial and non-custodial offenders, providing migration services, maintaining law and order, judicial and legal services, and promotion of cohesion, transparency and integrity.

Figure 4.11 shows the budgetary allocation trend for the GJLOS sector from the period FY 2012/13 to FY 2015/16.

**Figure 4.11: Budgetary Allocation Trend -- GJLOS Sector for FY 2012/13 to FY 2015/16 (Kshs. Billion)**



Source: National Treasury

The revised allocation for the sector in FY 2015/16 was Kshs.160.7 billion, which was 7.0 per cent of the total national budget, an increase compared to Kshs.150.9 billion allocated in FY 2014/15. This comprised of Kshs.19.8 billion (12.3 per cent) for development expenditure and Kshs. 140.9 billion (87.7 per cent) for recurrent expenditure.

Table 4.6 shows the GJLOS sector analysis of exchequer issues and expenditure, for the FY 2015/16.

**Table 4.6: GJLOS – Analysis of Exchequer Issues and Expenditure, FY 2015/16 (Kshs. Billions)**

VOTE	Development						Recurrent					
	Gross Est.	Net Estimates	Exchequer Issues	Exp.	% Exch. Issues to Net Est.	% Exp to G. Est.	Gross Est.	Net Est.	Exchequer Issues	Exp.	% Exch. Issues to Net Est.	% Exp to G. Est.
State Department for Interior	15.5	15.4	14.4	11.8	93.4	76.1	94.2	93.9	92.8	87.9	98.9	93.3
State Department for Coordination of National Government	0.6	0.6	0.6	0.5	99.4	88.3	17.6	17.6	17.6	16.1	100.0	91.7
Office of the Attorney General and Department of Justice	0.5	0.1	0.1	0.4	71.3	89.6	3.8	3.5	3.2	3.0	93.1	78.2
The Judiciary	3.1	3.1	1.8	1.6	57.1	51.1	11.7	11.7	11.0	11.3	94.1	96.4
Ethics and Anti-Corruption Commission	-	-	-	-	-	-	3.0	3.0	2.6	2.5	86.6	84.0
Directorate of Public Prosecutions	0.1	0.1	0.02	0.06	30.4	87.3	2.4	2.4	2.0	2.1	83.5	89.7
Commission for the Implementation of the Constitution	-	-	-	-	-	-	0.3	0.3	0.3	0.3	100.0	94.6
Registrar of Political Parties	-	-	-	-	-	-	0.5	0.5	0.5	0.5	97.3	97.0
Witness Protection Authority	-	-	-	-	-	-	0.4	0.4	0.4	0.4	100.0	97.8
Kenya National Commission of Human Rights	-	-	-	-	-	-	0.5	0.5	0.4	0.4	96.2	95.9
Independent Electoral and Boundaries Commission	0.03	0.03	0.03	0.03	98.1	100.0	4.9	4.9	4.3	4.1	87.9	84.8
Judicial Service Commission	-	-	-	-	-	-	0.5	0.5	0.4	0.4	85.6	85.2
National Police Service Commission	-	-	-	-	-	-	0.5	0.5	0.5	0.5	96.6	97.0
National Gender and Equality Commission	-	-	-	-	-	-	0.3	0.3	0.3	0.3	99.7	98.2
Independent Policing Oversight Authority	-	-	-	-	-	-	0.4	0.4	0.4	0.4	91.2	91.5
<b>Total</b>	<b>19.8</b>	<b>19.4</b>	<b>16.9</b>	<b>14.4</b>	<b>87.3</b>	<b>70.7</b>	<b>140.9</b>	<b>140.1</b>	<b>136.7</b>	<b>130.2</b>	<b>97.5</b>	<b>92.4</b>
<b>Total for the Sector</b>							<b>Rev. Gross Est.</b>	<b>Rev. Net Est.</b>	<b>Exch. Issues</b>	<b>Exp.</b>	<b>% of Exch. to Net Est.</b>	<b>% of Exp. to G. Est.</b>
<b>Development</b>							19.8	19.4	16.9	14.4	87.3	73.0
<b>Recurrent</b>							140.9	140.1	136.7	130.2	97.5	92.4
<b>Total</b>							<b>160.7</b>	<b>159.5</b>	<b>153.6</b>	<b>144.6</b>	<b>96.3</b>	<b>90.0</b>

Source: MDAs and National Treasury

During the period under review, the total exchequer issues to the sector was Kshs.153.6 billion, representing 96.3 per cent of the revised net estimates. This consists of development exchequer issues of Kshs.16.9 billion, representing 87.3 per cent of the revised net development estimates, and the recurrent exchequer issues of Kshs.136.7 billion, representing 97.5 per cent of the revised net recurrent estimates. The State Department for Coordination of National Government received the highest proportion of exchequer issues to revised net development estimates at 99.4 per cent, while the Directorate of Public Prosecution

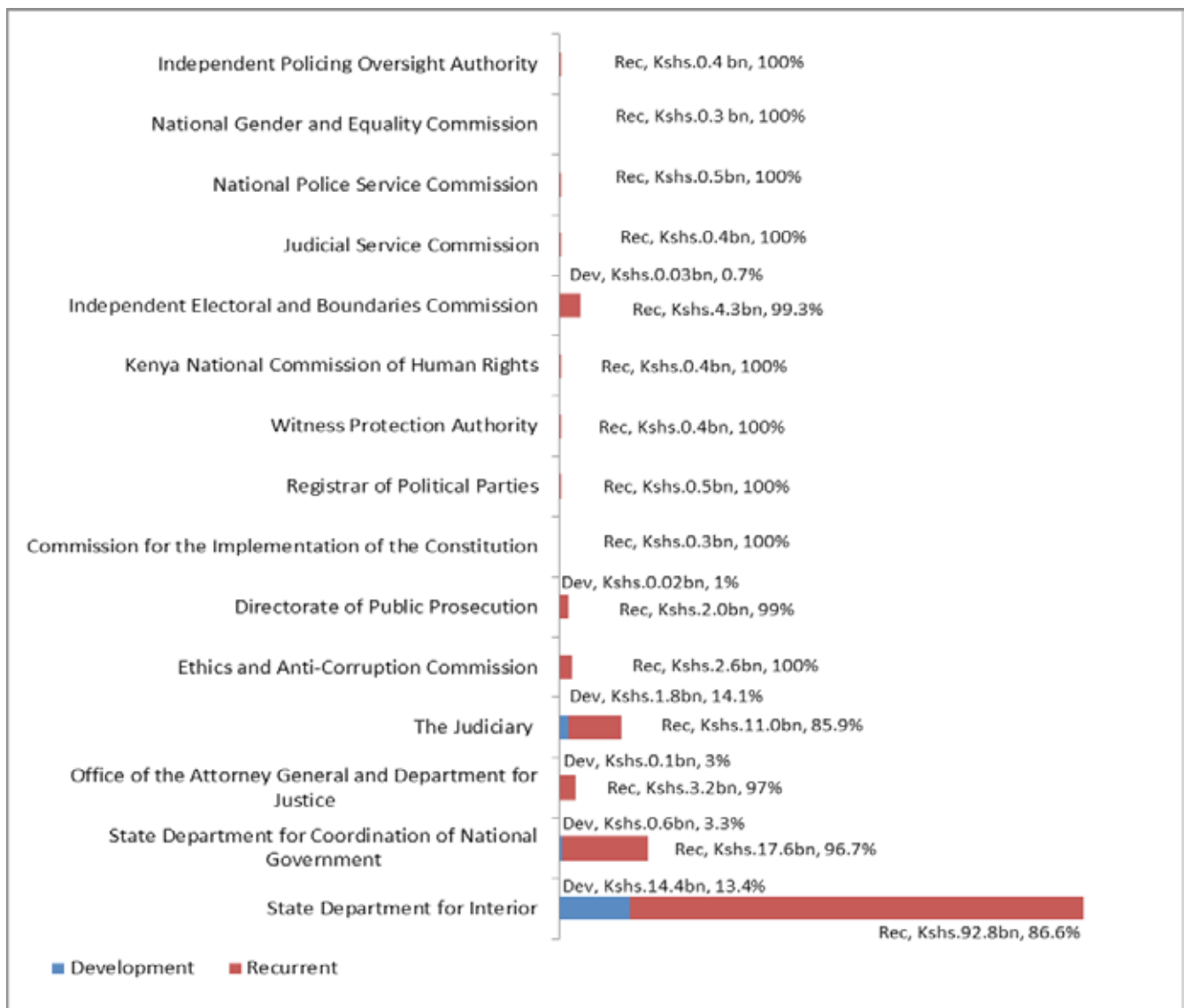
received the lowest at 30.4 per cent.

The State Department for Coordination of National Government, the Commission for the Implementation of the Constitution and the Witness Protection Agency received the highest proportion of exchequer issues to revised recurrent net estimates at 100.0 per cent, while the Directorate of Public Prosecution received the lowest at 83.5 per cent.

The total expenditure for the sector in FY 2015/16 was Kshs.144.6 billion, representing an absorption rate of 90.0 per cent of the revised gross estimates, an increase from 77.4 per cent recorded in the FY 2014/15 (Kshs.116.8 billion). The development expenditure was Kshs.14.4 billion, an absorption rate of 73.0 per cent while the recurrent expenditure was Kshs.130.2 billion representing 92.4 per cent of the revised net recurrent estimates. The Commission for the Implementation of the Constitution whose term ended in December 2015 recorded the highest percentage of recurrent expenditure to annual estimates at 100.0 per cent followed by the National Gender and Equality Commission at 98.2 per cent.

Figure 4.12 shows the sector’s exchequer issues for the FY 2015/6.

**Figure 4.12: Governance, Justice, Law and Order Sector (GJLOS) Exchequer Issues FY 2015/16 (Kshs. Billions)**



Source: National Treasury & OCOB

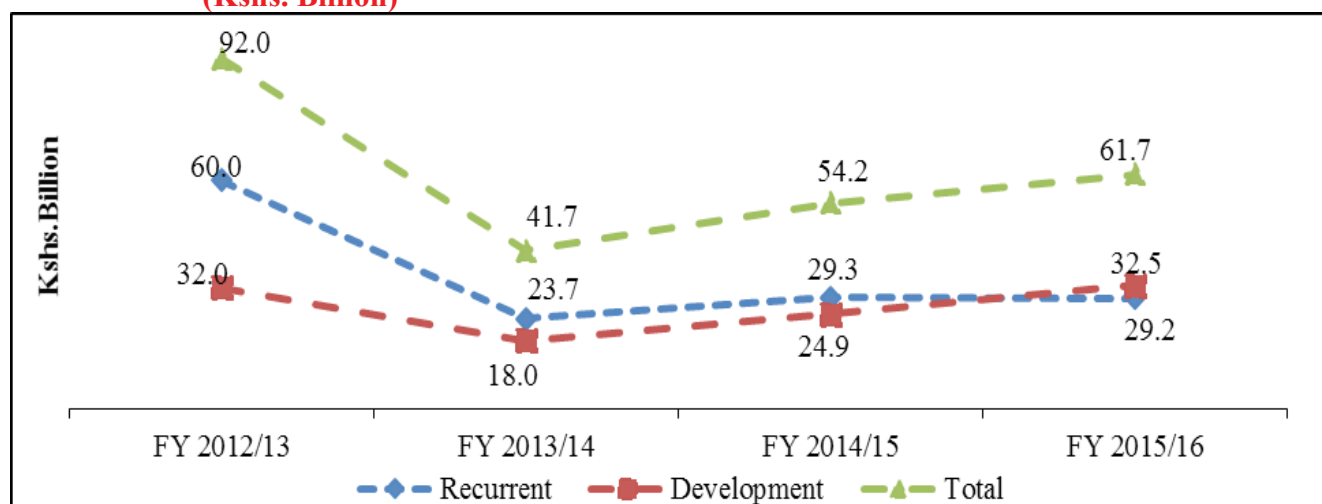
Some of the on-going major projects implemented by the sector in the FY 2015/16 included: The Judiciary Performance Improvement (PPF) project at the Judiciary Headquarters which spent Kshs.969.6 million and the Construction of Ultra-Modern Library and two Moot Courts (Kenya School of Law) by the Office of the Attorney General and the Department of Justice at Kshs.70 million.

#### 4.8 Health Sector

The Health sector has one ministry, namely, Ministry of Health which discharges its function through eight Semi-Autonomous Government Agencies (SAGAs); Kenyatta National Hospital (KNH), Moi Teaching and Referral Hospital, Kenya Medical Research Institute (KEMRI), Kenya Medical Supplies Agency (KEMSA), Kenya Medical Training College (KMTTC), National Health Insurance Fund (NHIF), National AIDS Control Council (NACC) and HIV & AIDS Equity Tribunal. The SAGAs are specialized in health service delivery, medical research and training, procurement and distribution of drugs and financing through health insurance. The mandate of the sector is to promote and participate in the provision of integrated and high quality curative, preventive and rehabilitative services that are equitable, responsive and accessible to all Kenyans.

Figure 4.13 shows budgetary allocation trend for the Health Sector for the period FY 2012/13 to FY 2015/16.

**Figure 4.13: Budgetary Allocation Trend for the Health Sector for FY 2012/13 to FY 2015/16 (Kshs. Billion)**



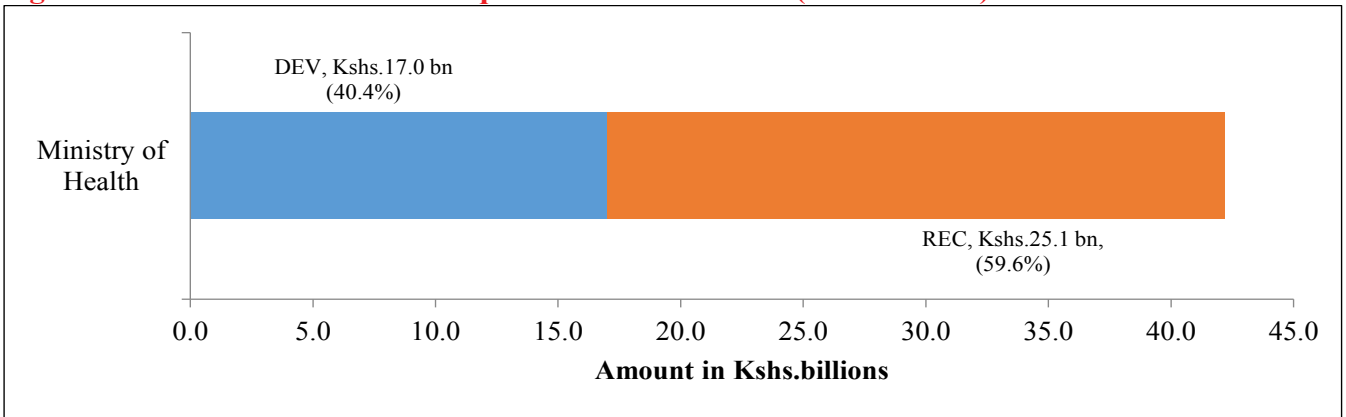
Source: National Treasury

The revised budgetary allocation for the sector in the FY 2015/16 amounted to Kshs.61.7 billion, representing 2.7 per cent of the revised gross national budget and an increase from the Kshs.54.1 billion allocated in FY 2014/15. The allocation comprised of Kshs.32.5 billion (52.7 per cent) for development activities and Kshs.29.2 billion (47.3 per cent) for recurrent activities.

In the FY 2015/16, the total exchequer issues to the sector amounted to Kshs.42.2 billion, which translated to 90.2 per cent of the revised net estimates. The exchequer issues released for development activities

was Kshs.17.0 billion which translated to 79.1 per cent of the revised net development estimates. The recurrent exchequer issues amounted to Kshs.25.1 billion representing 99.7 per cent of the revised net recurrent estimates. Figure 4.14 shows Health sector exchequer issues for the FY 2015/16.

**Figure 4.14: Health Sector Exchequer Issues FY 2015/16 (Kshs. Billion)**



Source: National Treasury

During the period under review, the total expenditure for the sector amounted to Kshs.42.3 billion, an absorption rate of 68.5 per cent of the revised gross estimates, and a decline from the absorption rate of 70.6 per cent achieved in FY 2014/15. The development expenditure amounted to Kshs.17.1 billion representing an absorption rate of 52.5 per cent while recurrent expenditure amounted to Kshs.25.2 billion representing 86.3 per cent of the revised net recurrent estimates. Table 4.7 presents the analysis of exchequer issues and expenditure for the period under review for the Health sector.

**Table 4.7: Health Sector - Analysis of Exchequer Issues and Expenditure FY 2015/16 (Kshs. Billions)**

VOTE	Development						Recurrent					
	Revised Gross Est.	Revised Net Est.	Excheq. Issues	Exp.	% Exch. Issues to Rev. Net Est.	% Exp to Revised G. Est.	Revised Gross Est.	Revised Net Est.	Excheq. Issues	Exp.	% Exch. Issues to Revised Net Est.	% Exp to Revised G. Est.
Ministry of Health	32.5	21.5	17.0	17.1	79.1	52.5	29.2	25.2	25.1	25.2	99.7	86.3
Total	32.5	21.5	17.0	17.1	79.1	52.5	29.2	25.2	25.1	25.2	99.7	86.3
<b>Total for the Sector</b>							Revised Gross Est.	Revised Net Est.	Excheq. Issues	Exp.	% Exch. Issues to Rev. Net Est.	% Exp. to Revised G. Est.
Development							32.5	21.5	17.0	17.1	79.1	52.5
Recurrent							29.2	25.2	25.1	25.2	99.7	86.3
Total							61.7	46.7	42.2	42.3	90.2	68.5

Source: MDAs and National Treasury



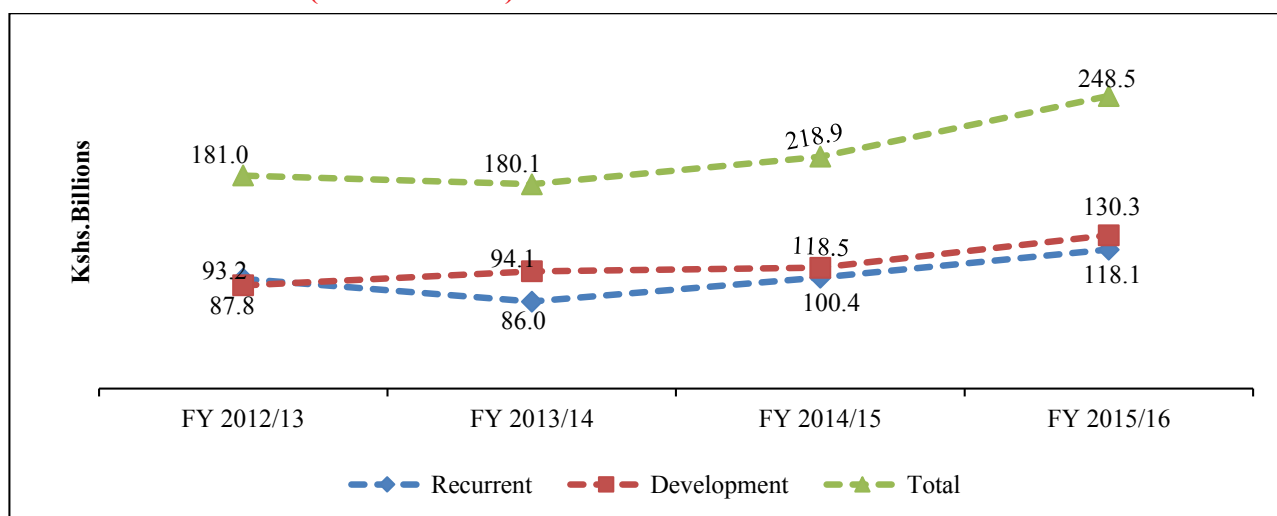
Some of the major projects under implementation by the Ministry of Health in the FY 2015/16 included: The Health Systems Management towards purchase of vaccines across the country where Kshs.2.6 billion was spent, Free Maternity programme where Kshs.2.4 billion was spent, Kenya Health Sector Support Project II where Kshs.563 million was spent and the construction and equipping of KNH Cancer Centre at Kshs.282 million.

#### 4.9 The Public Administration and International Relations (PAIR) Sector

The Public Administration and International Relations (PAIR) sector comprises of the following Ministries/ Departments; The Presidency, Ministry of Devolution and Planning, Ministry of Foreign Affairs and International Trade, National Treasury, Parliamentary Service Commission, Commission on Revenue Allocation, Public Service Commission, Salaries and Remuneration Commission, Auditor General, Controller of Budget and the Commission on Administrative Justice. The sector plays a significant role in national policy formulation and implementation, and monitoring and evaluation of government projects. In addition, it links all other sectors with the rest of the world on matters of international treaties, agreements, co-operation and resource mobilization.

Figure 4.15 shows budgetary allocation trend for the PAIR sector for the period FY 2012/13 to FY 2015/16.

**Figure 4.15: Trends in Budgetary Allocation for the PAIR Sector for the period FY 2012/13 - FY 2015/16 (Kshs. Billions)**



Source: National Treasury

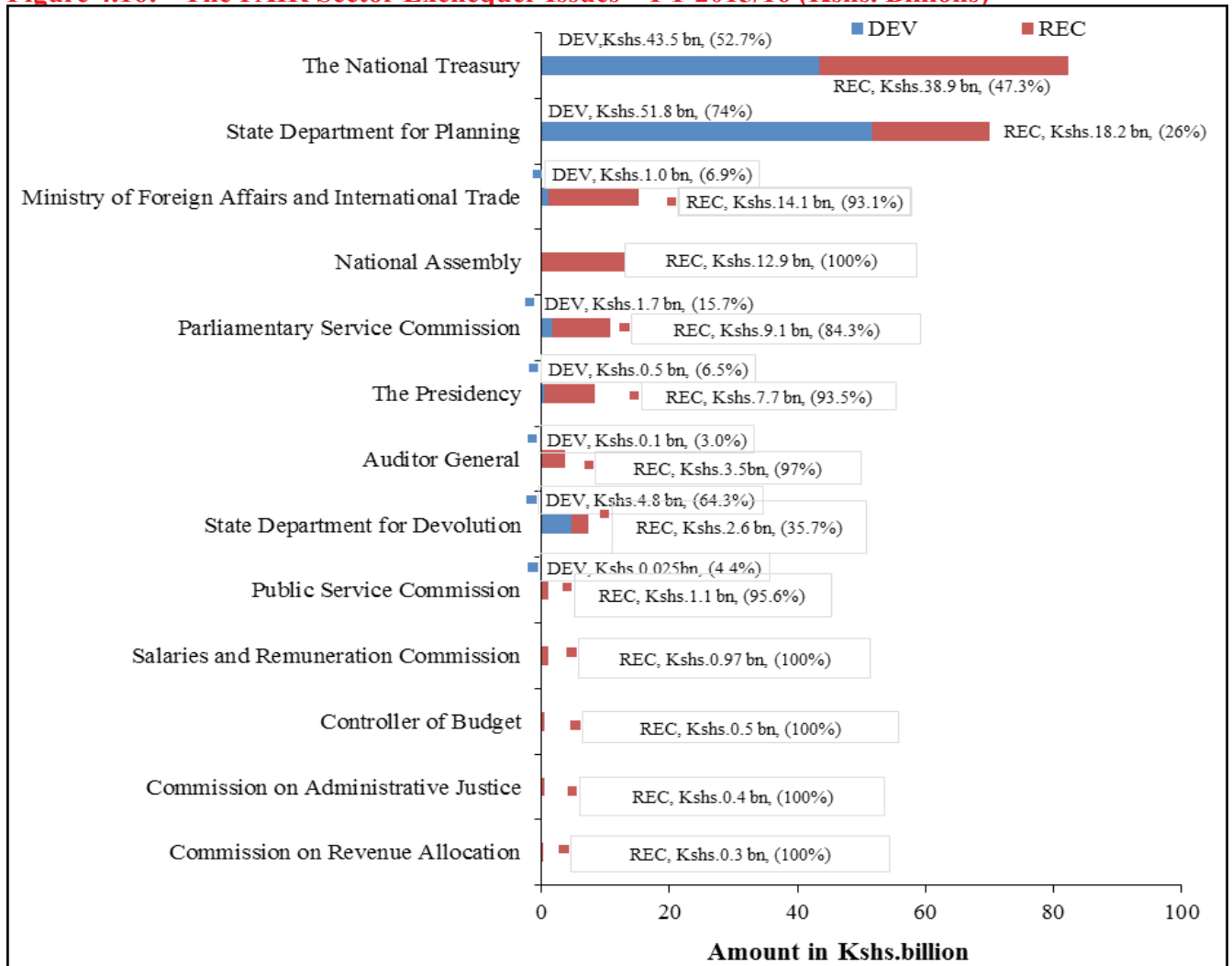
The revised gross national budget for the sector in FY 2015/16 was Kshs.248.5 billion (12.4 per cent of the total budgetary allocation), an increase compared to Kshs.218.9 billion allocated in FY 2014/15 (8.6 per cent). The allocation comprised of Kshs.130.3 billion (52.5 per cent) for development expenditure and Kshs.118.1 billion (47.5 per cent) for recurrent expenditure.

The National Treasury had the highest allocation for development as well as recurrent expenditure at Kshs.62.0 billion and Kshs.40.7 billion respectively. The Office of the Auditor General had the lowest allocation for development expenditure at Kshs.0.1 billion while the Commission on Revenue Allocation (CRA) had the lowest allocation for recurrent activities at Kshs.0.3 billion

The total exchequer issues to the sector in the FY 2015/16 amounted to Kshs.213.8 billion representing 94.9 per cent of the revised net estimates. The development exchequer issues to the sector amounted to Kshs.103.4 billion representing 95.3 per cent of the revised net development estimates while recurrent exchequer issues to the sector amounted to Kshs.110.4 billion, equivalent to 94.6 per cent of the revised net recurrent estimates.

Figure 4.16 shows PAIR sector exchequer issues for the FY 2015/16.

**Figure 4.16: The PAIR Sector Exchequer Issues – FY 2015/16 (Kshs. Billions)**



Source: National Treasury

During the reporting period, the State Department of Devolution received the highest proportion of exchequer issues for development activities to revised net development estimates at 98.5 per cent while the Presidency had the lowest proportion at 52.2 per cent. The Commission on Revenue Allocation and the Salaries and Remunerations Commission had the highest proportion of exchequer issues for recurrent activities to revised net recurrent estimates at 100.0 per cent while the National Assembly had the lowest proportion at 83.3 per cent.

Table 4.8 shows the analysis of exchequer issues and expenditure in the PAIR sector for the FY 2015/16.

**Table 4.8: PAIR Sector - Analysis of Exchequer Issues and Expenditure-FY 2015/16 (Kshs. Billions)**

Vote	Development						Recurrent					
	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp	% of Exch. to Net Est.	% of Exp. to G. Est.	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to G. Est.
The Presidency	1.0	1.0	0.5	0.6	52.2	54.0	7.9	7.8	7.7	7.6	98.8	96.4
State Department for Planning	54.1	52.6	51.8	50.7	98.5	93.8	19.4	19.3	18.2	16.2	94.3	83.5
State Department for Devolution	9.7	5.6	4.8	4.7	84.6	48.8	2.8	2.8	2.6	2.4	95.6	87.2
Ministry of Foreign Affairs and International Trade	1.2	1.2	1.0	0.3	90.0	27.3	15.5	14.4	14.1	8.2	97.6	53.0
The National Treasury	62.0	45.8	43.5	43.5	94.8	70.2	40.7	40.7	38.9	38.4	95.8	94.5
Parliamentary Service Commission	2.1	2.1	1.7	2.0	80.9	93.8	9.3	9.3	9.1	7.5	97.5	80.6
National Assembly	-	-	-	-	-	-	15.5	15.5	12.9	13.3	83.3	86.0
Commission on Revenue Allocation	-	-	-	-	-	-	0.3	0.3	0.3	0.3	100.0	91.1
Public Service Commission	0.05	0.05	0.0	0.05	94.5	99.7	1.1	1.1	1.1	1.1	99.5	98.9
Salaries and Remuneration Commission	-	-	-	-	-	-	1.0	1.0	1.0	0.8	100.0	77.9
Auditor General	0.14	0.14	0.1	0.11	79.9	79.9	3.7	3.6	3.5	3.5	97.9	93.3
Controller of Budget	-	-	-	-	-	-	0.5	0.5	0.5	0.5	93.7	91.8
Commission on Administrative Justice	-	-	-	-	-	-	0.5	0.5	0.4	0.4	92.3	89.0
<b>Total</b>	<b>130.3</b>	<b>108.5</b>	<b>103.4</b>	<b>102.0</b>	<b>95.3</b>	<b>78.2</b>	<b>118.1</b>	<b>116.7</b>	<b>110.4</b>	<b>100.2</b>	<b>94.6</b>	<b>84.8</b>
<b>Total for the Sector- FY 2015/16</b>							<b>Gross Est.</b>	<b>Net Est.</b>	<b>Exch. Issues</b>	<b>Exp.</b>	<b>% of Exch. to Net Est.</b>	<b>% of Exp. to G. Est.</b>
<b>Development</b>							130.3	108.5	103.4	102.0	95.3	78.3
<b>Recurrent</b>							118.1	116.7	110.4	100.2	94.6	84.8
<b>Total</b>							<b>248.5</b>	<b>225.2</b>	<b>213.8</b>	<b>202.2</b>	<b>94.9</b>	<b>81.4</b>

Source: MDAs and National Treasury

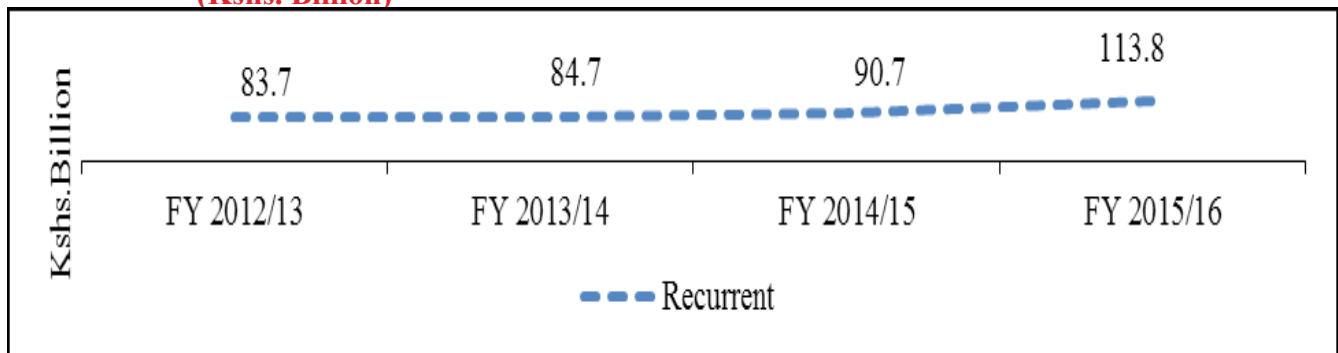
During the period under review, the sector incurred expenditure amounting to Kshs.202.2 billion, equivalent to an absorption rate of 81.4 per cent of the revised gross estimates. Development expenditure amounted to Kshs.102.0 billion representing an absorption rate of 78.3 per cent while recurrent expenditure amounted to Kshs.100.2 billion representing 84.8 per cent of the revised recurrent estimates.

The Public Service Commission had the highest absorption rate of its development budget and the highest proportion of recurrent expenditure to revised net gross estimates at 99.7 per cent and 98.9 per cent respectively. The Ministry of Foreign Affairs and International Trade had the lowest proportion of development and recurrent expenditure to revised gross annual estimates at 27.3 per cent and 53.0 per cent respectively.

#### 4.10 National Security Sector

This sector comprises of the Ministry of Defence and the National Intelligence Services (NIS). The mandate of this sector is to safeguard the security of the country against any threats emanating both from within and outside the borders, defend the country and provide support to civil power in maintaining peace and order. Figure 4.17 shows the budgetary allocation trend for the National Security sector for the period FY 2012/13 – FY 2015/16.

**Figure 4.17: Budgetary Allocation Trend National Security Sector FY 2012/13 – FY 2015/16 (Kshs. Billion)**



*Source: National Treasury*

The revised allocation for the sector in the FY 2015/16 was Kshs.113.8 billion representing 5.1 per cent of the total national budget, an increase compared to 90.7 billion allocated in FY 2014/15. The allocation comprised of Kshs.92.3 billion (82.1 per cent) to the Ministry of Defence and Kshs.21.5 billion (17.9 per cent) to the National Intelligence Services (NIS).

Table 4.9 presents the analysis of exchequer issues and expenditure for the period under review for the National Security sector.

**Table 4.9: National Security Sector - Analysis of Exchequer Issues and Expenditure for the FY 2015/16 (Kshs. Billions)**

FY 2015/16 Recurrent						
VOTE	Revised Gross Est.	Revised Net Estimates	Exchequer Issues	Expenditure	% Exch. Issues to Revised Net Estimates	% Exp to revised Gross Est.
Ministry of Defence	92.3	92.3	92.2	92.2	99.9	99.9
National Intelligence Services	21.5	21.5	21.5	21.5	100.0	100.0
<b>Total</b>	<b>113.8</b>	<b>113.8</b>	<b>113.7</b>	<b>113.7</b>	<b>99.9</b>	<b>99.9</b>

*Source: MDAs and National Treasury*

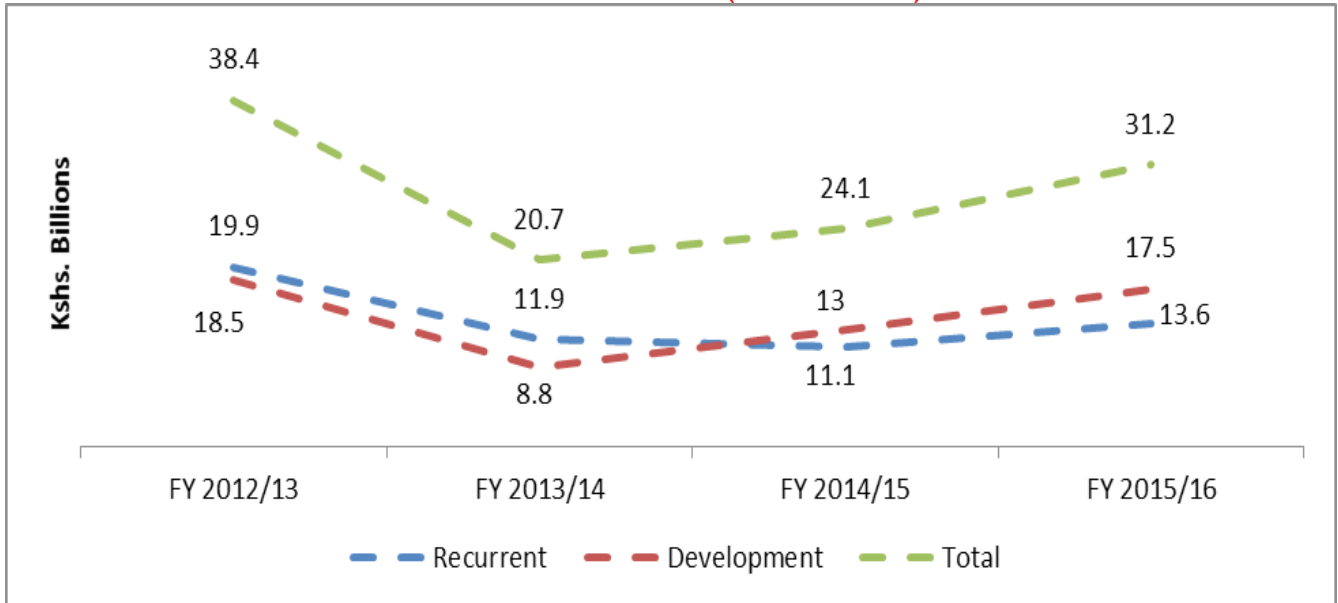
In the FY 2015/16, the total exchequer issues to the sector amounted to Kshs.113.7 billion, translating to 99.9 per cent of the revised net estimates. The recurrent exchequer issues to the Ministry of Defence amounted to Kshs.92.2 billion representing 99.9 per cent of its recurrent net estimates. The National Intelligence Services (NIS) received Kshs.21.5 billion during the reporting period which translated to 100 per cent of its revised net estimates.

The cumulative expenditure for the sector during the reporting period was Kshs113.7 billion translating to 99.9 per cent of its revised gross estimates. The expenditure for the Ministry of Defence was Kshs.92.2 billion translating to 99.9 per cent of its revised gross estimates and that for the NIS was Kshs.21.5 billion representing 100 per cent of its revised gross estimates.

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

This sector comprises of two ministries namely; the Ministry of Sports, Culture and Arts, and the Ministry of Labour Social Security and Services. The sector contributes to Kenya's development through promotion of harmonious industrial relations, safety and health at workplaces, employment promotion, industrial training, productivity management, national human resource planning and development, social security and children welfare and social development. Figure 4.18 shows the budgetary allocation trend for the Social Protection, Culture and Recreation sector for the period FY 2012/13 – FY 2015/16.

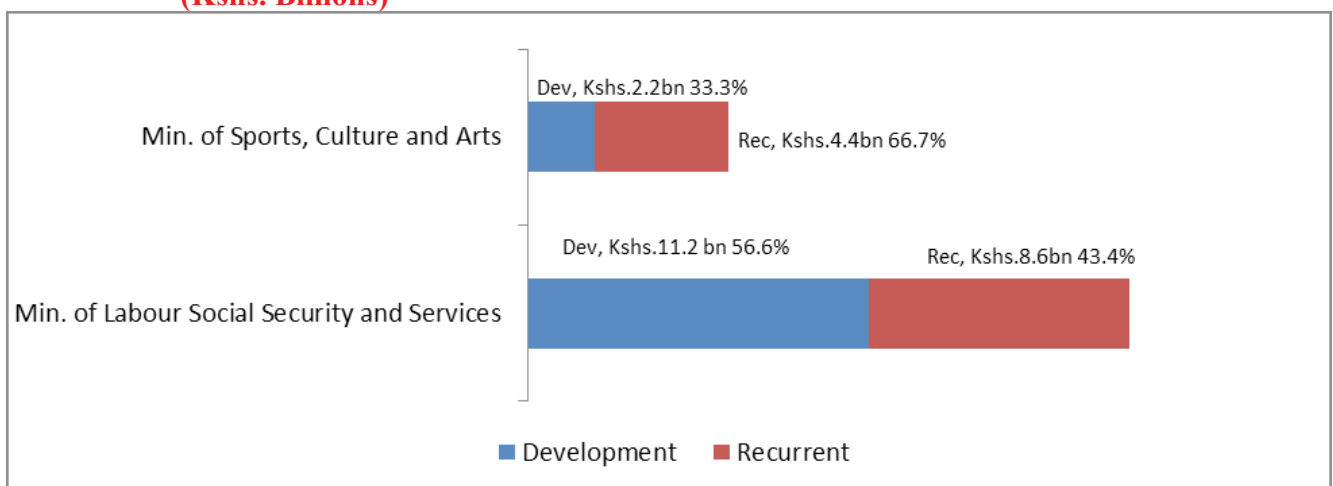
**Figure 4.18: Budgetary Allocation Trend for the Social Protection, Culture and Recreation Sector from FY 2012/13 to FY 2015/16 (Kshs. Billion)**



Source: National Treasury

The annual revised allocation for the sector in the FY 2015/16 was Kshs.31.2 billion, representing 1.4 per cent of the gross national budget, an increase compared to Kshs.24.1 billion allocated in FY 2014/15. The allocation comprised of Kshs.17.5 billion (56.3 per cent) for development expenditure and Kshs.13.6 billion (43.7 per cent) for recurrent expenditure. Figure 4.19 shows the exchequer issues for the period July 2015 to June 2016.

**Figure 4.19: Social Protection, Culture and Recreation Sector Exchequer Issues FY 2015/16 (Kshs. Billions)**



Source: National Treasury

In the period under review, the sector received Kshs.26.3 billion in exchequer issues. This comprised of Kshs.13.3 billion for development expenditure which represented 76.3 per cent of the revised net development estimates, and Kshs.13.0 billion for recurrent expenditure that represented 96.7 per cent of

the revised net recurrent estimates.

The Ministry of Sports, Culture and Arts received the highest proportion of development exchequer issues to revised net development estimates at 99.9 per cent while the Ministry of Labour, Social Security and Services received 73.0 per cent of development exchequer issues to revised net development estimates. The Ministry of Sports, Culture and Arts also received the highest proportion of recurrent exchequer issues to revised net recurrent estimates at 98.8 per cent while the Ministry of Labour, Social Security and Services received 95.6 per cent of recurrent exchequer issues to revised net recurrent estimates. Table 4.10 shows the analysis of exchequer issues and expenditure for the Social Protection, Culture and Recreation sector for the FY 2015/16.

**Table 4.10: Social Protection, Culture and Recreation Sector - Analysis of Exchequer Issues and Expenditure FY 2015/16 (Kshs. Billions)**

VOTE	Development						Recurrent					
	Gross Est.	Net Est.	Exchequer Issues	Exp.	% Exch. Issues to Net Est.	% Exp to G. Est	Gross Est.	Net Est.	Exch. Issues	Exp.	% Exch. Issues to Net Est.	% Exp to G. Est.
Min. of Sports, Culture and Arts	2.3	2.2	2.2	2.3	99.9	100.0	4.4	4.4	4.4	4.4	98.8	98.7
Min. of Labour Social Security and Services	15.3	15.3	11.2	12.6	73.0	82.2	9.2	9.0	8.6	7.8	95.6	84.8
<b>Total</b>	<b>17.5</b>	<b>17.4</b>	<b>13.3</b>	<b>14.8</b>	<b>76.3</b>	<b>84.6</b>	<b>13.6</b>	<b>13.5</b>	<b>13.0</b>	<b>12.2</b>	<b>96.7</b>	<b>89.3</b>
<b>Total for the Sector</b>							<b>Gross Est.</b>	<b>Net Est.</b>	<b>Exch. Issues</b>	<b>Exp.</b>	<b>% Exch. Issues to Net Est.</b>	<b>% Exp. to G. Est.</b>
<b>Development</b>							17.5	17.4	13.3	14.8	76.3	84.6
<b>Recurrent</b>							13.6	13.5	13.0	12.2	96.7	89.3
<b>Total</b>							<b>31.2</b>	<b>30.9</b>	<b>26.3</b>	<b>27.0</b>	<b>85.2</b>	<b>86.7</b>

Source: MDAs and National Treasury

The total expenditure for the sector in the period under review was Kshs.27.0 billion, representing an absorption rate of 86.7 per cent. This consisted of Kshs.14.8 billion for development activities with an absorption rate of 84.6 per cent and Kshs.12.2 billion for recurrent activities representing 89.3 per cent of the revised gross estimates.

The Ministry of Sports, Culture and Arts recorded the highest absorption rate of its revised development budget at 100.0 per cent while the Ministry of Labour, Social Security and Services recorded a rate of 82.2

per cent. On recurrent activities, the Ministry of Sports, Culture and Arts recorded the highest proportion of its revised net recurrent budget at 98.7 per cent while the Ministry of Labour, Social Security and Services recorded a rate of 84.8 per cent.

Some of the major projects implemented by the sector in FY 2015/16 were construction of three National Stadia (Shimo la Tewa in Mombasa County, University of Eldoret in Uasin Gishu County and Ngong Road in Nairobi City County) at Kshs.614.0 million and construction of an Ultra-modern National Library at Upper Hill at Kshs.564.3 million by the Ministry of Sports, Culture and Arts. The Ministry of Labour, Social Security and Services implemented Cash Transfer to Older Persons, (CT-OP) of Kshs.7.4 billion, and spent Kshs.122.5 million on construction of the Occupational Safety and Health (OSH) Institute.



## 5 BUDGET PERFORMANCE BY PROGRAMMES

### 5.1 Introduction

This chapter presents analysis of the MDAs' budget performance based on programmes implemented in FY 2015/16. The chapter also provides information on how funds were allocated to the various programmes within the ministries/departments for both recurrent and development expenditure. It also provides the implementation status of the programmes under each MDA. The sectors are presented in an alphabetical order.

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

Table 5.1 presents the performance of the AR & UD sector's programmes for the period under review.

**Table 5.1: AR & UD Sector's Programme Performance FY 2015/16 (Kshs. Billions)**

VOTE	Programme	Dev. Est.	Rec. Est	Total Gross Est.	Dev. Exp	Rec. Exp	Total Exp	Programme Absorption Rate (%)
Ministry of Land Housing and Urban development	Land Policy and Planning	5.3	2.1	7.4	4.2	2.1	6.2	84.0
	Housing Development and Human Settlement	6.9	0.5	7.3	5.1	0.4	5.5	74.7
	Government Buildings	0.7	0.3	1.1	0.7	0.3	1.0	95.3
	Coastline Infrastructure and Pedestrian Access	0.3	0.1	0.3	0.3	0.1	0.3	95.5
	Urban and Metropolitan Development	14.1	0.3	14.5	7.6	0.3	7.9	54.5
	General Administration Planning and Support Services	0.2	0.6	0.8	0.2	0.5	0.7	82.8
State Department for Agriculture	General Administration Planning and Support Services				0.2	1.0	1.2	
	Crop Development and Management				2.0	4.4	6.4	
	Agribusiness and Information Management				5.4	0.1	5.6	
	Irrigation and Drainage Infrastructure				4.9	0.2	5.1	
State Department for Livestock	Livestock Resources Management and Development	4.6	2.1	6.7	2.4	1.7	4.1	60.9
State Department for Fisheries	Fisheries Development and Management	3.3	1.3	4.7	2.3	1.3	3.5	75.5
National Land commission	Land Administration and Management	0.3	1.2	1.5	0.3	1.1	1.4	94.0
<b>Total</b>		<b>55.7</b>	<b>15.1</b>	<b>70.8</b>	<b>35.5</b>	<b>13.3</b>	<b>48.8</b>	<b>69.0</b>

Source: MDAs and National Treasury

The sector was allocated Kshs.70.8 billion in the FY 2015/16 to implement 13 programmes. This was 3.1 per cent of the gross national budget, and is a decrease from Kshs.79.2 billion allocated in the FY 2014/15. The allocation comprised of Kshs.55.7 billion (78.7 per cent) for development activities and Kshs.15.1 billion (23.3 per cent) for recurrent expenditure.

The total expenditure for the sector programmes was Kshs.48.8 billion representing 69.0 per cent of the gross estimates. It comprised of Kshs.35.5 billion on development expenditure which accounted for 63.9 per cent of the annual budget estimates for development programmes and Kshs.13.3 billion on recurrent activities representing 87.9 per cent of annual budget estimates for recurrent programmes.

Analysis of the performance of the programmes shows that the Coastline Infrastructure and Pedestrian Access programme under the Ministry of Land Housing and Urban Development registered the highest proportion of programme expenditure to its annual budget estimates at 95.5 per cent while the Urban and Metropolitan Development programme under the Ministry of Land Housing and Urban Development had the lowest at 54.5 per cent.

The state Department of Agriculture did not report on programme performance for the period under review.

### 5.3 Education Sector

Analysis of the Education sector's programmes for the period under review is presented in table 5.2.

**Table 5.2: Education Sector's Programme Performance FY 2015/16 (Kshs. Billions)**

VOTE	Programme	Dev. Est.	Rec. Est.	Total Gross Est.	Dev. Exp	Rec. Exp	Total Exp	Programme Absorption Rate (%)
State Department for Education	Primary Education	6.0	16.7	22.6	1.0	16.0	17.0	75.2
	Secondary Education	0.8	33.2	34.1	0.8	33.1	33.9	99.5
	Quality Assurance and Standards	0.7	4.7	5.4	0.7	1.9	2.6	48.4
	General Administration, Planning and Support Services	0.9	4.1	5.1	1.0	2.0	3.0	59.8
State Department for Higher Education, Science and Technology	University Education				1.0	16.0	17.0	
	Technical Vocational Education and Training				0.8	33.1	33.9	
	Research, Science, Technology and Innovation				0.7	1.9	2.6	
	General Administration, Planning and Support Services				1.0	2.1	3.0	
Teachers Service Commission	Teacher Resource Management	-	182.3	182.3	-	181.1	181.1	99.4
	Governance and Standards	-	0.2	0.2	-	0.1	0.1	90.6
	General Administration, Planning and Support Services	0.1	5.2	5.2	-	4.5	4.5	86.5
<b>Total</b>		<b>20.3</b>	<b>303.6</b>	<b>323.9</b>	<b>12.0</b>	<b>281.7</b>	<b>293.8</b>	<b>90.7</b>

Source: MDAs and National Treasury

The sector comprised of 11 programmes spread across 3 ministries/ departments. The sector was allocated Kshs.323.9 billion in the FY2015/16 to implement its programmes. This allocation comprised of Kshs.303.6 billion (93.7 per cent) as recurrent expenditure allocation and Kshs.20.3 billion (6.3 per cent) as development expenditure allocation. The Teacher Resource Management programme under the Teachers Service Commission (TSC) received the highest allocation at Kshs.182.3 billion which was 56.3 per cent of the sector's budget while the Governance and Standards programmes under the TSC received the lowest allocation at Kshs.0.2 billion which translated to less than 1 per cent of the total budget of the sector.

Total expenditure in FY 2015/16 was Kshs.293.8 billion which translated to an absorption rate of 90.7 per cent. This expenditure comprised of Kshs.281.7 billion spent on recurrent activities and Kshs.12.0 billion spent on development activities.

Analysis of the performance of the programmes shows that the Secondary Education programme under the State Department for Education had the highest programme performance at 99.5 per cent while the Quality Assurance and Standards programme under the State Department for Education had the lowest performance at 48.4 per cent.

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

The analysis of the Energy, Infrastructure and Information Communications Technology sector's programme performance for the period under review is presented in table 5.3.

**Table 5.3: EI & ICT Sector's Programme Performance FY 2015/16 (Kshs. Billions)**

VOTE	Programme	Dev. Est	Rec. Est	Total Gross Est.	Dev. Exp	Rec. Exp	Total Exp	Programme Absorption Rate (%)
State Department of Transport	General Administration, Planning and Support Services	4.0	0.4	4.4	3.2	0.2	3.6	76.5
	Rail Transport	143.9	0.0	143.9	59.4	0.0	59.4	41.3
	Marine Transport	8.4	0.5	8.9	3.1	0.5	3.6	40.6
	Air Transport	1.9	4.4	6.2	1.5	0.1	1.6	24.6
	Government Clearing Services	0.0	0.1	0.1	0.0	0.007	0.007	8.1
	Road Safety	0.3	0.5	0.8	0.3	0.4	0.7	99.6
State Department of Infrastructure	Road Transport	84.7	41.6	126.3	73.6	34.1	107.7	85.2
Ministry of Information, communication and Technology	General Administration Planning and Support Services	0.4	1.0	1.3	0.4	0.9	1.3	97.0
	Information And Communication Services	1.3	1.8	3.1	0.5	1.6	2.1	67.1
	Mass Media Skills Development	0.3	0.2	0.5	0.1	0.2	0.3	64.1
	ICT Infrastructure Development	14.3	0.1	14.4	12.5	0.1	12.6	87.8
Ministry of energy and Petroleum	General Administration Planning and Support Services	0.1	0.4	0.5	0.1	0.3	0.38	82.1
	Power Generation	18.4	0.7	19.2	14.9	0.7	15.6	81.3
	Power Transmission and Distribution	73.8	0.8	74.7	53.8	0.8	54.6	73.1
	Alternative Energy Technologies	0.7	0.1	0.9	0.5	0.1	0.61	69.1
	Exploration and Distribution of Oil and Gas	1.6	0.0	1.6	1.4	0.0	1.5	91.2
<b>Total</b>		<b>354.1</b>	<b>52.5</b>	<b>406.6</b>	<b>227.6</b>	<b>15.5</b>	<b>243.1</b>	<b>59.8</b>

Source: MDAs and National Treasury

The sector was allocated Kshs.406.6 billion in the FY 2015/16 to implement 16 programmes. This represents 17.8 per cent of the revised gross national budget, which was a decline of Kshs.19.7 billion (4.6 per cent) compared to Kshs.426.3 billion allocated in the FY 2014/15. The allocation comprised of Kshs.354.1 billion (87.1 per cent) for development activities and Kshs.52.5 billion (12.9 per cent) for recurrent expenditure.

The Rail Transport programme had the highest allocation of Kshs.143.9 billion (35.3 per cent of the total budget allocation for the sector) while the Government Clearing Services programmes, had the lowest allocation of Kshs.0.1 billion (less than 1 per cent of the total budget allocation for the sector).

The total expenditure amounted to Kshs.243.1 billion representing to 59.8 per cent of the gross estimates. It comprised of Kshs.15.5 billion as recurrent expenditure which accounted for 29.6 per cent of the annual budget estimates for recurrent programmes while development expenditure amounted to Kshs.227.6 billion representing an absorption rate of 64.3 per cent of annual budget estimates for the development programmes.

Analysis of the performance of the programmes shows that the Road Safety programme under the State Department of Transport registered the highest proportion of programme expenditure to its annual budget estimates at 99.6 per cent while the Government Clearing Services programme under the State Department of Transport had the lowest programme expenditure rate of 8.1 per cent.

## 5.5 Environment Protection, Water and Natural Resources Sector

The analysis of the Environment Protection, Water and Natural Resources sector's programme performance for the period under review is presented in table 5.4.

**Table 5.4: Environmental Protection, Water and Natural Resources Sector - Analysis of Exchequer Issues and Expenditure FY 2015/16 (Kshs. Billions)**

VOTE	Development						Recurrent					
	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp	% of Exch. to Net Est.	% of Exp. to G. Est.	Rev. Gross Est.	Rev. Net Est.	Exch. Issues	Exp.	% of Exch. to Net Est.	% of Exp. to G. Est.
State Department for Environment & Natural Resources	7.8	4.7	3.3	3.2	70.6	40.9	12.4	6.2	6.2	6.3	100.0	50.9
State Department for Water & Regional Authorities	33.4	16.8	14.6	15.7	86.8	47.1	4.2	2.1	2.1	0.5	99.3	11.3
Ministry of Mining	0.6	0.6	0.3	0.3	57.0	58.0	0.7	0.7	0.6	0.6	86.9	87.4
<b>Total</b>	<b>41.7</b>	<b>22.0</b>	<b>18.2</b>	<b>19.2</b>	<b>82.6</b>	<b>46.1</b>	<b>17.4</b>	<b>9.0</b>	<b>8.9</b>	<b>7.5</b>	<b>98.8</b>	<b>42.9</b>
<b>Total for the Sector</b>							<b>Rev. Gross Est.</b>	<b>Rev. Net Est.</b>	<b>Exch. Issues</b>	<b>Exp.</b>	<b>% of Exch. to Net Est.</b>	<b>% of Exp. to G. Est.</b>
<b>Development</b>							41.7	22.0	18.2	19.2	81.6	46.1
<b>Recurrent</b>							17.4	9.0	8.9	7.5	98.8	42.9
<b>Total</b>							<b>59.1</b>	<b>31.0</b>	<b>26.9</b>	<b>26.7</b>	<b>86.6</b>	<b>45.1</b>

Source: MDAs and National Treasury

The sector was allocated Kshs.59.1 billion to implement its 8 programmes during the FY 2015/16. This allocation comprises of Kshs.17.4 billion (29.4 per cent) for recurrent expenditure and Kshs.41.7 billion (70.6 per cent) for development expenditure. Water Resources Management programme under the State Department for Water and Regional Services had the highest allocation at Kshs.34.9 billion which was 59.1 per cent of the total allocation for the sector while Resource Surveys and Remote Sensing programme under the Ministry of Mining had the lowest allocation at Kshs.0.3 billion which was 0.5 per cent of the total allocation for the sector.

The sector spent Kshs.26.7 billion translating to an absorption rate of 45.1 per cent. A total of Kshs.7.5 billion was spent on recurrent activities which was 42.9 per cent of the recurrent budget while Kshs.19.2 billion was spent on development activities, translating to an absorption rate of 46.1 per cent. The General Administration, Planning and Support Services programme under the Ministry of Mining had the highest absorption rate at 78.9 per cent while Water Resources Management under the State Department for Water and Regional Services reported the least absorption rate of 47.6 per cent.

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

The performance of the General Economic and Commercial Affairs sector's programmes for the period under review is presented in table 5.5.

**Table 5.5: GECA Sector's Programme Performance FY 2015/16 (Kshs. Billions)**

VOTE	Programme	Dev. Est.	Rec. Est.	Total Gross Est.	Dev. Exp	Rec. Exp	Total Exp	Programme Absorption Rate (%)
<b>Ministry of Industrialization and Enterprise Development</b>	General Administration Planning and Support Services	0.07	0.5	0.6	0.06	0.5	0.6	98.5
	Industrial Development and Investments	3.7	0.6	4.3	3.4	0.6	4.0	92.8
	Standards and Business Incubation	1.5	1.1	2.6	1.4	1.0	2.4	91.5
	Cooperative Development and Management	0.04	0.7	0.8	0.03	0.7	0.7	94.3
<b>State Department for East African Affairs</b>	East African Affairs and Regional Integration	0.1	1.6	1.7	-	1.5	1.5	88.3
<b>State Department for Commerce and Tourism</b>	Tourism Development and Promotion	1.5	1.2	2.7	1.5	1.2	2.6	95.3
	Trade Development and Promotion	0.4	1.0	1.4	0.2	0.9	1.2	85.2
	General Administration, Planning and Support Services	2.6	0.6	3.3	2.5	0.6	3.1	94.8
<b>Total</b>		<b>9.9</b>	<b>7.4</b>	<b>17.3</b>	<b>9.0</b>	<b>7.0</b>	<b>16.0</b>	<b>93.0</b>

*Source: MDAs and National Treasury* The GECA sector was allocated Kshs. 17.3 billion to implement 8 programmes during the FY 2015/16. This allocation comprises of Kshs.7.4 billion (42.7 per cent) for recurrent expenditure and Kshs.9.9 billion (57.3 per cent) for development expenditure. Industrial Development and Investments programme under the Ministry of Industrialization and Enterprise development had the highest allocation of Kshs.4.3 billion, which was 24.9 per cent of the total allocation for the sector while General Administration Planning and support services under the Ministry of Industrialization and Enterprise Development had the lowest of Kshs.0.6 billion, which was 3.5 per cent of the total allocation to the sector.

Expenditure by the sector was Kshs.16.0 billion translating to an absorption rate of 93.0 per cent. The sector spent Kshs.7.0 billion on recurrent activities which represented an absorption rate of 94.6 per cent of the recurrent budget while Kshs.9.0 billion was spent on development activities, translating to an absorption rate of 90.9 per cent. General Administration Planning and Support Services in the Ministry of Industrialization and Enterprise Development had the highest absorption rate at 98.5 per cent, while Trade Development and Promotion under the State Department for Commerce and Tourism reported the least absorption rate of 85.2 per cent.

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

Performance of the Governance, Justice, Law and Order sector's programmes for the period under review is presented in table 5.6.

**Table 5.6: GJLOs Sector's Programme Performance FY 2015/16 (Kshs. Billions)**

VOTE	Programme	Dev. Est.	Rec. Est	Total Gross Est.	Dev. Exp	Rec. Exp	Total Exp	Programme Absorption Rate (%)
<b>State Department for Interior</b>	Policing services	12.5	71.2	83.6	9.5	68.7	78.2	93.5
	Planning, policy Coordination and Support Services	0.8	19.1	19.9	0.3	15.8	16.1	80.9
	Government Printing Services	0.1	0.7	0.8	0.1	0.6	0.8	94.5
	Population Management Services	2.0	4.4	6.4	2.0	4.2	6.1	95.4
<b>State Department for Coordination of National Government</b>	Correctional services	0.6	17.2	17.8	0.5	15.8	16.37	91.8
	General Administration, Planning and Support Services	0.01	0.3	0.3	0.0	0.23	0.2	80.2
	Betting Control, Licensing and regulation Services	0.004	0.1	0.1	0.0	0.05	0.0	70.1
<b>Office of the Attorney General and Department of Justice</b>	Legal Services	-	1.5	1.5	-	0.9	0.9	84.7
	Governance, Legal Training And Constitutional Affairs	0.1	1.3	1.5	0.1	0.7	0.9	76.9
	General Administration, Planning and Support Services	0.3	1.0	1.2	0.3	0.8	1.1	87.7
<b>The Judiciary</b>	Dispensation of Justice	3.1	11.7	14.8	1.6	11.3	12.9	93.1
<b>Ethics and Anti-Corruption Commission</b>	Ethics and Anti-Corruption	-	3.0	3.0	-	2.5	2.5	84.0
<b>Office of Director of Public Prosecutions</b>	Public Prosecution Services	0.1	2.4	2.5	0.005	1.7	1.7	70.9
<b>Commissions for the Implementation of the Constitution</b>	Implementation of the Constitution	-	0.3	0.3	-	0.3	0.3	94.6
<b>Office of the Registrar of Political Parties</b>	Registration, Regulation and Funding of Political Parties	-	0.5	0.5	-	0.5	0.5	97.0
<b>Witness Protection Authority</b>	Witness Protection	-	0.4	0.4	-	0.4	0.4	97.8
<b>Kenya National Commission of Human Rights</b>	Protection and Promotion of Human Rights	-	0.5	0.5	-	0.4	0.4	95.9
<b>Independent Electoral and Boundaries Commission</b>	Management of Electoral Processes	0.0	4.9	4.9	0.0	4.1	4.2	84.9
<b>Judicial Service Commission</b>	Dispensation of Justice	-	0.5	0.5	-	0.4	0.4	80.5
<b>National Police Service Commission</b>	National Police Service Human Resource Management	-	0.5	0.5	-	0.5	0.5	97.0
<b>National Gender and Equality Commission</b>	Promotion of Gender Equality and Freedom from Discrimination	0.0	0.3	0.3	0.0	0.30	0.32	98.3
<b>Independent Policing Oversight Authority</b>	Policing Oversight Services	-	0.4	0.4	-	0.4	0.4	91.5
<b>Total</b>		<b>19.8</b>	<b>140.9</b>	<b>160.7</b>	<b>14.4</b>	<b>130.2</b>	<b>144.6</b>	<b>90.0</b>

Source: MDAs and National Treasury

The GJLOS sector comprised of 22 programmes spread across 15 ministries/ departments. The sector was allocated Kshs.160.7 billion in the FY2015/16 to implement its programmes. This allocation consisted of Kshs.140.9 billion (87.7 per cent) for recurrent expenditure and Kshs.19.8 billion (12.3 per cent) for development expenditure. The Policing Services programme under the State Department for Interior received the highest allocation at Kshs.83.6 billion which was 52.0 per cent of the total budget while, Betting Control, Licensing and Regulations Services programme under the State Department for Coordination of National Government received the lowest allocation at Kshs.0.1 billion which was less than 1 per cent of the sector's total budget.

Total expenditure in FY 2015/16 was Kshs.144.6 billion and translated to an absorption rate of 90.0 per cent. This expenditure comprised of Kshs.130.2 billion spent on recurrent activities and Kshs.14.4 billion spent on development programmes.

Analysis of the performance of the programmes shows that the Promotion of Gender Equality and Freedom from Discrimination programme under the National Gender and Equality Commission reported the highest absorption rate of 98.3 per cent while the Betting Control, Licensing and Regulations Services programme under the State Department for Coordination of National Government had the lowest absorption rate of 70.1 per cent.

## 5.8 Health Sector

Table 5.7 presents the performance of the health sector's programme for the FY 2015/16.

**Table 5.7: Health Sector's Programme Performance FY 2015/16 (Kshs. Billions)**

VOTE	Programme	Dev. Est.	Rec. Est.	Total Gross Est.	Dev. Exp.	Rec. Exp.	Total Exp.	Programme Absorption Rate (%)
Ministry of Health	Preventive & Promotive Health Services	6.9	1.8	8.7	2.5	1.7	4.2	48.5
	Curative Health Services	7.9	16.2	24.1	6.0	13.1	19.1	79.3
	Health Research and Development	0.3	5.2	5.5	0.3	4.4	4.7	85.4
	General Administration, Planning & Support Services	9.9	5.9	15.7	3.6	5.9	9.5	60.5
	Maternal and Child Health	7.7	0.04	7.7	4.7	0.04	4.8	61.5
<b>Total</b>		<b>32.5</b>	<b>29.2</b>	<b>61.7</b>	<b>17.1</b>	<b>25.2</b>	<b>42.3</b>	<b>68.5</b>

Source: MDAs and National Treasury

The Health sector was allocated Kshs.61.7 billion to fund 5 programmes in the FY 2015/16. The allocation comprised of Kshs.32.5 billion (52.7 per cent) for development programmes and Kshs.29.2 billion (47.3 per cent) for recurrent activities.

The Curative Health Services programme received the highest allocation at Kshs.24.1 billion (39.1) while the Health Research and Development programme had the lowest allocation at Kshs.5.5 billion (8.9 per cent)



The total expenditure for the sector's programmes amounted to Kshs.42.3 billion representing an absorption rate of 68.5 per cent and comprised of Kshs.25.2 billion on recurrent expenditure which accounted for 86.3 per cent of the annual budget estimates for recurrent activities and was Kshs.17.1 billion on development activities accounting for an absorption rate of 52.6 per cent of the annual budget estimates for development programmes.

Analysis of the programme performance shows that the Health Research and Development programme registered the highest proportion of programme expenditure to annual budget estimates at 85.4 per cent while the Preventive and Promotive Health Services registered the lowest proportion of programme expenditure to annual budget estimates at 48.5 per cent.

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

Table 5.8 presents the performance of the Public Administration and International Relations sector's programmes for the FY 2015/16

**Table 5.8: PAIR Sector's Programme Performance FY 2015/16 (Kshs. Billions)**

VOTE	Programme	Dev. Est.	Rec. Est.	Total Gross Est.	Dev. Exp	Rec. Exp	Total Exp	Programme Absorption Rate (%)
<b>The Presidency</b>	Cabinet Affairs	0.3	3.5	3.8	0.33	3.4	3.7	97.9
	Government Advisory Services	-	0.4	0.4	-	0.3	0.3	89.7
	State House Affairs	0.6	1.5	2.1	0.1	1.3	1.5	69.1
	Deputy President Services	0.1	2.5	2.6	0.11	2.5	2.6	101.2
<b>State Department for Planning</b>	Economic Policy and National Planning	39.8	1.2	41.0	38.4	1.1	39.5	96.3
	National Statistical Information Services	1.5	1.8	3.3	1.4	1.8	3.2	97.4
	Monitoring and Evaluation Services	0.2	0.04	0.2	0.12	0.04	0.16	77.3
	General Administration Planning and Support Services	0.2	0.7	0.9	0.2	0.6	0.8	90.1
	Public Service Transformation	1.4	7.7	9.1	1.3	7.5	8.8	96.1
	Gender & Youth Empowerment	11.5	8.0	19.5	11.0	6.4	17.5	89.8
<b>State Department for Devolution</b>	Devolution Services	0.3	1.0	1.3	0.2	1.0	1.2	88.7
	Special Initiatives	3.4	0.9	4.3	2.9	0.9	3.8	87.1
	General Administration, Planning and Support Services	-	0.3	0.3	-	0.3	0.3	98.0
	Accelerated ASAL Development	5.5	0.6	6.1	4.4	0.6	5.0	81.9

VOTE	Programme	Dev. Est.	Rec. Est	Total Gross Est.	Dev. Exp	Rec. Exp	Total Exp	Programme Absorption Rate (%)
<b>Ministry of Foreign Affairs and International Trade</b>	General Administration, Planning and Support Services				0.3	3.8	4.1	
	Foreign Relation and Diplomacy				(0.1)	3.2	3.20	
	International Trade and Investments Promotion				-	1.1	1.1	
<b>The National Treasury</b>	General Administration, Planning and Support Services				5.7	33.9	39.6	
	Public Financial Management				37.3	3.4	40.7	
	Economic and Financial Policy Formulation and Management				0.5	0.8	1.3	
	Market Competition				0.05	0.3	0.4	
<b>Parliamentary Service Commission</b>	National Legislation, Representation and Oversight	-	0.4	0.4	-	0.3	0.3	85.0
	Senate Affairs	0.4	3.5	3.9	-	3.0	3.0	85.9
	General Administration, Planning and Support Services	2.9	5.0	7.9	1.6	3.5	5.1	84.9
<b>National Assembly</b>	National Legislation, Representation and Oversight	-	15.5	15.5	-	13.3	13.3	86.0
<b>Commission on Revenue Allocation</b>	Inter-Governmental Revenue and Financial Matters	-	0.3	0.3	-	0.3	0.3	91.1
<b>Public Service Commission</b>	General Administration, Planning and Support Services	0.1	0.8	0.8	0.05	0.8	0.8	99.6
	Human Resource management and Development	-	0.2	0.2	-	0.2	0.2	99.9
	Governance and National Values	-	0.1	0.1	-	0.09	0.09	99.2
<b>Salaries and Remuneration Commission</b>	Salaries and Remuneration Management	-	1.0	1.0	-	0.8	0.8	77.9
<b>Auditor General</b>	Audit Services	0.1	3.7	3.9	0.1	3.5	3.6	92.0
<b>Controller of Budget</b>	Control and Management of Public finances	-	0.5	0.5	-	0.5	0.5	91.8
<b>Commission on Administrative Justice</b>	Promotion of Administrative Justice	-	0.5	0.5	-	0.4	0.4	89.0
<b>Total</b>		<b>130.3</b>	<b>118.1</b>	<b>248.5</b>	<b>102.0</b>	<b>100.2</b>	<b>202.2</b>	<b>81.4</b>

Source: MDAs and National Treasury

The Public Administration and International Relations (PAIR) sector was allocated Kshs.237.3 billion in the FY 2015/16 to implement 31 programmes. This allocation comprised of Kshs.130.3 billion (52.5 per cent) for development programmes and Kshs.118.1 billion (47.5 per cent) for recurrent activities.

The total expenditure for the sector in FY 2015/16 amounted to Kshs.202.2 billion. It comprised of Kshs.102.0 billion for development expenditure, which represented 78.3 per cent of the annual budget estimates for development programmes while recurrent expenditure amounted to Kshs.100.2 billion, representing an absorption rate of 84.8 per cent of the annual budget estimates for development programmes.

Analysis of the performance of the programmes indicated that the Deputy President Services programme under the Presidency registered the highest proportion of programme expenditure to the annual budget estimates for the programme at 101 per cent while the Salaries and Remuneration Management programme under the Salaries and Remuneration Commission recorded the lowest proportion at 77.9 per cent.

## 5.10 National Security Sector

Table 5.9 presents the performance of the National Security sector's programmes for the period under review.

**Table 5.9: National Security Sector's Programme Performance FY 2015/16 (Kshs. Billions)**

VOTE	Programme	Dev. Est.	Rec. Est	Total Gross Est.	Dev. Exp	Rec. Exp	Total Exp	Programme Absorption Rate (%)
Ministry of Defence	Defence	-	90.8	90.8	-	90.7	90.7	99.9
	Civil Aid	-	0.5	0.5	-	0.5	0.5	100.0
	General Administration, Planning and Support Services	0.06	1.0	1.1	-	1.0	1.0	94.0
National Intelligence Service	National Security Intelligence	-	21.5	21.5	-	21.5	21.5	100.0
<b>Total</b>		<b>0.06</b>	<b>113.8</b>	<b>113.8</b>	<b>-</b>	<b>113.7</b>	<b>113.7</b>	<b>99.9</b>

Source: MDAs and National Treasury

The National Security sector was allocated Kshs.113.9 billion to fund 4 programmes in FY 2015/16. This allocation comprised of Kshs.64.9 million (0.05 per cent) for development expenditure and Kshs.113.8 billion (99.95 per cent) for recurrent expenditure. The Defence programme and the Civil Aid programme both under the Ministry of Defence received the highest and lowest allocation at Kshs.90.8 billion (79.8 per cent of the total allocation for the sector) and Kshs.0.5 billion (0.4 per cent) respectively.

The total recurrent expenditure for the programmes in the sector during the reporting period amounted to Kshs.113.7 billion, which represented 99.9 per cent of the annual budget estimates for recurrent programmes. Analysis of the performance of the programmes indicated that the Civil Aid programme

under the Ministry of Defence and National Security Intelligence programme under the National Intelligence Service recorded the highest proportion of programme expenditure to the annual budget at 100.0 per cent. The General Administration, Planning and Support Services programme under the Ministry of Defence recorded the lowest proportion at 94.0 per cent.

### 5.11 Social Protection, Culture and Recreation Sector

Table 5.10 presents the performance of the Social Protection, Culture and Recreation sector's programmes for FY 2015/16.

**Table 5.10: Social Protection, Culture and Recreation Sector's Programme Performance FY 2015/16 (Kshs. Billions)**

VOTE	Programme	Dev. Est.	Rec. Est	Total Gross Est.	Dev. Exp	Rec. Exp	Total Exp	Programme Absorption Rate (%)
<b>Ministry of Sports, Culture and Arts</b>	Sports	1.1	1.7	2.8	1.2	1.6	2.8	99.7
	Culture	0.3	1.2	1.5	0.23	1.1	1.3	90.4
	The Arts	0.2	0.4	0.55	0.19	0.3	0.5	93.1
	Library Services	0.6	0.6	1.2	0.6	0.6	1.2	99.8
	General Administration, Planning and Support Services	0.02	0.7	0.7	0.01	0.6	0.6	90.3
<b>Ministry of Labour Social Security and Services</b>	Promotion of the Best Labour Practice	0.1	0.5	0.7	0.16	0.37	0.53	80.5
	Manpower Development, Employment and Productivity Management	0.3	0.5	0.8	0.2	0.5	0.7	93.5
	Social Development and Children Services	0.8	2.7	3.5	0.7	2.2	2.9	82.9
	National Social Safety Net	14.0	4.9	18.9	11.4	4.4	15.9	84.0
	General Administration Planning and Support Services	-	0.6	0.6	0.0	0.5	0.5	82.8
<b>Total</b>		<b>17.5</b>	<b>13.6</b>	<b>31.2</b>	<b>14.8</b>	<b>12.2</b>	<b>27.0</b>	<b>86.7</b>

Source: MDAs and National Treasury

The Social Protection, Culture and Recreation sector was allocated Kshs.31.2 billion to fund 10 programmes in FY 2015/16. The allocation comprised of Kshs.17.5 billion (56.3 per cent) for development programmes and Kshs.13.6 billion (43.7 per cent) for recurrent programmes.

The National Social Safety Net programme under the Ministry of Labour, Social Security and Services received the highest budgetary allocation of Kshs.18.9 billion (60.7 per cent of the total annual budget allocation to the sector) while the Arts programme under the Ministry of Sports, Culture and Arts received the lowest allocation of Kshs.0.6 billion (1.8 per cent).

The total expenditure for the sector programmes in the reporting period amounted to Kshs.27.0 billion and comprised of Kshs.12.2 billion as recurrent expenditure which accounted for 89.5 per cent of the annual budget estimates for recurrent programmes while development expenditure was Kshs.14.8 billion, representing an absorption rate of 84.4 per cent of the annual budget estimates for the development programmes.

Analysis of the programme performance showed that the Library Services programme under the Ministry of Sports, Culture and Arts recorded the highest proportion of programme expenditure to its total annual budget estimates at 99.8 per cent while the Promotion of the Best Labour Practice programme under the Ministry of Labour Social Security and Services registered the lowest proportion of programme expenditure to its annual budget estimates at 90.3 per cent.

# 6 KEY ISSUES AND RECOMMENDATIONS

## 6.1 Introduction

This chapter highlights key issues that affected budget implementation during the reporting period. Recommendations aimed at addressing the issues in order to improve budget implementation by the MDAs are also presented.

## 6.2 Issues and Recommendations

In the course of overseeing and reporting on budget implementation, the Office of the Controller of Budget identified various issues in budget implementation in FY 2015/16 which should be addressed in order to improve budget implementation by the MDAs.

### 6.2.1 Timing of Supplementary Budgets

During the FY 2015/16, the National Treasury prepared two Supplementary Budgets, which were both approved in the fourth quarter of the financial year. The first Supplementary Budget was approved on 6<sup>th</sup> May, 2016 while the second on 30<sup>th</sup> of June, 2016.

While budget revision is permitted under Article 223 of the Constitution and Section 44 of the PFM Act, 2012, the timing of Supplementary Budgets should allow sufficient time for implementation of activities. When supplementary budgets are approved towards the end of the financial year, implementation of activities by the MDAs may be hampered.

We recommend that Parliament should consider and approve budget revisions in good time to allow for timely implementation of planned activities.

### 6.2.2 Delay in Submission of Expenditure Reports to the OCOB

According to Article 228 (6) of the Constitution of Kenya, 2010, the Controller of Budget is required to submit to each House of Parliament a report on the implementation of the budgets of the national and county governments every four months. Further, Section 38 (9) of the PFM Act, 2012, requires the Controller of Budget to ensure that the public has access to information on budget implementation. The Office experienced delays in submission of financial reports by some MDAs, which affected timely reporting.

In order to meet the above constitutional and legal requirements, all MDAs should ensure that expenditure reports are submitted to the Controller of Budget in a timely manner in order to allow for timely preparation and publication of the Budget Implementation Review Reports.

### 6.2.3 Non-disclosure of A-I-A in the IFMIS generated reports

The National Treasury has prescribed the Integrated Financial Management Information System (IFMIS) for use by all national government and county government entities in line with Article 12(1)(e) of the

Constitution. This system adequately captures transfers to the MDAs and expenditure by the MDAs.

However, IFMIS is not always updated to capture A-I-A generated by the MDAs. Therefore, financial reports generated from the system may be incomplete and could lead to MDAs reporting higher expenditure than the released exchequer issues.

It is recommended that the National Treasury should ensure that A-I-A generated by MDAs is captured and disclosed in the IFMIS reports. This will ensure completeness of the financial reports.

#### **6.2.4 Accounting for Expenditure on Capital Transfers.**

There are several SAGAs that are financed by capital transfers from parent ministries. The transfers are treated as expenditure by the ministries when transferred. This accounting treatment is likely to result in overstatement of expenditure by the ministries since transferred amounts are programmed and spent by the SAGAs over the year.

It is recommended that the Public Sector Accounting Standards Board (PSASB) should review this matter and develop guidelines in line with international best practice. This will ensure that capital transfers to SAGAs are appropriately accounted for.

## 7 CONCLUSION

This report sought to provide an overview on budget implementation in the FY 2015/16 by the National Government. The report shows overall improvement in budget implementation. It notes growth in receipts by the National Treasury in FY 2015/16 and an increase in absorption of development expenditure.

Release of funds to MDAs towards recurrent and development activities also recorded improvement compared to FY 2014/15. The total exchequer releases to MDAs totalled Kshs.1.53 trillion representing 95.7 per cent of the net revised estimates, which is an increase from Kshs.1.36 trillion (92.9 per cent of revised net estimates) released in the FY 2014/15.

Total expenditure by the MDAs amounted to Kshs.1.63 trillion which translated to 82.2 per cent of the revised gross estimates, an improvement compared to the Kshs.1.37 billion (65.0 per cent) recorded in FY 2014/15. The MDAs' development expenditure totalled Kshs.451.8 billion representing 66.3 per cent of the revised gross estimates which is an increase from Kshs.318.7 billion (45.8 per cent) recorded in the FY 2014/15. Recurrent expenditure amounted to Kshs.1.18 trillion, representing 90.5 per cent of the revised recurrent estimates, an increase from Kshs.1.1 trillion (89.9 per cent) recorded in the FY 2014/15.

During the period under review, a number of issues were observed in budget implementation. These included; delay in submission of expenditure reports by the MDAs which affected timely reporting on budget implementation, timing of the supplementary budgets, delay in submission of expenditure reports to the OCOB, Non-disclosure of Appropriations in Aid in the IFMIS generated reports and accounting treatment of capital transfers and expenditure by Semi-Autonomous Government Agencies (SAGAs).

The Office calls for concerted efforts by all players to address the issues identified in this report in order to improve on budget implementation. Specifically, the MDAs should address the operational challenges while the Public Sector Accounting Standard Board should review the current system of expensing funds transferred to the SAGAs as Capital Transfers and issue guidelines based on international best practice on the accounting treatment of capital transfers.



## ANNEXES

## ANNEX I: MDAs Development Expenditure - FY 2015/16 (Kshs.)

	MINISTRY/STATE DEPARTMENT	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	Expenditure	% of Exch. To Net Est.	% of Exp. To Gross Estimates
D1011	The Presidency	1,040,129,798	1,040,129,798	542,800,000	561,378,544	52.2	54.0
D1021	State Department for Interior	15,492,122,356	15,396,122,356	14,377,000,000	11,373,208,913	93.4	76.1
D1022	State Department for Coordination of National Government	611,000,000	611,000,000	607,310,883	539,278,341	99.4	88.3
D1031	State Department for Planning	54,060,137,306	52,565,085,436	51,763,861,565	50,726,694,504	98.5	93.8
D1032	State Department for Devolution	9,695,299,809	5,629,067,259	4,763,131,312	4,733,018,303	84.6	48.8
D1041	Ministry of Defence	64,949,620	22,949,620	-	-	-	-
D1051	Ministry of Foreign Affairs	1,203,850,000	1,151,150,000	1,036,200,000	328,608,860	90.0	27.3
D1061	State Department for Education	8,398,282,657	7,351,206,957	4,003,157,910	3,484,141,908	54.5	41.5
D1062	State Department for Higher Education, Science and Technology	11,869,559,192	8,908,559,192	8,118,200,000	8,593,519,839	91.1	72.4
D1071	The National Treasury	62,038,082,293	45,836,475,797	43,453,428,915	43,528,495,830	94.8	70.2
D1081	Ministry of Health	32,541,454,797	21,525,516,777	17,019,501,618	17,072,290,415	79.1	52.5
D1091	State Department for Infrastructure	84,708,968,534	57,814,629,334	55,200,139,357	76,030,988,858	95.5	89.8
D1092	State Department for Transport	159,972,089,915	6,854,774,456	6,284,999,523	67,353,450,045	91.7	42.1

	MINISTRY/STATE DEPARTMENT	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	Expenditure	% of Exch. To Net Est.	% of Exp. To Gross Estimates
D1101	State Department for Environment & Natural Resources	7,786,332,872	4,691,919,691	3,311,430,770	3,184,846,390	70.6	40.9
D1102	State Department for Water & Regional Authorities	33,358,302,858	16,768,810,858	14,554,335,406	15,698,855,294	86.8	47.1
D1111	Ministry of Land, Housing, and Urban Development	26,680,562,690	22,170,049,190	18,946,309,870	18,051,337,706	85.5	67.7
D1121	Ministry of Information & Communication and Technology	14,694,097,566	11,594,097,566	11,548,716,426	13,524,000,350	99.6	92.0
D1131	Ministry of Sports Culture and Arts	2,260,470,680	2,169,500,000	2,166,400,000	2,270,885,006	99.9	100.5
D1141	Ministry of Labour Social Security and Services	15,277,713,290	15,276,313,290	11,152,027,940	12,564,897,167	73.0	82.2
D1151	Ministry of Energy and Petroleum	94,708,597,346	35,604,570,454	33,318,766,855	70,685,543,372	93.6	74.6
D1161	State Department for Agriculture	20,745,170,894	15,004,559,671	13,278,796,491	12,543,095,201	88.5	60.5
D1162	State Department for Livestock	4,611,364,079	3,242,266,598	2,849,073,423	2,392,014,832	87.9	51.9
D1163	State Department for Fisheries	3,332,625,853	2,332,625,853	1,808,199,900	2,272,189,949	77.5	68.2
D1171	Ministry of Industrialization and Enterprise Development	5,455,050,302	5,128,862,658	4,808,109,940	4,944,170,132	93.7	90.6
D1181	State Department for Commerce & Tourism	4,380,898,400	4,380,898,400	3,860,900,000	4,099,409,647	88.1	93.6
D1182	State Department for East African Affairs	65,000,000	-	-	-	-	0.0%
D1191	Ministry of Mining	568,000,000	568,000,000	324,000,000	329,373,339	57.0	58.0

	MINISTRY/STATE DEPARTMENT	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	Expenditure	% of Exch. To Net Est.	% of Exp. To Gross Estimates
D1251	Office of the Attorney General and Department of Justice	452,928,571	144,000,000	102,600,000	405,868,167	71.3	89.6
D1261	The Judiciary	3,114,978,000	3,114,978,000	1,778,699,365	1,591,333,296	57.1	51.1
D1271	Ethics & Anti-Corruption Commission	-	-	-	-	-	-
D1291	Directorate of Public Prosecutions	73,000,000	73,000,000	22,160,000	63,716,250	30.4	87.3
D2021	National Land Commission	289,200,000	289,200,000	288,500,000	288,976,981	99.8	99.9
D2031	Independent Electoral and Boundaries Commission	27,000,000	27,000,000	26,500,000	27,000,000	98.1	100.0
D2041	Parliamentary Service Commission	2,100,000,000	2,100,000,000	1,698,100,000	1,970,580,915	80.9	93.8
D2071	Public Service Commission	51,831,450	51,831,450	49,000,000	51,682,468	94.5	99.7
D2091	Teachers Service Commission	67,000,000	67,000,000	-	-	-	-
D2111	Auditor General	135,183,176	135,183,176	108,000,000	108,013,653	79.9	79.9
D2141	National Gender and Equality Commission	18,217,687	18,217,687	-	18,217,687	0.0	100.0
	<b>TOTAL</b>	<b>681,949,451,991</b>	<b>369,659,551,524</b>	<b>333,170,357,470</b>	<b>451,831,082,162</b>	<b>90.1</b>	<b>66.3</b>

**ANNEX II: MDAs Recurrent Expenditure – FY 2015/16 (Kshs)**

VOTE	MINISTRY/STATE DEPARTMENT	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	Expenditure	% of Exch. To Rev. Net Estimate	% of Exp. To Revised Gross Estimates
R1011	The Presidency	7,855,402,123	7,846,370,049	7,749,100,000	7,588,456,581	98.8	96.6
R1021	State Department for Interior	94,219,080,130	93,853,058,857	92,848,600,000	87,904,687,947	98.9	93.3
R1022	State Department for Coordination of National Government	17,583,464,206	17,583,464,206	17,583,389,117	16,109,638,887	100.0	91.6
R1031	State Department for Planning	19,441,443,736	19,250,593,736	18,152,300,000	16,238,627,445	94.3	83.5
R1032	State Department for Devolution	2,771,492,301	2,769,492,301	2,648,300,000	2,417,981,030	95.6	87.2
R1041	Ministry of Defense	92,270,215,450	92,270,215,450	92,181,700,000	92,209,233,429	99.9	99.9
R1051	Ministry of Foreign Affairs and International Trade	15,492,590,441	14,423,795,003	14,075,000,000	8,203,407,623	97.6	53.0
R1061	State Department for Education	58,721,404,875	56,612,804,875	56,127,980,000	53,097,016,851	99.1	90.4
R1062	State Department for Higher Education, Science and Technology	58,327,816,809	43,694,441,557	42,898,900,000	42,826,482,777	98.2	73.4
R1071	The National Treasury	40,667,213,863	40,667,213,863	38,942,735,000	38,422,819,822	95.8	94.5
R1081	Ministry of Health	29,194,512,227	25,216,635,750	25,147,800,000	25,199,372,130	99.7	86.3
R1091	State Department for Infrastructure	41,619,690,876	1,582,638,570	1,358,220,000	9,524,091,627	85.8	22.9
R1092	State Department for Transport	5,783,627,717	1,406,140,590	1,388,780,000	1,276,085,452	98.8	22.1
R1101	State Department for Environment & Natural Resources	12,443,464,027	6,225,943,027	6,223,000,000	6,331,808,388	100.0	50.9
R1102	State Department for Water and Irrigation	4,205,485,272	2,067,727,033	2,053,100,000	476,115,917	99.3	11.3
R1111	Ministry of Land Housing, and Urban Development	3,780,846,142	3,767,431,392	3,765,000,000	3,551,257,671	99.9	93.9
R1121	Ministry of Information & Communication and Technology	2,999,400,303	2,819,400,303	2,661,100,000	2,762,578,793	94.4	92.1
R1131	Ministry of Sports Culture and Arts	4,449,454,107	4,438,454,107	4,384,800,000	4,390,113,403	98.8	98.7
R1141	Ministry of Labour Social Security and Services	9,174,096,825	9,018,432,345	8,624,440,000	7,773,198,083	95.6	84.7
R1151	Ministry of Energy and Petroleum	2,090,126,466	1,834,126,466	1,834,000,000	1,964,486,776	100.0	94.0
R1161	State Department for Agriculture	6,694,508,403	6,266,008,403	6,089,500,000	5,650,206,382	97.2	84.4

VOTE	MINISTRY/STATE DEPARTMENT	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	Expenditure	% of Exch. To Rev. Net Estimate	% of Exp. To Revised Gross Estimates
R1162	State Department for Livestock	2,064,655,128	2,040,655,128	1,997,600,000	1,674,568,926	97.9	81.1
R1163	State Department for Fisheries	1,330,837,823	1,330,837,823	1,330,700,000	1,250,869,630	100.0	94.0
R1171	Ministry of Industrialization and Enterprise Development	2,970,549,455	2,946,549,455	2,933,250,000	2,846,039,092	99.5	95.8
R1181	State Department for Commerce & Tourism	2,789,392,411	2,736,292,411	2,655,000,000	2,687,663,114	97.0	96.4
R1182	State Department for East African Affairs	1,621,299,592	1,619,799,592	1,614,400,000	1,497,866,814	99.7	92.4
R1191	Ministry of Mining	737,070,000	723,070,000	628,600,000	643,914,754	86.9	87.4
R1251	Office of the Attorney General and Department of Justice	3,845,115,714	3,461,165,714	3,223,300,000	3,007,356,333	93.1	78.2
R1261	The Judiciary	11,684,030,000	11,684,030,000	10,996,630,000	11,259,505,579	94.1	96.4
R1271	Ethics & Anti-Corruption Commission	2,957,220,000	2,957,220,000	2,561,800,000	2,495,346,261	86.6	84.4
R1281	National Intelligence Service	21,492,000,000	21,492,000,000	21,484,100,000	21,486,306,325	100.0	100.0
R1291	Directorate of Public Prosecutions	2,384,464,002	2,384,404,002	1,991,600,000	2,139,075,966	83.5	89.7
R1301	Commission for Implementation of the Constitution	312,040,000	312,040,000	312,000,000	295,136,048	100.0	94.6
R1311	Registrar of Political Parties	533,482,521	533,482,521	519,300,000	517,610,193	97.3	97.0
R1321	Witness Protection Agency	369,705,000	369,705,000	369,700,000	361,493,452	100.0	97.8
R2011	Kenya National Commission on Human Rights	459,100,000	459,100,000	441,700,000	440,395,388	96.2	95.9
R2021	National Land Commission	1,240,125,410	1,240,125,410	1,182,100,000	1,148,315,518	95.3	92.6
R2031	Independent Electoral and Boundaries Commission	4,888,706,360	4,878,706,360	4,289,200,000	4,146,777,978	87.9	84.8
R2041	Parliamentary Service Commission	9,348,416,731	9,328,416,731	9,098,000,000	7,538,735,901	97.5	80.6
R2042	National Assembly	15,460,583,269	15,460,583,269	12,876,900,000	13,297,548,550	83.3	86.0
R2051	Judicial Service Commission	473,200,002	473,200,002	405,000,000	403,045,771	85.6	85.2
R2061	The Commission on Revenue Allocation	325,770,081	324,537,110	324,537,110	296,715,000	100.0	91.1
R2071	Public Service Commission	1,088,888,443	1,080,888,443	1,075,800,000	1,076,909,658	99.5	98.9

VOTE	MINISTRY/STATE DEPARTMENT	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	Expenditure	% of Exch. To Rev. Net Estimate	% of Exp. To Revised Gross Estimates
R2081	Salaries & Remuneration Commission	970,313,417	970,213,417	970,000,000	755,966,525	100.0	77.9
R2091	Teachers Service Commission	186,518,500,000	186,298,500,000	184,675,540,000	185,815,418,049	99.1	99.6
R2101	National Police Service Commission	475,548,410	475,548,410	459,500,000	461,112,775	96.6	97.0
R2111	Auditor General	3,705,025,225	3,594,625,225	3,519,900,000	3,455,081,659	97.9	93.3
R2121	Controllor of Budget	529,094,176	529,094,176	496,000,000	485,455,463	93.7	91.8
R2131	The Commission on Administrative Justice	480,710,920	480,710,920	443,900,000	428,002,334	92.3	89.0
R2141	National Gender & Equality Commission	309,851,440	309,851,440	309,000,000	304,276,104	99.7	98.2
R2151	Independent Policing Oversight Authority	395,893,898	395,893,898	361,000,000	362,432,528	91.2	91.5
	<b>TOTAL</b>	<b>811,546,925,727</b>	<b>734,505,634,340</b>	<b>720,283,801,227</b>	<b>706,496,608,703</b>	<b>98.1</b>	<b>87.1</b>

**ANNEX III: Sectoral Development Expenditure – FY 2015/16 (Kshs.)**

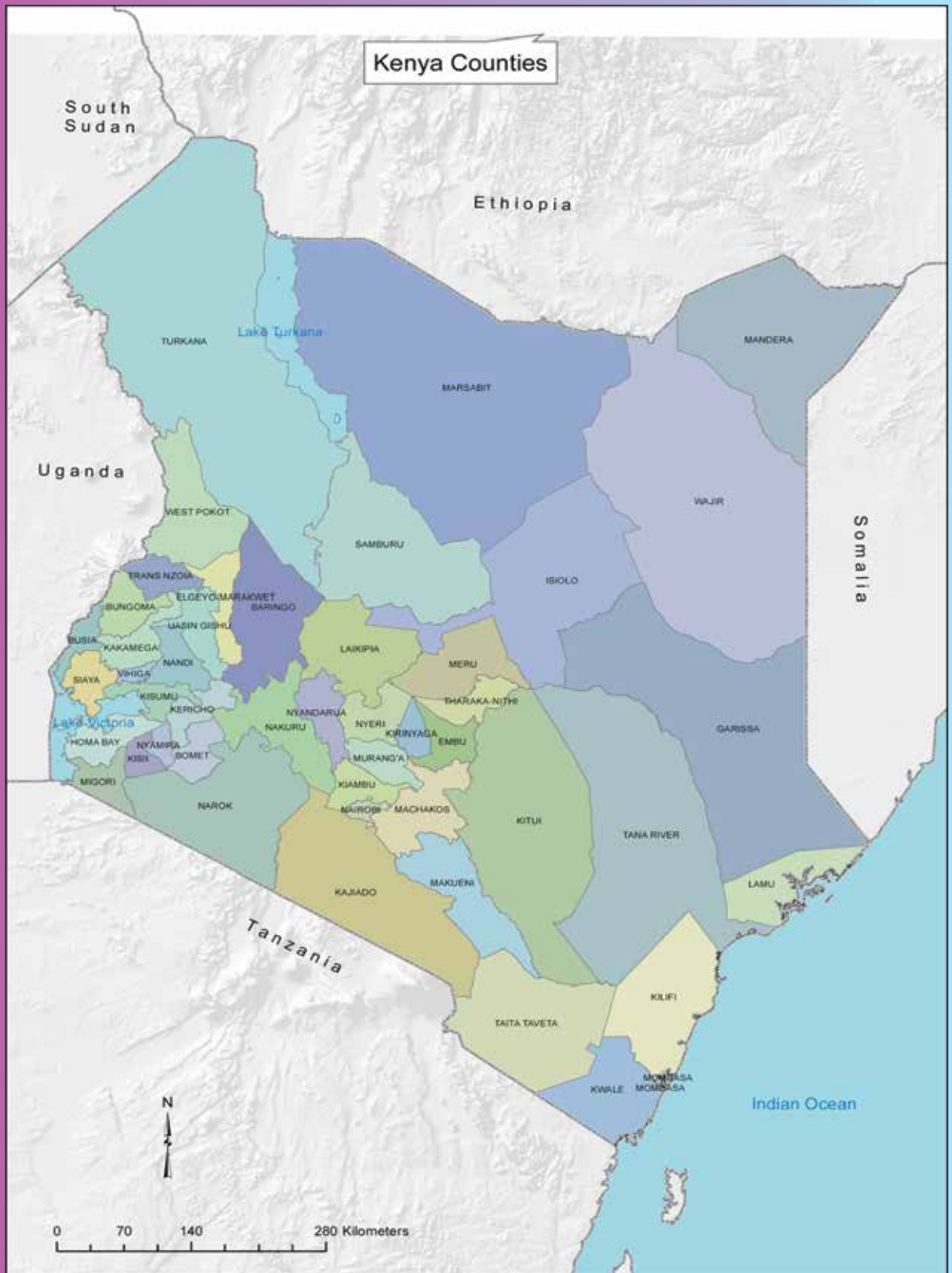
Sector	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	Expenditure	% of Exch. to Revised Net Estimates	% Expenditure to Revised Gross Estimates
Agriculture, Rural and Urban Development	55,658,923,516	43,038,701,312	37,170,879,684	35,547,614,669	86.4	63.9
Energy, Infrastructure and ICT	354,083,753,361	111,868,071,810	106,352,622,161	227,593,982,625	95.1	64.3
General Economics and Commercial Affairs (GECA)	9,900,948,702	9,509,761,058	8,669,009,940	9,043,579,779	91.2	91.3
Health	32,541,454,797	21,525,516,777	17,019,501,618	17,072,290,415	79.1	52.5
Education	20,334,841,849	16,326,766,149	12,121,357,910	12,077,661,747	74.2	59.4
Governance, Justice, Law and Order (GJLOS)	19,789,246,614	19,384,318,043	16,914,270,248	14,018,622,654	87.3	70.8
Public Administration and International Relations	130,324,513,832	108,508,922,916	103,414,521,792	101,910,298,739	95.3	78.2
National Security	64,949,620	22,949,620	-	-	-	-
Social Protection, Culture and Recreation	17,538,183,970	17,445,813,290	13,318,427,940	14,835,782,173	76.3	84.6
Environment Protection, Water and Natural Resources	41,712,635,730	22,028,730,549	18,189,766,176	19,213,075,023	82.6	46.1
<b>Total</b>	<b>681,949,451,991</b>	<b>369,659,551,524</b>	<b>333,170,357,470</b>	<b>451,831,082,162</b>	<b>90.1</b>	<b>66.3</b>

**ANNEX IV: Sectoral Recurrent Expenditure – FY 2015/16 (Kshs.)**

Sector	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	Expenditure	% of Exch. to Revised Net Estimates	% Expenditure to Revised Gross Estimates
Agriculture, Rural and Urban Development	15,110,972,906	14,645,058,156	14,364,900,000	13,275,218,127	98.1%	88%
Energy, Infrastructure and ICT	52,492,845,362	7,642,305,929	7,242,100,000	15,527,242,648	94.8%	29.6%
General Economics and Commercial Affairs (GECA)	7,381,241,458	7,302,641,458	7,202,650,000	7,031,569,020	98.6%	95.3%
Health	29,194,512,227	25,216,635,750	25,147,800,000	25,199,372,130	99.7%	86.3%
Education	303,567,721,684	286,605,746,432	283,702,420,000	281,738,917,677	99.0%	92.8%
Governance, Justice, Law and Order (GJLOS)	140,890,901,683	140,130,870,410	136,671,719,117	130,207,891,210	97.5%	92.4%
Public Administration and International Relations	118,136,944,726	116,726,534,243	110,372,472,110	100,205,707,591	94.6%	84.8%
National Security	113,762,215,450	113,762,215,450	113,665,800,000	113,695,539,754	99.9%	99.9%
Social Protection, Culture and Recreation	13,623,550,932	13,456,886,452	13,009,240,000	12,163,311,486	96.7%	89.3%
Environment Protection, Water and Natural Resources	17,386,019,299	9,016,740,060	8,904,700,000	7,451,839,059	98.8%	42.9%
<b>Total</b>	<b>811,546,925,727</b>	<b>734,505,634,340</b>	<b>720,283,801,227</b>	<b>706,496,608,703</b>	<b>98.1%</b>	<b>87.1%</b>







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