THE REPUBLIC OF KENYA

OFFICE OF THE CONTROLLER OF BUDGET

BUDGET IMPLEMENTATION REVIEW REPORT

Fourth Quarter
2011/2012

July 2012

Foreword

It gives me great pleasure to present the fourth Quarter Budget Implementation Review report for the period ending June 2012. This report gives a synopsis of the status of budget implementation and assesses the progress made towards the attainment of goals set in the 2011/2012 Budget. It is prepared at a time when Kenyan's economy is experiencing slowed growth. To counteract the effects of the slow growth, the government has put in place various fiscal and monetary policies to stimulate growth.

Effective budget implementation will boost creation of jobs and also create confidence in our economy. Building that confidence requires prudent fiscal planning, implementation and credible polices. To support sustainable job creation and healthy public financial management, the 2011/12 fiscal year Budget puts emphasis on the main drivers of the economy such as agriculture, tourism and manufacturing.

High on the agenda in the Office of the Controller of Budget (OCoB) is improving budget implementation and ensuring approvals and withdrawals from public funds are done within the law. In an effort to ensure that this happens, the OCoB has been working towards putting in place various initiatives to help Ministries, Departments, and Agencies (MDAs) improve on budget implementation.

First, the office is in the process of putting in place a Monitoring and Evaluation framework to ensure that MDAs' programmes and projects are continuously monitored and evaluated. This will ensure that the citizenry realize value for money. Secondly, the Office is in the process of developing procedures manuals for withdrawal of funds to ensure timely approval of withdrawals from public funds for both national and county governments. Thirdly, the OCoB with other stakeholders are in the process of developing legal and regulatory framework, which will provide guidelines for budget implementation. Finally, the OCoB will also continue to advise MDAs on prudent use of public funds to ensure they spend their funds within their budget ceilings and the law.

The Office of the Controller of Budget, through this report, is working towards ensuring that fiscal reporting is clear and that there is openness and accountability, including public participation in financial matters as articulated in the Constitution. I therefore hope that the contents of this report will be useful to all our stakeholders as we all endeavor to cultivate budget transparency and accountability that will ensure delivery on set targets in line with government policies and Vision 2030.

I have the honour of presenting the fourth quarter Budget Implementation Review Report to Parliament and all stakeholders.

Mrs. Agnes N. Odhiambo
Controller of Budget

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Executive Summary

This is the fourth quarter report on budget implementation by the Office of Controller of Budget for the financial year 2011/12. The OCoB, under the Constitution 2010 (Article 228(4)), is mandated to oversee the implementation of the budgets both at the national and county governments.

The 2011/12 financial year Budget focuses on enhancing the efficiency of Government expenditure in view of critical resource limitations and ensuring macroeconomic stability. One approach adopted in the budgeting process is the linking of key projects and programmes in the budget to Kenya's Vision 2030 through the Medium Term Plan (2008-2012) and the Millennium Development Goals.

The Economic Survey (2012) shows that the GDP grew by 4.4 per cent in 2011 which was below the projected growth of 5.7 per cent as per the 2011/12 Budget Policy Statement (BPS) released in March 2011. The main sectors that contributed to growth were; Agriculture, Manufacturing Wholesale and Retail trade, Financial Intermediation among others. The economic growth was adversely affected by drought that affected most parts of the country. The drought, compounded by volatility in the exchange rate significantly contributed to the increase in petroleum prices and a general unfavorable macro-economic environment in the country. This relatively low economic growth had adverse effect on revenue inflows and budget implementation in some sectors.

The drought and unstable shilling led to high inflation rates that hit an all time high of 19.7 per cent in November 2011. This has steadily reduced to 12.2 per cent and 10.05 per cent in the month of May and June respectively. This is however higher than 9 per cent that was targeted by the BPS in the short-term and 5 per cent in the medium-term. To counter the inflation and stabilize the Kenyan shilling, the Central Bank of Kenya increased the base-lending rate from 6.25 per cent in May 2011 to 18.0 per cent in December 2011, which was maintained till June 2012.

The printed estimates for revenue for the fiscal year 2011/2012 was Kshs. 789.5 billion (24.7 per cent of GDP) comprising Kshs. 713.6 billion of ordinary revenue and Kshs. 75.9 billion of Appropriations in Aid (AIA). Cumulatively, ordinary revenue collected by Kenya Revenue Authority (KRA) for the period July 2011 to June 2012 stood at Kshs.707.4 billion against a target of Kshs. 733.3 billion. This represents a revenue deficit of Kshs. 25.9 billion or a performance rate of 96.5 per cent. The cumulative collection of Kshs. 707.4 billion represents a performance rate of 98.7 per cent of the revised revenue estimates of Kshs.716.9 billion. This is an improvement compared to the same period in FY2010/11 when Kshs.634.9 billion was collected which represents 11.4 per cent growth.

The total revised budget for the financial year 2011/2012 was Kshs. 1,170.5 billion comprising Kshs. 578.4 billion for recurrent, Kshs. 382.6 billion for development and Kshs. 209.5 billion for Consolidated Fund Services. This represents a one per cent increase over the printed estimates.

The actual recurrent expenditure for the period under review stood at Kshs. 684.7 billion which represents 86.9 per cent of the revised gross estimates. The National Security sector had the highest rate of absorption of 100 per cent, while Physical Infrastructure sector had the least utilisation rate of 31.5 per cent of the gross revised estimates. The total development expenditure stood at Kshs. 210.7 billion which is 55.1 per cent of the gross revised estimates. The Trade, Tourism and Industry (TTI) sector had the highest rate of absorption at 90.8 per cent while Special Programmes had the lowest absorption rate of 46.1 per cent of the gross revised estimates.

In order to achieve the targets set in the Budget Policy Statement the government should develop clear and comprehensive guidelines for utilizing development funds efficiently by the MDAs that will ensure proper execution of projects and programmes to transform Kenya as envisaged in the Vision 2030 Development Blueprint.

Acronyms

AIA	Appropriation in Aid
AIE	Authority to Incur Expenditure
AG	Auditor General
BSD	Budget Supply Department
CBK	Central Bank of Kenya
CBR	Central Bank Rate
CFS	Consolidated Fund Services
CRR	Cash Reserve Ratio
CoB	Controller of Budget
FY	Financial Year
GDP	Gross Domestic Product
GJLOS	Governance Justice Law and Order Sector
GOK	Government of Kenya
IFMIS	Integrated Financial Management Information System
KNBS	Kenya National Bureau of Statistics
KRA	Kenya Revenue Authority
MDAs	Ministries Departments and Agencies
MTP	Medium Term Plan
NSIS	National security Intelligence Service
OCoB	Office of the Controller of Budget
OPM	Office of Prime Minister
ODPM	Office of Deputy Prime Minister
OVP	Office of Vice President
PAIR	Public Administration and International Relations
RIT	Research Innovation and Technology
TTI	Trade Tourism and Industry

1. Introduction

The Office of the Controller of Budget (OCoB) is an independent office established under **Article 228** of the Constitution of Kenya. The OCoB has the mandate to oversee implementation of the budgets of the national and county governments by authorizing withdrawals from the Consolidated Fund **Article 206,** Revenue Fund **Article 207** and Equalization Fund **Article 204 if satisfied that the withdrawals are authorised by law Article 228(5).**

Other functions of the Office of the Controller of Budget as articulated in the Constitution are;

- Provide advice to Parliament where a Cabinet Secretary has stopped transfer of funds to a state organ or public entity and there is need to uphold or renew the decision to stop further transfer of funds to the state organ **Article 225(7)**.
- Prepare annual, quarterly and ad hoc reports to the executive and legislature on budget implementation or specific issues under **Articles 228(6), 254 (1)** and **254 (2**).
- Publishing and publicizing all reports **Article 254 (3).**
- Advise national and county governments on measures to improve Budget Implementation

In executing its functions, the OCoB seeks, among other issues to;

- Promote fiscal discipline and equitable allocation of available resources.
- Improve transparency and accountability in the budget implementation process.

This report has been prepared based on targets set out in the Budget Policy Statement (BPS) of FY 2011/2012, which also set the theme of the budget for the year. The Budget for 2011/2012 financial year had laid emphasis on the growth momentum in productive sectors of manufacturing and agriculture besides infrastructure and social programmes under education and health sectors. The investments in these sectors aim at improving infrastructure, quality of life and human capital development. The government has also put a lot of emphasis on the implementation of the Constitution which has resulted in improved efficiency of the oversight bodies and strengthened financial management within the government.

In the FY 2011/2012 Budget, the Government envisaged to spend a total of Kshs. 1, 158.9 billion, which comprised of recurrent expenditure of Kshs. 762.4 billion, development expenditure of Kshs. 396.5 billion and Kshs. 209.5 for Consolidated Fund Services (CFS). However, the total gross estimates figure was adjusted in the supplementary estimates to Kshs. 1,170.5 billion of which recurrent budget estimates was Kshs. 787.9 billion, development budget estimates was Kshs. 382.6 billion and CFS Kshs. 209.5 billion.

The FY 2011/2012 Budget targeted revenue collection of Kshs. 789.5 billion including A-in-A of Kshs. 75.9 billion. Cumulatively, the total revenue collected up to the fourth quarter was Kshs. 778.6 billion

comprising of Kshs. 656 billion of ordinary revenue, Kshs. 19.3 billion as project loans (revenue), project loans (A-in-A) of Kshs. 39.6 billion and Kshs. 7.8 billion as project grants. Cumulatively, ordinary revenue collected by Kenya Revenue Authority (KRA) for the period July 2011 to June 2012 stood at Kshs. 707.4 billion against a target of Kshs. 733.3 billion, which was revised downwards to Kshs. 716.9 billion by KRA. This represents a revenue deficit of Kshs. 25.9 billion or a performance rate of 96.5 per cent.

A total of Kshs. 497.5 billion was issued to MDAs to fund recurrent activities, which was 98.7 per cent of the net revised estimates while a total of Kshs. 211.4 billion was issued to fund development expenditure which was 86.9 per cent of the net revised estimates. The development funds included donor releases amounting to Kshs. 66.7 billion to fund various activities during the financial year. The OCoB also issued Kshs. 203.3 billion for Consolidated Fund Services (CFS) which is 97 per cent of the revised gross estimates.

The total expenditure for the FY 2011/2012 was Kshs. 895.5 billion which represents 76.5 per cent of the gross revised estimates. The recurrent budget's absorption rate was 84.0 per cent and development budget's absorption rate was 55.1 per cent. The absorption of development funds is still low a challenge that needs to be addressed if the objectives of the budget are to be realized.

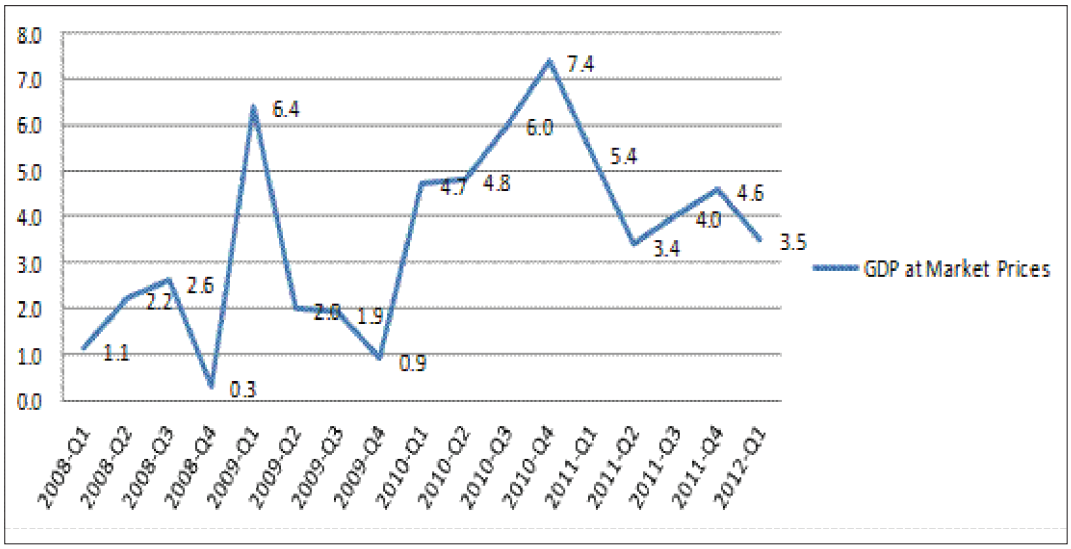
This report by OCoB covers the activities of the Budget Implementation for the Government of Kenya up to the end of the fourth quarter of the FY 2011/2012. It gives an appraisal of the Government's revenue and expenditure targets by sectors and sub-sectors and provides information on progress of the implementation of both the recurrent and development budgets. The report looks at the prevailing macroeconomic environment for the period under review and analyses the FY 2011/2012 budget implementation.

2. Macroeconomic Highlights

2.1 Economic Growth (GDP)

The Economic Survey (2012) shows that the GDP grew by 4.4 per cent in 2011 which was below the projected growth of 5.7 per cent as per the 2011/12 Budget Policy Statement (BPS) released in March 2011. The main sectors that contributed to growth were; Agriculture, Manufacturing Wholesale and Retail Trade and Financial Intermediation. The economic growth was adversely affected by drought that affected most parts of the country. The drought, compounded by volatility in the exchange rate significantly contributed to the increase in petroleum prices and a general unfavorable macro-economic environment in the country. The relatively low economic growth affected revenue inflows which affected budget implementation in some sectors. Figure 1 shows the quarterly GDP growth rates from 2008 to 2012.

Figure 1: Quarterly GDP growth for the period 2008-2012

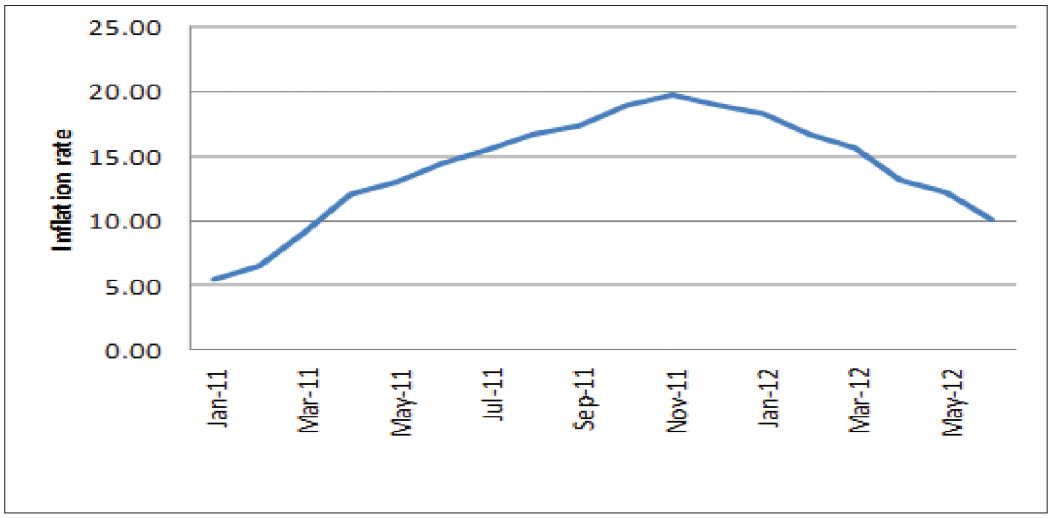


Source: Kenya National Bureau Statistics, 2012

2.2 Inflation

Kenya's overall month-on-month inflation has been on a declining momentum since January 2012. The country's inflation rate reduced from 13.06 per cent in the month of April, to 12.22 per cent in May and 10.05 per cent in June 2012. This was as a result of the reduction in food prices due to the prevailing long rains that have increased agricultural production, the strengthening of the Kenya shilling against major world currencies and a reduction of global oil prices. There is need to sustain the downward trend in the inflation rate so as to meet the Government's short- term target of 9 per cent and sustain it at 5 per cent in the medium term as contained in the Budget Policy Statement. The graph below shows the trend of the country's overall inflation.

Figure 2: Overall inflation rate for the period January 2011- June 2012

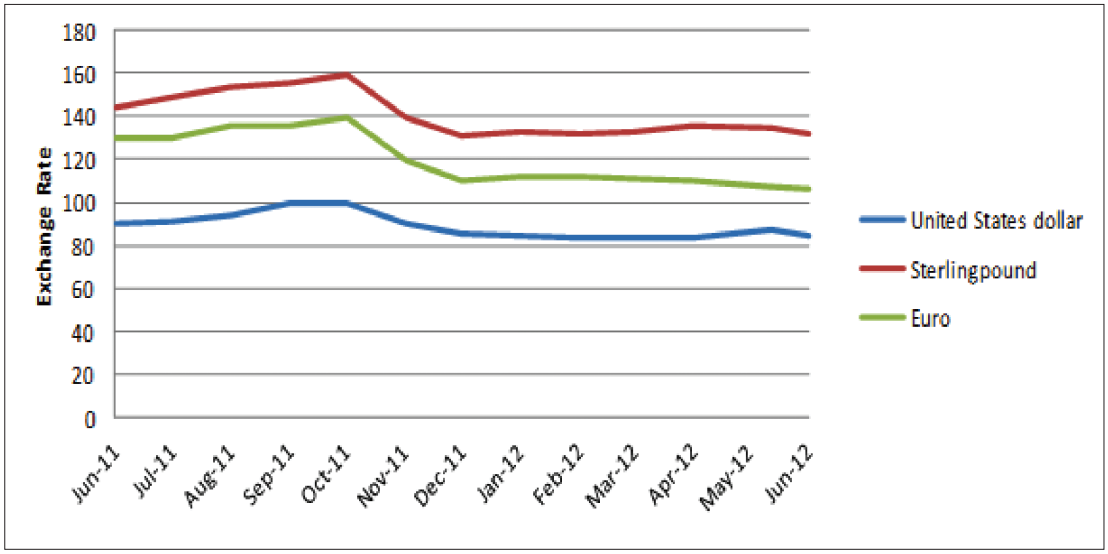


Source: KNBS, 2012

2.3 Exchange Rate

The Kenya shilling strengthened significantly in the first half of the year 2012. The US dollar traded at an average rate of Kshs. 83.54 in the third quarter of 2011/2012 and at Kshs. 84.94 in the fourth quarter, representing a weakening of the local currency by 1.68 per cent. The Sterling Pound traded at an average of Kshs. 132.71 and Kshs. 133.99 in the third and fourth quarters respectively, representing 0.97 per cent decline in value. The Kenya shilling strengthened against both the Euro and the South African Rand at 2.93 per cent and 5.11 per cent respectively in the fourth quarter compared to the third quarter of the period under review. Figure 3 indicates the trend of the Kenya shilling exchange rate against selected world currencies since January 2011 to June 2012.

Figure 3: The Kenya shilling exchange rate trends with selected international currencies



Source: Central Bank of Kenya, 2012

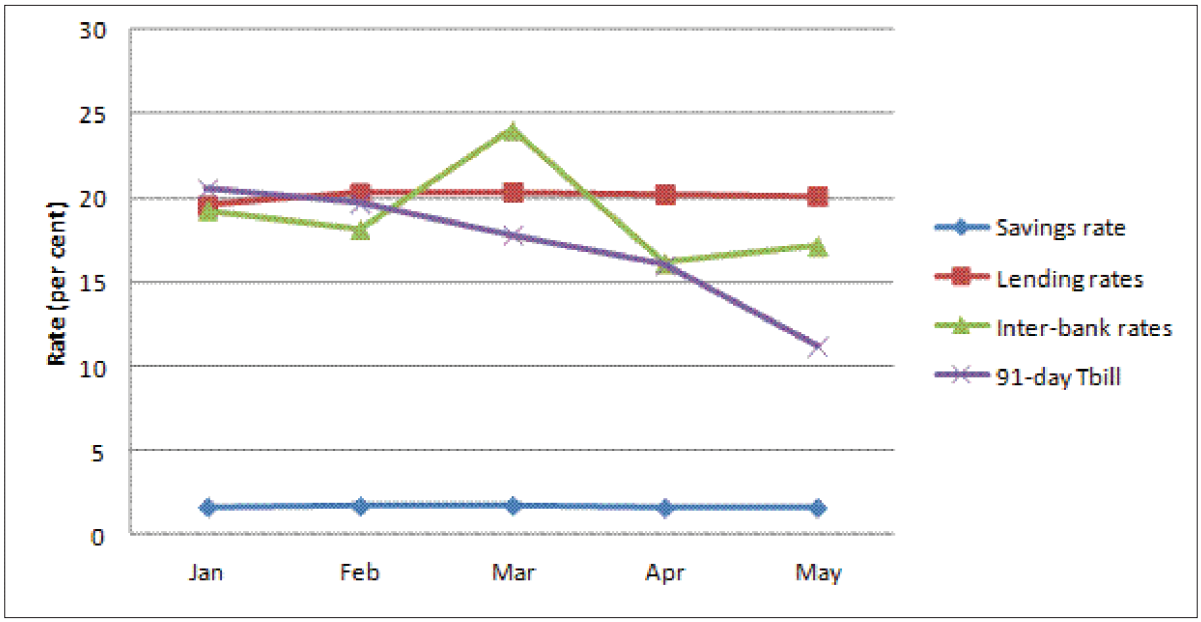
2.4 Balance of Payments

The Kenya National Bureau of Statistics in its first quarter report of 2012 indicates that the overall balance of payments position improved by Kshs. 26.8 billion, from a surplus of Kshs. 11.2 billion in the first quarter of 2011, to a surplus of Kshs. 37.0 million in first quarter of 2012. The movement follows growth in the capital and financial account, from a surplus of Kshs. 57.8 billion in the first quarter of 2011, to a surplus of Kshs. 65.7 billion in the first quarter of 2012. The deficit in the current account widened from a deficit of Kshs. 76.4 billion in the first quarter of 2011 to a deficit Kshs. 81.1 billion in the first quarter of 2012. The deterioration in the current account was mainly as a result of a 20.8 per cent widening of the merchandise account deficit.

2.5 Commercial banks and Central Bank of Kenya rates

The lending rates for commercial banks averaged 20.10 per cent for the first five months of 2012. The CBK's interbank rates averaged 18.95 per cent, while the 91-day T-bills rate has been declining from 20.6 per cent in the month of January to 11.2 per cent in May 2012. The Monetary Policy Committee maintained the base lending rate at 18 per cent from November 2011 to June 2012. This has led to the increase in lending rates by commercial banks from a low of 15 per cent to a high of 30 per cent making the loans expensive. The trends of Central Bank and Commercial banks' rates since January to May 2012 are shown in the figure 4.

Figure 4: Selected Commercial and Central Bank rates



Source: Central Bank of Kenya, 2012

3. Financial Analysis of The 2011/2012 Budget Implementation

3.1 Analysis of Revenue Performance

The targeted revenue collection for the FY 2011/2012 was Kshs. 789.5 billion (or 24.7 per cent of GDP). For the period July 2011 - June 2012 Kenya Revenue Authority (KRA) collected revenue amounting to Kshs. 707.4 billion against a target of Kshs. 733.3 billion which was revised downwards to Kshs. 717 billion. Therefore, this represents a performance rate of 98.7% with respect to the new target. Kenya Revenue Authority attributes this performance to slowdown in the economy. However, this was an improvement compared to the corresponding period in FY 2010/11 when Kshs. 634.9 billion was collected which represents 11.4 per cent growth.

Kenya Revenue Authority collections by category showed mixed performance where some categories performed better while the performance of others declined. The summary of revenue collection by category is shown in Table 1, the detailed collection by revenue type during the twelve months of FY 2011/12 is provided in Annex 1

Table 1: Cumulative (July 2011 - June 2012) Revenue Performance by Category

	Cumulative Figures: July 2011 - June 2012			
	Actual Kshs Millions	Target Kshs Millions	Variance Kshs Millions	Perf. Rate (%)
CUSTOMS SERVICES				
Net Import Duty	51,913	55,569	(3,656)	93.4
Net Excise Duty	39,343	45,579	(6,236)	86.3
VAT – Imports	94,352	94,206	145	100.2
Import Declaration Fees	24,846	23,513	1,333	105.7
Agency Revenue	33,805	33,936	(132)	99.6
TOTAL CUSTOMS SERVICES	**244,258**	**252,804**	**(8,546)**	**96.6**
DOMESTIC TAXES				
VAT Domestic	80,436	111,123	(30,687)	72.4
P. A. Y. E	175,141	161,123	14,018	108.7
Other Income Taxes	153,834	146,170	7,664	105.2
Turnover Tax	145	147	(2)	98.4
Excise Duty Domestic	30,878	37,812	(6,933)	81.7
Excise Tax on Airtime	8,984	9,872	(888)	91.0
Stamp Duty	7,891	8,024	(133)	98.3
Land Rent	1,123	1,303	(180)	86.2
Sub-Total Exchequer Revenue	***458,433***	***475,574***	***(17,141)***	***96.4***
Agency Revenue	1,902	1,966	(64)	96.7

	Cumulative Figures: July 2011 - June 2012			
	Actual Kshs Millions	Target Kshs Millions	Variance Kshs Millions	Perf. Rate (%)
Gross Receipts	473,269	490,474	(17,205)	96.5
TOTAL DOMESTIC TAXES	**460,335**	**477,540**	**(17,205)**	**96.4**
ROAD TRANSPORT				
Exchequer Revenue	2,210	2,430	(220)	91.0
Agency Revenue	557	580	(23)	96.0
TOTAL ROAD TRANSPORT	**2,767**	**3,010**	**(243)**	**91.9**
GRAND TOTAL	**707,360**	**733,354**	**(25,994)**	**96.5**

Source: Kenya Revenue Authority

3.2 Donor Releases

In the FY 2011/2012 Budget, the Government was expected to raise Kshs. 183.1 billion through external sources. In the Supplementary Budget, the figure was reviewed slightly downwards to Kshs. 182.9 billion as shown in Table 2. For the period under review, Kshs. 85.3 billion was disbursed to MDAs by various donors to undertake the activities planned for the year, which is 46.6 per cent of the total expected disbursements. This impacted negatively on implementation of various development projects.

Table 2: Summary of Grants and Loans Disbursement (Kshs. billions)

Funding Type	Printed Estimates 2011/2012	Revised Estimates 20112012	Cumulative Disbursement as at 30-06-2012	
			Disbursements	% Disbursed against Revised Estimates
Loans Revenue	39.5	36.4	19.8	54.4
Grants Revenue	12.7	14.2	7.2	50.8
Loans A.I.A	102.5	99.5	51.0	51.3
Grants A.I.A	28.4	32.8	7.2	22.0
Total	**183.1**	**182.9**	**85.3**	**46.6**

Source: Ministry of Finance

3. 3 Exchequer Issues

The total budget for the FY 2011/2012 was Kshs. 1, 158.9 billion comprising of Kshs. 552.8 billion for recurrent expenditure, Kshs. 396.6 billion for development expenditure and Kshs. 209.5 billion for Consolidated Fund Services (CFS). During the period under review, the budget was revised to Kshs. 1,159.0 billion comprising recurrent budget of Kshs. 578.4 billion, development budget Kshs. 382.6 billion and CFS Kshs. 209.5 billion, an increase of 1 per cent.

The Office of the Controller of Budget approved exchequer issues of Kshs. 497.5 billion for recurrent expenditure for the period 1st July 2011 to 30th June 2012 against an approved budget of Kshs. 503.9 billion, which represents 98.7 per cent of the net revised estimates. The office also approved exchequer issues of Kshs. 211.4 billion against a target of Kshs. 243.2 billion for development expenditure for the same period representing 86.9 per cent of the net revised estimates. Twenty sub-sectors received 100 per cent of their revised net estimates. Details of exchequer issues are provided in Annex 2.

3.4 Consolidated Fund Services (CFS)

The Consolidated Fund Services were allocated Kshs. 209.5 billion in the financial year 2011/2012, which represented 18.1 per cent of the total budget. The CFS comprised of Kshs. 77.7 billion and Kshs. 63.4 billion for domestic interest and redemption respectively. In respect to foreign debt, Kshs. 8.9 billion and Kshs. 26.4 billion were allocated for interest and principal repayment respectively. Kshs. 1.46 billion was allocated to guaranteed loans while salaries and allowances were allocated Kshs. 3.3 billion. For the period under review a total of Kshs. 203.3 billion exchequer issues was released which represents 97.0 per cent of the revised net estimates. On the other hand, the expenditure for CFS for the same period stood at Kshs. 199.1 billion representing 95 per cent of the revised gross estimates.

3.4.1 Public Debt

The domestic and foreign debt was allocated Kshs. 173.2 billion which was revised upwards to Kshs. 175.4 billion for principal and interest repayments. For the period under review, Kshs. 167.0 billion was released as exchequer issues which represent 95 per cent of the gross revised estimates. The total payment for both domestic and external debt for the same period amounted to Kshs. 167 billion which represents 95 per cent of the revised gross estimates.

3.4.1.1 Domestic Debt Repayment

The government had planned to borrow Kshs.114.5 billion from the domestic market to bridge the budget deficit. However, the figure was revised downwards to Kshs 62.1 billion in the Supplementary Budget. A total of Kshs.79.4 billion was raised which is Kshs. 17 billion in excess of the revised figure of the projected Kshs. 62.1 billion.

In the 2011/2012 Budget, the Government allocated Kshs. 141.1 billion for repayment of both interest and redemption of domestic debt. The actual repayment from the Consolidated Fund stood at Kshs. 141.3 billion which represents 100.14 per cent of the gross revised estimates. The variance was due to slightly higher interest rates than original projections.

3.4.1.2 Foreign Debt Repayment

For the FY 2011/2012, a total of Kshs. 35.2 billion was allocated to facilitate the repayment of principal and interest on external loans. This included the arrangement fee of Kshs. 1.5 billion relating to the syndicated

loan in the fourth quarter of the financial year. As at 30th June 2012, a total of Kshs. 35.8 billion was released from exchequer account for both principal and interest repayments. The difference between the allocated amount and payments is attributed to the fluctuation of exchange rates against major world currencies.

The following are some of the loans that were paid during the period under review which require further analysis and or investigation.

a) Pre-1997 Outstanding Loans

Prior to 1997, various government ministries overdrew to their respective accounts at Central Bank Kenya resulting into overdrafts amounting to Kshs. 36.9 billion. In order to meet the requirement of the CBK Act, section 46(4), the government was compelled to convert the overdraft into a long term debt in the year 2003. However, due to cash flow constraints, the government suspended repayment of the debt resulting in an outstanding loan balance of Kshs. 35.6 billion by 2007. In the FY 2011/2012, Kshs. 1.1 billion was paid out of the Consolidated Fund as principal for the loan and Kshs. 850 million as interest. Information on the ministries that received the advances should be availed.

b) Italian Debt Swap

The Government of Kenya entered into a bilateral agreement in the year 2004 with the Italian Government to consolidate the Kenyan debt amounting to US$ 142 million. The two governments agreed to disburse 10 per cent of the debt to CBK's Special Account from 2006 to be used as counterpart funds for promoting socio-economic development through undertaking specific projects. In the FY 2011/2012, Kshs. 568.8 million was paid into the Special Account as per the bilateral agreement. Kshs. 442 million was allocated to specific projects as shown in table 3 leaving a balance of Kshs. 126.8 million. Additional projects should be identified so that the balance of Kshs. 126.8 million is utilised for social-economic development. There is also need to undertake monitoring and evaluation of the projects to ascertain whether the funds were utilized to meet the objectives of the loan swap.

Table 3: Summary of Projects Funded by Loan Swap Funds

Name of the Project	Amount Allocated (Kshs.)
Kyeni water supply Mutitu	102,000,000
Thua water project	80,000,000
Matungulu water project	116,000,000
Moyale water project	100,000,000
Kipandaram water project	40,000,000
Project Committee Organizer	4,000,000
Total	**442,000,000**

Source: OCoB

c) Kenren Fertilizer Factory Loan

During FY 2011/2012, the government paid Kshs. 676 million and Kshs. 53.7 million as principal and interest respectively in respect to a loan borrowed in 1978 to set up a fertilizer factory. Available information from the Kenya National Audit Office (KENAO) reports indicates that the factory was not set up yet the government has continued to repay the loan. Records from Public Debt Department indicate that the debt shall be fully paid in 2015. The OCoB notes with concern that government resources are being used to repay a loan on a non non-existent asset. It is therefore imperative that this matter is fully investigated and the findings made public.

3.4.2 Pension and Gratuities

In the financial year 2011/2012, Kshs. 31.3 billion was allocated for payment of Pensions and gratuities which was reviewed downwards to Kshs. 29.3 billion in the Supplementary Budget representing a reduction of 7.9 per cent. For the period under review exchequer issues amounting Kshs. 24.1 billion was released to pay pensioners which represents 82.2 per cent of the revised gross estimates. On the other hand, the expenditure for the period stood at Kshs. 24.4 billion which represents 83.3 per cent of the revised gross estimates. As reported in the third quarter report, this discrepancy requires urgent reconciliation.

3.4.3 Salaries and allowances

A total of Kshs. 3.0 billion was allocated to cater for salaries and allowances for constitutional office holders. Exchequer issues amounting to Kshs. 2.1 billion was released which represents 63.6 per cent of the revised gross estimates. The total expenditure for the period under review was Kshs. 1.63 billion which is 49.4 per cent of the revised gross estimates. There was a difference of Kshs. 470 million between the amount released and the expenditure which needs to be reconciled.

3.4.4 Guaranteed Loans

In the financial year 2011/2012, the government allocated a total of Kshs. 1.41 billion to cater for repayment of guaranteed loans. By the close of the financial year, an amount of Kshs. 1.9 billion had been released from the exchequer account for loans defaulted by: Nairobi City Council Kshs. 82.0 Million, Tana and Athi River Development Authority (TARDA) Kshs. 0.5 billion Kenya Broadcasting Corporation (KBC) Kshs. 1.4 billion. The Government continues to spend resources to repay these loans yet the funds were borrowed for commercial ventures. It is therefore imperative that these institutions are appraised to establish causes of defaulting so that corrective action can be taken.

Table 4: Analysis of CFS expenditures (in Kshs. Billions)

Details of Votes	Gross Estimates	Net Estimates	Revised Estimates		Exchequer Issues	Actual Expenditure (billions)	Expenditure as a per cent of Gross Estimates	Expenditure as per cent of exchequer issues
			Gross Estimates	Net Estimates				
Public Debt	173.2	173.3	175.4	175.4	175.2	172	98.1	99.9
Pensions and Gratuities	31.8	31.8	29.3	29.3	24.1	24.4	83.3	82.2
Salaries and Allowances	3.0	3.0	3.3	3.3	2.1	1.63	49.4	63.6
International Organisations	0.0005	0.0005	.05	.05	0.0	0.0	0.0	0.0
Miscellaneous Services	0.06	0.06	.06	.06	0.0	0.0	0.0	0.0
Guaranteed Debt	1.4	1.4	1.5	1.5	1.9	1.4	93.3	126.7
Total	**209.5**	**209.5**	**209.5**	**209.5**	**203.3**	**199.1**	**95.0**	**97.0**

Source: Ministry of Finance and MDAs

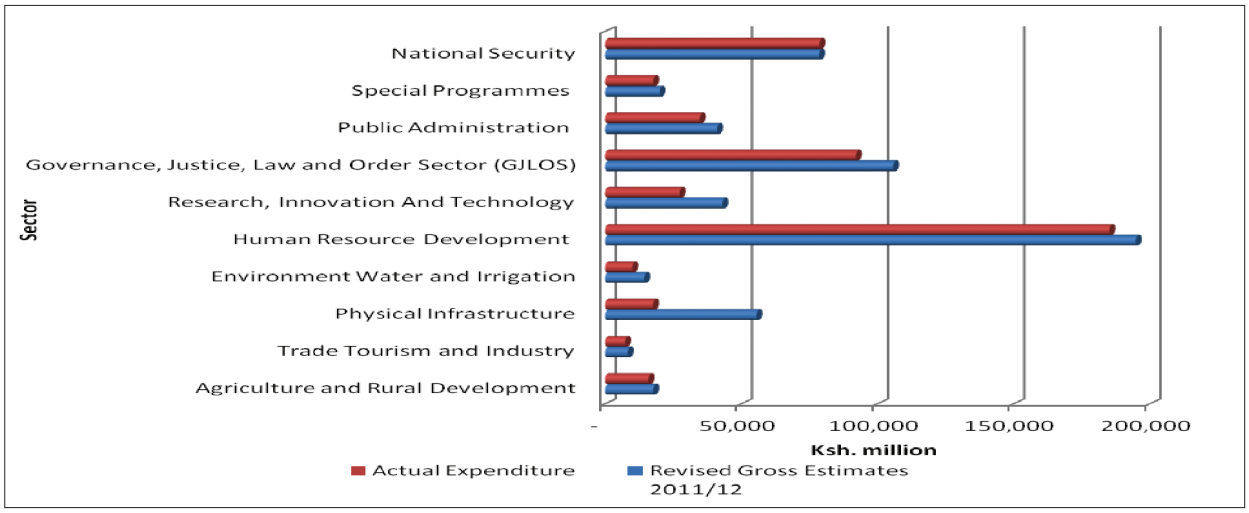
NB: There was no expenditure on the international organizations and miscellaneous services votes for the period under review.

3.5 Recurrent Expenditure Analysis by Sector

This section takes a critical analysis of each sector's recurrent budget verses the exchequer issues and actual expenditure for MDAs. The total recurrent budget for FY 2011/2012 for all the sectors was Kshs. 552.9 billion which represents 47.7 per cent of the total budget. In the Supplementary Budget the recurrent expenditure was revised upwards to Kshs. 578.4 billion representing a 4.6 per cent increase.

The total recurrent expenditure for the period under review cumulatively stood at Kshs. 485.7 billion, which represents 84.0 per cent of the revised gross estimates. The National Security sector had the highest absorption rate of 100 per cent, whereas the Physical Infrastructure had the least absorption rate of 31.5 per cent of revised gross estimates. Figure 5 summarizes the comparison between the actual expenditure for the period under review and the revised gross estimates for the FY 2011/2012.

Figure 5: Comparison of Actual Expenditure and Revised Gross Estimates (in Kshs. millions)



Source: Office of the Controller of Budget and MDAs

3.5.1 Human Resource Development

This sector comprises of five sub-sectors, namely Education, Teachers Service Commission (TSC), Labour, Medical Services, and Public Health and Sanitation.The Human Resource Development sector is responsible for the provision and co-ordination of services relating to Education, Labour, Medical Services, Public Health and Sanitation in order to create a globally competitive and adaptive human resource. For the FY 2011/2012 this sector was allocated Kshs. 183.8 billion which was revised to Kshs. 194.7 billion in the Supplementary Budget which represents 5.9 per cent increase.

For the period under review this sector received exchequer issues totalling Kshs. 191.7 billion which represents 102.2 per cent of the revised net estimates. The Education sub sector received the highest exchequer issues of Kshs. 40.0 billion which is 117.8 per cent of the revised net estimates while the Labour sub-sector received the least exchequer issues of Kshs. 1.6 billion which is 93.4 per cent of the revised net estimates. The excess exchequer issue is attributed to the release of Kshs. 7 billion to the Ministry of Education for Free Primary Education (FPE) and Free Day Secondary Education (FDSE) which are funded based on capitation. This expenditure was not factored in the FY 2011/2012 Supplementary Budget necessitating approval of the exchequer issues under Article 223(1) (a), 223 (2) and 223 (5) of the Constitution.

The actual expenditure for the sector was Kshs.185.1 billion, representing an average absorption rate of 95.1 per cent. The Medical Services sub sector spent Kshs. 27.9 billion, which included A.I.A collections, representing 88.7 per cent rate of absorption, while the Labour sub-sector spent Kshs. 1.4 billion representing an absorption rate of 76.5 per cent. The TSC and Public Health and Sanitation sub-sectors spent Kshs. 111.9

billion and Kshs. 12.3 billion representing absorption rates of 99.8 and 99.5 per cent respectively. Table 5 below summarises the recurrent expenditure of the sector

Table 5: Analysis of Recurrent Expenditure and Net Exchequer Issues for Human Resource Development (in Kshs. millions)

Name of sub-sector	Revised Gross Estimates 2011/12	Appropriation in Aid 2011/12	Revised Net Estimates 2011/12	Exchequer Issues	Actual Expenditure	Expenditure as a % of Revised Gross Estimates	Exchequer Issues as % of Revised net Estimates
Medical Services	31,510.2	3,824.0	27,686.2	26,949.0	27,938.2	88.7	97.3
Labour	1,817.2	89.0	1,728.2	1,614.7	1,390.7	76.5	93.4
Education	36,986.2	3,057.8	33,928.3	39,981.0	31,626.4	85.5	117.8
T.S.C	112,049.0	80.0	111,969.0	110,910.0	111,876.4	99.8	99.1
Public Health & Sanitation	12,318.9	58.0	12,260.9	12,253.3	12,259.1	99.5	99.9
Total	**194,681.5**	**7,108.8**	**187,572.7**	**191,707.9**	**185,090.8**	**95.1**	**102.2**

Source: Ministry of Finance & MDAs

3.5.2 Public Administration and International Relations Sector

The Public Administration and International Relations (PAIR) Sector comprises of the Cabinet Office, State House, Public Service Commission, Office of the Prime Minister, Planning, National Development and Vision 2030, Public Service, Finance and Foreign Affairs. This sector provides leadership and direction in the implementation of Government policies and further undertakes key functions cutting across all government agencies such as mobilisation of both human and capital resources, budgeting, planning and the management of the country's foreign policy. During the FY 2011/2012 the sector was allocated a total of Kshs. 39.3 billion for recurrent expenditure, which was revised to Kshs. 41 billion in the 2011/2012 Supplementary Budget.

The PAIR sector received exchequer issues amounting to Kshs. 38.8 billion which represents 97.4 per cent of revised gross estimates. The Public Service and the Office of the Prime Minister sub-sectors received the highest exchequer issues of Kshs. 3.5 billion and Kshs. 1.9 billion respectively, which represents 100 per cent of their revised net estimates. The Finance sub-sector received exchequer issues of Kshs. 18.1 billion representing 96.6 per cent of the net revised estimates. The Office of the Controller of Budget received the least exchequer issues of Kshs. 30 million which represents 48.4 per cent of the net revised estimates. This is because funds on this vote were available in May 2012 after approval of the Supplementary Budget.

The overall expenditure for the sector was Kshs. 34.6 billion representing 84.6 per cent of the revised gross estimates. The State House sub-sector's expenditure stood at Kshs. 1.4 billion representing 99.3 per cent absorption rate. The Public Service sub-sector spent Kshs. 3.3 billion representing 91.6 per cent absorption

rate. The Office of the Controller of Budget spent Kshs. 30 million representing 48.4 per cent absorption rate. Table 6 below summarises the recurrent expenditure of the sector.

Table 6: Analysis of recurrent expenditure and net exchequer issues for PAIR (in Kshs. millions)

Name of sub-sector	Revised Gross Estimates 2011/12	Appropriation in Aid 2011/12	Revised Net Estimates 2011/12	Exchequer Issues	Actual Expenditure	Expenditure as a % of Revised Gross Estimates	Exchequer Issues as % of Revised net Estimates
State House	1,413.6	2.0	1,411.6	1,407.6	1,403.2	99.3	99.7
State for Public Service	3,563.3	46.0	3,517.3	3,516.9	3,264.1	91.6	100.0
Foreign Affairs	9,996.3	971.7	9,024.6	8,708.0	6,165.5	61.7	96.5
P.N.D & Vision 2030	2,831.6	72.0	2,759.6	2,756.3	2,599.7	91.8	99.9
Finance	18,738.3	-	18,738.3	18,110.0	17,263.1	92.1	96.6
Cabinet Office	1,392.7	1.0	1,391.7	1,336.9	1,315.2	94.4	96.1
Public Service Commission	679.3	13.5	665.8	659.0	674.6	99.3	99.0
Office of the Prime Minister	1,945.5	1.0	1,944.5	1,944.5	1,927.0	99.0	100.0
The Controller of Budget	62.0	-	62.0	30.0	30.0	48.4	48.4
The CRA	340.8	-	340.8	340.0	-	-	99.8
Total	**40,963.4**	**1,107.2**	**39,856.2**	**38,809.1**	**34,642.4**	**84.6**	**97.4**

Source: Ministry of Finance & MDAs

3.5.3 Trade, Tourism and Industry (TTI) Sector

The sector comprises of the following sub-sectors: Trade, East African Community (EAC), National Heritage and Culture, Tourism and Industrialisation. The sector contributes significantly to the overall national development agenda as envisioned by the Kenya Vision 2030, to oversee EAC's regional integration initiatives, poverty reduction and creation of employment opportunities. The Sector also plays a significant role towards achievement of the Millennium Development Goals (MDGs). During FY 2011/2012, the sector was allocated a total of Kshs. 8.1 billion which was revised upwards to Kshs. 8.2 billion in the Supplementary Budget.

The sector received exchequer issues amounting to Kshs. 7.7 billion representing 99.4 per cent of the revised net estimates. Trade sub- sector received Kshs. 1.6 billion representing 97.3 per cent while Tourism sub-sector received Kshs. 1.6 billion representing 100 per cent of the revised net estimates.

The total expenditure for the sector stood at Kshs. 7.3 billion for the period under review, which is 88.3 per cent of the revised gross estimates. The Trade sub-sector spent Kshs.1.3 billion representing 69.5 per cent while the EAC sub sector spent Kshs.1.0 billion representing 99.0 per cent absorption rate. The National

Heritage and Culture sub-sector spent Kshs. 1.7 billion representing 97.9 per cent while the Tourism sub-sector spent Kshs. 1.5 billion representing 94.8 per cent absorption rate. Table 7 summarises the sector's performance.

Table 7: Analysis of recurrent expenditure and net exchequer issues for Trade, Tourism and Industry sector (in Kshs. millions)

Name of Sub-sector	Revised Gross Estimates 2011/12	Appropriation in Aid 2011/12	Revised Net Estimates 2011/12	Exchequer Issues	Actual Expenditure	Expenditure as a % of Revised Gross Estimates	Exchequer Issues as %of Revised net Estimates
Trade	1,942.0	289.1	1,652.9	1,608.0	1,348.8	69.5	97.3
East African Community	1,047.8	1.0	1,046.8	1,046.7	1,040.0	99.3	100.0
National Heritage & Culture	1,763.9	27.0	1,736.9	1,736.9	1,726.2	97.9	100.0
Tourism	1,569.6	11.0	1,558.6	1,558.5	1,487.2	94.8	100.0
Industrialisation	1,925.8	151.5	1,774.3	1,773.6	1,684.9	87.5	100.0
Total	**8,249.0**	**479.6**	**7,769.4**	**7,723.8**	**7,287.2**	**88.3**	**99.4**

Source: Ministry of Finance & MDAs

3.5.4 Agricultural and Rural Development Sector

This sector comprises of the following five sub-sectors: Agriculture, Livestock Development, Fisheries Development, Lands and Settlement and Cooperative Development and Marketing. This sector is critical for economic growth, employment and poverty reduction.The sector was allocated Kshs. 16.8 billion which was revised to Kshs. 17.5 billion in the Supplementary Budget.

The total exchequer issues released to the sector amounted to Kshs. 17.1 billion for the period FY 2011/2012. The Agriculture sub-sector received Kshs. 8.7 billion which represents 100 per cent of the revised net estimates. Livestock Development sub-sector received Kshs. 4.0 billion, which represents 98.7 per cent of the revised net estimates. Cooperative Development and Marketing sub-sector received 1.1 billion which represents 96.6 per cent of the revised net estimates. Fisheries Development sub-sector received Kshs. 1.3 billion representing 99.9 per cent of net estimates. Lands sub-sector received the least exchequer issues of Kshs. 2.1 billion representing 96.2 per cent of the revised net estimates.

The sector's actual expenditure for the period under review was Kshs. 15.8 billion representing 90.2 per cent of the revised gross estimates. The Agriculture sub-sector's actual expenditure stood at Kshs. 7.9 billion representing 89.4 per cent of the revised gross estimates. Livestock Development sub-sector's expenditure was Kshs. 3.8 billion representing 95.0 per cent absorption rate. Table 8 summarizes the performance of the sector.

Table 8: Analysis of Recurrent Expenditure and Net Exchequer Issues for Agricultural and Rural Development Sector (in Kshs. millions)

Name of sub-sector	Revised Gross Estimates 2011/12	Appropriation in Aid 2011/12	Revised Net Estimates 2011/12	Exchequer Issues	Actual Expenditure	Expenditure as a % of Revised Gross Estimates	Exchequer Issues as per cent of Revised net Estimates
Agriculture	8,845.5	177.0	8,668.5	8,668.0	7,905.5	89.4	100.0
Livestock Development	4,043.6	23.3	4,020.3	3,967.3	3,839.5	95.0	98.7
Cooperative Development & Marketing	1,129.3	21.5	1,107.8	1,070.0	981.4	86.9	96.6
Lands and Settlements	2,210.9	-	2,210.9	2,126.2	1,974.6	89.3	96.2
Fisheries Development	1,302.6	-	1,302.6	1,301.9	1,111.0	85.3	99.9
Total	**17,531.9**	**221.8**	**17,310.0**	**17,133.5**	**15,812.0**	**90.2**	**99.0**

Source: Ministry of Finance & MDAs

3.5.5 Environment, Water and Irrigation Sector

This sector comprises of the following sub-sectors; Environment and Mineral Resources, Water and Irrigation, and Forestry and Wildlife. These sub-sectors form the foundation for a clean, secure and sustainable environment by promoting the quality of the country's environment and natural resources. During the FY 2011/2012, the sector was allocated Kshs. 13.7 billion which was revised to Kshs. 14.3 billion in the Supplementary Budget.

The sector received exchequer issues amounting to Kshs. 10.3 billion which represent 99.6 per cent of the revised net estimates. The Environment & Mineral Resources and Forestry & Wildlife sub-sectors received 100 per cent of their exchequer issues amounting to Kshs. 2.3 billion and Kshs. 3.8 billion respectively. The Water and Irrigation sub-sector received Kshs. 4.1 billion which represents 99.1 per cent of revised net estimates.

The overall expenditure for the sector was Kshs. 9.9 billion representing an overall absorption rate of 69.3 per cent of the revised gross estimates. The Environment and Mineral Resources sub-sector spent Kshs. 2.3 billion which was the highest at 81.5 per cent. The Water and Irrigation sub-sector spent Kshs. 3.8 billion representing an absorption rate of 62.0 per cent while the Forestry and Wildlife sub-sector spent Kshs. 2.3 billion representing an absorption rate of 71.3 per cent. Table 9 summarises the sector's performance.

Table 9: Analysis of Recurrent Expenditure and Net Exchequer Issues for Environment Water and Irrigation (in Kshs. millions)

Name of sub-sector	Revised Gross Estimates 2011/12	Appropriation in Aid 2011/12	Revised Net Estimates 2011/12	Exchequer Issues	Actual Expenditure	Expenditure as a per cent of Revised Gross Estimates	Exchequer Issues as per cent of Revised net Estimates
Water and Irrigation	6,134.9	1,967.7	4,167.1	4,130.0	3,805.6	62.0	99.1
Environment and Mineral Resources	2,799.4	470.4	2,329.0	2,329.0	2,281.6	81.5	100.0
Forestry and Wildlife	5,328.5	1,529.1	3,799.4	3,799.4	3,798.9	71.3	100.0
Total	**14,262.7**	**3,967.2**	**10,295.5**	**10,258.4**	**9,886.1**	**69.3**	**99.6**

Source: Ministry of Finance & MDAs

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

The Governance, Justice, Law and Order Sector (GJLOS) comprises of the following sub-sectors: Provincial Administration and Internal Security; Office of the Vice President and Home Affairs; Justice, National Cohesion and Constitutional Affairs; State Law Office; Judiciary; Ethics and Anti-Corruption Commission; National Assembly; Kenya National Audit Office; Immigration and Registration of Persons; Independent Electoral and Boundaries Commission; and Directorate of Public Prosecution.

The sector plays an important role in providing a stable environment for political, social and economic development of the country. The specific role of the sector includes: constitutional implementation, provision of security, making laws, ensuring good governance and accountability in public resources, management of electoral process, delimitation of electoral and administrative boundaries, registration, regulation and funding of political parties, rehabilitation, reintegration and resettlement of custodial and non-custodial offenders, providing migration services and maintaining law and order in the country. During the FY 2011/2012 the sector was allocated a total of Kshs. 108.3 billion for recurrent expenditure, which represents 9.4 per cent of the total budget. This was revised to Kshs. 105.7 billion in the Supplementary Budget.

The GJLOS sector received a total of Kshs. 99.83 billion as exchequer issues in the FY 2011/2012 representing 94.7 per cent of the net estimates. The Judiciary received Kshs. 6.1 billion representing 100 per cent, of the net estimates. The Provincial Administration and Internal Security sub- sector received Kshs. 57.3 billion representing 99.7 per cent while the National Assembly received Kshs. 8.6 billion which represent 98.2 per cent of the revised net estimates.

The actual expenditure for the sector stood at Kshs. 91.9 billion for the period ending 30th June, 2012 representing 87.7 per cent of the revised gross estimates. The Kenya National Audit Office spent Kshs. 1.3 billion accounting for an absorption rate of 83.1 per cent, while the Independent Electoral and Boundaries

Commission spent Kshs. 3.3 billion representing 43.8 per cent absorption rate. The Independent Electoral and Boundaries Commission sub-sector witnessed low level of absorption of funds that needs to be addressed. Table 10 below summarises the status of the sector's performance. The National Police Commission has not been operationalized therefore it was not able to utilize its budget.

Table 10: Analysis of Recurrent Expenditure and Net Exchequer Issues for GJLOS (Kshs. millions)

Name of sub-sector	Gross Estimates 2011/12	Appropriation in Aid 2011/12	Net Estimates 2011/12	Exchequer Issues	Actual Expenditure	Expenditure as a per cent of Gross Estimates	Exchequer issues as a per cent net estimates
Provincial Administration and Internal Security	57,438.9	-	57,438.9	57,273.7	52,636.8	91.6	99.7
Office of the Vice-President and Home Affairs	13,769.4	-	13,769.4	13,665.6	11,585.1	84.1	99.2
Justice, National Cohesion and Constitutional Affairs	2,307.7	214.9	2,092.8	2,087.8	2,193.2	95.0	99.8
State Law Office	1,309.8	-	1,309.8	1,309.3	1,291.1	98.6	100.0
The Judiciary	6,141.5	-	6,141.5	6,141.5	6,140.1	100.0	100.0
Kenya National Audit Office	1,530.7	110.0	1,420.7	1,266.8	1,272.1	83.1	89.2
National Assembly	8,764.1	3.0	8,761.1	8,604.7	7,828.0	89.3	98.2
Independent Electoral& Boundaries Commission	7,440.6	8.7	7,431.9	3,181.8	3,260.6	43.8	42.8
Ethics & Anti-Corruption Commission	1,407.6	2.6	1,405.0	1,292.1	1,244.7	88.4	92.0
Immigration and Registration of Persons	4,288.0	-	4,288.0	3,838.5	3,419.1	79.7	89.5
Directorate of Public Prosecutions	490.9	0.9	490.0	450.0	386.5	78.7	91.8
Human Rights and Equality Commission	307.5	-	307.5	305.0	302.8	98.5	99.2
Commission for the Implementation of the Constitution	415.1	1.1	414.0	414.0	371.6	89.5	100.0
The National Police Service Commission	100.0	-	100.0	-	-	0	-
Total	**105,711.6**	**341.2**	**105,370.5**	**99,830.8**	**91,931.5**	**87.0**	**94.7**

Source: Ministry of Finance &MDAs

3.5.7 Physical Infrastructure Sector

The Physical Infrastructure Sector consists of the following sub-sectors: Roads; Public Works; Transport; Energy; Local Government; Nairobi Metropolitan Development and Housing. The Kenya Vision 2030 recognizes the importance of development infrastructure as critical for socio-economic transformation. The Infrastructure Sector aspires for a country with modern metropolitan cities, municipalities and towns with infrastructural facilities that meet international standards to make Kenya a globally competitive and prosperous country. During the FY 2011/2012 the sector was allocated Kshs. 55.8 billion which was revised to Kshs. 55.5 billion in the Supplementary Budget.

The sector received Kshs. 9.7 billion as exchequer issues for the period ending 30th June 2012 representing 98.8 per cent of the revised net estimates. The sub-sectors received the following; Local Government received Kshs. 1.2 billion representing 100 per cent of revised net estimates, Roads received Kshs. 1.8 billion representing 96.6 per cent. Transport received Kshs. 1.4 billion representing 100 per cent, Energy received Kshs. 2.3 billion representing 100 per cent, Nairobi Metropolitan received Kshs. 302.4 million representing 100 per cent while Public Works received Kshs. 1.5 billion representing 96.5 per cent of revised net estimates.

The actual expenditure for the sector was Kshs. 17.5 billion which represents an absorption rate of 31.5 per cent. The Local Government sub- sector spent Kshs. 1.1 billion representing an absorption rate of 6.1 per cent (this figure excludes the Local Authorities Transfer Fund (LATF) expenditures), while the Transport sub-sector spent Kshs. 1.4 billion representing a 35.7 per cent absorption rate. Failure by the Local Government sub-sector to report A-in-A needs to be addressed. Similarly, failure to report LATF expenditure needs to be addressed so as to improve the figure. The sector's performance is summarised in Table 11.

Table 11: Analysis of Recurrent Expenditure and Net Exchequer Issues for Physical Infrastructure Sector (in Kshs. millions)

Name of sub-sector	Revised Gross Estimates 2011/12	Appropriation in Aid 2011/12	Revised Net Estimates 2011/12	Exchequer Issues	Actual Expenditure	Expenditure as a per cent of Revised Gross Estimates	Exchequer Issues as per cent of Revised net Estimates
Local Government	18,466.1	17,301.9	1,164.2	1,163.9	1,121.0	6.1*	100.0
Roads	27,223.1	25,397.5	1,825.6	1,762.7	9,743.5	35.8	96.6
Transport	3,968.5	2,545.0	1,423.5	1,423.3	1,416.0	35.7	100.0
Energy	2,278.8	-	2,278.8	2,278.6	2,244.2	98.5	100.0
Housing	1,736.7	485.0	1,251.7	1,251.6	1,240.1	71.4	100.0
Nairobi Metropolitan Development	303.4	1.0	302.4	302.4	291.0	95.9	100.0

Name of sub-sector	Revised Gross Estimates 2011/12	Appropriation in Aid 2011/12	Revised Net Estimates 2011/12	Exchequer Issues	Actual Expenditure	Expenditure as a per cent of Revised Gross Estimates	Exchequer Issues as per cent of Revised net Estimates
Public Works	1,544.5	-	1,544.5	1,491.1	1,413.0	91.5	96.5
Total	**55,521.2**	**45,730.4**	**9,790.8**	**9,673.6**	**17,468.8**	**31.5**	**98.8**

Source: Ministry of Finance & MDAs

* Figures excludes LATF

3.5.8 Special Programmes Sector

Special Programmes Sector comprises of the following five sub-sectors: Regional Development Authorities, Gender, Children and Social Development, Special Programmes, Youth Affairs and Sports, and Development of Northern Kenya and Other Arid Lands. The sector spearheads the formulation and implementation of regional development policies, youth empowerment, gender, children and social development. In the 2011/2012 financial year the sector was allocated a total of Kshs. 19.0 billion which was revised to Kshs. 20.0 billion in the Supplementary Budget.

The sector received Kshs. 19.6 billion representing 98.3 per cent of the revised net estimates. The sub-sectors received the following exchequer issues: Regional Development received Kshs. 761.9 million representing 100 per cent of revised net estimates, Gender received Kshs. 4.1 billion representing 99.9 per cent, Special Programmes received Kshs. 8.4 billion representing 100 per cent, Youth Affairs received Kshs. 5.7 billion representing 94.4 per cent while Northern Kenya received Kshs. 547.7 million representing 100 per cent of revised net estimates.

The total actual expenditure for the sector stood at Kshs. 17.5 billion indicating an overall absorption rate of 87.6 per cent. The Regional Development Authorities sub-sector spent Kshs. 750.5 million representing 98.5 per cent absorption rate. The Gender, Children and Social Development sub-sector spent Kshs. 3.6 billion representing 85.6 per cent, while the Special Programmes sub-sector spent Kshs. 8.3 billion representing to 98.2 per cent. Table 12 below summarises the performance of the sector.

Table 12: Analysis of Recurrent Expenditure and Net Exchequer Issues for Special Programmes (in Kshs. millions)

Name of sub-sector	Revised Gross Estimates 2011/12	Appropriation in Aid 2011/12	Revised Net Estimates 2011/12	Exchequer Issues	Actual Expenditure	Expenditure as a % of Revised Gross Estimates	Exchequer Issues as % of Revised net Estimates
Regional Development Authorities	762.3	-	762.3	761.9	750.5	98.5	100.0
Gender, Children and Social Development	4,151.0	10.4	4,140.7	4,135.9	3,553.7	85.6	99.9

Name of sub-sector	Revised Gross Estimates 2011/12	Appropriation in Aid 2011/12	Revised Net Estimates 2011/12	Exchequer Issues	Actual Expenditure	Expenditure as a % of Revised Gross Estimates	Exchequer Issues as % of Revised net Estimates
Special Programmes	8,432.8	3.0	8,429.8	8,429.8	8,280.9	98.2	100.0
Youth Affairs and Sports	6,102.6	69.5	6,033.1	5,697.4	4,932.5	80.8	94.4
Dev. of N. Kenya & Other Arid Lands	551.8	4.0	547.8	547.7	-	-	100.0
Total	**20,000.5**	**86.9**	**19,913.6**	**19,572.8**	**17,517.7**	**87.6**	**98.3**

Source: Ministry of Finance & MDAs

3.5.9 Research, Innovation and Technology Sector

The Research, Innovation and Technology (RIT) Sector comprises of the Information and Communications and the Higher Education, Science and Technology sub-sectors. The sector plays an important role in developing and promoting research, innovation and technology for high value products and services. During the FY 2011/2012, the sector was allocated a total of Kshs. 43.1 billion which was revised to Kshs. 42.9 billion in the Supplementary Budget.

For the period under review, the Information and Communications sub-sector received Kshs. 1.8 billion representing 99.3 per cent of the revised net estimates while the Higher Education, Science and Technology sub- sector received Kshs. 25.7 billion representing 100 per cent.

Information and Communication actual expenditure was Kshs. 1.7 billion representing 95 percent of the revised gross estimates while the Higher Education, Science and Technology spent Kshs. 25.6 billion representing 62.4 per cent. Table 13 below summarises the recurrent expenditure of the sector.

Table 13: Analysis of Recurrent Expenditure and Net Exchequer Issues for RIT Sector (in Kshs. millions)

Name of sub-sector	Revised Gross Estimates 2011/12	Appropriation in Aid 2011/12	Revised Net Estimates 2011/12	Exchequer Issues	Actual Expenditure	Expenditure as a % of Revised Gross Estimates	Exchequer Issues as % of Revised net Estimates
Information and Communications	1,816.5	17.0	1,799.5	1,786.0	1,726.1	95.0	99.3
H. Educ. Sci. & Tech.	41,095.9	15,392.0	25,703.9	25,703.9	25,624.7	62.4	100.0
Total	**42,912.4**	**15,409.0**	**27,503.4**	**27,489.9**	**27,350.8**	**63.7**	**100.0**

Source: Ministry of Finance &MDAs

3.5.10 National Security Sector

The sector comprises of two sub-sectors, namely Defense and National Security Intelligence Service (NSIS). This sector is important in ensuring that the country's territorial borders are secure. This sector was allocated Kshs. 65.2 billion which was revised to Kshs. 78.6 billion in the Supplementary Budget.

The exchequer issues released to the sector were Kshs. 75.3 representing 95.9 per cent of the revised net estimates. The Department of Defense received Kshs. 64.5 billion accounting for 95 per cent of the revised net estimates. The NSIS received Kshs. 14 billion, which accounted for 99.9 per cent of the revised net estimates.

The total expenditure for the sector was Kshs. 78.7 billion representing an overall absorption rate of 100 per cent. The Defence sub-sector spent Kshs. 64.7 billion amounting to 100 per cent of revised gross estimates. The NSIS sub-sector spent Kshs. 14 billion representing 99.9 per cent of revised gross estimates. Table 14 below summarises the recurrent expenditure of the sector.

Table 14: Analysis of Recurrent Expenditure and Net Exchequer Issues for National Security Sector (in Kshs. millions)

Name of sub-sector	Revised Gross Estimates 2011/12	Appropriation in Aid 2011/12	Revised Net Estimates 2011/12	Exchequer Issues	Actual Expenditure	Expenditure as a % of Revised Gross Estimates	Exchequer Issues as % of Revised net Estimates
Defence	64,543.9	-	64,543.9	61,307.3	64,687.4	100.2	95.0
NSIS	14,016.1	-	14,016.1	14,007.5	14,007.5	99.9	99.9
Total	**78,560.0**	**-**	**78,560.0**	**75,314.9**	**78,695.0**	**100.2**	**95.9**

Source: Ministry of Finance & MDAs

3.6 Development Expenditure Analysis by Sector

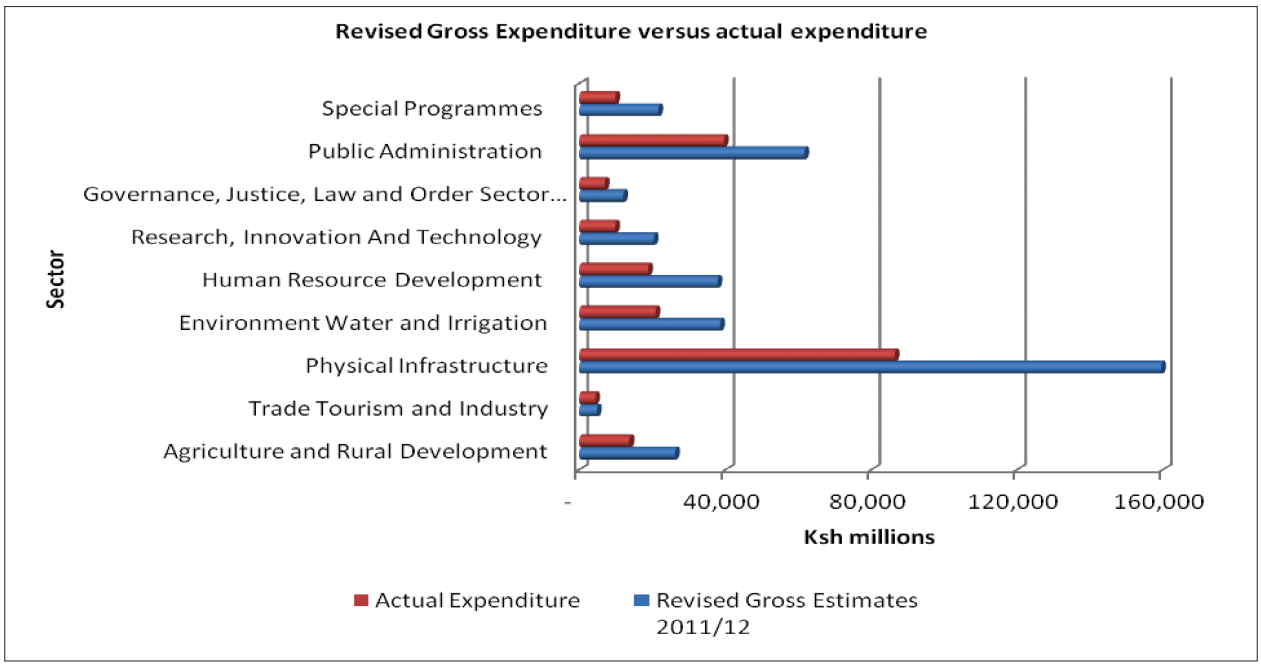
The total allocation for development expenditure for all the sectors for FY 2011/2012 was estimated at Kshs.396.6 billion which was revised to Kshs. 382.6 billion in the Supplementary Budget representing a reduction 3.5 per cent.

Exchequer issues were amounting to Kshs. 211.4 billion was released for development activities which represents 86.9 per cent of the revised net estimates. The TTI sector received the highest exchequer issues of Kshs. 4.4 billion which represents 99.6 per cent of the revised net estimates while RIT received Kshs. 9.0 billion which represents 79.3 per cent of the revised net estimates.

The total expenditure of the development budget for the period under review stood at Kshs. 210.7 billion which represents 55.1 per cent of the revised gross estimates. The TTI sector had the highest rate of absorption of 90.8 per cent which amounted to Kshs. 4.4 billion. The Special Programmes sector had the lowest absorption rate of 46.1 per cent and spent Kshs. 10 billion of its revised gross estimates.

Figure 6 summarises all the sectors' performance.

Figure 6: Comparison of Development Actual Expenditure and Revised Gross Estimates (in Kshs. millions)



Source: Office of the Controller of Budget and Ministry of Finance

3.6.1 Human Resource Development

The sector was allocated Kshs. 32.4 billion which was revised to Kshs. 37.8 billion in the Supplementary Budget. For the period July 2011 to June 2012, a total of Kshs.15.9 billion was released as exchequer issues representing 86.9 per cent of the revised net estimates.

The Medical Services sub-sector received the highest exchequer issues of Kshs. 2.5 billion representing 98.0 per cent of the revised net estimates, while Public Health and Sanitation sub-sector received the least exchequer issues of Kshs. 8.8 billion which represents 84.4 per cent of revised net estimates.

The actual expenditure for the sector was Kshs. 18.8 billion, which represents 49.6 per cent of the revised gross estimates. The Medical Services sub-sector spent Kshs. 2. 3 billion representing 57.7 per cent absorption rate, while the Labour sub-sector spent Kshs. 276.3 million which was the lowest absorption rate of 25.9 per cent. The summary of the sector's performance is shown in Table 15.

Table 15: Analysis of Development Expenditure and Net Exchequer Issues for Human Resources Development (in Kshs. millions)

Name of the Sub-sector	Revised Gross Estimates 2011/12	Appropriation in Aid 2011/12	Revised Net Estimates 2011/12	Exchequer Issues	Actual Expenditure	Expenditure as a % of Revised Gross Estimates	Exchequer Issues as % of Revised net Estimates
Medical Services	3,915.1	1,352.4	2,562.8	2,512.6	2,259.3	57.71	98.0
Labour	1,067.0	611.1	455.9	398.9	276.3	25.89	87.5
Education	7,829.7	2,954.7	4,875.0	4,207.4	3,578.5	45.70	86.3
Public Health and Sanitation	25,007.4	14,587.3	10,420.1	8,795.9	12,649.4	50.58	84.4
Total	**37,819.3**	**19,505.5**	**18,313.8**	**15,914.8**	**18,763.4**	**49.61**	**86.9**

Source: Ministry of Finance & MDAs

3.6.2 Public Administration and International Relations Sector

The sector was allocated Kshs. 72.6 billion which was revised to Kshs. 61.6 billion in the Supplementary Budget. For the period under review the sector received exchequer issues amounting to Kshs. 40.3 billion which represents 80.1 per cent of the net revised estimates.

The Foreign Affairs sub-sector received the highest exchequer issues of Kshs. 769.6 million representing 100 per cent of the revised net estimates. On the other hand, the Cabinet Office sub-sector received the least exchequer issues of Kshs. 126.2 million which represents 40.6 per cent of the revised net estimates.

The cumulative development expenditure for the period July 2011 to June 2012 for this sector was Kshs. 39.6 representing an overall absorption rate of 64.2 per cent. The State House sub-sector spent Kshs. 361.6 billion and which was the highest rate of absorption of 99.6 per cent. The Cabinet Office sub-sector had the lowest rate of absorption of 6 per cent. Table 16 summarises the sector's performance.

Table 16: Analysis of Development Expenditure and Net Exchequer Issues for PAIR (in Kshs. millions)

Name of the Sub-sector	Revised Gross Estimates 2011/12	Appropriation in Aid 2011/12	Revised Net Estimates 2011/12	Exchequer Issues	Actual Expenditure	Expenditure as a per cent of Revised Gross Estimates	Exchequer Issues as per cent of Revised net Estimates
State House	363.0	-	363.0	358.5	361.6	99.62	98.7
Public Service	623.4	24.0	599.4	585.1	231.8	37.18	97.6
Foreign Affairs	770.0	-	770.0	769.8	307.9	39.99	100.0
Planning, N. D. & V.2030	26,821.4	2,314.9	24,506.5	17,809.6	23,520.5	87.69	72.7
Finance	27,380.9	4,080.9	23,300.0	20,216.6	14,470.4	52.85	86.8
Cabinet Office	4,710.6	4,400.6	310.0	126.2	282.3	5.99	40.7

Office of the Prime Minister	992.4	554.3	438.2	426.6	417.9	42.11	97.4
Total	**61,661.8**	**11,374.6**	**50,287.1**	**40,292.4**	**39,592.4**	**64.21**	**80.1**

Source: Ministry of Finance & MDAs

3.6.3 Trade, Tourism and Industry. (TTI) Sector

The TTI sector was allocated Kshs. 5.3 billion which was revised to Kshs. 4.9 billion for its for FY 2011/12. The total exchequer issues to the MDAs under this sector for the period ending 30th June 2012 was Kshs. 4.4 billion representing 99.6 per cent of revised net estimates.

The sub-sectors were all funded well as all of them received almost 100 per cent of their revised net estimates. The sub-sectors were funded as follows: Industrialization received Kshs. 2.4 billion which represents 99.7 per cent, Tourism received Kshs. 1.0 billion representing 99.9 per cent and Heritage received Kshs. 623.6 million representing 98.8 per cent of revised net estimates.

The actual expenditure for the period under review was Kshs. 4.4 billion representing an overall absorption rate of 90.8 per cent. The Tourism sub-sector spent Kshs. 1.1 billion representing an absorption rate of 92 per cent, while the East African Community sub-sector spent Kshs. 1.3 million representing an absorption rate of 1.7 per cent of the revised gross estimates. Table 17 summarises the performance of the sector.

Table 17: Analysis of Development Expenditure and Net Exchequer Issues for TTI (in Kshs. millions)

Name of the Sub-sector	Revised Gross Estimates 2011/12	Appropriation in Aid 2011/12	Revised Net Estimates 2011/12	Exchequer Issues	Actual Expenditure	Expenditure as a % of Revised Gross Estimates	Exchequer Issues as % of Revised net Estimates
Ministry of Trade	709.6	332.3	377.3	375.0	371.7	52.38	99.4
Ministry of East African Community	72.4	65.4	7.0	7.0	6.4	8.83	100.0
Ministry of State for National Heritage and Culture	631.0	-	631.0	623.6	604.4	95.78	98.8
Ministry of Tourism	1,059.5	25.5	1,034.0	1,032.7	1,146.9	108.25	99.9
Ministry of Industrialization	2,407.2	39.5	2,367.7	2,361.0	2,300.7	95.58	99.7
Total	**4,879.6**	**462.6**	**4,417.0**	**4,399.3**	**4,430.0**	**90.79**	**99.6**

Source: Ministry of Finance & MDAs

3.6.4 Agricultural and Rural Development Sector

The sector was allocated at Kshs. 20.7 billion for its development programmes which was revised to Kshs. 26.2 billion in the Supplementary Budget. The total exchequer issues released to the sector for the period ending June 2012 is Kshs. 18.5 billion, which represents 84.5 per cent of revised net estimates.

The Livestock Development sub-sector received the highest exchequer issues of Kshs. 3.5 billion which represents 99.9 per cent of the revised net estimates while the Co-operative Development and Marketing sub-sector received Kshs. 214.3 million which represents 98.3 per cent of revised net estimates. The Agriculture sub-sector received the least exchequer issues of Kshs. 9.0 billion which represents 73.8 per cent of the revised net estimates.

The total expenditure of the sector amounted to Kshs. 13.7 billion which represents 52.4 per cent of the revised gross estimates. The Agriculture sub-sector spent Kshs. 7.0 billion representing 44.0 per cent rate of absorption, while the Fisheries Development sub-sector spent Kshs. 454.3 million representing an absorption rate of 19.9 per cent. Table 18 below summarises the performance of the sector.

Table 18: Analysis of Development Expenditure and Net Exchequer Issues for Agriculture and Rural Development Sector (in Kshs. millions)

Name of the Sub-sector	Revised Gross Estimates 2011/12	Appropriation in Aid 2011/12	Revised Net Estimates 2011/12	Exchequer Issues	Actual Expenditure	Expenditure as a % of Revised Gross Estimates	Exchequer Issues as % of Revised net Estimates
Agriculture	15,980.2	3,767.5	12,212.7	9,013.0	7,026.5	43.97	73.8
Livestock Development	3,778.4	306.5	3,472.0	3,468.5	2,437.6	64.51	99.9
Cooperative Development and Marketing	218.0	-	218.0	214.3	207.0	94.95	98.3
Lands	3,902.2	81.2	3,820.9	3,709.1	3,575.2	91.62	97.1
Fisheries Development	2,284.0	112.0	2,172.0	2,099.5	454.3	19.89	96.7
Total	**26,162.8**	**4,267.1**	**21,895.6**	**18,504.4**	**13,700.6**	**52.37**	**84.5**

Source: Ministry of Finance & MDAs

3.6.5 Environment, Water and Irrigation Sector

The sector was allocated Kshs. 45.5 billion for development programmes which was revised to Kshs. 38.5 billion in the Supplementary Budget. The sector received Kshs. 23.9 billion as exchequer issues, which represents 93.8 per cent of the revised net estimates.

The Water and Irrigation sub-sector received the highest exchequer issues amounting to Kshs. 18.7 billion which represents 96.7 per cent of the revised net estimates, while the Environment and Mineral Resources sub-sector received the least exchequer issues of Kshs. 3.1 billion accounting for 87.3 per cent of the net revised estimates.

The total expenditure for the sector was Kshs. 20.8 billion representing an overall absorption rate of 54 per cent. The Water and Irrigation sub-sector spent Kshs. 15.4 billion representing approximately 50 per cent while the Environment and Mineral Resources sub-sector spent Kshs. 3.3 billion which is equivalent to 88.30 per cent absorption rate. Forestry and Wildlife sub-sector on the other hand spent Kshs. 2.1 billion representing 56.8 per cent. Table 19 summarises the sector's performance.

Table 19: Analysis of Development Expenditure and Net Exchequer issues for Environment, Water and Irrigation Sector (in Kshs. millions)

Name of the Sub-sector	Revised Gross Estimates 2011/12	Appropriation in Aid 2011/12	Revised Net Estimates 2011/12	Exchequer Issues	Actual Expenditure	Expenditure as a % of Revised Gross Estimates	Exchequer Issues as % of Revised net Estimates
Water and Irrigation	31,072.9	11,717.8	19,355.1	18,715.2	15,381.2	49.50	96.7
Environment and Mineral Resources	3,749.5	159.4	3,590.1	3,135.1	3,310.7	88.30	87.3
Forestry and Wildlife	3,724.1	1,172.7	2,551.3	2,076.8	2,114.3	56.78	81.4
Total	**38,546.5**	**13,050.0**	**25,496.5**	**23,927.1**	**20,806.3**	**53.98**	**93.8**

Source: Ministry of Finance & MDAs

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

The GJLOS sector was allocated Kshs. 14.5 billion which was revised to Kshs. 12.1 billion in the Supplementary Budget. The GJLOS sector received a total of Kshs. 9.2 billion as exchequer issues for the period July 2011 to June 2012 representing 83.2 per cent of the revised net estimates.

The Provincial Administration & Internal Security and Home Affairs sub-sectors received 100 per cent of their exchequer issues amounting to Kshs. 4.3 billion and Kshs. 1.4 billion respectively. On the other hand, the National Assembly sub-sector received the least exchequer issues amounting to Kshs. 510 million which represents 36.5 per cent of revised gross estimates.

The sector spent a total of Kshs. 7.1 billion representing 58.2 per cent absorption rate. The State Law office had the highest rate of absorption of 99 per cent of their revised gross estimates while the Ethics and Anti-Corruption Commission and Justice, National Cohesion and Constitution Affairs had the least absorption rate of 14 per cent. The Provincial Administration and Internal Security sub-sector's expenditure was Kshs. 2.5 billion representing 55.2 per cent of the revised gross estimates. Table 20 summarises the sector's performance.

Table 20: Analysis of development expenditure and net exchequer issues for GJLOS Sector (in Kshs. millions)

Name of the Sub-sector	Revised Gross Estimates 2011/12	Appropriation in Aid 2011/12	Revised Net Estimates 2011/12	Exchequer Issues	Actual Expenditure	Expenditure as a per cent of Revised Gross Estimates	Exchequer Issues as per cent of Revised net Estimates
Provincial Administration and Internal Security	4,472.6	171.8	4,300.8	4,300.7	2,466.6	55.15	100.0
Office of the V.P& Home Affairs	1,485.8	-	1,485.8	1,485.4	781.6	52.60	100.0
Justice, National Cohesion and Constitutional Affairs	1,027.4	865.5	161.9	160.6	147.4	14.35	99.2
State Law Office	26.8	-	26.8	26.3	26.5	99.02	98.3
The Judiciary	1,404.0	-	1,404.0	1,037.6	1,219.5	86.86	73.9
National Assembly	1,399.0	-	1,399.0	510.0	663.7	47.44	36.5
Ethics and Anti-Corruption Commission	44.0	32.0	12.0	5.8	6.6	14.91	48.1
Immigration and Registration of Persons	2,254.7	-	2,254.7	1,658.5	1,743.6	77.33	73.6
Total	**12,114.2**	**1,069.3**	**11,044.9**	**9,184.8**	**7,055.4**	**58.24**	**83.2**

Source: Ministry of Finance & MDAs

3.6.7 Physical Infrastructure Sector

The sector was allocated Kshs. 166.8 billion for development activities for the financial year 2011/2012 which was revised to Kshs. 159.8 billion in the Supplementary Budget. The sector received exchequer issues amounting to Kshs.74.9 billion representing 89.2 per cent of the revised net estimates.

The Public Works sub-sector received the highest exchequer issues amounting to Kshs. 5 billion which represents 100 per cent of the revised net estimates. The Transport sub-sector received the least exchequer issues amounting to Kshs. 3.9 billion which represents 58.9 per cent of the revised net estimates.

The total actual expenditure for this sector stood at Kshs. 86.4 billion representing 54.2 per cent of the revised gross estimates. The Local Government sub-sector spent Kshs. 3.2 billion representing 74.7 per cent of revised gross estimates, while the Roads sub-sector spent Kshs. 39.4 billion accounting for 51.1 per cent of the revised gross estimates. Table 21 summarizes the performance of the sector.

Table 21: Analysis of Development Expenditure and Net Exchequer Issues for Physical Infrastructure Sector (in Kshs. millions)

Name of the Sub-sector	Revised Gross Estimates 2011/12	Appropriation in Aid 2011/12	Revised Net Estimates 2011/12	Exchequer Issues	Actual Expenditure	Expenditure as a % of Revised Gross Estimates	Exchequer Issues as % of Revised net Estimates
Local Government	4,256.1	496.0	3,760.1	3,010.4	3,180.8	74.7	80.1
Roads	77,111.1	35,830.0	41,281.1	39,127.4	39,439.7	51.1	94.8
Transport	13,906.3	7,241.3	6,664.9	3,925.2	4,179.6	30.1	58.9
Energy	55,180.4	32,085.7	23,094.8	19,937.0	32,168.1	58.3	86.3
Housing	2,139.3	-	2,139.3	2,031.6	1,820.7	85.1	95.0
Nairobi Metropolitan Development	2,005.7	-	2,005.7	1,879.4	1,844.8	92.0	93.7
Public Works	4,971.0	-	4,971.0	4,970.9	3,815.5	76.8	100.0
Total	**159,570.0**	**75,653.0**	**83,916.9**	**74,881.8**	**86,449.3**	**54.2**	**89.2**

Source: Ministry of Finance & MDAs

3.6.8 Special Programmes Sector

The sector was allocated Kshs. 21.4 billion which was revised to Kshs. 21.1 billion in the Supplementary Budget. For the period under review, the sector received exchequer issues amounting to Kshs. 15.3 billion which represents 92.7 per cent of the revised net estimates.

The sub-sectors of Regional Development Authorities, Gender, Children & Social Development and Development of Northern Kenya and Other Arid Lands received 100 per cent of the exchequer issues. The Special Programmes sub-sector received the least exchequer issues of Kshs. 2.8 billion which represents 72.3 per cent of the net revised estimates.

The sector's expenditure for the period under review was Kshs.10.0 billion representing 46.1 per cent of the revised gross estimates. The Regional Development sub-sector spent Kshs. 3.0 billion representing 59 per cent absorption which was the highest in the sector. The Gender, Children and Social Development sub-sector spent Kshs. 2.2 billion representing 49.3 per cent which was the lowest absorption rate in this sector.

Table 22: Analysis of Development Expenditure and Net Exchequer Issues for Special Programmes Sector (in Kshs. Millions)

Name of the Sub-sector	Revised Gross Estimates 2011/12	Appropriation in Aid 2011/12	Revised Net Estimates 2011/12	Exchequer Issues	Actual Expenditure	Expenditure as a per cent of Revised Gross Estimates	Exchequer Issues as per cent of Revised net Estimates
Regional Development Authorities	5,118.5	1,784.5	3,334.0	3,333.9	3,018.7	58.98	100.0

Gender, Children and Social Development	4,500.2	762.1	3,738.1	3,738.1	2,216.6	49.25	100.0
State for Special Programmes	5,535.7	1,618.4	3,917.3	2,832.1	2,938.9	53.09	72.3
Youth Affairs and Sports	4,012.7	557.0	3,455.7	3,342.0	1,781.0	44.38	96.7
Development of Northern Kenya and Other Arid Lands	2,409.3	333.6	2,075.7	2,075.7	-	-	100.0
Total	**21,576.4**	**5,055.6**	**16,520.8**	**15,321.8**	**9,955.2**	**46.14**	**92.7**

Source: Ministry of Finance & MDAs

3.6.9 Research, Innovation and Technology (RIT) Sector

The sector was allocated Kshs. 43.1 billion for its development activities which was revised to Kshs. 20.3 billion in the Supplementary Budget. The sector received exchequer issues to Kshs. 9.0 billion, which represents 79.3 per cent of revised net estimates.

The Information and Communications sub-sector received exchequer issues of Kshs. 3.5 billion representing 71 per cent, while the Higher Education, Science and Technology sub-sector received exchequer issues of Kshs. 5.5 billion representing 85.7 per cent of the revised net estimates.

The sector's total expenditure was Kshs. 9.9 billion against the revised gross estimates of Kshs. 20.3 billion representing absorption of 49 per cent. The Information and Communication sub- sector spent Kshs.3.7 billion representing 74.2 per cent of the revised gross estimates, while Higher Education sub-sector spent Kshs.6.3 billion representing 40.8 per cent of the revised gross estimates.

Table 23: Analysis of Development Expenditure and Exchequer Issues for Information, Science and Technology (in Kshs. Millions)

Name of the Sub-sector	Revised Gross Estimates 2011/12	Appropriation in Aid 2011/12	Revised Net Estimates 2011/12	Exchequer Issues	Actual Expenditure	Expenditure as a per cent of Revised Gross Estimates	Exchequer Issues as per cent of Revised net Estimates
Information and Communications	4,964.2	1.2	4,963.0	3,533.4	3,683.3	74.20	71.2
Higher Education, Science and Technology	15,319.5	8,955.5	6,364.0	5,450.9	6,248.5	40.79	85.7
Total	**20,283.7**	**8,956.7**	**11,327.0**	**8,984.3**	**9,931.8**	**48.96**	**79.3**

Source: Ministry of Finance & MDAs

4. Key Challenges Affecting Implementation of the Budget

The government anticipated full utilization of the 2011/2012 Budget in line with the 2011/2012 Budget Policy Statement to help propel the country to achieve the Vision 2030. However, full utilization of the budget especially the development budget, was hampered by various factors some of which are highlighted below:-

- Lack of a clear and effective Monitoring and Evaluation Framework for budget implementation by the MDAs resulting in poor supervision of projects and low absorption of funds.
- The financial management information systems in place are not adequate resulting in under-reporting due to incomplete data and delays in analysis of information.
- Resource re-allocation from some sectors to fund emergencies caused by national disasters and Kenya Defence Forces activities in Somalia resulting in pressure for more resources.
- Procurement delays, donor conditionalities and inaccurate cash flow projections have contributed to delays in budget implementation and low absorption of resources especially donor funds.
- The high inflation has led to high cost of living leading to reduced spending consequently affecting revenue collection and thus budget implementation.
- The depreciation of the Kenya shilling against major currencies and high interest rates has also resulted in costly imports and higher repayments for debt redemption, hence affecting budget implementation.
- Poor budgeting by MDAs resulting into delays in release of counterpart funding by the government leading to delays in release of donor funds for donor funded projects.
- Revenue shortfall leading to austerity measures for MDAs thus affecting budget implementation.

5. Recommendations

In order to improve absorption of funds especially the development funds, the Office of the Controller of Budget proposes the following recommendations for consideration by the relevant government agencies;

- The MDAs should develop effective and efficient Monitoring and Evaluation Frameworks to enhance supervision of projects and programmes.
- Implementation of integrated financial management information systems should be fast-tracked to ensure accurate reporting of information.
- The MDAs should prepare effective work plans, procurement plans and cash-flow projections that are synchronized with the budgets to facilitate timely release of funds.
- To enhance efficiency, the MDAs should develop capacity in budgeting, accounting, procurement and project management skills.
- To improve absorption capacity of development funds, every MDA should ensure that adequate counterpart funds are provided for in the budget.
- Review of the procurement legal framework should be hastened so as to reduce the bureaucracy in the procurement process.
- Appropriate policies should be put in place to ensure a stable macroeconomic environment.
- The shortfall in revenue collections needs to be addressed to facilitate timely release of funds and hence increased absorption.

6. Conclusion

The MDAs absorbed 84 per cent of the recurrent budget and 55.1 per cent of development budget for the period to June 2012. Low absorption of development funds, especially donor funds persisted during the year due to donor conditionalities, poor project planning and management, inadequate capacity for project management, lengthy procurement processes, delays in release of funds by the Treasury and shortfall in revenue collection among others.

Low absorption of development funds affected the implementation of development projects across most of the sectors and the government has promptly responded to this concern by initiating measures to address the challenges. Recently the government organized a forum for senior government officials to address low absorption by MDAs and a number of resolutions focusing on stringent conditionalities imposed by development partners, project planning and management, capacity building reforms in the procurement laws among others were agreed upon

The Office of the Controller of Budget urges the various government institutions implementing the resolutions to fast track progress and ensure that all resolutions are implemented within the agreed timelines. It is envisaged that these measures, when fully implemented will improve absorption of development funds to levels which will spur economic growth.

Annexes

Annex 1: Revenue Collections by category, July 2011 to June 2012 (in Kshs. millions)

Description	Cumulative: July – June					
	2011/2012				2010/2011	% Change
	Actual	Target	Variance	Perf. Rate (%)	Actual	
TAXES ON INTERNATIONAL TRADE						
Petroleum Taxes						
Import Duty - Oil	969	1,057	(88)	91.7	923	5.0
Excise Duty- Oil	30,759	35,468	(4,709)	86.7	35,459	(13.3)
VAT –Oil	8,608	7,500	1,108	114.8	6,860	25.5
Petroleum Development Levy	1,595	2,959	(1,364)	53.9	1,570	1.6
Road Maintenance Levy	24,184	23,670	514	102.2	24,101	0.3
Petroleum Regulatory Levy	136	159	(23)	85.7	135	0.9
SubTotal	**66,251**	**70,813**	**(4,562)**	**93.6**	**69,048**	**(4.1)**
Trade Taxes						
Import Duty- Ordinary	50,944	54,512	(3,568)	93.5	44,860	13.6
Excise Duty - Ordinary	8,584	10,111	(1,527)	84.9	8,016	7.1
VAT Import - Ordinary	85,744	86,706	(963)	98.9	74,535	15.0
Transit Road Toll	591	505	86	117.0	468	26.2
Import Declaration Fees	24,846	23,513	1,333	105.7	20,467	21.4
Sugar Levy (CSD)	258	441	(184)	58.4	237	8.8
Miscellaneous	196		196		199	(1.4)
SubTotal	**171,162**	**175,789**	**(4,627)**	**97.4**	**148,782**	**15.0**
Total International Trade Taxes	**237,413**	**246,602**	**(9,189)**	**96.3**	**217,831**	**9.0**
INDIRECT DOMESTIC TAXES						
Excise Duty Domestic	30,878	37,812	(6,933)	81.7	28,573	8.1
VAT -Domestic	80,436	111,123	(30,687)	72.4	90,284	(10.9)
Excise Duty on Airtime	8,984	9,872	(888)	91.0	7,796	15.2
Sugar Levy (DTD)	1,490	1,494	(4)	99.8	1,401	6.4
Stamp Duty	7,891	8,024	(133)	98.3	6,805	16.0
Land Rent	1,123	1,303	(180)	86.2	913	23.0
SubTotal	**130,803**	**169,627**	**(38,824)**	**77.1**	**135,772**	**(3.7)**
DIRECT DOMESTIC TAXES						
PAYE & WCP	175,141	161,123	14,018	108.7	143,785	21.8
Coporation Tax	94,643	101,632	(6,989)	93.1	86,352	9.6
Withhholding Tax	52,544	39,310	13,234	133.7	36,768	42.9
Individual Tax	5,575	4,087	1,488	136.4	4,698	18.7
Turnover tax	145	147	(2)	98.4	130	11.3
SubTotal	**328,048**	**306,299**	**21,749**	**107.1**	**271,734**	**20.7**
FEES & LICENCES						
Traffic Fees	2,767	3,010	(243)	91.9	2,648	4.5
Airport Revenue	3,460	3,253	207	106.4	3,026	14.3
Aviation Revenue	3,178	2,756	422	115.3	2,428	30.9
Advance Tax & Other Taxes	1,073	1,141	(68)	94.0	851	26.0
K.A.A. Concession Fees	89	93	(4)	95.8	84	5.8
Merchant Superintendent Shipping Levy	118	101			99	
Kenya Bureau of Standards Levy	412	472	(60)	87.2	430	(4.2)
SubTotal	**11,097**	**10,826**	**271**	**102.5**	**9,567**	**16.0**
Grand Total	**707,360**	**733,354**	**(25,994)**	**96.5**	**634,903**	**11.4**

Source: Kenya Revenue Authority

Annex 2: Summary of Exchequer Issues for Recurrent Expenditure for the Period July 2011 to June 2012

Vote	Details of Votes	Revised Gross Estimates 2011/12	Appropriation in Aid 2011/12	Revised Net Estimates 2011/12	Exchequer Issues	Exchequer Issues as per cent of Revised net Estimates
R01	Ministry of State for Provincial Administration and Internal Security	57,438.9	-	57,438.9	57,273.7	**99.7**
R02	State House	1,413.6	2.0	1,411.6	1,407.6	**99.7**
R03	Ministry of State for Public Service	3,563.3	46.0	3,517.3	3,516.9	**100.0**
R04	Ministry of Foreign Affairs	9,996.3	971.7	9,024.6	8,708.0	**96.5**
R05	Office of the VP and Ministry of Home Affairs	13,769.4	-	13,769.4	13,665.6	**99.2**
R06	Ministry of State for Planning, National Development and Vision 2030	2,831.6	72.0	2,759.6	2,756.3	**99.9**
R07	Ministry of Finance	18,738.3	-	18,738.3	18,110.0	**96.6**
R08	Ministry of State for Defence	64,543.9	-	64,543.9	61,307.3	**95.0**
R09	Ministry of Regional Development Authorities	762.3	-	762.3	761.9	**100.0**
R10	Ministry of Agriculture	8,845.5	177.0	8,668.5	8,668.0	**100.0**
R11	Ministry of Medical Services	31,510.2	3,824.0	27,686.2	26,949.0	**97.3**
R12	Ministry of Local Government	18,466.1	17,301.9	1,164.2	1,163.9	**100.0**
R13	Ministry of Roads	27,223.1	25,397.5	1,825.6	1,762.7	**96.6**
R14	Ministry of Transport	3,968.5	2,545.0	1,423.5	1,423.3	**100.0**
R15	Ministry of Labour	1,817.2	89.0	1,728.2	1,614.7	**93.4**
R16	Ministry of Trade	1,942.0	289.1	1,652.9	1,608.0	**97.3**
R17	Ministry of Justice, National Cohesion and Constitutional Affairs	2,307.7	214.9	2,092.8	2,087.8	**99.8**
R18	Ministry of Gender, Children and Social Development	4,151.0	10.4	4,140.7	4,135.9	**99.9**
R19	Ministry of Livestock Development	4,043.6	23.3	4,020.3	3,967.3	**98.7**
R20	Ministry of Water and Irrigation	6,134.9	1,967.7	4,167.1	4,130.0	**99.1**
R21	Ministry of Environment and Mineral Resources	2,799.4	470.4	2,329.0	2,329.0	**100.0**
R22	Ministry of Cooperative Development and Marketing	1,129.3	21.5	1,107.8	1,070.0	**96.6**
R23	Cabinet Office	1,392.7	1.0	1,391.7	1,336.9	**96.1**
R24	Ministry of East African Community	1,047.8	1.0	1,046.8	1,046.7	**100.0**
R25	State Law Office	1,309.8	-	1,309.8	1,309.3	**100.0**
R26	The Judiciary	6,141.5	-	6,141.5	6,141.5	**100.0**
R27	Public Service Commission	679.3	13.5	665.8	659.0	**99.0**
R28	Kenya National Audit Office	1,530.7	110.0	1,420.7	1,266.8	**89.2**
R29	National Assembly	8,764.1	3.0	8,761.1	8,604.7	**98.2**
R30	Ministry of Energy	2,278.8	-	2,278.8	2,278.6	**100.0**
R31	Ministry of Education	36,986.2	3,057.8	33,928.3	39,981.0	**117.8**

Vote	Details of Votes	Revised Gross Estimates 2011/12	Appropriation in Aid 2011/12	Revised Net Estimates 2011/12	Exchequer Issues	Exchequer Issues as per cent of Revised net Estimates
R32	Ministry of Information and Communications	1,816.5	17.0	1,799.5	1,786.0	**99.3**
R33	Interim Independent Electoral Commission	7,440.6	8.7	7,431.9	3,181.8	**42.8**
R34	Kenya Anti-Corruption Commission	1,407.6	2.6	1,405.0	1,292.1	**92.0**
R35	Ministry of State for Special Programmes	8,432.8	3.0	8,429.8	8,429.8	**100.0**
R36	Ministry of Lands	2,210.9	-	2,210.9	2,126.2	**96.2**
R38	The Commission on Revenue Allocation	340.8	-	340.8	340.0	**99.8**
R40	Ministry of State for Immigration and Registration of Persons	4,288.0	-	4,288.0	3,838.5	**89.5**
R41	Ministry of State for National Heritage and Culture	1,763.9	27.0	1,736.9	1,736.9	**100.0**
R42	Ministry of Youth Affairs and Sports	6,102.6	69.5	6,033.1	5,697.4	**94.4**
R43	Ministry of Higher Education, Science and Technology	41,095.9	15,392.0	25,703.9	25,703.9	**100.0**
R44	Ministry of Housing	1,736.7	485.0	1,251.7	1,251.6	**100.0**
R45	National Security Intelligence Service	14,016.1	-	14,016.1	14,007.5	**99.9**
R46	Ministry of Tourism	1,569.6	11.0	1,558.6	1,558.5	**100.0**
R47	The Teachers Service Commission	112,049.0	80.0	111,969.0	110,910.0	**99.1**
R48	Office of the Prime Minister	1,945.5	1.0	1,944.5	1,944.5	**100.0**
R49	Ministry of Public Health and Sanitation	12,318.9	58.0	12,260.9	12,253.3	**99.9**
R55	Ministry of Forestry and Wildlife	5,328.5	1,529.1	3,799.4	3,799.4	**100.0**
R56	Ministry of Fisheries Development	1,302.6	-	1,302.6	1,301.9	**99.9**
R57	Ministry of Nairobi Metropolitan Development	303.4	1.0	302.4	302.4	**100.0**
R58	Ministry of Development of Northern Kenya and Other Arid Lands	551.8	4.0	547.8	547.7	**100.0**
R59	Ministry of Public Works	1,544.5	-	1,544.5	1,491.1	**96.5**
R60	Ministry of Industrialization	1,925.8	151.5	1,774.3	1,773.6	**100.0**
R62	The Controller of Budget	62.0	-	62.0	30.0	**48.4**
R63	Directorate of Public Prosecutions	490.9	0.9	490.0	450.0	**91.8**
R64	Human Rights and Equality Commission	307.5	-	307.5	305.0	**99.2**
R65	Commission for the Implementation of the Constitution	415.1	1.1	414.0	414.0	**100.0**
R66	The National Police Service Commission	100.0	-	100.0	-	**-**
	TOTAL	**578,394**	**74,452**	**503,942**	**497,514**	**98.7**

Annex 3: Summary of Exchequer Issues for Development Expenditure for the Period July 2011 to June 2012

Vote No.	Name of sub-sector	Revised Gross Estimates 2011/12	Appropriation in Aid 2011/12	Revised Net Estimates 2011/12	Exchequer Issues	Exchequer Issues as per cent of net revised estimates
1	Ministry of State for Provincial Administration and Internal Security	4,472.6	171.8	4,300.8	4,300.7	**100.0**
2	State House	363.0	-	363.0	358.5	**98.7**
3	Ministry of State for Public Service	623.4	24.0	599.4	585.1	**97.6**
4	Ministry of Foreign Affairs	770.0	-	770.0	769.8	**100.0**
5	Office of the Vice-President and Ministry of Home Affairs	1,485.8	-	1,485.8	1,485.4	**100.0**
6	Ministry of State for Planning, National Development and Vision 2030	26,821.4	2,314.9	24,506.5	17,809.6	**72.7**
7	Office of the Deputy Prime Minister and Ministry of Finance	27,380.9	4,080.9	23,300.0	20,216.6	**86.8**
9	Ministry of Regional Development Authorities	5,118.5	1,784.5	3,334.0	3,333.9	**100.0**
10	Ministry of Agriculture	15,980.2	3,767.5	12,212.7	9,013.0	**73.8**
11	Ministry of Medical Services	3,915.1	1,352.4	2,562.8	2,512.6	**98.0**
12	Office of the Deputy Prime Minister and Ministry of Local Government	4,256.1	496.0	3,760.1	3,010.4	**80.1**
13	Ministry of Roads	77,111.1	35,830.0	41,281.1	39,127.4	**94.8**
14	Ministry of Transport	13,906.3	7,241.3	6,664.9	3,925.2	**58.9**
15	Ministry of Labour	1,067.0	611.1	455.9	398.9	**87.5**
16	Ministry of Trade	709.6	332.3	377.3	375.0	**99.4**
17	Ministry of Justice, National Cohesion and Constitutional Affairs	1,027.4	865.5	161.9	160.6	**99.2**
18	Ministry of Gender, Children and Social Development	4,500.2	762.1	3,738.1	3,738.1	**100.0**
19	Ministry of Livestock Development	3,778.4	306.5	3,472.0	3,468.5	**99.9**
20	Ministry of Water and Irrigation	31,072.9	11,717.8	19,355.1	18,715.2	**96.7**
21	Ministry of Environment and Mineral Resources	3,749.5	159.4	3,590.1	3,135.1	**87.3**
22	Ministry of Cooperative Development and Marketing	218.0	-	218.0	214.3	**98.3**
23	Cabinet Office	4,710.6	4,400.6	310.0	126.2	**40.7**
24	Ministry of East African Community	72.4	65.4	7.0	7.0	**100.0**
25	State Law Office	26.8	-	26.8	26.3	**98.3**
26	The Judiciary	1,404.0	-	1,404.0	1,037.6	**73.9**

29	National Assembly	1,399.0	-	1,399.0	510.0	**36.5**
30	Ministry of Energy	55,180.4	32,085.7	23,094.8	19,937.0	**86.3**
31	Ministry of Education	7,829.7	2,954.7	4,875.0	4,207.4	**86.3**
32	Ministry of Information and Communications	4,964.2	1.2	4,963.0	3,533.4	**71.2**
34	Kenya Anti-Corruption Commission	44.0	32.0	12.0	5.8	**48.1**
35	Ministry of State for Special Programmes	5,535.7	1,618.4	3,917.3	2,832.1	**72.3**
36	Ministry of Lands	3,902.2	81.2	3,820.9	3,709.1	**97.1**
40	Ministry of State for Immigration and Registration of Persons	2,254.7	-	2,254.7	1,658.5	**73.6**
41	Ministry of State for National Heritage and Culture	631.0	-	631.0	623.6	**98.8**
42	Ministry of Youth Affairs and Sports	4,012.7	557.0	3,455.7	3,342.0	**96.7**
43	Ministry of Higher Education, Science and Technology	15,319.5	8,955.5	6,364.0	5,450.9	**85.7**
44	Ministry of Housing	2,139.3	-	2,139.3	2,031.6	**95.0**
46	Ministry of Tourism	1,059.5	25.5	1,034.0	1,032.7	**99.9**
48	Office of the Prime Minister	992.4	554.3	438.2	426.6	**97.4**
49	Ministry of Public Health and Sanitation	25,007.4	14,587.3	10,420.1	8,795.9	**84.4**
55	Ministry of Forestry and Wildlife	3,724.1	1,172.7	2,551.3	2,076.8	**81.4**
56	Ministry of Fisheries Development	2,284.0	112.0	2,172.0	2,099.5	**96.7**
57	Ministry of Nairobi Metropolitan Development	2,005.7	-	2,005.7	1,879.4	**93.7**
58	Ministry of Development of Northern Kenya and Other Arid Lands	2,409.3	333.6	2,075.7	2,075.7	**100.0**
59	Ministry of Public Works	4,971.0	-	4,971.0	4,970.9	**100.0**
60	Ministry of Industrialization	2,407.2	39.5	2,367.7	2,361.0	**99.7**
	TOTAL	**382,614**	**139,394**	**243,220**	**211,411**	**86.9**

Annex 4: Analysis of Recurrent Expenditure and Exchequer Issues (in Kshs. millions)

Vote No.	Details of Votes	Revised Gross Estimates 2011/12	Appropriation in Aid 2011/12	Net Estimates 2011/12	Exchequer Issues	Actual Expenditure	Expenditure as a percentage of Revised Gross Printed Estimates	Exchequer Issues as per cent of Net Estimates
R01	Ministry of State for Provincial Administration and Internal Security	57,438.9	-	57,438.9	57,273.7	52,636.8	91.6	99.7
R02	State House	1,413.6	2.0	1,411.6	1,407.6	1,403.2	99.3	99.7
R03	Ministry of State for Public Service	3,563.3	46.0	3,517.3	3,516.9	3,264.1	91.6	100.0
R04	Ministry of Foreign Affairs	9,996.3	971.7	9,024.6	8,708.0	6,165.5	61.7	96.5
R05	Office of the Vice-President and Ministry of Home Affairs	13,769.4	-	13,769.4	13,665.6	11,585.1	84.1	99.2
R06	Ministry of State for Planning, N. Development and Vision 2030	2,831.6	72.0	2,759.6	2,756.3	2,599.7	91.8	99.9
R07	Office of the Deputy Prime Minister and Ministry of Finance	18,738.3	-	18,738.3	18,110.0	17,263.1	92.1	96.6
R08	Ministry of State for Defence	64,543.9	-	64,543.9	61,307.3	64,687.4	100.2	95.0
R09	Ministry of Regional Development Authorities	762.3	-	762.3	761.9	750.5	98.5	100.0
R10	Ministry of Agriculture	8,845.5	177.0	8,668.5	8,668.0	7,905.5	89.4	100.0
R11	Ministry of Medical Services	31,510.2	3,824.0	27,686.2	26,949.0	27,938.2	88.7	97.3
R12	Ministry of Local Government	18,466.1	17,301.9	1,164.2	1,163.9	1,121.0	6.1	100.0
R13	Ministry of Roads	27,223.1	25,397.5	1,825.6	1,762.7	9,743.5	35.8	96.6
R14	Ministry of Transport	3,968.5	2,545.0	1,423.5	1,423.3	1,416.0	35.7	100.0
R15	Ministry of Labour	1,817.2	89.0	1,728.2	1,614.7	1,390.7	76.5	93.4
R16	Ministry of Trade	1,942.0	289.1	1,652.9	1,608.0	1,348.8	69.5	97.3
R17	Ministry of Justice, National Cohesion and Constitutional Affairs	2,307.7	214.9	2,092.8	2,087.8	2,193.2	95.0	99.8
R18	Ministry of Gender, Children and Social Development	4,151.0	10.4	4,140.7	4,135.9	3,553.7	85.6	99.9
R19	Ministry of Livestock Development	4,043.6	23.3	4,020.3	3,967.3	3,839.5	95.0	98.7
R20	Ministry of Water and Irrigation	6,134.9	1,967.7	4,167.1	4,130.0	3,805.6	62.0	99.1
R21	Ministry of Environment and Mineral Resources	2,799.4	470.4	2,329.0	2,329.0	2,281.6	81.5	100.0
R22	Ministry of Cooperative Development and Marketing	1,129.3	21.5	1,107.8	1,070.0	981.4	86.9	96.6

Vote No.	Details of Votes	Revised Gross Estimates 2011/12	Appropriation in Aid 2011/12	Net Estimates 2011/12	Exchequer Issues	Actual Expenditure	Expenditure as a percentage of Revised Gross Printed Estimates	Exchequer Issues as per cent of Net Estimates
R23	Cabinet Office	1,392.7	1.0	1,391.7	1,336.9	1,315.2	94.4	96.1
R24	Ministry of East African Community	1,047.8	1.0	1,046.8	1,046.7	1,040.0	99.3	100.0
R25	State Law Office	1,309.8	-	1,309.8	1,309.3	1,291.1	98.6	100.0
R26	The Judiciary	6,141.5	-	6,141.5	6,141.5	6,140.1	100.0	100.0
R27	Public Service Commission	679.3	13.5	665.8	659.0	674.6	99.3	99.0
R28	Kenya National Audit Office	1,530.7	110.0	1,420.7	1,266.8	1,272.1	83.1	89.2
R29	National Assembly	8,764.1	3.0	8,761.1	8,604.7	7,828.0	89.3	98.2
R30	Ministry of Energy	2,278.8	-	2,278.8	2,278.6	2,244.2	98.5	100.0
R31	Ministry of Education	36,986.2	3,057.8	33,928.3	39,981.0	31,626.4	85.5	117.8
R32	Ministry of Information and Communications	1,816.5	17.0	1,799.5	1,786.0	1,726.1	95.0	99.3
R33	Interim Independent Electoral Commission	7,440.6	8.7	7,431.9	3,181.8	3,260.6	43.8	42.8
R34	Kenya Anti-Corruption Commission	1,407.6	2.6	1,405.0	1,292.1	1,244.7	88.4	92.0
R35	Ministry of State for Special Programmes	8,432.8	3.0	8,429.8	8,429.8	8,280.9	98.2	100.0
R36	Ministry of Lands	2,210.9	-	2,210.9	2,126.2	1,974.6	89.3	96.2
R38	The Commission on Revenue Allocation	340.8	-	340.8	340.0	-	-	99.8
R40	Ministry of State for Immigration and Registration of Persons	4,288.0	-	4,288.0	3,838.5	3,419.1	79.7	89.5
R41	Ministry of State for National Heritage and Culture	1,763.9	27.0	1,736.9	1,736.9	1,726.2	97.9	100.0
R42	Ministry of Youth Affairs and Sports	6,102.6	69.5	6,033.1	5,697.4	4,932.5	80.8	94.4
R43	Ministry of Higher Education, Science and Technology	41,095.9	15,392.0	25,703.9	25,703.9	25,624.7	62.4	100.0
R44	Ministry of Housing	1,736.7	485.0	1,251.7	1,251.6	1,240.1	71.4	100.0
R45	National Security Intelligence Service	14,016.1	-	14,016.1	14,007.5	14,007.5	99.9	99.9
R46	Ministry of Tourism	1,569.6	11.0	1,558.6	1,558.5	1,487.2	94.8	100.0
R47	The Teachers Service Commission	112,049.0	80.0	111,969.0	110,910.0	111,876.4	99.8	99.1
R48	Office of the Prime Minister	1,945.5	1.0	1,944.5	1,944.5	1,927.0	99.0	100.0
R49	Ministry of Public Health and Sanitation	12,318.9	58.0	12,260.9	12,253.3	12,259.1	99.5	99.9
R55	Ministry of Forestry and Wildlife	5,328.5	1,529.1	3,799.4	3,799.4	3,798.9	71.3	100.0

Vote No.	Details of Votes	Revised Gross Estimates 2011/12	Appropriation in Aid 2011/12	Net Estimates 2011/12	Exchequer Issues	Actual Expenditure	Expenditure as a percentage of Revised Gross Printed Estimates	Exchequer Issues as per cent of Net Estimates
R56	Ministry of Fisheries Development	1,302.6	-	1,302.6	1,301.9	1,111.0	85.3	99.9
R57	Ministry of Nairobi Metropolitan Development	303.4	1.0	302.4	302.4	291.0	95.9	100.0
R58	Ministry of Development of Northern Kenya and Other Arid Lands	551.8	4.0	547.8	547.7	-	-	100.0
R59	Ministry of Public Works	1,544.5	-	1,544.5	1,491.1	1,413.0	91.5	96.5
R60	Ministry of Industrialization	1,925.8	151.5	1,774.3	1,773.6	1,684.9	87.5	100.0
R62	Office of the Controller of Budget	62.0	-	62.0	30.0	30.0	48.4	48.4
R63	Directorate of Public Prosecutions	490.9	0.9	490.0	450.0	386.5	78.7	91.8
R64	Human Rights and Equality Commission	307.5	-	307.5	305.0	302.8	98.5	99.2
R65	Commission for the Implementation of the Constitution	415.1	1.1	414.0	414.0	371.6	89.5	100.0
R66	The National Police Service Commission	100.0	-	100.0	-	-	-	-
	TOTAL	**578,394.3**	**74,452.1**	**503,942.3**	**497,514.4**	**485,682.3**	**84.0**	**98.7**

Source: Office of the Controller of Budget and Ministry of Finance

Annex 5: Summary of Sectoral Recurrent Expenditures and Exchequer Issues (in Kshs. millions)

Name of the Sector	Revised Gross Estimates 2011/12	Appropriation in Aid 2011/12	Revised Net Estimates 2011/12	Exchequer Issues	Actual Expenditure	Expenditure as a per cent of Revised Gross Estimates	Exchequer Issues as per cent of Revised net Estimates
Agriculture and Rural Development	17,531.9	221.8	17,310.0	17,133.5	15,812.0	90.2	99.0
Trade Tourism and Industry	8,249.0	479.6	7,769.4	7,723.8	7,287.2	88.3	99.4
Physical Infrastructure	55,521.2	45,730.4	9,790.8	9,673.6	17,468.8	31.5	98.8
Environment Water and Irrigation	14,262.7	3,967.2	10,295.5	10,258.4	9,886.1	69.3	99.6
Human Resource Development	194,681.5	7,108.8	187,572.7	191,707.9	185,090.8	95.1	102.2
Research, Innovation And Technology	42,912.4	15,409.0	27,503.4	27,489.9	27,350.8	63.7	100.0
Governance, Justice, Law and Order Sector (GJLOS)	105,711.6	341.2	105,370.5	99,830.8	91,931.5	87.0	94.7
Public Administration	40,963.4	1,107.2	39,856.2	38,809.1	34,642.4	84.6	97.4
Special Programmes	20,000.5	86.9	19,913.6	19,572.8	17,517.7	87.6	98.3
National Security	78,560.0	-	78,560.0	75,314.9	78,695.0	100.2	95.9
Total	**578,394.3**	**74,452.1**	**503,942.3**	**497,514.4**	**485,682.3**	**84.0**	**98.7**

Source: Office of the Controller of Budget and Ministry of Finance

Annex 6: Analysis of Development Expenditure and Exchequer Issues (in Kshs. millions)

Vote	Name of the Ministry	Revised Gross Estimates 2011/12	Appropriation in Aid 2011/12	Net Estimates 2011/12	Exchequer Issues	Actual Expenditure	Expenditure as a percentage of Gross Printed Estimates	Exchequer Issues as per cent of Net Estimates
D1	Ministry of State for Provincial Administration and Internal Security	4,472.6	171.8	4,300.8	4,300.7	2,466.6	55.1	100.0
D2	State House	363.0	-	363.0	358.5	361.6	99.6	98.7
D3	Ministry of State for Public Service	623.4	24.0	599.4	585.1	231.8	37.2	97.6
D4	Ministry of Foreign Affairs	770.0	-	770.0	769.8	307.9	40.0	100.0
D5	Office of the Vice-President and Ministry of Home Affairs	1,485.8	-	1,485.8	1,485.4	781.6	52.6	100.0
D6	Ministry of State for Planning, National Development and Vision 2030	26,821.4	2,314.9	24,506.5	17,809.6	23,520.5	87.7	72.7
D7	Office of the Deputy Prime Minister and Ministry of Finance	27,380.9	4,080.9	23,300.0	20,216.6	14,470.4	52.8	86.8
D9	Ministry of Regional Development Authorities	5,118.5	1,784.5	3,334.0	3,333.9	3,018.7	59.0	100.0
D10	Ministry of Agriculture	15,980.2	3,767.5	12,212.7	9,013.0	7,026.5	44.0	73.8
D11	Ministry of Medical Services	3,915.1	1,352.4	2,562.8	2,512.6	2,259.3	57.7	98.0
D12	Office of the Deputy Prime Minister and Ministry of Local Government	4,256.1	496.0	3,760.1	3,010.4	3,180.8	74.7	80.1
D13	Ministry of Roads	77,111.1	35,830.0	41,281.1	39,127.4	39,439.7	51.1	94.8
D14	Ministry of Transport	13,906.3	7,241.3	6,664.9	3,925.2	4,179.6	30.1	58.9
D15	Ministry of Labour	1,067.0	611.1	455.9	398.9	276.3	25.9	87.5
D16	Ministry of Trade	709.6	332.3	377.3	375.0	371.7	52.4	99.4
D17	Ministry of Justice, National Cohesion and Constitutional Affairs	1,027.4	865.5	161.9	160.6	147.4	14.3	99.2
D18	Ministry of Gender, Children and Social Development	4,500.2	762.1	3,738.1	3,738.1	2,216.6	49.3	100.0
D19	Ministry of Livestock Development	3,778.4	306.5	3,472.0	3,468.5	2,437.6	64.5	99.9
D20	Ministry of Water and Irrigation	31,072.9	11,717.8	19,355.1	18,715.2	15,381.2	49.5	96.7
D21	Ministry of Environment and Mineral Resources	3,749.5	159.4	3,590.1	3,135.1	3,310.7	88.3	87.3
D22	Ministry of Cooperative Development and Marketing	218.0	-	218.0	214.3	207.0	94.9	98.3
D23	Cabinet Office	4,710.6	4,400.6	310.0	126.2	282.3	6.0	40.7

Vote	Name of the Ministry	Revised Gross Estimates 2011/12	Appropriation in Aid 2011/12	Net Estimates 2011/12	Exchequer Issues	Actual Expenditure	Expenditure as a percentage of Gross Printed Estimates	Exchequer Issues as per cent of Net Estimates
D24	Ministry of East African Community	72.4	65.4	7.0	7.0	6.4	8.8	100.0
D25	State Law Office	26.8	-	26.8	26.3	26.5	99.0	98.3
D26	The Judiciary	1,404.0	-	1,404.0	1,037.6	1,219.5	86.9	73.9
D29	National Assembly	1,399.0	-	1,399.0	510.0	663.7	47.4	36.5
D30	Ministry of Energy	55,180.4	32,085.7	23,094.8	19,937.0	32,168.1	58.3	86.3
D31	Ministry of Education	7,829.7	2,954.7	4,875.0	4,207.4	3,578.5	45.7	86.3
D32	Ministry of Information and Communications	4,964.2	1.2	4,963.0	3,533.4	3,683.3	74.2	71.2
D34	Kenya Anti-Corruption Commission	44.0	32.0	12.0	5.8	6.6	14.9	48.1
D35	Ministry of State for Special Programmes	5,535.7	1,618.4	3,917.3	2,832.1	2,938.9	53.1	72.3
D36	Ministry of Lands	3,902.2	81.2	3,820.9	3,709.1	3,575.2	91.6	97.1
D40	Ministry of State for Immigration and Registration of Persons	2,254.7	-	2,254.7	1,658.5	1,743.6	77.3	73.6
D41	Ministry of State for National Heritage and Culture	631.0	-	631.0	623.6	604.4	95.8	98.8
D42	Ministry of Youth Affairs and Sports	4,012.7	557.0	3,455.7	3,342.0	1,781.0	44.4	96.7
D43	Ministry of Higher Education, Science and Technology	15,319.5	8,955.5	6,364.0	5,450.9	6,248.5	40.8	85.7
D44	Ministry of Housing	2,139.3	-	2,139.3	2,031.6	1,820.7	85.1	95.0
D46	Ministry of Tourism	1,059.5	25.5	1,034.0	1,032.7	1,146.9	108.3	99.9
D48	Office of the Prime Minister	992.4	554.3	438.2	426.6	417.9	42.1	97.4
D49	Ministry of Public Health and Sanitation	25,007.4	14,587.3	10,420.1	8,795.9	12,649.4	50.6	84.4
D55	Ministry of Forestry and Wildlife	3,724.1	1,172.7	2,551.3	2,076.8	2,114.3	56.8	81.4
D56	Ministry of Fisheries Development	2,284.0	112.0	2,172.0	2,099.5	454.3	19.9	96.7
D57	Ministry of Nairobi Metropolitan Development	2,005.7	-	2,005.7	1,879.4	1,844.8	92.0	93.7
D58	Ministry of Development of Northern Kenya and Other Arid Lands	2,409.3	333.6	2,075.7	2,075.7	-	-	100.0
D59	Ministry of Public Works	4,971.0	-	4,971.0	4,970.9	3,815.5	76.8	100.0
D60	Ministry of Industrialization	2,407.2	39.5	2,367.7	2,361.0	2,300.7	95.6	99.7
	TOTAL	**382,614.0**	**139,394.5**	**243,219.6**	**211,410.5**	**210,684.5**	**55.1**	**86.9**

Source: Office of the Controller of Budget and Ministry of Finance

Annex 7. Summary of Development Expenditure and Exchequer Analysis

Details of Votes	Revised Gross Estimates 2011/12	Appropriation in Aid 2011/12	Revised Net Estimates 2011/12	Exchequer Issues	Actual Expenditure	Expenditure as a per cent of Revised Gross Estimates	Exchequer Issues as per cent of Revised net Estimates
Agriculture and Rural Development	26,162.8	4,267.1	21,895.6	18,504.4	13,700.6	52.37	84.5
Trade Tourism and Industry	4,879.6	462.6	4,417.0	4,399.3	4,430.0	90.79	99.6
Physical Infrastructure	159,570.0	75,653.0	83,916.9	74,881.8	86,449.3	54.18	89.2
Environment Water and Irrigation	38,546.5	13,050.0	25,496.5	23,927.1	20,806.3	53.98	93.8
Human Resource Development	37,819.3	19,505.5	18,313.8	15,914.8	18,763.4	49.61	86.9
Research, Innovation And Technology	20,283.7	8,956.7	11,327.0	8,984.3	9,931.8	48.96	79.3
Governance, Justice, Law and Order Sector (GJLOS)	12,114.2	1,069.3	11,044.9	9,184.8	7,055.4	58.24	83.2
Public Administration	61,661.8	11,374.6	50,287.1	40,292.4	39,592.4	64.21	80.1
Special Programmes	21,576.4	5,055.6	16,520.8	15,321.8	9,955.2	46.14	92.7
TOTAL	**382,614.0**	**139,394.5**	**243,219.6**	**211,410.5**	**210,684.5**	**55.06**	**86.9**

Annex 8: Comparison between Printed Estimates and the Revised/ Supplementary Budget for both Recurrent and Development

Vote	Details of Votes	PRINTED			REVISED			per cent change in Gross Revised against Gross Printed estimates.	Net Change of as per cent of Printed AIA	Net Change as per cent of net printed estimates
		Gross Estimates 2011/12	Appropriation in Aid 2011/12	Net Estimates 2011/12	Gross Estimates 2011/12	Appropriation in Aid 2011/12	Net Estimates 2011/12			
RECURRENT BUDGET										
R01	Ministry of State for Provincial Administration and Internal Security	55,940.2	-	55,940.2	57,438.9	-	57,438.9	2.7	0.0	2.7
R02	State House	1,277.0	2.0	1,275.0	1,413.6	2.0	1,411.6	10.7	0.0	10.7
R03	Ministry of State for Public Service	5,097.5	46.0	5,051.5	3,563.3	46.0	3,517.3	(30.1)	0.0	(30.4)
R04	Ministry of Foreign Affairs	8,062.0	787.0	7,275.0	9,996.3	971.7	9,024.6	24.0	19.0	24.0
R05	Office of the Vice-President and Ministry of Home Affairs	13,742.6	-	13,742.6	13,769.4	-	13,769.4	0.2	0.0	0.2
R06	Ministry of State for Planning, National Development and Vision 2030	2,806.2	12.0	2,794.2	2,831.6	72.0	2,759.6	0.9	83.3	(1.2)
R07	Office of the Deputy Prime Minister and Ministry of Finance	17,930.4	-	17,930.4	18,738.3	-	18,738.3	4.5	0.0	4.5
R08	Ministry of State for Defence	52,016.7	-	52,016.7	64,543.9	-	64,543.9	24.1	0.0	24.1
R09	Ministry of Regional Development Authorities	794.2	-	794.2	762.3	-	762.3	(4.0)	0.0	(4.0)
R10	Ministry of Agriculture	8,541.0	175.3	8,365.7	8,845.5	177.0	8,668.5	3.6	1.0	3.6
R11	Ministry of Medical Services	27,628.9	3,824.0	23,804.9	31,510.2	3,824.0	27,686.2	14.0	0.0	16.3
R12	Office of the Deputy Prime Minister and Ministry of Local Government	18,380.7	17,301.9	1,078.8	18,466.1	17,301.9	1,164.2	0.5	0.0	7.9
R13	Ministry of Roads	27,446.2	25,147.5	2,298.7	27,223.1	25,397.5	1,825.6	(0.8)	1.0	(20.6)
R14	Ministry of Transport	4,036.8	62.0	3,974.8	3,968.5	2,545.0	1,423.5	(1.7)	97.6	(64.2)
R15	Ministry of Labour	1,720.3	89.0	1,631.3	1,817.2	89.0	1,728.2	5.6	0.0	5.9
R16	Ministry of Trade	1,803.5	215.5	1,588.0	1,942.0	289.1	1,652.9	7.7	25.5	4.1
R17	Ministry of Justice, National Cohesion and Constitutional Affairs	2,057.1	157.0	1,900.1	2,307.7	214.9	2,092.8	12.2	26.9	10.1
R18	Ministry of Gender, Children and Social Development	4,021.7	9.5	4,012.2	4,151.0	10.4	4,140.7	3.2	8.7	3.2

Vote	Details of Votes	PRINTED			REVISED			per cent change in Gross Revised against Gross Printed estimates.	Net Change of as per cent of Printed AIA	Net Change as per cent of net printed estimates
		Gross Estimates 2011/12	Appropriation in Aid 2011/12	Net Estimates 2011/12	Gross Estimates 2011/12	Appropriation in Aid 2011/12	Net Estimates 2011/12			
R19	Ministry of Livestock Development	3,709.3	24.5	3,684.8	4,043.6	23.3	4,020.3	9.0	(4.9)	9.1
R20	Ministry of Water and Irrigation	5,998.6	1,923.7	4,074.9	6,134.9	1,967.7	4,167.1	2.3	2.2	2.3
R21	Ministry of Environment and Mineral Resources	2,545.6	203.4	2,342.2	2,799.4	470.4	2,329.0	10.0	56.8	(0.6)
R22	Ministry of Cooperative Development and Marketing	1,105.4	13.0	1,092.4	1,129.3	21.5	1,107.8	2.2	39.5	1.4
R23	Cabinet Office	1,310.5	1.0	1,309.5	1,392.7	1.0	1,391.7	6.3	0.0	6.3
R24	Ministry of East African Community	1,015.9	1.0	1,014.9	1,047.8	1.0	1,046.8	3.1	0.0	3.2
R25	State Law Office	1,336.0	-	1,336.0	1,309.8	-	1,309.8	(2.0)	0.0	(2.0)
R26	The Judiciary	6,362.5	-	6,362.5	6,141.5	-	6,141.5	(3.5)	0.0	(3.5)
R27	Public Service Commission	649.7	4.0	645.7	679.3	13.5	665.8	4.5	70.4	3.1
R28	Kenya National Audit Office	1,547.7	110.0	1,437.7	1,530.7	110.0	1,420.7	(1.1)	0.0	(1.2)
R29	National Assembly	8,861.1	4.0	8,857.1	8,764.1	3.0	8,761.1	(1.1)	(33.3)	(1.1)
R30	Ministry of Energy	2,371.5	-	2,371.5	2,278.8	-	2,278.8	(3.9)	0.0	(3.9)
R31	Ministry of Education	37,537.8	3,227.0	34,310.8	36,986.2	3,057.8	33,928.3	(1.5)	(5.5)	(1.1)
R32	Ministry of Information and Communications	1,839.1	-	1,839.1	1,816.5	17.0	1,799.5	(1.2)	100.0	(2.2)
R33	Interim Independent Electoral Commission	11,438.9	7.0	11,431.9	7,440.6	8.7	7,431.9	(35.0)	19.7	(35.0)
R34	Ethics and Anti-Corruption Commission	1,617.0	8.0	1,609.0	1,407.6	2.6	1,405.0	(12.9)	(207.7)	(12.7)
R35	Ministry of State for Special Programmes	7,922.8	3.0	7,919.8	8,432.8	3.0	8,429.8	6.4	0.0	6.4
R36	Ministry of Lands	2,167.3	-	2,167.3	2,210.9	-	2,210.9	2.0	0.0	2.0
R38	The Commission on Revenue Allocation	367.9	-	367.9	340.8	-	340.8	(7.4)	0.0	(7.4)
R40	Ministry of State for Immigration and Registration of Persons	3,921.0	-	3,921.0	4,288.0	-	4,288.0	9.4	0.0	9.4
R41	Ministry of State for National Heritage and Culture	1,765.6	21.0	1,744.6	1,763.9	27.0	1,736.9	(0.1)	22.2	(0.4)
R42	Ministry of Youth Affairs and Sports	5,902.1	69.5	5,832.6	6,102.6	69.5	6,033.1	3.4	0.0	3.4

Vote	Details of Votes	PRINTED			REVISED			per cent change in Gross Revised against Gross Printed estimates.	Net Change of as per cent of Printed AIA	Net Change as per cent of net printed estimates
		Gross Estimates 2011/12	Appropriation in Aid 2011/12	Net Estimates 2011/12	Gross Estimates 2011/12	Appropriation in Aid 2011/12	Net Estimates 2011/12			
R43	Ministry of Higher Education, Science and Technology	41,266.9	15,392.0	25,874.9	41,095.9	15,392.0	25,703.9	(0.4)	0.0	(0.7)
R44	Ministry of Housing	1,680.3	485.0	1,195.3	1,736.7	485.0	1,251.7	3.4	0.0	4.7
R45	National Security Intelligence Service	13,146.1	-	13,146.1	14,016.1	-	14,016.1	6.6	0.0	6.6
R46	Ministry of Tourism	1,568.5	11.0	1,557.5	1,569.6	11.0	1,558.6	0.1	0.0	0.1
R47	The Teachers Service Commission	105,912.6	80.0	105,832.6	112,049.0	80.0	111,969.0	5.8	0.0	5.8
R48	Office of the Prime Minister	1,812.0	1.0	1,811.0	1,945.5	1.0	1,944.5	7.4	0.0	7.4
R49	Ministry of Public Health and Sanitation	10,970.5	58.0	10,912.5	12,318.9	58.0	12,260.9	12.3	0.0	12.4
R55	Ministry of Forestry and Wildlife	5,153.3	1,091.1	4,062.2	5,328.5	1,529.1	3,799.4	3.4	28.6	(6.5)
R56	Ministry of Fisheries Development	1,262.1	-	1,262.1	1,302.6	-	1,302.6	3.2	0.0	3.2
R57	Ministry of Nairobi Metropolitan Development	291.9	1.0	290.9	303.4	1.0	302.4	3.9	0.0	4.0
R58	Ministry of Development of Northern Kenya and Other Arid Lands	313.1	2.0	311.1	551.8	4.0	547.8	76.2	50.0	76.1
R59	Ministry of Public Works	1,545.8	-	1,545.8	1,544.5	-	1,544.5	(0.1)	0.0	(0.1)
R60	Ministry of Industrialization	1,914.1	126.0	1,788.1	1,925.8	151.5	1,774.3	0.6	16.8	(0.8)
R62	The Controller of Budget	-	-	-	62.0	-	62.0	0.0	0.0	0.0
R63	Directorate of Public Prosecutions	355.0	-	355.0	490.9	0.9	490.0	38.3	100.0	38.0
R64	Human Rights and Equality Commission	324.5	-	324.5	307.5	-	307.5	(5.2)	0.0	(5.2)
R65	Commission for the Implementation of the Constitution	524.0	-	524.0	415.1	1.1	414.0	(20.8)	100.0	(21.0)
R66	The National Police Service Commission	250.0	-	250.0	100.0	-	100.0	(60.0)	0.0	(60.0)
TOTAL VOTED EXPENDITURE RECURRENT		**552,886.8**	**70,695.9**	**482,190.9**	**578,394.3**	**74,452.1**	**503,942.3**	**4.6**	**5.0**	**4.5**
CONSOLIDATED FUND SERVICES										
	(i) Public Debt	173,281.2	-	173,281.2	175,386.3	-	175,386.3	1.2	0.0	1.2

Vote	Details of Votes	PRINTED			REVISED			per cent change in Gross Revised against Gross Printed estimates.	Net Change of as per cent of Printed AIA	Net Change as per cent of net printed estimates
		Gross Estimates 2011/12	Appropriation in Aid 2011/12	Net Estimates 2011/12	Gross Estimates 2011/12	Appropriation in Aid 2011/12	Net Estimates 2011/12			
	(ii) Pensions and Gratuities	31,759.1	-	31,759.1	29,259.1	-	29,259.1	(7.9)	0.0	(7.9)
	(iii) Salaries and Allowances	3,013.4	-	3,013.4	3,303.1	-	3,303.1	9.6	0.0	9.6
	(iv) Subscriptions to International Organizations	0.5	-	0.5	0.5	-	0.5	0.0	0.0	0.0
	(v) Miscellaneous Services	60.0	-	60.0	60.0	-	60.0	0.0	0.0	0.0
	(vi) Guaranteed Debt	1,409.5	-	1,409.5	1,461.0	-	1,461.0	3.6	0.0	3.6
TOTAL CONSOLIDATED FUND SERVICES		**209,523.8**	**-**	**209,523.8**	**209,470.0**	**-**	**209,470.0**	**(0.0)**	**0.0**	**(0.0)**
GRAND TOTAL RECURRENT		**762,410.5**	**70,695.9**	**691,714.7**	**787,864.4**	**74,452.1**	**713,412.3**	**3.3**	**5.0**	**3.1**
DEVELOPMENT BUDGET										
D01	Ministry of State for Provincial Administration and Internal Security	4,734.5	150.0	4,584.5	4,472.6	171.8	4,300.8	(5.5)	12.7	(6.2)
D02	State House	423.0	-	423.0	363.0	-	363.0	(14.2)	0.0	(14.2)
D03	Ministry of State for Public Service	714.1	24.0	690.1	623.4	24.0	599.4	(12.7)	0.0	(13.1)
D04	Ministry of Foreign Affairs	892.5	22.5	870.0	770.0	-	770.0	(13.7)	0.0	(11.5)
D05	Office of the Vice-President and Ministry of Home Affairs	1,918.0	-	1,918.0	1,485.8	-	1,485.8	(22.5)	0.0	(22.5)
D06	Ministry of State for Planning, National Development and Vision 2030	27,893.8	3,414.6	24,479.2	26,821.4	2,314.9	24,506.5	(3.8)	(47.5)	0.1
D07	Office of the Deputy Prime Minister and Ministry of Finance	37,285.7	4,067.3	33,218.4	27,380.9	4,080.9	23,300.0	(26.6)	0.3	(29.9)
D09	Ministry of Regional Development Authorities	6,333.2	2,481.2	3,852.0	5,118.5	1,784.5	3,334.0	(19.2)	(39.0)	(13.4)
D10	Ministry of Agriculture	11,349.2	2,126.3	9,222.9	15,980.2	3,767.5	12,212.7	40.8	43.6	32.4
D11	Ministry of Medical Services	4,434.5	2,098.5	2,336.0	3,915.1	1,352.4	2,562.8	(11.7)	(55.2)	9.7
D12	Office of the Deputy Prime Minister and Ministry of Local Government	6,117.1	646.0	5,471.1	4,256.1	496.0	3,760.1	(30.4)	(30.2)	(31.3)
D13	Ministry of Roads	73,424.2	31,812.1	41,612.1	77,111.1	35,830.0	41,281.1	5.0	11.2	(0.8)

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		Gross Estimates 2011/12	Appropriation in Aid 2011/12	Net Estimates 2011/12	Gross Estimates 2011/12	Appropriation in Aid 2011/12	Net Estimates 2011/12			
D14	Ministry of Transport	14,257.3	6,931.3	7,326.0	13,906.3	7,241.3	6,664.9	(2.5)	4.3	(9.0)
D15	Ministry of Labour	1,167.0	611.1	555.9	1,067.0	611.1	455.9	(8.6)	0.0	(18.0)
D16	Ministry of Trade	614.4	184.4	430.0	709.6	332.3	377.3	15.5	44.5	(12.3)
D17	Ministry of Justice, National Cohesion and Constitutional Affairs	1,040.4	925.5	114.9	1,027.4	865.5	161.9	(1.2)	(6.9)	40.9
D18	Ministry of Gender, Children and Social Development	3,969.4	685.9	3,283.5	4,500.2	762.1	3,738.1	13.4	10.0	13.8
D19	Ministry of Livestock Development	4,378.6	269.8	4,108.8	3,778.4	306.5	3,472.0	(13.7)	12.0	(15.5)
D20	Ministry of Water and Irrigation	37,918.5	17,160.0	20,758.5	31,072.9	11,717.8	19,355.1	(18.1)	(46.4)	(6.8)
D21	Ministry of Environment and Mineral Resources	4,105.8	153.9	3,951.9	3,749.5	159.4	3,590.1	(8.7)	3.5	(9.2)
D22	Ministry of Cooperative Development and Marketing	368.0	-	368.0	218.0	-	218.0	(40.8)	0.0	(40.8)
D23	Cabinet Office	4,185.6	4,000.6	185.0	4,710.6	4,400.6	310.0	12.5	9.1	67.6
D24	Ministry of East African Community	74.4	65.4	9.0	72.4	65.4	7.0	(2.7)	0.0	(22.2)
D25	State Law Office	42.8	-	42.8	26.8	-	26.8	(37.4)	0.0	(37.4)
D26	The Judiciary	2,519.0	-	2,519.0	1,404.0	-	1,404.0	(44.3)	0.0	(44.3)
D29	National Assembly	1,600.0	-	1,600.0	1,399.0	-	1,399.0	(12.6)	0.0	(12.6)
D30	Ministry of Energy	63,773.6	39,849.4	23,924.3	55,180.4	32,085.7	23,094.8	(13.5)	(24.2)	(3.5)
D31	Ministry of Education	5,615.5	1,670.5	3,945.0	7,829.7	2,954.7	4,875.0	39.4	43.5	23.6
D32	Ministry of Information and Communications	5,360.2	1.2	5,359.0	4,964.2	1.2	4,963.0	(7.4)	0.0	(7.4)
D34	Ethics and Anti-Corruption Commission	232.0	32.0	200.0	44.0	32.0	12.0	(81.0)	0.0	(94.0)
D35	Ministry of State for Special Programmes	5,139.2	1,579.6	3,559.6	5,535.7	1,618.4	3,917.3	7.7	2.4	10.0
D36	Ministry of Lands	1,304.2	131.2	1,172.9	3,902.2	81.2	3,820.9	199.2	(61.6)	225.8
D40	Ministry of State for Immigration and Registration of Persons	2,387.4	-	2,387.4	2,254.7	-	2,254.7	(5.6)	0.0	(5.6)

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		Gross Estimates 2011/12	Appropriation in Aid 2011/12	Net Estimates 2011/12	Gross Estimates 2011/12	Appropriation in Aid 2011/12	Net Estimates 2011/12			
D41	Ministry of State for National Heritage and Culture	686.0	-	686.0	631.0	-	631.0	(8.0)	0.0	(8.0)
D42	Ministry of Youth Affairs and Sports	3,772.2	19.0	3,753.2	4,012.7	557.0	3,455.7	6.4	96.6	(7.9)
D43	Ministry of Higher Education, Science and Technology	11,854.3	5,140.3	6,714.0	15,319.5	8,955.5	6,364.0	29.2	42.6	(5.2)
D44	Ministry of Housing	2,319.4	-	2,319.4	2,139.3	-	2,139.3	(7.8)	0.0	(7.8)
D46	Ministry of Tourism	1,242.0	33.0	1,209.0	1,059.5	25.5	1,034.0	(14.7)	(29.6)	(14.5)
D48	Office of the Prime Minister	1,224.4	554.3	670.2	992.4	554.3	438.2	(18.9)	0.0	(34.6)
D49	Ministry of Public Health and Sanitation	21,280.5	8,326.0	12,954.5	25,007.4	14,587.3	10,420.1	17.5	42.9	(19.6)
D55	Ministry of Forestry and Wildlife	3,488.9	484.0	3,004.9	3,724.1	1,172.7	2,551.3	6.7	58.7	(15.1)
D56	Ministry of Fisheries Development	3,316.5	370.4	2,946.1	2,284.0	112.0	2,172.0	(31.1)	(230.8)	(26.3)
D57	Ministry of Nairobi Metropolitan Development	1,980.7	-	1,980.7	2,005.7	-	2,005.7	1.3	0.0	1.3
D58	Ministry of Development of Northern Kenya and Other Arid Lands	2,151.5	20.9	2,130.7	2,409.3	333.6	2,075.7	12.0	93.7	(2.6)
D59	Ministry of Public Works	4,961.0	-	4,961.0	4,971.0	-	4,971.0	0.2	0.0	0.2
D60	Ministry of Industrialization	2,700.8	39.5	2,661.3	2,407.2	39.5	2,367.7	(10.9)	0.0	(11.0)
TOTAL VOTED EXPENDITURE DEVELOPMENT		**396,551.2**	**136,081.4**	**260,469.8**	**382,614.0**	**139,394.5**	**243,219.6**	**(3.5)**	**2.4**	**(6.6)**
GRAND TOTAL DEVELOPMENT		**396,551.2**	**136,081.4**	**260,469.8**	**382,614.0**	**139,394.5**	**243,219.6**	**(3.5)**	**2.4**	**(6.6)**
GRAND TOTAL		**1,158,961.7**	**206,777.3**	**952,184.4**	**1,170,478.4**	**213,846.5**	**956,631.9**	**1.0**	**3.3**	**0.5**

Source: Office of the Controller of Budget and Ministry of Finance