



**PUBLIC ADMINISTRATION AND INTERNATIONAL
RELATIONS**

MTEF 2010/11-2012/13 SECTOR REPORT

February, 2010

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EXECUTIVE SUMMARY

The Public Administration and International Relations Sector comprise eight Ministries/Sub-sectors. These are Public Service Commission of Kenya, Office of the Prime Minister, Ministry of State for Public Service, Office of the Deputy Prime Minister and Ministry for Finance, The Presidency and Cabinet Affairs Office, Office of the Prime Minister and Ministry of Planning , National Development and Vision 2030 , State House and the Ministry of Foreign Affairs. The sector hosts 17 Semi-Autonomous Government Agencies of which Central Bank, Insurance Regulatory Authority, Kenya Institute of Public Policy Research and Analysis and Kenya National Bureau of Statistics do not draw resources from the sector. The sector allocated its resources among 17 programmes.

The sector's budgets were partly implemented within Economic Recovery Strategy and Vision 2030 framework and remarkable progress made. Some of the key achievements attained include rapid increase in tax revenue from Kshs.373 billion in 2006/07 to Kshs.487.9 billion in 2008/09. Other achievements include the creation and operationalization of the National Integrated Monitoring and Evaluation System, institutionalization of Results Based Management, development and operationalization of Kenya Vision 2030, opening of foreign missions in South Korea, Spain, Brazil, Thailand, Ireland and Libya. The sector also facilitated the refurbishment of mission properties in Windhoek, New York, Washington, London, Kinshasha, Paris, Rome and Kampala. In addition, the Government purchased chanceries in Brussels, Beijing and Tokyo while the latter two included ambassador's residence. The Task Force on the delineation of Kenya's Outer Continental Shelf also concluded its report and submitted to the UN for consideration. Time taken to recruit new staff was also reduced from 8 to 6 months for new entrants while processing of promotions for those in post was reduced from 5 to 4 months upon receipt of the indent.

The sector further facilitated implementation of poverty alleviation programmes in the country key among them being the Community Development Trust Fund (CDTF), Central Kenya Dry Area Project (covering Nyeri, Maragwa, Kirinyaga, Thika and Nyandarua Districts) and the South Nyanza Integrated Community Development Project. These projects focused on improving the welfare of residents of the project areas through enhancement of food security, provision water, and health and sanitation services.

During 2006/07, the sector's combined resource allocations stood at Ksh 60,230.3 million, Ksh 95,354.8 million, and Ksh 61,697.1 million for 2006/07, 2007/08 and 2008/09 respectively. Actual combined development and recurrent expenditures for the same period stood at Ksh 53,952.2 million Ksh 88,980.97 million and Ksh 53,398.2 million for 2006/07, 2007/08 and 2008/09 respectively.

Recurrent allocations for the period increased gradually from Kshs.22,575.7 million in 2006/07 to reach Kshs.28,919.9 million in 2008/09. Actual expenditures also increased gradually from Kshs.19,118.06 million in 2006/07 to reach Kshs.27,478.6 million in 2008/09. Recurrent expenditures thus fell within budgeted allocations. Inability to absorb all recurrent resources was blamed on the failure to pay some anticipated commitments, (implementation of succession management plan – Ministry of Finance), austerity measures in place as well as the occasioned failure of the IFMIS programme.

On the development Vote, allocations fluctuated and rose from Kshs.37,654.596 million in 2006/07 to reach Kshs.65,989.7 million in 2007/08 but later fell to Kshs.32,772.2 million. Actual development expenditures also fluctuated and fell with allocated provisions. Lengthy procurement procedures, post election violence of 2008 and late approval of the Revised Budget in 2007/08 and 2008/09 contributed to low absorption of development funds, among other factors.

While executing its budget, the sector incurred pending bills due to lack of liquidity and non provision. Total pending bills fluctuated over the period and ranged from Kshs.192.64 million in 2007/08 to Kshs.1,701.08 million in 2008/09. Liquidity related bills shot from Kshs.158.3 million in 2006/07 to reach Kshs.463.78 million in 2008/09 while bills arising from non provision declined from Kshs.102 million in 2006/07 to Kshs.12 million in 2008/09. An enormous development bill of Kshs.1,150 million was incurred in 2008/09 and arose from a court award in favour of Inspection Control Services and Computer Applications Limited against Ministry of Finance and this had not been anticipated.

During 2010/11, 2011/12 and 2012/13, the sector's recurrent resource requirements are projected at Ksh 47,649.65 million and Kshs.55,398.6million, and Ksh55,398 million respectively. Development resource requirements for the sector are projected at Kshs.57,238.8 in 2010/11 and are expected decline over the 3-year period as major commitments get cleared. Out of the projected resource requirements, SAGAs in the sector are projected to receive Kshs.34,615 million which is projected to rise to Kshs.38,841 million by 2012/13.

While executing its budget during 2006/07 – 2008/09, the sector encountered some challenges. Some of them include inadequate resource allocation, expansion of services without corresponding expansion in the sector ceiling, weak monitoring and evaluation of ongoing programmes, volatile exchange rates, low absorption of development funds and slow uptake of Public Service Reforms. The sector will however endeavour to overcome these constraints and appropriate strategies will be made to address them.

New issues also emerged in the execution of the sector budget. Some of the issues which emerged and which require the sectors intervention include harmonization of Kenya's policies with those of the East African Community and other regional trading blocks in view of the creation of East African Community Common Market Protocol and the would be coming Economic Partnership Agreements. From the resources expected, it is emerging that it is hard to accommodate flagship projects within the ceiling. Mandatory expenditures falling within the sector are enormous take most of the resources leaving little for other programmes. Considerations should therefore be made to expand the sector veiling to accommodate these priority needs.

In view of the foregoing constraints the sector recommends that:

- Mandatory expenditures like CDF and others falling within sector should be funded outside the ceiling to allow funding of other priority projects /programmes;
- Monitoring of the budget should be stepped up to ensure productivity of resources allocated;
- IFMIS programme should be upgraded to facilitate absorption of allocated resources;
- The sector ceiling should be expanded to commensurate with expanding service delivery;
- Adequate resources should be allocated for construction of chanceries abroad as this will have a long term saving effect on the sector.
- The sector should continue to promote Results Based Management
- Public private Partnership should be fast tracked in the sector.

CHAPTER ONE

1. Introduction

1.1.1 Background

The Public Administration and International Relations Sector is one of the ten sectors of the MTEF. It comprises the Presidency and Cabinet Affairs Office, State House, Office of the Prime Minister, Office of the Prime Minister and Ministry of State for Planning, National Development and Vision 2030, Ministry of State for Public Service, Office of the Deputy Prime Minister and Ministry of Finance, Ministry of Foreign Affairs and the Public Service Commission of Kenya. The role of the sector cuts across ministries/Departments and aims at enhancing the organization, coordination of Government business, planning, budgeting as well as human resource management in the Public Service. The sector also manages Kenya's foreign relations with other countries and international organizations.

The sector hosts key Government Ministries/Departments such as the Presidency and Cabinet Affairs Office and Office of the Prime Minister which are key in the provision of leadership and policy direction as well as coordination and implementation of Government policy for the attainment of national goals and objectives. The Deputy Prime Minister's and Ministry of Finance, Public Service Commission of Kenya and the Ministry of State for Public Service, mobilize both financial and human resources for the execution of Government programmes and projects while the Office of the Prime Minister and Ministry of Planning, National Development and Vision 2030 coordinates planning in all other sectors of the Government. The Ministry of Foreign Affairs links other Ministries /Departments with sources of credit and facilitates the sector and entire Government to enter into and enforce international conventions/ agreements for national development. This is critical as it shpes Kenya's image globally

The MTEF budget for 2010/11 – 2012/13 is the second since the launch of Kenya Vision 2030 and will play a critical role in financing flagship projects identified in the Vision 2030 and its first Medium Term Plan 2008-2012. The sector will thus ensure that adequate resources are set aside to fund priority projects identified for 2010/11 and the subsequent years to attain the set goals besides other policies in force. The sector has identified 17 Programmes, which are aligned to the Kenya Vision 2030 and its first Medium Term Plan (MTP) 2008 – 2012, for implementation during the MTEF period 2010/11 – 2012/13.

1.1.2 Objectives of the Sector report

The objective of this report is to:

- Provide an overview of its performance over 2006/07 - 2008/09
- Analyze utilization of allocated resources for the past 3 - year period and relate them with the achieved outputs
- Analyze trends of both recurrent and development expenditures for the previous 3 - year rolling MTEF period and make appropriate recommendations
- Review stock of pending bills and advice on ways of managing them
- Highlight the sector's priorities during the coming 3 - year MTEF budget period by Programme and Sub Programme
- Highlight the sector's resource requirements by Programme, Sub Programme and by Economic Classification
- Express the sector resource requirements
- Inform resource allocation for the coming MTEF period
- Highlight emerging issues and challenges

1.1.3 Structure of the report

This sector report is divided into seven chapters as follows:

Chapter 1: Provides a background of the sector, its Vision, Mission, strategic objectives, sub sector mandates as well as autonomous and semi autonomous Government agencies in the sector. It also outlines the stakeholders and their roles in the execution of the sector budget.

Chapter 2: Highlights the performance of the sector during 2006/07 - 2008/09 by programme and sub programme, and further analyzes expenditures of development and recurrent resources allocated relative to the pre- set performance indicators.

Chapter 3: Highlights the sector priorities for 2010/11 - 2012/13 MTEF period by programme, sub programme and their resource requirements for both development and recurrent.

Chapter 4: Highlights the sector linkages with the rest of the sectors

Chapter 5: Highlights emerging issues identified and challenges faced in the execution of the past budgets in the previous MTEF period.

Chapter 6: Documents major issues noted in the execution of the budget

Chapter 7: Provides recommendations and the way forward in executing future budgets

1.2 Sector Vision and Mission

1.2.1 Vision Statement

A leading sector in public policy formulation, implementation, coordination, supervision and prudent resource management

1.2.2 Mission Statement

To provide policy and leadership direction in resource mobilization, and the management of foreign relations for effective implementation of public programmes for national development

1.3 Strategic Objectives of the Sector

The strategic objectives of the Public Administration and International Relations Sector are to:

- Provide policy, strategic leadership and direction for socio-economic development
- Protect Kenya's sovereignty and integrity, project its positive image and exert its influence in the regional and international arena for national socio-economic development.
- Facilitate creation of Government structures and institutional frameworks for optimal public service delivery and response to Kenyan needs.

- Strengthen public policy formulation, planning, coordination, implementation, monitoring and evaluation.
- Promote prudent economic, fiscal and monetary policies for macro-economic stability, sound management of public resources, sustainable growth and conducive business environment.
- Mainstream and coordinate implementation Kenya Vision 2030, Millennium Development Goals and other public policies in force for the realization of national goals.
- Ensure continuous recruitment, development and retention of human resources and application of best practices in the management of the public service for improved performance
- Promote good governance and transparency and accountability in the Public Service.

1.4 Sub sectors and their mandates

The Public Administration and International Relations Sector have eight (8) sub sectors (Ministries/Department) whose mandates are as follows:

1.4.1 The Presidency and Cabinet Affairs Office

Organization and facilitation of Government business

1.4.2 Ministry of State for Public Service

To provide strategic leadership and guidance to the Public Service on human resource management and development

1.4.3 Ministry of Foreign Affairs

Development, articulation and implementation of Kenya's Foreign Policy.

1.4.4 Office of the Prime Minister and Ministry of Planning, National Development and Vision 2030

To facilitate and coordinate the national development planning process, coordinate implementation of Kenya Vision 2030 and to provide leadership in the implementation of sound economic policies.

1.4.5 The Public Service Commission of Kenya

To appoint persons to hold public offices in the public service and local authorities, setting and enforcement of ethical standards as well as exercise of disciplinary control over persons holding or acting in those offices including power to remove those persons from office.

1.4.6 State House

Maintenance and management of all State Houses and lodges for purpose of providing an enabling environment for the Presidency to conduct state functions

1.4.7 Office of the Deputy Prime Minister and Ministry of Finance

Development of economic, fiscal and monetary policies and coordination of Government financial operations

1.4.8 The Office of the Prime Minister

Coordinate and supervise the execution of the functions and affairs of the Government of Kenya.

1.5 Semi Autonomous Government Agencies (SAGAS)

The SAGAS in the Public Administration and International Relations Sector are outlined in the following matrix per sub sector.

	Sub-Sector	Name of Autonomous/Semi-Autonomous Government Agencies
1	Office of the Prime Minister and Ministry of Planning , National Development and Vision 2030	Kenya National Bureau of Statistics(KNBS)*
		Kenya Institute of Public Policy Research and Analysis(KIPPRA)*
		Community Development Trust Fund (CDTF)
		Poverty Eradication Commission
		New Partnership for Africa’s Development (NEPAD) Secretariat
		Constituency Development Fund (CDF) Board
		Vision 2030 Delivery Secretariat
		National Coordinating Agency for Population and Development (NCAPD)
2	Ministry of State for Public Service	Kenya Institute of Administration
3.	Office of the Deputy Prime Minister and Ministry of Finance	Insurance Regulatory Authority*
		Capital Markets Authority (CMA)
		Central Bank of Kenya*
		Kenya Revenue Authority (KRA)
		Kenya institute of supplies management
		Kenya Investment Authority
		Public Procurement and Oversight Authority (PPOA).
		Privatization Commission

*SAGAS do not receive budgetary allocations from the sector.

1.6 Role of Stakeholders

	Stakeholder	Interest in MTEF Budget	Outcome/Output
1	Sub Sector Ministries	<ul style="list-style-type: none"> • Provision of policy direction • Allocation of adequate resources for implementing Vision 2030 and flagship projects, and others in the MTP 	<ul style="list-style-type: none"> • Improved service delivery

2	Public	<ul style="list-style-type: none"> • Provision of quality services • Value for allocated resources • Formulation and implementation of policies responsive to their needs 	<ul style="list-style-type: none"> • Services responsive to public needs.
3	State corporations	<ul style="list-style-type: none"> • Allocation of adequate resources to implement their plans • Provision of policy guidance in the conduct of their affairs 	<ul style="list-style-type: none"> • Improved service delivery
4	Development partners	<ul style="list-style-type: none"> • Value for allocated resources 	Improved accountability
5	Parliament	<ul style="list-style-type: none"> • Open and participatory budget formulation process. • Oversight over budget expending. • Appropriation approval • Improvement in National economic policy management 	<ul style="list-style-type: none"> • Transparent budget. • Reduced resource wastage • Equitable resource distribution • Stable macro- economic environment
6	Private sector	<ul style="list-style-type: none"> • Timely payment for goods and services supplied • Conducive business environment and infrastructure • Open business transactions • Enhanced public private partnership • Improvement in National economic policy management 	<ul style="list-style-type: none"> • Better service delivery • Conducive and competitive business environment • Enhanced private sector participation in public affairs • Stable macro- economic environment
7	Trade Unions	<ul style="list-style-type: none"> • Resource allocation for enhanced workers welfare • National economic policy management 	<ul style="list-style-type: none"> • Enhanced morale and productivity • Stable macro- economic environment

Chapter Two

PERFORMANCE AND ACHIEVEMENTS FOR THE SECTOR DURING THE PERIOD 2006/07 - 2008/09

2.0 Introduction

The sector's strategic objectives and targets during the review period were anchored on the Economic Recovery Strategy for Wealth and Employment Creation (ERS) 2003-2007 and its successor, the Kenya Vision 2030 and its first Medium Term Plan 2008-2012. The ERS focused on ensuring growth and macro-economic stability, restoration of infrastructure, strengthening governance and poverty alleviation. Its key targets were to:

- Maintain revenues at above 21% of GDP through revenue enhancing reforms;
- Enhance productivity of the public service through efficient and effective management.
- Ensure prudent management, control and accounting of public funds;
- Recruit, develop and retain highly motivated, efficient and productive Public Servants

- Strengthen national policy formulation and implementation process;
- Ensure harmonious government workings, improved coordination and information sharing between ministries and removal of bottlenecks in the provision of public services;

- Operationalize Monitoring and Evaluation Framework to track the implementation of the ERS and Vision 2030;

- Promote regional integration and international cooperation.

Remarkable progress was realized with the following being achievements of the targets set.

- Revenue increment from Kshs. 373.0 billion in 2006/07 to Kshs. 487.9 billion in 2008/09 mainly due to tax reforms

- Deepening of Public Service Reforms- (Results Based Management (Performance Contracting, strategic planning), ministerial rationalization)

- Operationalization of National Integrated Monitoring and Evaluation System (NIMES)
- Development and operationalization of Kenya Vision 2030
- Development of the Handbook of National Reporting Indicators for the first Medium Term Plan 2008-2012 and Vision 2030.
- Strengthening of Kenya's diplomatic presence abroad. (Six new missions opened in South Korea, Spain, Brazil, Thailand, Ireland, and Libya)
- Initiation and operationalization of the 24 hour economy
- Development and enactment of the Public Financial Management Act.

2.1 Performance of Key Sector Programmes

The sector continued to implement key programmes whose performance is as follows:

2.1.1 The Community Development Programme

The Community Development Trust Fund (CDTF), a joint EU/GOK programme completed 273 projects at the cost of Kshs 866 million by December 2006. Other 179 projects worth Kshs 599,196,000 were commenced in January 2007 under phase three of the project. 24 others were completed while the balance will be completed by the end of 2009/10.

2.1.2 Community Development for Environmental Management Programme (CDEMP)

This 4 year CDEMP project empowers communities to mainstream environment and poverty reduction in the development process. It launched 25 projects that are currently on-going and by the end of 2008/09, Kshs 310,092,751.90 had been disbursed to projects.

2.1.3 Central Kenya Dry Area Smallholders and Community Services Project (CKDAP):

This GOK/IFAD funded project operates in Nyeri, Maragua, Kirinyaga, Thika and Nyandarua Districts and focuses on the vulnerable households in the designated dry marginal areas of the districts. It aims at reducing poverty and vulnerability to disease and hunger among households at risk of constant hunger and malnutrition, lacking basic facilities in health, safe drinking water and income earning opportunities.

2.1.4 Millennium Development Goals (MDGs) Initiatives

The project seeks to mainstream the MDGs into the National Planning and Budgeting process and since its inception, it has initiated (Quick wins) projects in 26 Millennium Districts through the UNDP project cost at 2.8 million Euros with priority being given to small projects in education, water, agriculture, health and women and children.

2.1.5 Southern Nyanza Integrated Community Development Project (SNCDP)

The SNCDP is an IFAD/BSF/GOK and Local community funded project and covers selected areas in six priority divisions of Southern Nyanza namely: Kobama Division - Homa Bay District; Masaba – Kuria District, Karungu – Migori District; Nyamusi – Nyamira District, West Karachuonyo – Rachuonyo District and Central Division - Suba District. The project works with communities in 54 planning areas and serves a population of about 250,000 people. The project components include community empowerment, primary health care, domestic water supply, agriculture and livestock development and rural finance. Some of the project achievements include construction of office blocks and health facilities, capacity building for both the public service staff and the community, construction of water harvesting and supply facilities and distribution of high yield livestock breeds and crops. By end of the financial year 2008/09, the project had disbursed 67% of the total loan amount.

2.1.6 The Output Based Reproductive Health project

The Output Based Reproductive Health project is a pilot funded by the German Government through *K/W* at a cost of Ksh. 600 million over three years and has accessed maternal health and gender violence services to 40,000 poor women in Kisumu, Kiambu, Kitui Districts and Viwandani and Korogocho slums of Nairobi through subsidized vouchers.

2.1.7 Eradication of Corruption in the Public Service.

The Public Officers were sensitized on the Public Officers Ethics Act, 2003 while compliance with Wealth Declaration was enforced as per the Act. The Human Resource Audit function in the public service was further strengthened through appointment of human resource auditors and development of the human resource audit manual.

2.1.8 Financial Management Reforms

The sector implemented Public Financial Management Reforms notable among them being the Integrated Financial Management Information System (IFMIS) that now covers 46 Ministries. The Performance Based Budgeting (PBB) was introduced and entrenched in the budget process while the Government Financial Management Act was enacted besides preparing a draft bill on Public Financial Administration.

2.1.10 Construction of Prefab Offices for District Development Officers (DDOs)

During 2006/7- 2008/09 period, 6 prefab offices for district development offices in Butere, Thika, Koibatek, Manga, Turkana North and Loitoktok were commenced. These works were however undermined by under-funding, inflation, land acquisition constraints as well as cash flow problems.

2.1.11 Promotion and Safeguarding of Kenya's Interests Abroad

In the endeavor to boost economic and other ties with other countries, the country stepped up effort in transforming regional economic blocks -EAC and COMESA- to meet future challenges in addition to strengthening strategic ties with traditional markets and sources of capital in the emerging economies in Western and Eastern Europe, Asia, Middle East and Latin America. Consequently, six new missions were opened in Libya, Kuwait, Spain, Ireland, Brazil and Korea. The Government also purchased a Chancery building in Brussels while ambassadors' residences were purchased in Tokyo and Beijing. Construction of Chanceries and High Commissioners Residences in Dar es Salaam, Islamabad and Abuja were commenced. Refurbishment of Government owned properties in Windhoek, New York, Washington, London, Kinshasa, Lusaka, Paris, Brussels, Beijing, Rome, Kampala, and The Hague were also commenced.

2.1.12. Human Resource Management and Development

The sector made progress in transforming the previous Personnel function to Human Resource function and released guidelines on the same. The sector also embraced a paradigm shift to demand based training to address the emerging training needs. In addition, a strategy was developed to address stagnation in all Ministries/ Departments. A high fliers scheme to reward exemplary performance and development of a pay policy for the Public Service was also commenced. The pay policy aims at providing a harmonized and unified framework for determining pay and eradicating discrepancies across the entire service.

2.1.13 Policy Coordination and Support Services

The sector coordinated various Presidential Commissions of Inquiry/ Tribunals/ Task forces appointed from time to time. Key among the Commissions/ Taskforces/ Tribunal were the Kriegler, Waki, and Kiruki Commissions of Inquiry and the Special Action Committee on the alleged harassment and discrimination of the Muslims. Other Task Forces whose works were completed over the period includes the Task Force on Delineation of Kenya's Outer Continental Shelf. The reports of these commissions have been submitted to the government and are being implemented by the various arms of the Government.

2.1.14 Public Sector Reforms and Development

Performance contracting was institutionalized in Public Service and extended to cover Local Authorities, Tertiary Institutions as well as State Corporations besides ministries. This initiative improved Public Service delivery and profitability of state corporations leading to UN recognition and award. Rapid Results Initiative and Transformative Leadership were also introduced and cascaded to the provincial and district levels and their implementation is still in progress.

2.1.15 Streamlining Recruitment and Selection Processes


The sector over 2006/07 - 2008/09 facilitated the recruitment and promotions of 12,690 officers of whom 6,246 were new entrants. Selection and Recruitment was also automated through online advertisements and release of results on PSC's website. Time taken in processing recruitment indents and promotions was also reduced from eight and six months respectively to five and four months, for non-serving and serving officers from the time of receiving the indent.

2.4 Key Sector Performance Indicators

Table 2 shows the sector's programmes, outputs/outcomes and their performance indicators.

Table 2: Summary of Programme Outputs and Performance Indicators

Sub Programme	Outputs/ Outcomes	Key Performance Indicators
State houses and lodges infrastructure development.	Refurbished State houses and lodges in Nairobi, Mombasa, Nakuru and Sagana, Kakamega, lodges; Improved working environment	No of state houses rehabilitated No of state lodges rehabilitated State of working environment
Presidential media coverage	Improved coverage quality Satellite news gathering equipment procured	Level and quality of the news coverage Type of news gathering acquired
Mainstreaming cross cutting issues	embraced positive behavior change in work places; Survey reports on Drugs and Substance abuse	Dissemination workshops on HIV/AIDS ; Baseline survey on Drug and Substance Abuse carried out.
Recruitment, Selection & Exit	12,690 officers Recruited	No, type and cadre of public servants recruited and exiting service
Human Resource Audit	Human Resource audit reports Improved compliance on delegated powers	No of Human resource audits done Level of compliance in delegated powers
Exams & Occupational Tests	Improved proficiency among public officers Reviewed syllabi for administrative and clerical officers proficiency examinations.	No. officers sitting and passing the exams Performance levels Reviewed syllabi in use.
Sub Programme	Outputs/ Outcomes	Key Performance Indicators

Ethics and Integrity in the Public Service	Improved awareness on the Public Officers Ethics;	Level of awareness on the Public Officers Ethics Act among public Servants Level of compliance to Public Officers Ethics Act
District Planning	59 operational DIDCs created	No, location and status of operationalized DIDCs
	148 District Development Plans prepared	No of districts with completed District Development Plans
	Operational Rural Planning Website in place	Status of Rural Planning website
Constituency Development Fund	Prompt CDF disbursement	Ksh. 9.6 billion disbursed in financial year 2008/09
Millennium Development Goals Initiatives	MDG Mid – Term Report	Level of integration of MDGs in the planning process
Poverty alleviation initiatives (PEC)	120 No reconstituted and trained District Poverty Eradication Committees 	Location, No of reconstituted and trained PEC committee.
Community Development Programme	Project Work plan and budgets; Project Progress reports	No of Completed projects
Research, Macro Economic policy and regional integration	Vision 2030 Vision 2030 Medium Term Plan 2008 -2012	Status of Vision 2030 Status of MTP 2008-2012
Infrastructure, Social economic policy and Planning	Consolidated GOK/ UNICEF Projects Report in place	Status of Consolidate GOK/UNICEF Project Report
	KMA conference held and report prepared	2007 KMA Conference report No of participants
Monitoring & Evaluation	98 M&E National indicators	

		Status of ERS End Term report
Vision 2030 Delivery	Vision Delivery Secretariat in place	Status of Vision Delivery Secretariat
	4 presentations/ dissemination forums on Vision 2030 and its MTP to various stakeholders;	No. of dissemination forums
Mobilization of Financial Resources	Tax policies Rise in tax revenue from Ksh 379 billion to 487 billion	30% increase in revenue collection
	Debt legislation	Draft bill debated by December, 2009
Budgeting of Public Financial Resources	Budget process	Indicative Programme Based Budget Published
	Financial Management Act in place	Financial Management Procedures and Regulations and Procedures produced by September 2009
Management of Public Resources	46 No ministries/ Departments on IFMIS	Level of IFMIS coverage
Promotion of Investments, Private Enterprise and Competition	Business regulatory reforms in place: Public Private Partnerships guidelines gazetted	Time taken to register companies No of Public Private Partnerships in place.
Cabinet Services	Government structures/ institutions created: National/ sectoral Policies passed; Presidential Commissions /Tribunals /Task Force Reports and recommendations: Press communications issued;	No and type of Government structures created: No and type of policies passed; No. and types of reports generated: No and type of press briefs/communications issued:
Public Sector Advisory Services	National Economic and Social policies recommended to Cabinet for passing	No and type of policies recommended to Cabinet for approval

	Improved performance of state corporations State corporations Reform Strategy	Status of performance and management of state corporations:
	Volume of trade between the two countries : Kenya and Southern Sudan	Level of trade and investments between Kenya and Southern Sudan.
Formulation and Articulation of Kenya's Foreign Policy. (External Relations)	New Foreign Missions/ Consulates established in Dubai, Goma, Qatar, Muscat, Accra ,Arusha and Oman, Brasilia, Madrid, Seuol, Tripoli, Bangkok, Dublin	Level of bilateral relations with host countries No of Bilateral and multilateral agreements signed
	3 chanceries purchased	No of chanceries procured.
	Operational International Jobs Office.	Level of operation of the office
Human Resource Management and Development	Operational public service management policy	Level of implementation of public service management policy
	Inventory of critical skill areas needed for attainment of Vision 2030 in place	No. and type of critical skill areas identified
	Strategy on Stagnation and Succession Management in place	Status of Strategy

2.5 Expenditure Analysis

This section analyzes the estimates and actual expenditures for each sub sector for both recurrent and development budgets from 2006/07 – 2008/09.

2.5.1 Analysis of recurrent expenditure

Table 3: Recurrent Expenditure by Sub-Sector (KShs. Million)

Sub Sector	Approved Estimates			Actual Expenditures		
	2006/07	2007/08	2008/09	2006/07	2007/08	2008/09
State House	969	1,232	1,086	967	1,221	1,083
Office Of the Prime Minister	-	244	1,065.7	-	218.5	1,033.9
Presidency and Cabinet Affairs Office	1,420.0	1,535.3	1,221.6	1,052.4	1,476.6	1,152
Ministry of Finance	9,481	15,437	13,355	8,458	14,094	12,567
Ministry of Planning	1,260.4	1,891.2	2,755.5	1,142.7	1,797.6	2,672.4
Ministry of Foreign Affairs	6,835	6,820	7,826	5,912	6,238	7,397
Ministry of State for Public Service	2,362	1,903	1,245	2,313	1,819	1,210
Public Service Commission	248.3	302.62	365.1	239.96	298.07	363.3
Total	22,575.7	29,365.12	28,919.9	19,118.06	27,162.77	27,478.6

Source: Printed Estimates and Accounts

Resources allocated to the sector over the review period increased gradually from Ksh. 22,575.7 million in 2006/7 financial year and reached Kshs.29.365.12 in 2007/08 before falling to Ksh.28,919.9 million in 2008/9 as shown in Table 3. Actual expenditures for the same period also increased corresponding to the increase in allocations and service delivery as noted in Table 3. They rose from Ksh. 19,118.1 million in 2006/7 financial year to reach Kshs. 27,478.6 million in the 2008/9 financial year and were contained within the budget allocation which is partly attributed to institution of austerity measures on discretionary expenditures such purchases for furniture, equipment, and hospitality and especially in 2008/09. IFMIS failures, late approval of the Revised Budget, liquidity problems also led to non utilization of the full votes. Non payment of anticipated commitments like the implementation of the succession management plan in the Ministry of Finance also led to under expenditures. In addition, there were also occasional IFMIS system failures, liquidity problems and the late approval of the revised budget hence expenditures on the economic stimulus like KKV among others were not be undertaken on schedule.

2.5.2 Analysis of Development Expenditure

Table 4: Development Expenditure by Sub-Sector (KShs. Million)

Sub Sector	Original Budget Estimates			Actual Expenditure		
	2006/07	2007/08	2008/09	2006/07	2007/08	2008/09
State House	348	189	222	347	185	133
Office Of the Prime Minister	-	184	77.3	-	31.1	208.7
Cabinet Affairs Office	332.796	99.67	2,947.2	181.4	49.0	1,510.7
Ministry of Finance	34,894	61,821	14,379	32,525	58,889	9,915
Ministry of Planning	1,187.8	2,382.1	13,006.7	904.2	1,424.1	12,220.2
Ministry of Foreign Affairs	735	979	1,818	676	823	1,611
Ministry of State for Public Service	157	335	322	200	417	321
Public Service Commission	-	-	-	-	-	-
Total	37,654.596	65,989.77	32,772.2	34,833.6	61,818.2	25,919.6

Source: Printed Estimates and Annual Accounts

The sector's development allocation fluctuated from Ksh 32,772.2 million in 2008/09 to Ksh 65,989.77 in 2007/08 as shown in Table 4. Actual expenditures on development also fluctuated but fell within the allocations. The failure to absorb all the allocations is attributed to long procurement procedures, effects of the post election violence and the late approval of the Revised Budget as well as liquidity problems.

2.5.3 Analysis of Externally Funded Programmes

The sector implements externally funded programmes such as the Environmental Support Programme, Community Development Programme (CDP) and the EU funded Community Development Environmental Programme managed by the Community Development Trust Fund. Other projects include the GOK/IFAD funded programmes of Central Kenya Dry Area Community Development Programme (CKDAP) and South Nyanza Community Development Programme (SNCDP) under the Ministry of State for Planning, National Development and Vision 2030. The sector is further implementing the Public Financial Management Reform Programme (PFMR), the Financial and Legal Sector Technical Assistance Programme (FLSTAP), and the Public Sector Reforms funded by the World Bank (IDA), African Development Bank, (ADB) European Union,

GOK and other donors. Table 5 shows the allocations and actual expenditures for the externally funded projects in the sector.

Table 5: Externally Funded Programme expenditures 2006/7- 2008/09 (Kshs. millions)

Programme	Original Budget Estimates			Actual Expenditure		
	2006/07	2007/08	2008/09	2006/07	2007/08	2008/09
South Nyanza Community Development programme	237.2	191.6	240.9	29.9	136.8	221
Central Kenya Dry Areas Programme	201.7	207.2	228.5	77	77.9	162.7
Community Development Environmental Management	135.11	313.42	270.18	79.83	165.41	185.81
Environmental Programme Support (EPS)	0.00	146.00	407.10	0.00	46.93	205.97
Community Development Programme	283.69	381.63	518.60	197.98	187.66	460.99

Source: Printed Estimates and Annual Accounts

As noted in Table 5, resources allocated to these projects increased over the review period. Utilization of resources on the projects was however low and stood at 44.8%, 49.5% and 74.2% for 2006/07, 2007/08 and 2008/09 respectively. The underutilization is attributed to lengthy procurement procedures, delayed release of donors funds, delays in the submission of expenditure returns and the late release of the Revised Budget.

2.6.0 Analysis of Pending Bills

Total pending bills fluctuated over the period shot from Kshs.292.3 million in 2006/07 to Kshs.1,674.08 million in 2008/09. Liquidity related bills shot from Kshs.174.3 million in 2006/07 to reach Kshs.499.73 million in 2008/09 while bills arising from non provision shot from Kshs.118 million in 2006/07 to Kshs.1,686.8 million in 2008/09. An enormous development bill of Kshs.1,150 million was incurred in 2008/09 and arose from a court award in favour of Inspection Control Services and Computer Applications Limited against Ministry of Finance and this had not been anticipated. Table 6 and 7 show the pending bills by type.

2.6.1 Recurrent Pending Bills

Table 6: Summary of Pending Bills by Nature and Type in Ksh (million)

	Due to lack of liquidity	Due to lack of provision.
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Type/nature	2006/07	2007/08	2008/09	2006/07	2007/08	2008/09
State House	102	36	12	102	36	12
Office Of the Prime Minister	-	-	17.8	-	-	-
Cabinet Affairs Office	6.2	49.14	9.37	-	-	-
Ministry of Finance			343.9	-	-	-
Ministry of Foreign Affairs	34	61	60	-	-	-
Public Service Commission	-	-	8.41	-	-	-
Ministry of Planning & Vision 2030	16.1	-	12.3	-	-	-
Total	158.3	146.14	463.78	102	36	12

Source: Printed Estimates and Annual Accounts

The sector incurred recurrent pending bills amounting to Ksh 260.3 million, Ksh182.14 million and Ksh475.78 in 2007/07, 2007/08 and 2008/09 respectively. The bills arose from liquidity problems as well as non provision as shown in Table 6. Most of the bills however arose from liquidity problems as well as the failure of the IFMIS. The bills were however cleared as a first charge in the following year.

2.6.2 Development Pending Bills

Table 7: Summary of pending bills by nature and type in Ksh (million)

Type/nature	Due to lack of liquidity			Due to lack of provision.		
	2006/07	2007/08	2008/09	2006/07	2007/08	2008/09
State House	16	-	0.05	16	-	0.05
Office Of the Prime Minister	-	-	1.2	-	-	-
Ministry of Finance	-	-	61.7	-	-	1,150
Ministry of Planning & Vision 2030	-	10.5	-	-	-	12.3
Total	16	10.5	62.95	16	-	1,162.35

Source: Printed Estimates and Annual Accounts

The sector incurred development pending bills amounting to Ksh.16 million, Ksh10.5million, and Ksh 62.95million respectively for the years 2006/7, 2007/08 and 2008/9 as a result of liquidity problems. Bills amounting to Ksh. 16 million and Ksh 1162.35million were also incurred due to lack of provisions. This is due to the mandatory budget cuts during the Revised Budget and litigation awards against the government of

Ksh 1,150 million court in favour of Pre-shipment Inspection Control Services (ICS) and Computer Application Limited (CAL) which had not been provided for in the budget.

CHAPTER THREE

3.0 Medium Term Priorities and Financial Plan for the MTEF Period 2010/11 – 2012/13

3.1 Prioritization of Programmes and Sub Programmes

3.1.1 Programmes and their Objectives

3.1.1.1 Management of State Affairs

To provide timely and quality services in a conducive working environment to the Presidency through efficient utilization of resources to enable the President fulfill His constitutional mandate

3.1.1.2 Coordination and Supervisory Services

Link up Government through policy and programme harmonization and improve on service delivery

3.1.1.3 Public Financial Management

To mobilize, allocate and manage public financial resources and coordinate preparation of the annual budget in liaison with other Government Ministries, Departments and Agencies.

3.1.1.4 Development and Stabilization of the Financial Sector

To facilitate economic development by supervising and regulating financial institutions and markets

3.1.1.5 Promotion of Investments, Private Enterprises and Competition

To create an enabling environment for private sector participation in economic development by providing incentives to investors, implementing regional and international economic cooperation agreements, curbing unfair trade practices, removing barriers to trade and investment and safeguarding the rights of consumers.

3.1.1.5 District planning and Community Development

To enhance the standard of living for the rural population by providing social economic infrastructure and coordinating and implementing sustainable community based projects in rural Kenya.

3.1.1.6 Coordination of Policy formulation and Implementation of Vision 2030

Enhanced capacity in policy formulation, research and implementation of Vision 2030 so as to make Kenya a competitive and a prosperous country of middle income status by 2030

3.1.1.7 Cabinet Services

To ensure efficient organization and facilitation of Government Business including communication of public policies

3.1.1.8 Public Sector Advisory Services

To provide timely, consistent and accurate policy advice on social and economic matters, trade and investment in Southern Sudan and State Corporations management

3.1.1.9 Promotion and safeguarding of Kenya's interests abroad

To provide professional and world class diplomatic service that effectively promotes Kenya's national interests abroad.

3.1.1.10 Human Resource Management and Development

To improve service delivery in the public sector through increased productivity of the Human Resources.

3.1.1.11 Administration of Human Resources in Public Service

To avail competent, skilled, responsible and accountable human resources in the public service for effective and efficient service delivery to support all pillars of the vision 2030

3.1.2 Programmes, Sub Programmes, Expected Outcomes, Outputs and Key Performance Indicators for the Sector

Sub Programmes	Key Outputs	Key Performance Indicators
<p>Programme Name: Management of State Affairs</p> <p>Outcome: Improved service delivery to the Public</p>		
<p>Coordination of State functions</p>	<p>State Hospitality</p> <p>State Policy Research and Pronouncements</p> <p>Developed Infrastructure in</p>	<p>3 Functions held (Madaraka day, Kenyatta day and Jamhuri day)</p> <p>Government Policy</p> <p>Improved State</p>

	State Houses and Lodges Presidential functions/activities coverage.	Houses/State Lodges infrastructure and facilities State/Presidential functions held Daily Press briefs and releases
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Programme Name: Coordination and Supervisory Services

Outcome: Well Coordinated and Functional Government

Communication and Press Services	Public Service wide communication strategy on priorities developed and implemented.	Communication strategy in place.
Political and Parliamentary Affairs	Parliamentary briefs on performance by Government prepared and presented.	Number of Parliamentary briefs prepared, finalized and presented.
Public Sector Transformation	Capacity of MDAs for delivery built. Results Based Management mainstreamed in the Public service	Capability review reports. Capacity assessment reports and action plans.

Sub Programmes	Key Outputs	Key Performance Indicators
	Outcome-driven human resource management reform strategy implemented. Professionalism, integrity and value in the Public Service promoted. Service delivery improvement plans developed and implemented.	New Published guidelines and regulations on HRM. Compliance reports of respective Codes of Ethics. New service delivery regulations documented and in use.

Performance Contracting Management	<p>Prioritization in strategic planning and management strengthened.</p> <p>Enhanced performance evaluation of public service.</p> <p>Framework to increase citizen participation in decision-making and service delivery created.</p>	<p>Number and type of public agencies placed on performance contracts</p> <p>Level of cascading of Performance contracts</p> <p>New MDA-specific customer satisfaction surveys tools and reports.</p>
Coordination Services	<p>Mechanisms for resolving conflicts on ministerial mandates established.</p> <p>Framework for stakeholder engagement developed.</p> <p>National priorities and budgeting linkages strengthened.</p> <p>Strategy for coordination and implementation of national priorities developed.</p>	<p>Published guidelines on conflict resolution.</p> <p>Approved and published public sector stakeholder policy.</p> <p>Consultation mechanism between OPM and Ministry of Finance on MTEF process developed.</p> <p>Strategies developed by MDAs around specific national priorities.</p>

Sub Programmes	Key Outputs	Key Performance Indicators
Supervisory Services	<p>Oversight and quality control mechanisms for management and policy making enhanced.</p> <p>Management and value for money audits.</p> <p>Annual evaluation of MDAs.</p>	<p>Published policy handbook.</p> <p>Management and value for money audits reports.</p> <p>Evaluation reports.</p>
Monitoring and Evaluation Services	<p>Public service delivery enhanced.</p> <p>Analysis and feedback of periodic MDAs performance.</p>	<p>Public service delivery evaluation reports.</p> <p>Feedback reports.</p> <p>M&E guidelines and tools developed.</p>

	Mechanisms for proactive tracking of delivery of priorities developed.	Ministerial Evaluation reports.
Programme Name: Public Financial Management		
Outcome: Efficient allocation of public financial resources		
Mobilization of Financial Resources	Tax policies	30% increase in revenue collection
	Debt legislation	Debt Draft bill
Budgeting of Public Financial Resources	Budget process	Budget Policy Statement submitted to Parliament by 21 st March each year
	Financial Management Act	Financial Management Procedures and Regulations in place
Management of Public Resources	Interest rates	Fiscal deficit at less than 3.6 percent of GDP
	IFMIS	Level of IFMIS rolled out

Programme Name: Development and Stabilization of the Financial Sector		
Outcome: Strong-form financial market efficiency		
Development and Stabilization of the Financial Sector	Inflation	Average annual inflation rate of 15%
	Banking industry	All banks meeting capitalization requirements by June 2010
Programme Name: Promotion of Investments, Private Enterprise and Competition		
Outcome: Market determination of prices and increased investment		
Promotion of Investments, Private Enterprise and Competition	Business regulatory reforms	Number of Business reforms initiated
	Public institutions placed under PPP framework	Number and type Public institutions placed under PPP framework
Programme Name: District planning and Community Development		

Outcome: To enhance the standard of living for the rural population by provision of technical and legal services in coordination and implementation of sustainable community projects in rural Kenya.		
District Planning	Constituency Resource Management Strategy developed	CRMS operational
	Enhanced capacity for implementation of decentralized planning services	Regional Dissemination Workshops for the DDPs; Recruit additional field officers
	District Data base established	107 DIDCs supported
	Enhance Provincial Monitoring & Evaluation Committee tours	32 Provincial Monitoring & Evaluation Committee reports;
Constituency Development Fund	Increase public awareness of devolved funds; Enhance stakeholder participation in development activities; Enhance gender equality; Increase stakeholder to demand for accountability;	Type of IEC messages delivered; No of persons reached with various capacity development activities; No of Women & girls forum facilitated; Over 95 % disbursement of allocated funds;
Millennium Development Goals & Poverty Alleviation Initiatives	Upscale and institutionalizing Revolving Loan Scheme in the pilot districts	Up-scale RLS funding and capacity build DPECs in 24 districts 6 Six districts in 2 provinces per Quarter Number of beneficiaries
	Policy documents on poverty prepared	A study to identify poverty hotspots and best poverty alleviation strategy document prepared
	Project proposals received and implemented under the quick wins poverty eradication initiative	Quarterly MDGs progress Reports
	Investment Handbook for midsized cities under the Millennium Cities	Hold one investment conference for Kisumu
	Mainstream MDG into national policy, planning and budgeting	MDG compliant District Development Plans and

		policies
	Pro-poor projects implemented CEISP loan agreement	Project report
	Innovative strategies selected and piloted	No. of strategies piloted
Programme Name: Coordination of policy formulation and Vision 2030		
Outcome: Better Quality of Life for all Kenyans Through Informed Policy Decisions on Economic Growth and Regional Integration by the Year 2030		
Research, Macro Economic policy and Regional Integration	MTP 2013-2017 developed	MTP 2013-2017
	Preparation of Sector Plans (2013-2017) coordinated	Sector Plans 2013-2017
	Sector policy briefs	24 policy briefs
	Developed capacity on policy implementation	Train 16 officers
	T21 macroeconomic model developed	T21 model
	Relevant Division in Macro (Research, Modeling & forecasting and South-South unit) established	2 Divisions and 1 unit
	Skills on policy research, modeling & forecasting and negotiation developed	Officers trained in policy research, modeling and forecasting and negotiation skills
	ACP-EU Council of Ministers hosted	Conference/Reports
	Regional and international economic corporation (EAC, IGAD, COMESA, AU, TICAD IV, UNGA, UNCTAD, ACP- EU) promoted	Country position papers and conferences
	Monitor and evaluate the implementation of the APRM National Programme of Action;	APRM Reports
Support the implementation of national priority projects identified in Vision 2030 that have a direct link to NEPAD and APRM NPoA	APRM Reports	

	Coordinate and promote partnership at international, continental, regional, national and local level to build synergy and enhance efficiency and acceptability of NEPAD and APRM.	APRM Reports
	Implement an integrated Information, Education, Communication and Advocacy Strategy	No. of advocacy forums
	Leverage NEPAD's acknowledged mandate and international recognition to mobilize additional resources	Amount of resources
Infrastructure, Social economic policy and Planning	Established Governance Division in Sectoral Directorate	Governance Division
	Status reports on social budgeting under GoK-UNICEF programmes	16 status reports
	Established KMA Kenya Chapter	KMA Kenya Chapter
	Skilled maternity services provided to poor mothers through subsidized vouchers	Poor mothers reached in 3 rural districts and 2 slums of Nairobi
	Pilot community surveillance survey conducted to inform policy	Survey conducted and report prepared
	Major population and RH events documented	8 events recorded and VCDs/DVDs produced
Monitoring and Evaluation Systems	M&E policy developed	NIMES institutionalized
	Staff recruited	20 M&E specialists
	Computerized M&E system developed and implemented	Operational M&E system
	Public Expenditure Reports (PER) prepared	4 PER reports
	Revitalized District M&E Committees	600 District Annual Monitoring and Evaluation Reports.
	Quarterly, Mid-Term and Annual	Quarterly, Mid-Term and

	Progress Report on Vision 2030 First Medium Term Plan 2008-2012 prepared	Annual Progress Reports
Vision Delivery	Sector delivery and working teams Quarterly, Mid-Term and Annual Progress Report on Vision 2030 flagship projects Disseminate progress on implementation of vision 2030	Teams and groups established and guidelines disseminated Progress Reports Dissemination workshops
Programme Name: Cabinet Services		
Outcome: Efficient and harmonious operations of the Government		
Organization and facilitation of Government business	New Government structures created Government policies passed	Policies made
	Commissions/Tribunal/Taskforce reports made	Reports generated
	Presidential Honours and awards investiture	Presidential Honours and awards investiture
	Improved understanding of Government policy among the public	Number of public communication issued
Programme Name: Public Sector Advisory Services		
Outcome: Improved performance and management of State Corporations, Improved economic and trade relations with Southern Sudan, and Improved		
Economic and Social Advisory Services	Economic and social Policies reviewed and recommended to Cabinet for adoption Timely, accurate and evidence based advice on social and economic matters	Number of policies recommended to Cabinet for approval
State corporations Advisory Services	Improved performance of State Corporations	Status of performance and management of State Corporations
Kenya – Southern - Sudan	Volume of trade and investment between the two countries	Level of trade between two countries

Liaison Services		Level of Kenya's investments in Southern Sudan
Programme: Promotion and Safeguarding Kenya's Interest Abroad		
Outcome: Improved image among nations		
Formulation and Articulation of Kenya's Foreign Policy	Expanded diplomatic representation Kenya's profile in the world	Open new missions/ consulates in Yaoundé, Cape Town, Luanda, Havana and Arusha Level of Kenya's profile in the world
	Bilateral and multilateral agreements and MoUs	Number of Bilateral and multilateral agreements and MoUs concluded
	Dissemination of information on Kenya's position on topical issues Proactive media strategy	Monthly publications Dynamic website in place Media strategy document
	Increased placements of Kenyans in international jobs	Number of placements
	New missions/consulates opened in Younde,Cape Town, Luanda, Arusha, Goma,Oman	No, location and type of mission opened
	Agreement frameworks and MOUs signed	No and type of agreements and Mous signed
	Contribution to regional peace and political stability	Number of summits/conferences/meetings hosted and /or attended.
	Infrastructural Development for Missions	Chancery purchased in Brussels Ambassador's residence acquired in Beijing and Tokyo
Well maintained properties		No of Refurbish government owned properties in 11

		missions abroad.
	Reduction in rents	% reduction in rent expenses
	Networked missions with headquarters	Number of networked missions
Programme Name: Human Resource Management and Development		
Outcome: Efficient Public Service delivery by competent employees and streamlined management system		
Human Resource Management	Efficient and effective public service management system	Implemented a public service management strategy
	Competitive and fair remuneration of public servants	Harmonized pay and allowance structures
	Efficient tracking of human resource data	Roll out of the Registry Management System Software
Human Resource Development	Adequate competencies and skills to drive the vision 2030	Critical training skill areas for vision 2030 implemented
Management Consultancy Services	Harmonized career guidelines	No of career guidelines developed
	Draft framework for developing schemes of service	
	Restructured ministries/Departments 17 studies completed	Ministries/Departments No. of Organizational studies undertaken 5 studies on-going
Development of GTIs	<ul style="list-style-type: none"> New modern Hostel blocks constructed in GTIS Refurbishment of Buildings in GTIs and HQs 	<ul style="list-style-type: none"> No. of New modern Hostel blocks constructed in GTIS No. Refurbished Buildings in GTIs and HQs
Programme Name : Administration Of Human Resources In the Public Service		
Outcome: Excellent Human Resource Capacity For Efficient And Effective Public Service Delivery		
Recruitment and selection, stay and exit management	<ul style="list-style-type: none"> Competent Human Resource deployed in the service HR database in place 	<ul style="list-style-type: none"> Number of officers recruited and promoted Disaggregated data of new appointment by <ul style="list-style-type: none"> Gender. District.
Promotion of	<ul style="list-style-type: none"> Improved awareness of the 	<ul style="list-style-type: none"> Level of awareness on public

integrity and ethics for public officers	public officers ethics Act	officers ethics Act
Occupational Tests and Examinations	Improved skills	Number of successful officers trained
Human Resource Audit Programme	Audit Reports	Level of compliance in exercise of delegated powers

3.1.3 Programmes by Order of Ranking

Prioritization of Programmes within Each Sub Sector

The sub sectors in this sector have prioritized their programmes as follows:

3.1.3.1 State House

Management of State Affairs

3.1.3.2 Office of the Prime Minister

Coordination and Supervisory Services

3.1.3. Cabinet Office

- Cabinet Services
- Public Sector Advisory Services

3.1.3.4 Ministry of Finance

- Public Financial Management
- Development and Stabilization of the Financial Sector
- Promotion of investments, Private Enterprises and Competition

3.1.3.5 Ministry of State for Planning, National Development and Vision

- District planning and Community Development

- Coordination of Policy formulation, Statistical Services and Implementation of Vision 2030

3.1.3.6 Ministry of Foreign Affairs

- Promotion and Safeguarding of Kenya's Interests Abroad

3.1.3.7 Ministry Of State for Public Service

- Human Resource Management and Development

3.1.3.8 Public Service Commission

Administration of Human Resources in the Public Service

3.2 Analysis of Resource Requirements by;

3.2.1 Sector

The sector's resource requirement for 2009/10 stood at Ksh 85,187 million and is projected to increase to Ksh 105,638.4 in 2010/11 before falling to Ksh 102,147 million and Ksh 101,330 million in 2011/12 and 2012/13 respectively.

The following table shows resource requirements by each sub sector

Sub Sector	Estimates (Kshs million) 2009/10	Estimates (Kshs million) 2010/11	Projected Estimates (Kshs million)	
			2011/12	2012/13
State House	1,199	1,474	1,569	1,645
Office of the Prime Minister	1,898.2	3,896.8	4,192.4	4,528
Office of the Deputy Prime Minister and Ministry of Finance	53,606	60,424	52,844	47,444
Ministry of State for Planning National Development & Vision	16,508	24,680	27,033.5	30,129.2

2030				
The Presidency and Cabinet Affairs Office	1,170.4	1,472.6	1,531.5	1,610.5
Ministry of Foreign Affairs	8,504	8,932	9,598	10,358
Ministry of State for Public Service	1,894	3,740	3,838	3,942
Public Service Commission	407.9	1,019.05	1,541.33	1,673.57
Total	85,187.5	105,638.45	102,147.73	101,330.27

3.2.2 Sub Sectors

While the sector resource requirement was estimated to be Kshs. 105.6 billion for the F/Y 2010/11, the sector ceilings was Kshs 43.92 billion which was shared by the sub-sectors as follow

Sub Sector	Estimates (Kshs million) 2009/10	Estimates (Kshs million) 2010/11	Projected Estimates (Kshs million)	
			2011/12	2012/13
State House	1,199	1,165	1,569	1,645
Office of the Prime Minister	1,898.2	2,091	4,192.4	4,528
Office of the Deputy Prime Minister and Ministry of Finance	53,606	12,927	52,844	47,444

Ministry of State for Planning National Development & Vision 2030	16,508	16,247	27,033.5	30,129.2
The Presidency and Cabinet Affairs Office	1,170.4	1,473	1,531.5	1,610.5
Ministry of Foreign Affairs	8,504	7,731	9,598	10,358
Ministry of State for Public Service	1,894	1,796	3,838	3,942
Public Service Commission	407.9	490	1,541.33	1,673.57
Total	85,187.5	43,920	102,147.73	101,330.27

3.2.3 Programmes and Sub Programmes

The resources projected for 2010/11- 2012/13 will be applied in the following programmes and sub programmes in the sector.

3.1 Summary of expenditure by programme & sub programmes

Ministry of State for Public Service				
Programme 1: Human Resource Management and Development				
Sub programme Name	Estimates	Estimates	Projected estimates	
	2009/10	2010/11	2011/12	2012/13
SP 1.1 Human Resource Management	115	102	120	134
SP 1.2 Human Resource Development	1,280	1,226	2,255	2,264
SP 1.3 Management Consultancy	110	85	125	143
SP 1.4 Development of GTIs	390	383	420	434
Total Expenditure	1,895	1,796	2,920	2,975
Ministry of State for Planning, National Development and Vision 2030				
Programme 2: District planning and Community Development				
SP 1.1 District Planning	1,086	787	5,280	6,294

SP 1.2 Constituency Development fund	12,329	14,283	14,116	15,104
SP 1.3 Millennium Development Goals & Poverty alleviation initiatives	489	264	1,802	1,857
SP 1.4 Community Development Programme	1,638	210	2,152	2,433
Total Expenditure	15,543	15,544	23,349	25,687
Programme 3: Coordination of policy formulation and Vision 2030				
SP 2.1 Research, Macro Economic policy and regional integration	169	215	867	924
SP 2.2 Infrastructure, Social economic policy and Planning	441	203	1,099	1,143
SP 2.3 Monitoring & Evaluation Systems	172	127	748	1,275
SP 2.4 Vision 2030 Delivery	183	158	970	1,000
Total Expenditure	965	703	3,684	4,342
Public Service Commission				
Programme 4: Recruitment, Selection and Exit	225	276	833	902
Programme 5: Human resource audit Programme	72	84	270	295
Programme 6: Promotion of integrity and ethics for public officers	33	39	133	145
Programme 7: Occupational tests and examinations	78	90	305	331
Total Expenditure	408	491	1,541	1,674
The Presidency and Cabinet Affairs Office				
Programme 8. Cabinet Services				
S.P 1.1 Organization of Government Business	733	834	850	885
S.P 1.2 Public Communication	210	337	352	369
Total Expenditure	943	1,170	1,202	1,254
Programme 9: Public Sector Advisory Services				
S.P 2.1 Economic and Social Advisory Services	125	172	184	200
S.P 2.2 State Corporations Advisory Services	62	74	80	85
S.P 2.3 Kenya-Southern Sudan Advisory Services	41	56	66	72
S.P. 2.4 e- Government Advisory Services	0	0	0	0

Total Expenditure	227	303	330	357
Ministry of Foreign Affairs				
Programme 10: Promotion and Safeguarding Kenya's Interests Abroad				
SP 1.1 Formulation and Articulation of Kenya's Foreign Policy	7,767	7,058	7,518	8,027
SP 1.2 Infrastructural Development for Missions	955	673	773	873
Total Expenditure	8,722	7,731	8,291	8,900
Office of the Prime Minister				
Programme 11: Coordination and Supervisor Services				
SP 11.1 Communication And Press Services	114	112	326	374
SP 11.2 Political And Parliamentary Affairs	405	311	714	821
SP.11.3 Public Sector Transformation	185	186	340	345
SP. 11.4 Performance Contracting Management	42	70	278	282
SP. 11.5 Coordination Services	734	976	1,575	1,592
SP. 11.6 Supervisory Services	109	126	531	620
SP.11.7 Monitoring And Evaluation Services	310	310	430	495
Total Expenditure	1,898	2,091	4,192	4,528
Office of the Deputy Prime Minister and Ministry of Finance				
Programme 12: public financial management				
SP.12.1 Mobilization of Financial Resources	5,470	4,594	27,503	25,015
SP.12.2 Budgeting of Public Financial Resources	1,318	1,318	4,391	4,399
SP.12.3 Management of Government Resources	4,744	4,744	18,365	15,440
Total Expenditure	11,532	10,656	50,259	44,854
programme 13: Development and Stabilization of the Financial Sector	1,480	1,480	1,855	1,857
Programme 14: Promotion of Investments, Private Enterprises and Competition	298	791	730	733
State House				
Programme 15: Management of state Affairs	1,199	1,165	1,569	1,645
Grand Total	45,110	43,920	99,923	98,805

3.2.4 Economic Classification

The resource requirements projected for the sector will also be applied on the following economic expenditure categories by sub sector.

	Estimates	Estimates	Projected estimates	
	2009/10	2010/11	2011/12	2012/13
3.2 Summary of expenditure by Economic Classification				
Ministry of State for Public Service				
(1) Current Expenditure	1462	1380	2358	2385
Compensation to Employees	350	368	431	452
Use Of Goods and Services	792	927	1,840	1,851
Current Transfers Govt. Agencies	248	20	20	20
Other Recurrent	72	65	67	62
(2) Capital Expenditure	433	416	562	590
Acquisition of non-financial assets	0	0	0	0
Current Transfers Govt. Agencies	20	15	15	15
Other Development	413	401	547	575
Grand Total	1,895	1,796	2,920	2,975
Ministry of State for Planning, National Development and Vision 2030				
i.Compensation of employees	344	440	626	746
ii. Use of Goods and Services	560	521	2,669	3,249
iii. Grants and Transfers	340	341	1,398	1,446
iv. Acquisition of Non Financial Assets	172	139	1,625	1,905
Total Recurrent	1,416	1,441	6,318	7,346
(2) Development				
ii. Acquisition of Non Financial Assets	1,201	205	3,075	3,570
iii. Capital Transfers	13,190	14,532	16,150	17,363
iv. Other Development	701	69	1,491	1,850
Total Development	15092	14806	20715.5	22683.2
Total Expenditure	16,508	16,247	27,034	30,029
Public Service Commission				
1.Current Expenditure				
Compensation of employees	151	166	372	380
Use of goods and services	200	250	518	526
Acquisition of non financial Assets	57	74	251	168
Current Expenditure				
Capital expenditure				
Other Development (ultra modern Commission building)	0	1	400	600

Total expenditure	408	490	1,541	1,674
The Presidency and Cabinet Affairs Office				
1.Current Expenditure	978	1,248	1,300	1,375
Compensation to Employees	247	314	324	336
Use of Goods & Services	681	876	912	970
Current Transfers to Government Agencies	50	58	64	68
Other Recurrent				
2. Capital Expenditure	193	225	232	236
Acquisition of Non-Financial Assets	40	70	75	79
Capital Transfers to government Agencies	100	100	100	100
Other Development	52	55	57	57
Total Expenditure of Vote	1,170	1,473	1,532	1,610
Ministry of Foreign Affairs				
1) Current Expenditure	7,709	7,000	7,487	8,015
Compensation of Employees	3,041	3,475	3,614	3,759
Use of Goods and Services	3,861	2,681	2,948	3,243
Current Transfers Govt. Agencies	763	800	880	968
Other Recurrent	44	44	45	45
2)Capital Expenditure	1,013	731	804	885
Acquisition of Non-Financial Assets	1,013	731	804	885
Capital Transfers to Govt. Agencies				
Other Recurrent				
Total Expenditure	8,722	7,731	8,291	8,900
Office of the Prime Minister				
I. Current	1,213	1,343	2,200	2,392
i. Compensation of employees	286	342	672	707
ii. Use of Goods and Services	927	1,001	1,529	1,685
iii. Grants and Transfers	0	0	0	0
iv. Acquisition of Non Financial Assets	0	0	0	0
II. Capital	686	748	1,992	2,137
ii. Acquisition of Non Financial Assets	686	748	1,992	2,137
iii. Capital Transfers	0	0	0	0
iv. Other Development	0	0	0	0
Total Expenditure	1,898	2,091	4,192	4,528
Office of Deputy Prime Minister and Ministry of Finance				
1) Current Expenditure	12,179	11,797	28,855	30,963
Compensation of Employees	1,477	2,000	2,047	2,070
Use of Goods and Services	2,969	2,243	7,448	7,845
Current Transfers Govt. Agencies	7,733	7,554	15,360	17,048

Other Recurrent	0	0	4,000	4,000
2)Capital Expenditure	1,130	1,130	23,989	16,481
Acquisition of Non-Financial Assets	330	330	8,138	7,855
Capital Transfers to Govt. Agencies	493	493	9,435	4,610
Other Recurrent	307	307	6,416	4,016
Total Expenditure	13,309	12,927	52,844	47,444
State House				
1) Current Expenditure	920	899	1,204	1,230
Compensation of Employees	177	184	195	203
Use of Goods and Services	740	710	1,002	1,019
Current Transfers Govt. Agencies	0	0	0	
Other Recurrent	3	5	7	8
2)Capital Expenditure	279	266	365	415
Acquisition of Non-Financial Assets	279	266	365	415
Capital Transfers to Govt. Agencies	0	0	0	0
Other Recurrent	0	0	0	0
Total Expenditure	1,199	1,165	1,569	1,645
Grand Total	45,110	43,919	99,923	98,805

3.3 Sector requirement by economic classification

Economic Classification	Estimates 2009/10	Estimates 2010/11	Projected estimates	
			2011/12	2012/13
(1) Current Expenditure	26,284	25,597	50,863	54,779
Compensation to Employees	6,073	7,288	8,281	8,652
Use Of Goods and Services	10,730	9,209	18,866	20,388
Current Transfers Govt. Agencies	9,191	8,847	17,973	19,718
Other Recurrent	291	253	5,744	6,020
(1) Capital Expenditure	18,825	18,322	49,060	44,027
Acquisition of non-financial assets	3,549	2,350	14,449	14,940
Capital Transfers Govt. Agencies	13,803	15,140	26,100	22,088
Other Development	1,473	832	8,511	6,998
Grand Total	45,110	43,919	99,923	98,805

3.3.3 Semi Autonomous Government Agencies

The Sector has a total of twelve SAGAs namely Kenya Revenue Authority (KRA), Privatization Commission, Public Procurement Authority, Ken Invest, Kenya Institute of Public Policy Research and Analysis (KIPPRA), NEPAD, NCAPD, PEC, CDTF, Vision 2030 Secretariat, CDF and Kenya Institute of Administration

Total budget for the SAGAs stood at Kshs. 22,681.5 million for 2009/10. This amount is projected to increase to Kshs.33, 524.1 million, Kshs. 35,883.4 million and Kshs. 38,841 million in 2009/10, 2010/11, 2011/12, 2012/13 respectively as shown in the above matrix. CDF and KRA will consume most of the resources allocated to SAGAs in this sector.

Sub Sectors	SAGAS	Estimates (Kshs million)	Estimates (Kshs million)	Projected Estimates (Kshs million)	
		2009/10	2010/11	2011/12	2012/13
Ministry of State for Planning National Development & Vision 2030	NEPAD	64.9	370.2	435	440
	NCAPD	204.5	573	623	666
	PEC	175.1	207.9	267.9	318.4
	CDTF	701	958	1213	1408
	Vision 2030 Secretariat	183	920	970	1000
	CDF	12,329	14,283	14,115.5	15,103.6
Ministry of State for Public Service	KIA	40	35	35	35
Ministry of Finance	KRA	7,979	14,653	15,439	16,544
	PPOA	200	200	200	200
	Kenya Institute of Supplies Management	45	60	100	100
	Privatization Commission	360	1,497	1,568	1,834
	Kenya Investment Authority	400	858	917	1,192
Total		22,681.5	34,615.1	35,883.4	38,841

CHAPTER FOUR

4.1 Cross - Sector Linkages

The Public Administration and International Relations Sector comprise key Ministries in the management of the Government provides policy direction, ensures and facilitates performance as well as mobilization of resources. Due to the nature of mandates of sector Ministries, it maintains close linkages with other MTEF sectors.

At the higher level, the Presidency and Cabinet Affairs Office provides overall policy and leadership direction for all Government Ministries/Departments and thus maintains close linkages with them on all government matters. It facilitates the passage of public policies for all public agencies besides playing a key role of creating government institutions/structures necessary for provision of public services. It also organizes government affairs which affect the operations of other MTEF sectors.

The Office of the Prime Minister interacts with other sectors by coordinating and supervising activities under their implementation for achievement of national goals and objectives. This function ensures that programmes and projects are implemented efficiently and effectively. For measurement purposes, the office coordinates performance contracting and Public Service Reforms which endeavor to improve service delivery in the entire service. Some of the funds earmarked for this sector will be used to deepen the ongoing reforms while new ones will be initiated when required.

Through these initiatives, the sector ensures that public services meet the expectations of Kenyans and the competitiveness desired in the economy.

Besides keeping close liaison with other ministries on matters of performance contracting and reforms, this sector promotes accountability and productivity of resources through the efficiency monitoring function. The sector thus complements other arms of the Government in ensuring good governance in the public sector. The sector also oversees state corporations in all the sectors as provided for by the state Corporations Act Cap. 446 and further provides policy advice on their management. It also provides a mechanism for resolving some of the problems ailing the corporations with the objective of improving their performance and adherence to government policy.

The sector also plays an key role in policy formulation and coordination through he ministry of Planning. It thus monitors and facilitates formulation and implementation of the national sectoral and strategic plans of all Ministries in the Government to ensure focus on the set targets. Besides planning the sector coordinates planning in all Ministries and through this policy is linked to planning and budgeting for national development

It also relates with other sectors through deployment of financial and human resources for execution of ministries. Further, the sector facilitates service delivery through promotion of ICT and e-Government in the government ministries. In the coming budget period, the sector will endeavor to strengthen these linkages with the other MTEF sector to enhance service delivery.

CHAPTER FIVE

5.0 Emerging Issues and Challenges

In the course of executing its budget during the review period, the sector encountered some challenges while new issues emerged. The challenges faced include:

5.1 Challenges

- Inadequate financial resource allocations
- Understaffing, inadequate capacity building, and poor succession management
- Inadequate Monitoring and Evaluation of ongoing programmes
- Unreliable Integrated Financial Management Information System (IFMIS)
- Slow uptake of Public Service Reforms.
- Expansion in scope of service delivery without corresponding increase in budget
 - Lack of reliable and sustainable transport (vehicles) for field services
- High and unsustainable rents for Kenyan Missions abroad.
- Volatile foreign exchange rates.
- Low absorption capacity for development funds.
- Lack of legal framework for coordinating planning at all levels

5.2 Emerging Issues

New issues emerged in the implementation of the sector budget and include:

- The need to harmonize Kenya's policies with those of regional partners in the East African Community and other trading blocks
- The need to shield the sector from effects of globalization, economic and financial crisis.
- The need to expand the sector ceiling to accommodate funds for flagship projects and implementing the Medium Term Plan.
- The need to fund mandatory expenditures outside the ceiling as they are enormous.
- The sector is consistently underfunded as most of the resources fund mandatory expenditures in the sector leaving little for other programmes.
- There is an increasing need to prioritize sector expenditure in order to fund flagship projects successfully

CHAPTER SIX

6.0 Conclusion

This sector influences the activities of other sectors in the MTEF as its mandate is cross cutting. It plays a key role in the execution of other sector mandates by mobilizing resources, providing directions and facilitating policy formulation and implementation. It in addition links sectors with external agencies needed in the execution of their mandates besides facilitating creation of government structures necessary for enhancing public service delivery. Adequate resources should therefore be allocated to the sector to fulfill its mandate..

Consequently, the Government should consider the recommendations of this sector and implement them with the objective of improving service delivery and the performance of the entire sector.

CHAPTER SEVEN

7.0 Recommendations

Arising from the challenges faced and the emerging issues, it is recommended that:

- The sector gives priority in funding of ongoing projects and programmes identified in Vision 2030 and the Medium term Plan 2008-
- Funding of mandatory programmes like CDF should be done outside the sector ceiling
- Monitoring and evaluation function be strengthened with the sector and entire Government to ensure productivity of resources voted
- The IFMIS system should be upgraded and rolled out to all levels to ensure faster service delivery and production of information to all stakeholders by interfacing with other government management information systems.
- The sector embraces ICT for fast, cheap and sustainable service delivery
- Subsector put in mechanisms for increasing absorption of both GOK and donor funds.
- The sector continues to promote Results Based Management for national development
- Adequate resources should be voted for acquisition of properties in Kenya's missions abroad to reduce dependence on leased premises
- The sector strengthens regional and international cooperation for national development.

The sector accelerates Public Private Partnership (PPP) for national development