



Republic of Kenya

Ministry of Finance

Quarterly Budget Review

**First Quarter
2005/2006**

March 2006 Edition

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LIST OF ABBREVIATIONS

| | |
|----------------|--|
| ADB | African Development Bank |
| ADF | African Development Fund |
| A-I-A | Appropriation in Aid |
| BADEA | Arab Bank for Economic Development of Africa |
| CBK | Central Bank of Kenya |
| Dev | Development |
| DPM | Directorate of Personnel Management |
| EEC | European Economic Community |
| EIB | European Investment Bank |
| FY | Fiscal Year |
| GDP | Gross Domestic Product |
| IBRD | International Bank for Reconstruction and Development |
| IDA | International Development Association |
| IMF | International Monetary Fund |
| Kshs | Kenya Shillings |
| NBF's | Non Bank Financial Institutions |
| O&M | Operation and Maintenance |
| OOP | Office of the President |
| OPEC | Organisation for Petroleum Exporting Countries |
| OVP | Office of the Vice President |
| PAYE | Pay As You Earn |
| PSC | Public Service Commission |
| Rec | Recurrent |
| VAT | Value Added Tax |

HIGHLIGHTS OF THE FIRST QUARTER BUDGET REVIEW: 2005/2006

❖ The overall fiscal balance:

The cumulative overall fiscal balance, on a commitment basis and excluding grants, registered a deficit of Kshs.14.2 billion (equivalent to 0.99 percent of GDP), through end September 2005. Compared with a targeted deficit of Kshs. 18.5 billion (equivalent to 1.29 percent of GDP).

❖ Total revenue collection:

The Central Government total cumulative revenue collection was Kshs 64,388 million (equivalent to 4.50 percent of GDP) through the first quarter of the 2005/2006 fiscal year. This was slightly above the programme target by Kshs 862 million.

❖ Government expenditure and net lending:

The Central Government expenditure and net lending for the period ending 30th September 2005 was Kshs 78,541 million against a target of Kshs 82,029 million. The variance is attributable to lower than targeted Recurrent and Development expenditures.

❖ Stock of pending bills:

During the first quarter, there was an overall decrease in the stock of pending bills held by the line Ministries. The stock of pending bills decreased by Kshs 1,485.1 million, from Kshs 11,688.1 million in June 2005 to Kshs 10,183.1 million in September 2005.

❖ Guaranteed Loans:

The scheduled Debt payment by the Central Government on government guaranteed loans on behalf of the State Enterprises and Local Authorities with liquidity problems through the end of the first quarter was Kshs 180.17 million. This amount however was rescheduled under the Paris Club.

❖ **External financing:**

External financing represented a net borrowing of Kshs 2,020 million compared to a net repayment of Kshs 280 million in a similar period in 2004/2005 fiscal year.

❖ **Net Domestic Borrowing:**

The net domestic borrowing stood at Kshs 13,917 million in the period ending first quarter.

❖ **Public Debt**

The total Public Debt decreased from Kshs 750,026 million as at the end of June 2005 to Kshs 747,662 million by 30th September 2005

❖ **Total Domestic Debt:**

The total domestic debt stock increased from Kshs 315,573 million as at the end of June 2005 to Kshs 328,800 million by the end of first quarter.

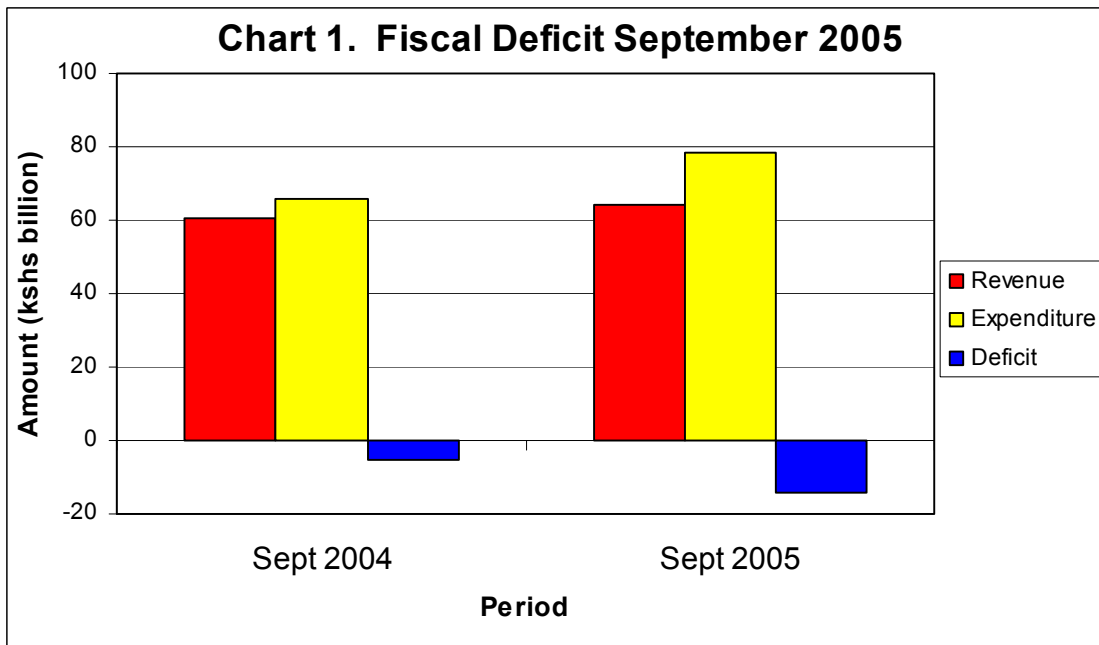
❖ **External Debt:**

The total external debt stock decreased from Kshs 434,453 million as at the end of June 2005 to Kshs 418,861 million by the end of first quarter. Most of the external debt was from multilateral institutions who accounted for 58.6% of the total external debt, followed by Bilateral Creditors accounting for 36.5%. Both the Commercial Banks and Export Credit accounted for 0.4% and 4.5% of the total external debt respectively.

1. FISCAL DEVELOPMENTS

1.1 Introduction

The Government’s overall fiscal balance on a commitment basis and excluding grants, during the first quarter of the fiscal year 2005/2006 recorded a deficit of 0.99 percent of Gross Domestic Product (GDP), against a targeted deficit of 1.29 percent. Over the same period in the 2004/2005 fiscal year, the fiscal deficit amounted to 0.42 percent of GDP. On the other hand, the fiscal balance on a commitment basis and including grants was a deficit of 0.81 percent of GDP, against a targeted deficit of 1.15 percent of GDP (*Chart 1 and Table 1*).



**Table 1: BUDGET OUTFURN, First Quarter (Cumulative) Ending 30th
September 2005 (Kshs Million)**

| | 2004/2005 Quarter I Actual | 2005/2006 Quarter I Actual | 2005/2006 Quarter I Targets | Quarter I Deviation | 2005/06 Quarter I Actual as % of GDP | 2005/06 Quarter I Target % of GDP | 2004/2005 Quarter I % of GDP |
|--|----------------------------------|----------------------------------|-----------------------------------|------------------------|---|--|------------------------------------|
| A. TOTAL REVENUE AND GRANTS | 64,031 | 66,922 | 65,565 | 1,356 | 4.67 | 4.58 | 5.03 |
| 1. Revenue | 60,636 | 64,388 | 63,526 | 862 | 4.50 | 4.44 | 4.76 |
| Ordinary Revenue | 56,750 | 61,532 | 61,500 | 32 | 4.30 | 4.30 | 4.46 |
| Import Duty | 5,744 | 4,652 | 4,652 | 0 | 0.32 | 0.32 | 0.45 |
| Excise Duty | 9,830 | 10,508 | 10,508 | 0 | 0.73 | 0.73 | 0.77 |
| Income tax | 20,225 | 25,948 | 25,948 | 0 | 1.81 | 1.81 | 1.59 |
| VAT | 17,664 | 15,632 | 15,637 | (5) | 1.09 | 1.09 | 1.39 |
| Investment Revenue | 0 | 37 | 0 | 37 | 0.00 | 0.00 | 0.00 |
| Others | 3,287 | 4,756 | 4,756 | 0 | 0.33 | 0.33 | 0.26 |
| Appropriation-in-Aid | 3,886 | 2,856 | 2,026 | 830 | 0.20 | 0.14 | 0.31 |
| 2. Grants | 3,395 | 2,534 | 2,039 | 495 | 0.18 | 0.14 | 0.27 |
| Cash | 1,622 | 404 | 404 | 0 | 0.03 | 0.03 | 0.13 |
| Appropriation-in-Aid | 1,773 | 2,130 | 1,635 | 495 | 0.15 | 0.11 | 0.14 |
| B. EXPENDITURE and NET LENDING | 65,938 | 78,541 | 82,029 | (3,488) | 5.49 | 5.73 | 5.18 |
| 1. Recurrent | 58,277 | 67,428 | 70,504 | (3,076) | 4.71 | 4.92 | 4.58 |
| Domestic Interest | 5,228 | 6,529 | 6,529 | 0 | 0.46 | 0.46 | 0.41 |
| Foreign Interest Due | 2,184 | 3,222 | 2,649 | 573 | 0.23 | 0.19 | 0.17 |
| Pension | 3,030 | 4,438 | 2,830 | 1,608 | 0.31 | 0.20 | 0.24 |
| Wages and Salaries | 26,489 | 26,833 | 26,262 | 571 | 1.87 | 1.83 | 2.08 |
| O & M/Others | 21,346 | 26,406 | 32,234 | (5,828) | 1.84 | 2.27 | 1.68 |
| 2. Development and Net Lending | 7,661 | 10,798 | 11,210 | (412) | 0.75 | 0.78 | 0.60 |
| 3. Civil Contingency Fund | 0 | 315 | 315 | 0 | 0.02 | 0.02 | 0.00 |
| C. DEFICIT EXCL.GRANT (Commitment basis) | (5,302) | (14,153) | (18,503) | 4,350 | (0.99) | (1.29) | (0.42) |
| D. DEFICIT INCL.GRANTS (Commitment basis) | (1,907) | (11,619) | (16,464) | 4,845 | (0.81) | (1.15) | (0.15) |
| E. ADJUSTMENT TO CASH BASIS | | | | | | | |
| F. DEFICIT INCL.GRANTS (Cash basis) | 1,501 | (4,943) | 1,345 | (6,288) | (0.35) | 0.09 | 0.12 |
| | (406) | (16,562) | (15,119) | (1,443) | (1.16) | (1.06) | (0.03) |
| G. FINANCING | 406 | 16,562 | 15,119 | 1,443 | 1.16 | 1.06 | 0.03 |
| 1. Foreign financing | (280) | 2,645 | 1,202 | 1,443 | 0.18 | 0.08 | (0.02) |
| Disbursements | 2,336 | 4,516 | 3,020 | 1,496 | 0.32 | 0.21 | 0.18 |
| Programme Cash Loans | 0 | 1,572 | 1,564 | 8 | 0.11 | 0.11 | 0.00 |
| Project Cash Loans | 1,382 | 1,432 | 1,432 | 0 | 0.10 | 0.10 | 0.11 |
| Loans AIA | 954 | 1,512 | 24 | 1,488 | 0.11 | 0.00 | 0.07 |
| Repayment due (current) | (6,166) | (7,800) | (6,363) | (1,437) | (0.54) | (0.44) | (0.48) |
| Rescheduling | 1,729 | 2,698 | 2,697 | 1 | 0.19 | 0.19 | 0.14 |
| <i>Of which Principal</i> | - | 2,074 | 2,074 | 0 | 0.14 | 0.14 | - |
| <i>Interest</i> | - | 624 | 623 | 1 | 0.04 | 0.04 | - |
| Change in arrears (current) | 1,821 | 3,231 | 1,848 | 1,383 | 0.23 | 0.13 | 0.14 |
| Repayment (arrears) | 0 | 0 | 0 | 0 | 0.00 | 0.00 | 0.00 |
| 2. Privatization proceeds | 0 | 0 | 0 | 0 | 0.00 | 0.00 | 0.00 |
| 3. Domestic financing | 686 | 13,917 | 13,917 | 0 | 0.97 | 0.97 | 0.05 |
| Memo Item | | | | | | | |
| Nominal GDP | 1,273,716 | 1,431,576 | 1,431,579 | | | | |

Source: Ministry of Finance

1.2 REVENUE

The total Government revenue for the first quarter of the fiscal year 2005/2006 was above the target by Kshs 862 million, mainly due to the over collection of the ministerial appropriation in Aid which was above the target by Ksh. 830 million. Ordinary revenue collection amounted to Kshs 61,532 million against a target of Kshs 61,500 million, resulting in an over collection of Kshs 32 million. (*Table 2 and Chart 2*).

**Table 2: Government Revenue and External Grants, First Quarter
(Cumulative) Ending 30th September 2005
(Kshs Million)**

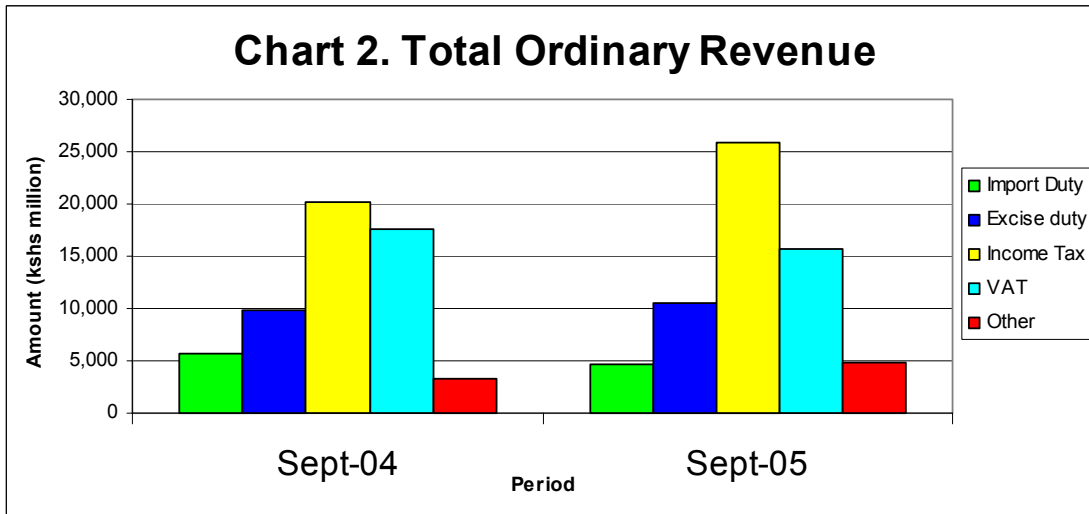
| | 2004/2005 Quarter I Actual | 2005/2006 Quarter I Actual | 2005/2006 Quarter I Target | Deviation |
|------------------------------------|----------------------------------|----------------------------------|----------------------------------|--------------|
| Total Revenue | 60,636 | 64,388 | 63,526 | 862 |
| (a) Ordinary Revenue | 56,750 | 61,532 | 61,500 | 32 |
| Import Duty | 5,744 | 4,652 | 4,652 | 0 |
| Excise Duty | 9,830 | 10,508 | 10,508 | 0 |
| PAYE | 11,191 | 14,053 | 14,053 | 0 |
| Other Income Tax | 9,034 | 11,895 | 11,895 | 0 |
| VAT Local | 9,055 | 7,954 | 7,956 | -2 |
| VAT Imports | 8,609 | 7,678 | 7,681 | -3 |
| Investment Revenue | 0 | 37 | 0 | 37 |
| Traffic Revenue | 591 | 675 | 675 | 0 |
| Airport Revenue | 478 | 0 | 0 | 0 |
| Essential Supplies Revenue | 700 | 2,000 | 2,000 | 0 |
| Others 1/ | 1,518 | 2,081 | 2,081 | 0 |
| (b) Appropriation In Aid 2/ | 3,886 | 2,856 | 2,026 | 830 |
| External Grants | 3,395 | 2,534 | 2,039 | 495 |
| Total Revenue and Grants | 64,031 | 66,922 | 65,565 | 1,357 |
| In % of GDP | 5.03 | 4.67 | 4.58 | 0.09 |

Source: Ministry of Finance

1/ includes aviation, land, forest, mining, rent of buildings, trade licenses, fines and forfeitures, other taxes, reimbursements and other fund contributions, and miscellaneous revenue.

2/ includes receipts from Road Maintenance Levy Fund

Total revenue and grants, as a proportion of GDP, in the period under review was 4.67 percent compared to 5.03 percent in the corresponding period of the 2004/2005 financial year. External grants amounted to Kshs 2,534 million against a target of Kshs 2,039 million.



1.3 Expenditure

The total Government Expenditure and Net Lending in the period under review, was Kshs 78,541 million, against a target of Kshs 82,029 million. The shortfall of Kshs 3,488 million was attributed to lower than targeted Recurrent and development expenditures during the first quarter. *(Table 3 and Chart 3).*

Recurrent expenditure amounted to Kshs 67,428 million, against a target of Kshs 70,504 million. This shortfall was mainly due to low expenditures recorded in the Operations and Maintenance/other expenditures category by Kshs 5,828 million.

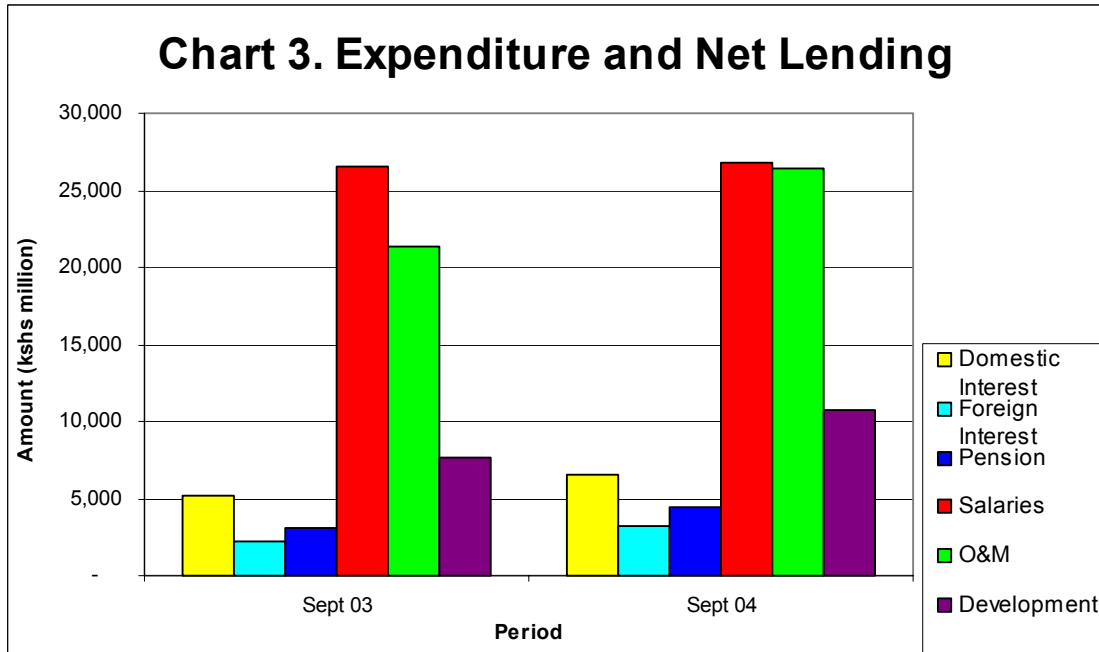
Similarly, foreign interest payments amounted to Kshs 3,222 million, which is higher, compared to Kshs 2,184 million paid in the same period in the 2004/2005 fiscal year. Domestic interest payment totalled Kshs 6,529 million which was higher than Kshs 5,228 million paid in the corresponding period of the previous financial year.

**Table 3: Expenditure and Net Lending, First Quarter (Cumulative) Ending 30th
September 2005
(Kshs Million)**

| | 2004/2005 Quarter I Actual | 2005/2006 Quarter I Actual | 2005/2006 Quarter I Target | Deviation |
|--|----------------------------------|----------------------------------|----------------------------------|----------------|
| 1. RECURRENT | 58,277 | 67,488 | 70,504 | (3,076) |
| Domestic Interest | 5,228 | 6,529 | 6,529 | 0 |
| Foreign Interest | 2,184 | 3,222 | 2,649 | 573 |
| Pensions, etc | 3,030 | 4,438 | 2,830 | 1,608 |
| Wages and Salaries | 26,489 | 26,833 | 26,262 | 571 |
| Operation and Maintenance | 21,346 | 27,830 | 32,234 | (5,828) |
| O/W: Change in Pending Bills | 0 | (1,424) | 0 | (1,424) |
| : Appropriation-in-Aid | 3,886 | 2,821 | 1,390 | 1,431 |
| 2. DEVELOPMENT | 7,661 | 10,798 | 11,210 | (412) |
| Development Projects (Net) | 4,483 | 6,508 | 8,735 | (2,227) |
| Payment of Guaranteed Loans ¹ | 0 | 180 | 180 | 0 |
| Appropriation-in-Aid | 3,178 | 4,171 | 2,295 | 1,876 |
| Change in pending bills | 0 | (61) | 0 | (61) |
| 3. Civil Contingency Fund | 0 | 315 | 315 | 0 |
| TOTAL EXPENDITURE | 65,938 | 78,541 | 82,029 | (3,488) |

1/ the guaranteed Loans were rescheduled and are shown here as commitments

Source: Ministry of Finance



Analysis of Ministries' expenditure reveals that much of Government expenditure continues to go to the Social Sector Ministries. The Ministries of Education, Science and Technology, and Health incurred 45.3 percent of total recurrent expenditure during the first quarter. Administrative Services also accounted for a significant percentage of total recurrent expenditure. The Office of the President incurred Kshs 8,396.0 million, which represented 15.4 percent of the total recurrent expenditure. The Ministry of Regional development, Justice and Constitutional Affairs, Energy and Public Service Commission incurred the least share of the total recurrent expenditure, each accounting for 0.2 percent, 0.2 percent, 0.1 percent and 0.1 percent, respectively (*Table 4*).

However, analysis on development expenditure indicates that, the Ministry of Finance incurred the largest share mainly due to CDF disbursements, followed by the Ministry of Energy and Office of the President each accounting for 46.0 percent, 12.4 percent and 10.6 percent of the total development expenditure, respectively. Details of the various Ministries and Departments in the total expenditures for the period under review are shown in table 4.

**Table 4: Ministerial Expenditures, First Quarter (Cumulative) Ending
30th September 2005
(Kshs Million)**

| MINISTRIES | SEPTEMBER 2005 | | | SEPTEMBER 2005 | | | SEPTEMBER 2005 | | |
|---------------------------------------|----------------|---------------|----------------|----------------|--------------|----------------|----------------|---------------|----------------|
| | Recurrent | | | Development | | | Total | | |
| | Actual | Target | Variance | Actual | Target | Variance | Actual | Target | Variance |
| 1.O.O.P | 8,396 | 7,932 | 464 | 851 | 1,514 | (663) | 9,248 | 9,446 | (199) |
| 2. State House | 271 | 192 | 80 | 19 | 35 | (16) | 290 | 226 | 64 |
| 3. DPM | 621 | 494 | 127 | 0 | 127 | (127) | 621 | 621 | 0 |
| 4. Foreign Affairs & Int. Co-op. | 1,557 | 1,617 | (60) | 0 | 14 | (14) | 1,557 | 1,631 | (74) |
| 5. OVP& Home Affairs | 1,291 | 1,501 | (210) | 98 | 195 | (97) | 1,389 | 1,696 | (307) |
| 6. Planning and National Devt | 190 | 179 | 11 | 14 | 239 | (226) | 204 | 418 | (214) |
| 7. Finance | 2,938 | 2,340 | 598 | 3,683 | 3,734 | (51) | 6,621 | 6,074 | 548 |
| 8. Department of Defence | 5,717 | 6,202 | (485) | 0 | 0 | 0 | 5,717 | 6,202 | (486) |
| 9. Regional Development | 130 | 138 | (8) | 25 | 145 | (120) | 155 | 284 | (129) |
| 10.Agriculture & Rural Development | 941 | 1,114 | (173) | 2 | 478 | (476) | 943 | 1,591 | (648) |
| 11.Health | 4,834 | 4,440 | (56) | 220 | 243 | (23) | 4,604 | 4,683 | (79) |
| 12. Local Government | 45 | 116 | (71) | 135 | 116 | 19 | 180 | 232 | (52) |
| 13. Roads & Public Works | 375 | 508 | (133) | 441 | 506 | (65) | 816 | 1,014 | (198) |
| 14. Transport | 305 | 382 | (77) | 121 | 145 | (24) | 425 | 527 | (101) |
| 15. Labour & Human Resources | 170 | 213 | (43) | 0 | 27 | (27) | 170 | 240 | (71) |
| 16. Trade & Industry | 283 | 345 | (62) | 46 | 118 | (72) | 330 | 464 | (134) |
| 17.Justice and Constitutional Affairs | 90 | 125 | (35) | 5 | 16 | (11) | 95 | 141 | (46) |
| 18.Gender, Sports, Culture & Social | 300 | 378 | (78) | 11 | 23 | (12) | 311 | 401 | (90) |
| 19.Livestock, Fisheries and Marketing | 587 | 583 | 4 | 58 | 50 | 8 | 645 | 632 | 12 |
| 20.Water Resources Mgt & Devt | 576 | 631 | (55) | 833 | 537 | 296 | 1,409 | 1,169 | 240 |
| 21. Environment & Natural Resources | 579 | 758 | (179) | 76 | 101 | (25) | 655 | 860 | (205) |
| 22.Co-operative Development | 109 | 172 | (63) | 0 | 17 | (17) | 109 | 189 | (80) |
| 23. State Law Office | 149 | 155 | (6) | 5 | 5 | 0 | 155 | 160 | (5) |
| 24. Judicial Department | 278 | 280 | (2) | 0 | 58 | (58) | 278 | 338 | (60) |
| 25. Public Service Commission | 50 | 43 | 7 | 0 | 0 | 0 | 50 | 43 | (7) |
| 26. Kenya National Audit Office | 232 | 264 | (32) | 0 | 0 | 0 | 232 | 264 | (32) |
| 27. National Assembly | 984 | 1,132 | (148) | 0 | 0 | 0 | 984 | 1,132 | (147) |
| 28. Energy | 43 | 74 | (31) | 992 | 243 | 749 | 1,035 | 317 | 718 |
| 29. Education, Science & Technology | 20,402 | 23,076 | (2,674) | 363 | 371 | (8) | 20,765 | 23,447 | (2,681) |
| 30. Electoral Commission of Kenya | 257 | 365 | (108) | 0 | 0 | 0 | 257 | 365 | (108) |
| 31. Lands & Settlement | 275 | 437 | (162) | 8 | 96 | (88) | 283 | 533 | (250) |
| 32. National Security Intell. Service | 1,288 | 1,403 | (115) | 0 | 0 | 0 | 1,288 | 1,403 | (115) |
| 33. Tourism & Wildlife | 339 | 336 | 3 | 0 | 22 | (22) | 339 | 357 | (19) |
| 34. East African & Regional Dev. | 149 | 171 | (22) | 0 | 0 | 0 | 149 | 171 | (22) |
| 35. Information | 142 | 164 | (22) | 0 | 3 | (3) | 142 | 167 | (25) |
| 36. Kenya Anti Corruption Com | 221 | 276 | (55) | 0 | 0 | 0 | 221 | 276 | (55) |
| TOTAL | 54,664 | 58,537 | (3,873) | 8,007 | 9,177 | (1,170) | 62,671 | 67,714 | (5,044) |

Source: Ministry of Finance

1.3.1 Pending Bills

**Table 5: Stock of Pending Bills,
(Kshs Million)**

| Min/Dept. | June 30, 2005 | | | September 30, 2005 | | | Change during the Period | | |
|----------------------------------|----------------|----------------|-----------------|--------------------|----------------|-----------------|--------------------------|---------------|------------------|
| | Rec. | Dev. | Total | Rec. | Dev. | Total | Rec. | Dev. | Total |
| Office Of the President | 3,920.4 | 852.8 | 4,773.1 | 2,399.1 | 852.8 | 3,251.9 | (1,521.3) | 0.0 | (1,521.3) |
| State House | 68.5 | 15.5 | 84.0 | 56.1 | 11.2 | 67.3 | (12.4) | (4.3) | (16.7) |
| DPM | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Foreign Affairs | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Home Affairs | 721.2 | 0.0 | 721.2 | 674.9 | 0.0 | 674.9 | (46.3) | 0.0 | (46.3) |
| Planning & National Development | 47.1 | 14.8 | 61.9 | 47.1 | 14.8 | 61.9 | 0.0 | 0.0 | 0.0 |
| Finance | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Defence | 501.0 | 0.0 | 501.0 | 501.0 | - | 501.0 | 0.0 | - | 0.0 |
| Regional Authorities | 373.1 | 911.2 | 1,284.3 | 373.1 | 911.2 | 1,284.3 | 0.0 | 0.0 | 0.0 |
| Agriculture and Rural Dev. | 500.0 | 78.0 | 578.0 | 641.0 | 0.0 | 641.0 | 141.0 | (78.0) | 63.0 |
| Health | 111.1 | 5.6 | 116.8 | 111.1 | 5.6 | 116.7 | 0.0 | 0.0 | 0.0 |
| Local Government | 6.0 | 737.7 | 743.7 | 4.6 | 691.7 | 696.4 | (1.4) | (46.0) | (47.3) |
| Roads and Public Works | 176.6 | 488.8 | 665.3 | 176.6 | 488.8 | 665.4 | 0.0 | 0.0 | 0.0 |
| Transport | 64.1 | 0.0 | 64.1 | 64.1 | 0.0 | 64.1 | 0.0 | 0.0 | 0.0 |
| Labour and Human Resources | 86.1 | 22.3 | 108.4 | 86.1 | 22.3 | 108.4 | 0.0 | 0.0 | 0.0 |
| Trade and Industry | 1.1 | 0.0 | 1.1 | 21.2 | 9.9 | 31.1 | 20.1 | 9.9 | 30.0 |
| Tourism & Wildlife | 8.2 | 0.6 | 8.8 | 8.2 | 0.6 | 8.8 | 0.0 | 0.0 | 0.0 |
| Livestock and Fisheries Dev | 10.0 | 0.0 | 10.0 | 0.1 | 9.6 | 9.7 | (9.9) | 9.6 | (0.3) |
| Water and Irrigation | 34.2 | 0.7 | 34.9 | 34.2 | 0.7 | 34.9 | 0.0 | 0.0 | 0.0 |
| Environment and Nat. Resources | 47.9 | 298.5 | 337.4 | 47.9 | 337.4 | 385.3 | 0.0 | 47.9 | 47.9 |
| Cooperative Development | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| State Law Office | 4.9 | 0.0 | 4.9 | 4.9 | 4.9 | 4.9 | 0.0 | 0.0 | 0.0 |
| Judicial Department | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| PSC | 0.0 | 0.0 | 0.0 | 0.0 | - | 0.0 | 0.0 | - | 0.0 |
| National Audit Office | 0.0 | 0.0 | 0.0 | 0.0 | - | 0.0 | 0.0 | - | 0.0 |
| National Assembly | 0.0 | 0.0 | 0.0 | 0.0 | - | 0.0 | 0.0 | - | 0.0 |
| Energy | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Education, Science and Tech. | 0.0 | 1,357.9 | 1,357.9 | 0.0 | 1,357.9 | 1,357.9 | 0.0 | 0.0 | 0.0 |
| Electoral Commission of Kenya | 0.0 | 0.0 | 0.0 | 0.0 | - | 0.0 | 0.0 | - | 0.0 |
| Justice & Constitutional Affairs | 86.1 | 24.7 | 110.8 | 86.1 | 24.7 | 110.8 | 0.0 | 0.0 | 0.0 |
| Lands and Housing | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Gender, Sport, & Social Services | 100.4 | 0.0 | 100.4 | 106.4 | 0.0 | 106.4 | 6.0 | 0.0 | 6.0 |
| National Security Int. Service | 0.0 | 0.0 | 0.0 | 0.0 | - | 0.0 | 0.0 | - | 0.0 |
| Information & Communication | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 6,868.0 | 4,800.1 | 11,668.1 | 5,443.8 | 4,739.3 | 10,183.1 | (1,424.2) | (60.9) | (1,485.1) |

Source: Ministry of Finance

During the period under review, the stock of pending bills decreased by Kshs 1,485.1 million from Kshs 11,688.1 million as at the end of June 30th 2005 to Kshs 10,183.1 million. The recurrent pending bills decreased by Kshs 1,424.2 million from Kshs 6,868.0 million to Kshs 5,443.8 million. At the same time, the stock of development pending bills decreased by Kshs 60.9million from Kshs 4,800.1 million to Kshs 4,739.3 million. There was significant decrease of pending bills in the Office of the President whose pending bills reduced by Kshs 1,521.3 million (*Table 5*).

1.3.2 Guaranteed Loans for Parastatals

Scheduled Payments of Guaranteed Loans for Parastatals with liquidity problems amounted to Kshs 180.17 million during the first quarter. However these loans were rescheduled under the Paris Club and the Government will start servicing in 2007/08 financial year. (*Table 6*).

**Table 6: Payment of Guaranteed Loans, July 2005 – September 2005
(Kshs Million)**

| | PRINCIPAL | INTEREST | TOTAL | PAID | BALANCE |
|----------------------|---------------|--------------|---------------|----------|---------------|
| Nairobi City Council | 33.60 | 4.81 | 38.41 | - | 38.41 |
| TARDA 1/ | 102.86 | 38.9 | 141.76 | - | 141.76 |
| KBC 2/ | 0.00 | 0.00 | 0.00 | - | 0.00 |
| ICDC 3/ | 0.00 | 0.00 | 0.00 | - | 0.00 |
| TOTAL | 136.46 | 43.71 | 180.17 | - | 180.17 |

1/ TARDA stands for Tana and Athi Rivers Development Authority

2/ KBC stands for Kenya Broadcasting Corporation

3/ ICDC stands for Industrial and Commercial Development Corporation

Source: Ministry of Finance

1.4 Financing the Budget Deficit

1.4.1 External Financing

During the first quarter, external financing represented a net borrowing of Kshs 2,020 million. The external financing for the same period in the 2004/2005 fiscal year was a net repayment of Kshs 280 million.

Total disbursements (inflows) including Appropriations-in-Aid amounted to Kshs 4,516 million. This amount includes Kshs 1,572 million Program Loans, Kshs 1,432 million Project Cash Loans and Kshs 1,512 million Project Loans A.I.A. Repayments (Outflows) of principal on the other hand, amounted to Kshs 2,496 million, the bulk of these being made to Multilateral Creditors (*Table 7*).

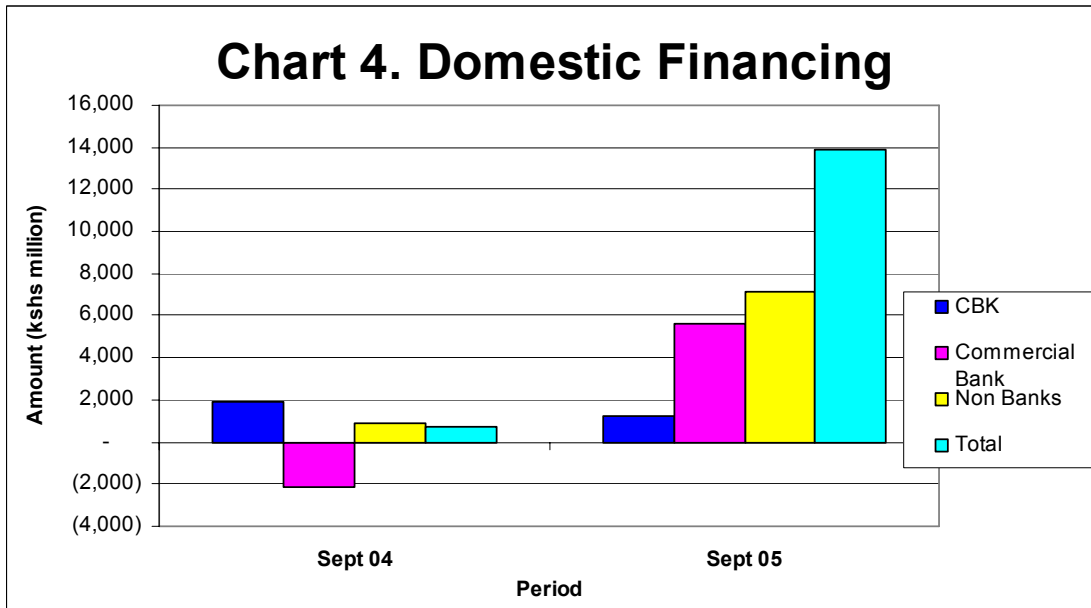
Table 7: Net External Financing (Loans), First Quarter Ending 30th September 2005 (Kshs Million)

| | 2004/2005 Quarter 1 Actual | 2005/2006 Quarter 1 Actual | 2005/2006 Quarter 1 Target |
|------------------------------|----------------------------------|----------------------------------|----------------------------------|
| DISBURSEMENTS: | 2,336.00 | 4,516.00 | 3,020.00 |
| Project Cash loans | 1,382.00 | 1,432.00 | 1,432.00 |
| Programme loans | 0.00 | 1,572.00 | 1,564.00 |
| Project loans A-I-A | 954.00 | 1,512.00 | 24.00 |
| EXTERNAL REPAYMENTS: | 2,616.38 | 2,495.97 | 2,442.66 |
| Bilateral | 373.61 | 306.88 | 253.57 |
| Multilateral | 2,189.12 | 2,189.09 | 2,189.09 |
| Commercial | 59.65 | 0.00 | 0.00 |
| NET FOREIGN FINANCING | (280.38) | 2,020.03 | 577.34 |

Source: Ministry of Finance

1.4.2 Domestic Financing

In the first quarter of the 2005/2006 fiscal year, the overall performance in the Government's financial position resulted in net borrowing of Kshs 13,917 million which was in line with the programme target. This comprised a net borrowing of Kshs 1,190 million from the Central Bank, Kshs 5,626 million from Commercial Banks, Kshs 6,368 million from Non-Bank Financial Institutions and Kshs 733 million from Non Residents. Conversely, the same quarter in the 2004/2005 fiscal year, the net borrowing amounted to Kshs 686 million, which represented a net borrowing of Kshs 1,918 million from the Central Bank, Kshs 764 million from Non-Banks Financial Institutions, Kshs 122 million from Non Residents and a net repayment of Kshs 2,118 million to Commercial Banks (*chart 4*).



The stock of Treasury Bills held by the Commercial Banks, Non-Bank Financial Institutions and Non-Residents registered a net increase of Kshs 4,581 million, Kshs 2,136 million and Kshs 665 million, respectively, during the quarter. However, the stock of Treasury Bills held by the Central Bank registered a net reduction of Kshs 1 million. On the other hand, the Floating Rate Treasury Bonds held by the Non-Bank Financial Institutions and Commercial Banks registered a net reduction of Kshs 1,123 million and Kshs. 867 million respectively. The overdraft facility from Central Bank was utilized to the tune of Kshs 3,684 million during the period under review. **(Table 8).**

Table 8: Cumulative Domestic Financing, First Quarter Ending 30th September 2005 (Kshs Million) ¹

| | SEPTEMBER 2004 | JUNE 2005 | SEPTEMBER 2005 |
|-------------------------|-------------------|-----------------|-------------------|
| 1.CENTRAL BANK | 1,918 | (10,401) | 1,190 |
| Overdraft | 0 | (4,007) | 3,684 |
| IMF funds onlet to Govt | 48 | (110) | (76) |
| Treasury bills | 669 | 4 | (1) |
| Stocks | 0 | 0 | 0 |
| Floating rate T. Bonds | 0 | 0 | 0 |
| Fixed rate T. Bonds | 0 | 0 | 0 |
| Items on Transit | (4,473) | 846 | (5,505) |
| Frozen Govt Account | (1,000) | (1,000) | 0 |
| Less Govt Deposits | 6,679 | (6,134) | 3,090 |
| 2.COM. BANKS | (2,118) | (15,327) | 5,626 |
| Advances | 87 | (235) | (103) |
| Stocks | 0 | 0 | 0 |
| Treasury bills | (1,774) | (9,681) | 4,581 |
| Floating rate T. Bonds | (1,923) | (5,632) | (867) |
| Fixed rate T. Bonds | 2,925 | (8,462) | 3,855 |
| Zero Coupon Bonds | (2,203) | 12,931 | 0 |
| Less Govt Deposits | 770 | (4,248) | (1,840) |
| 3. NON BANKS | 764 | 16,757 | 6,368 |
| Stocks | 0 | 0 | 0 |
| Treasury bills | 886 | 15,274 | 2,136 |
| Floating Rate T. Bonds | (3,066) | (7,710) | (1,123) |
| Fixed rate T. Bonds | 3,651 | (2,606) | 5,355 |
| Zero Coupon Bonds | (707) | 11,799 | 0 |
| NON RESIDENTS | 122 | 2,299 | 733 |
| Treasury bills | 128 | 1,900 | 665 |
| Floating rate T. Bonds | (1) | 0 | 0 |
| Fixed rate T. Bonds | (5) | 22 | 68 |
| Zero Coupon Bonds | 0 | 377 | 0 |
| NET CREDIT | 686 | (6,672) | 13,917 |

Note: Treasury bills as reflected here are given at cost value as opposed to Table 10 given at Face value.

Source: Central Bank of Kenya

1. Cumulative from the beginning of the respective fiscal year

PUBLIC DEBT**2.1 Overall Debt Position**

The total Public Debt in shilling terms decreased from Kshs 750,026 million as at the end of June 2005 to Kshs 747,662 million by 30th September 2005. This was as a result of a 3.59 percent decrease in external debt and an increase in domestic debt by 4.19 percent during the period under review (*Table 9*).

**Table 9: Kenya's Public and Publicly Guaranteed Debt,
June 2000- September 2005 (Kshs millions)**

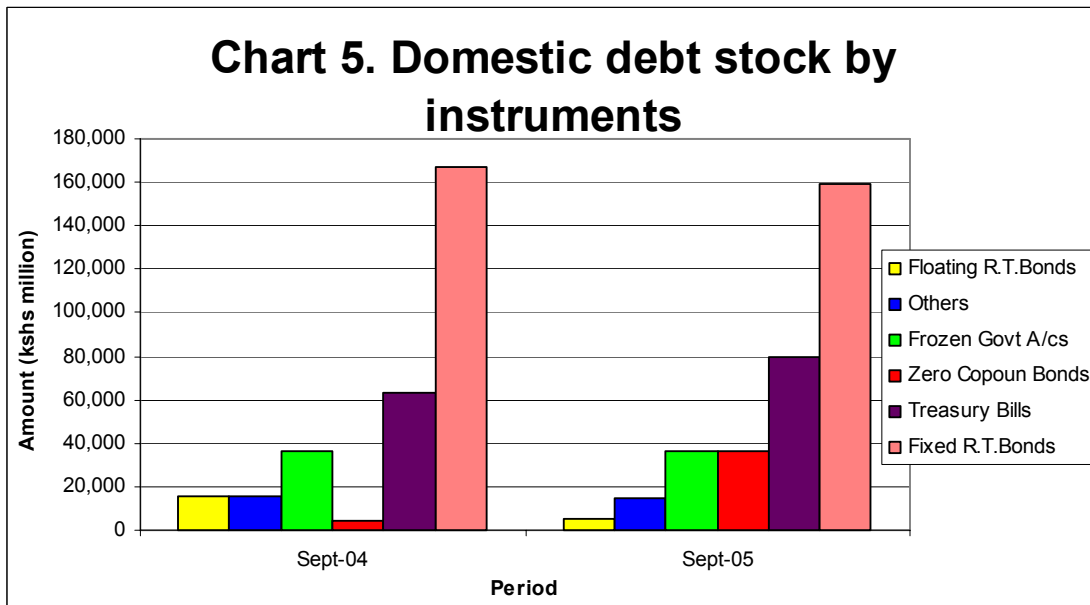
| | June 00 | June 01 | June 02 | June 03 | June 04 | June 05 | Sept 05 |
|---------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| EXTERNAL: | | | | | | | |
| BILATERAL | 138,567 | 132,269 | 129,973 | 142,593 | 162,914 | 157,669 | 152,960 |
| MULTILATERAL | 230,740 | 228,497 | 222,452 | 233,829 | 260,658 | 255,784 | 245,487 |
| COMMERCIAL BANKS | 24,913 | 29,423 | 24,031 | 3,597 | 2,911 | 1,776 | 1,726 |
| EXPORT CREDIT | 1,474 | 3,789 | 1,292 | 27,034 | 16,674 | 19,224 | 18,688 |
| SUB-TOTAL | 395,694 | 393,978 | 377,748 | 407,053 | 443,157 | 434,453 | 418,861 |
| DOMESTIC: | | | | | | | |
| CENTRAL BANK ¹ | 50,986 | 47,196 | 42,841 | 45,290 | 50,774 | 46,617 | 44,795 |
| COMMERCIAL BANKS | 69,102 | 62,046 | 78,000 | 112,369 | 128,214 | 122,912 | 130,652 |
| TOTAL BANKS | 120,088 | 109,242 | 120,841 | 157,659 | 178,988 | 169,529 | 175,447 |
| NON-BANKS | 86,039 | 102,572 | 115,150 | 131,722 | 127,247 | 146,044 | 153,354 |
| SUB-TOTAL | 206,127 | 211,814 | 235,991 | 289,381 | 306,235 | 315,573 | 328,801 |
| GRAND TOTAL GROSS | 601,821 | 605,792 | 613,739 | 696,434 | 749,392 | 750,026 | 747,662 |
| LESS ON-LENDING | (5,701) | (5,701) | (5,701) | (5,701) | (5,701) | (5,701) | (5,701) |
| LESS GOVERNMENT DEPOSITS | (37,021) | (43,877) | (29,659) | (38,046) | (48,281) | (58,600) | (57,350) |
| GRAND TOTAL NET | 559,099 | 556,214 | 578,379 | 652,687 | 695,473 | 685,725 | 684,611 |

Source: Ministry of Finance

¹ The IMF funds on let to Government have been excluded from Central Bank to avoid double counting since they are already included in External Debt under Multilateral

2.2 Domestic Debt

The stock of gross domestic debt increased from Kshs 317,794 million in June 2005 to Kshs 330,946 million in September 2005, reflecting a net increase of Kshs 13,152 million (*Table 10*). The stock of Treasury Bills held by Central Bank, Commercial Banks, Non Financial Institution and Non Residents recorded a increase from Kshs 71,938 million in June 2005 to Kshs 79,558 million in September 2005. Similarly the stock of Treasury Bonds, Floating, Fixed Rate Treasury and Zero coupon Bonds, increased from Kshs 193,359 million in June 2005 to Kshs 200,891 million in September 2005 (*chart 5*).



**Table 10: Stock of Domestic Debt, First Quarter Ending 30th September
2005/2006
(Kshs million)**

| | JUNE 2004 | SEPT 2004 | JUNE 2005 | SEPT 2005 |
|--------------------------|----------------|----------------|----------------|----------------|
| 1.CENTRAL BANK | 53,105 | 48,346 | 48,838 | 46,940 |
| Overdraft | 9,232 | 9,232 | 5,225 | 8,909 |
| Frozen Govt Accounts | 36,917 | 35,917 | 35,917 | 35,917 |
| Treasury Bills | 3 | 669 | 7 | 6 |
| IMF Funds on let to Govt | 2,331 | 2,379 | 2,221 | 2,145 |
| Items on Transit | 4,622 | 149 | 5,468 | (37) |
| 2.COM.BANKS | 128,214 | 125,438 | 122,912 | 130,652 |
| Advances | 2,774 | 2,861 | 2,539 | 2,436 |
| Stocks | 0 | 0 | 0 | 0 |
| Treasury Bills | 41,021 | 39,315 | 31,863 | 36,585 |
| Floating Rate T. Bonds | 7,325 | 5,402 | 4,215 | 3,347 |
| Fixed Rate T. Bonds | 72,251 | 75,278 | 63,888 | 67,877 |
| Zero Coupon Bonds | 4,843 | 2,582 | 20,407 | 20,407 |
| 3. NON BANKS | 123,200 | 124,164 | 139,542 | 146,094 |
| Stocks | 1,058 | 1,058 | 1,058 | 1,058 |
| Treasury Bills | 18,387 | 19,368 | 34,522 | 36,731 |
| Floating Rate T. Bonds | 13,140 | 10,071 | 2,914 | 1,789 |
| Fixed Rate T. Bonds | 87,699 | 91,476 | 85,297 | 90,765 |
| Zero Coupon Bonds | 2,847 | 2,122 | 15,682 | 15,682 |
| Tax Reserve Certificate | 69 | 69 | 69 | 69 |
| 4. NON RESIDENTS | 4,047 | 4,177 | 6,502 | 7,260 |
| Treasury Bills | 3,526 | 3,661 | 5,546 | 6,236 |
| Floating Rate T. Bonds | 12 | 11 | 0 | 0 |
| Fixed Rate T. Bonds | 500 | 496 | 523 | 591 |
| Zero Coupon Bonds | 9 | 9 | 433 | 433 |
| 5. TOTAL DEBT | 308,566 | 302,125 | 317,794 | 330,946 |
| 6. LESS ON-LENDING | (5,701) | (5,701) | (5,701) | (5,701) |
| 7. Less Govt. Deposits | (48,281) | (40,771) | (58,600) | (57,350) |
| 8. NET DEBT | 254,647 | 255,653 | 253,493 | 267,895 |

NOTE: Treasury bills reflected here are at face value as opposed to Table 8, given at cost

Source: Central Bank of Kenya

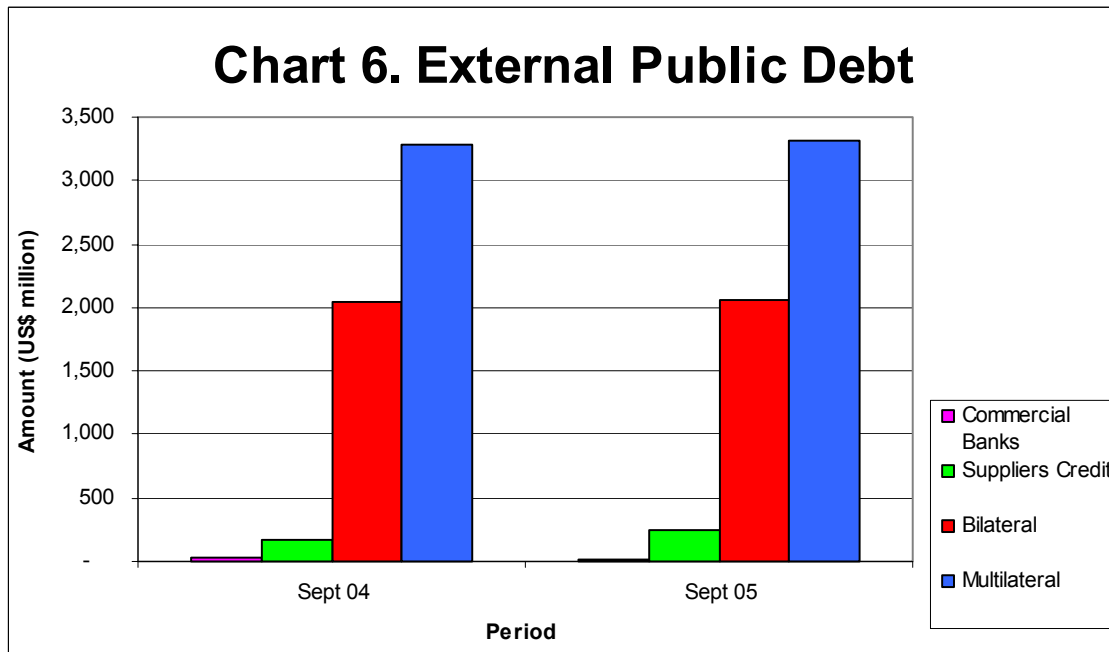
2.3 External Public Debt

External debt stock stood at approximately US \$ 5.654 billion as at the end of September 2005 showing a decrease of 0.82 percent from the June 2005 position of US \$ 5.701 billion. Loans from multilateral agencies constitute a big portion of the Kenya's external debt due to their concessionary lending terms of low interest rates and long-term repayment period. Overall, external debt consists of 58.61 percent Multilateral, 36.52 percent Bilateral, 0.41 percent Commercial Banks, and 4.46 percent Export or Suppliers Credit (*Table 11 and Chart 6*).

**Table 11: Kenya's External Public and Publicly Guaranteed Debt
June 2000- September 2005 US (\$ Million)**

| CREDITOR | June 2000 | June 2001 | June 2002 | June 2003 | June 2004 | June 2005 | Sept 2005 |
|------------------------------------|--------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <u>BILATERAL</u> | | | | | | | |
| AUSTRIA | 34 | 16.1 | 25.0 | 30.50 | 33.14 | 32.35 | 32.35 |
| BELGIUM | 38 | 30.6 | 29.8 | 30.50 | 59.41 | 68.00 | 66.94 |
| CANADA | 41 | 67.7 | 28.0 | 36.40 | 22.18 | 17.00 | 17.00 |
| DENMARK | 40 | 32.4 | 24.8 | 26.10 | 26.22 | 31.00 | 31.00 |
| FINLAND | 2 | 2.5 | 5.0 | 3.60 | 3.08 | 1.76 | 1.76 |
| FRANCE | 179 | 219.6 | 199.0 | 182.60 | 201.02 | 237.33 | 237.33 |
| GERMANY | 109 | 98.1 | 94.4 | 109.80 | 137.14 | 169.63 | 169.63 |
| ITALY | 82 | 125.8 | 136.1 | 117.90 | 126.33 | 94.14 | 94.14 |
| JAPAN | 1,031 | 922.2 | 824.0 | 1,071.00 | 1,058.80 | 1,109.50 | 1,109.50 |
| NETHERLANDS | 58 | 52.4 | 44.2 | 50.40 | 52.79 | 28.94 | 28.94 |
| U.K. | 37 | 35.8 | 40.82 | 35.80 | 33.35 | 36.94 | 36.94 |
| USA | 72 | 43.0 | 55.4 | 89.70 | 74.55 | 79.40 | 79.40 |
| OTHERS | 54 | 49.7 | 143.1 | 138.40 | 153.90 | 163.00 | 159.92 |
| SUBTOTAL | 1,787 | 1,695.9 | 1,649.62 | 1,922.70 | 1,981.91 | 2,068.99 | 2,064.85 |
| <u>MULTILATERAL</u> | | | | | | | |
| ADB/ADF | 308 | 328.4 | 292.8 | 321.50 | 315.10 | 310.00 | 346.40 |
| EEC/EIB | 115 | 156.7 | 148.0 | 115.50 | 128.92 | 111.00 | 108.75 |
| IBRD | 91 | 20.0 | 11.50 | 11.50 | 14.22 | 0.50 | 0.00 |
| IDA | 2,332 | 2,306.8 | 2,263.0 | 2,616.60 | 2,492.88 | 2,757.00 | 2,688.00 |
| IMF | 104 | 111.3 | 98.0 | 80.75 | 111.50 | 172.00 | 164.76 |
| OTHERS | 9 | 6.3 | 10.05 | 6.90 | 0.75 | 6.00 | 6.00 |
| SUBTOTAL | 2,958 | 2,929.5 | 2,823.35 | 3,152.75 | 3,063.37 | 3,356.50 | 3,313.91 |
| COMMERCIAL BANKS | 319 | 377.2 | 305 | 48.50 | 46.9 | 23.30 | 23.30 |
| EXPORT CREDIT | 19 | 48.6 | 16.4 | 364.5 | 200.57 | 252.27 | 252.27 |
| GRAND TOTAL | 5,083 | 5,051.2 | 4,794.37 | 5,488.45 | 5,292.76 | 5,701.06 | 5,654.33 |
| In Percentage of total Debt | | | | | | | |
| Bilateral | 35.0 | 33.6 | 34.4 | 35.0 | 36.8 | 36.3 | 36.5 |
| Multilateral | 58.3 | 58.0 | 58.9 | 57.4 | 58.8 | 58.9 | 58.6 |
| Commercial Banks | 6.3 | 7.5 | 6.4 | 0.9 | 0.7 | 0.4 | 0.4 |
| Export Credit | 0.4 | 1.0 | 0.3 | 6.6 | 3.8 | 4.4 | 4.5 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Ministry of Finance



2.3.1 External Debt Service

The Government external debt service amounted to Kshs 3,470 million as at the end of September 2005. This comprised repayments of Kshs 617 million (18 percent) of bilateral and Kshs 2,853 million (82 percent) multilateral loans principal and interest during the first quarter. (*Table 12 and chart 7*).

Table 12: External Debt Service, July – September 2005
(Kshs Million)

| CATEGORY | Principal | Interest | Total |
|----------------------------|------------------|-----------------|-----------------|
| <u>BILATERAL</u> | | | |
| AUSTRIA | 0.00 | 10.98 | 10.98 |
| DENMARK | 0.00 | 0.00 | 0.00 |
| FINLAND | 0.00 | 0.00 | 0.00 |
| FRANCE | 0.00 | 75.26 | 75.26 |
| ITALY | 0.00 | 0.00 | 0.00 |
| JAPAN | 0.00 | 0.00 | 0.00 |
| SAUDI FUND | 130.95 | 105.16 | 236.11 |
| KUWAIT | 49.98 | 19.52 | 69.50 |
| SPAIN | 47.46 | 21.96 | 69.42 |
| SWEDEN | 0.00 | 0.00 | 0.00 |
| SWITZERLAND | 0.00 | 0.00 | 0.00 |
| NETHERLANDS | 0.00 | 0.00 | 0.00 |
| USA | 0.00 | 9.91 | 9.91 |
| CANADA | 0.00 | 9.28 | 9.28 |
| CHINA | 0.00 | 0.00 | 0.00 |
| GERMANY | 0.00 | 13.25 | 13.25 |
| UK | 0.00 | 4.33 | 4.33 |
| KOREA | 0.00 | 0.00 | 0.00 |
| BELGIUM | 78.49 | 40.92 | 119.41 |
| INDIA | 0.00 | 0.00 | 0.00 |
| TOTAL BILATERAL | 306.88 | 310.57 | 617.45 |
| <u>MULTILATERAL</u> | | | |
| ADB | 420.83 | 157.38 | 578.21 |
| BADEA | 0.00 | 0.11 | 0.11 |
| EEC | 68.66 | 15.34 | 84.00 |
| EIB | 98.27 | 6.11 | 104.38 |
| IBRD | 0.00 | 0.00 | 0.00 |
| IDA | 1,601.34 | 484.48 | 2,085.82 |
| OPEC | 0.00 | 0.00 | 0.00 |
| TOTAL MULTILATERAL | 2,189.10 | 663.42 | 2,852.52 |
| COMMERCIAL BANKS | 0.00 | 0.00 | 0.00 |
| GRAND TOTAL | 2,495.97 | 973.99 | 3,469.97 |

Source: Ministry of Finance.

ANNEX I

FISCAL RESULTS, FINANCIAL YEAR 1998/9 – 2005/2006 (Kshs. Millions)

| | 1998/99 | 1999/2000 | 2000/2001 | 2001/2002 | 2002/2003 | 2003/2004 | 2004/2005* | 2005/06** |
|--|-----------|-----------|-----------|-------------|-------------|-------------|-------------|-------------|
| A.TOTAL REVENUE | 196,257 | 178,443 | 192,313 | 196,613 | 210,750 | 254,681 | 289,802 | 326,247 |
| 1.Revenue | 173,550 | 163,769 | 175,481 | 175,746 | 190,591 | 226,478 | 265,715 | 296,106 |
| Income Tax | 55,235 | 54,402 | 53,429 | 55,862 | 66,744 | 77,410 | 94,095 | 109,820 |
| VAT | 39,205 | 40,944 | 50,298 | 50,871 | 56,135 | 61,725 | 75,989 | 78,603 |
| Import Duty | 28,444 | 28,605 | 28,726 | 21,584 | 18,477 | 22,324 | 23,532 | 25,732 |
| Excise Duty | 28,733 | 28,493 | 28,318 | 32,077 | 35,643 | 40,085 | 44,151 | 55,557 |
| Other Revenue | 21,933 | 11,325 | 14,710 | 15,352 | 13,592 | 24,934 | 27,948 | 26,394 |
| 2.Appropriation –in –Aid | 22,707 | 14,674 | 16,832 | 20,867 | 20,159 | 28,203 | 24,087 | 30,140 |
| B.EXPENDITURE & NET LENDING | 197,341 | 175,119 | 232,921 | 225,760 | 264,144 | 282,187 | 303,373 | 410,916 |
| 1.Recurrent | 165,331 | 156,535 | 198,941 | 200,807 | 220,618 | 244,476 | 257,746 | 308,893 |
| Wages and Salaries | 63,253 | 65,861 | 68,119 | 77,638 | 85,087 | 95,850 | 105,612 | 105,612 |
| Interest Payments | 40,055 | 29,387 | 31,035 | 30,384 | 36,026 | 29,700 | 30,470 | 35,902 |
| Domestic Interest | 31,743 | 20,752 | 23,232 | 23,744 | 27,567 | 23,281 | 23,375 | 26,890 |
| Foreign Interest Due | 8,312 | 8,635 | 7,803 | 6,640 | 8,459 | 6,419 | 7,095 | 9,012 |
| Pensions, etc | 5,171 | 5,145 | 6,136 | 8,995 | 9,450 | 13,612 | 12,568 | 19,941 |
| Civil Service Reform | 750 | 443 | 6,095 | 1,665 | 957 | 273 | 0 | 2,000 |
| Drought Recurrent Expenditures | 0 | 0 | 15,972 | 0 | 0 | 0 | 2,000 | 1,701 |
| Operations & maintenance/ Others | 56,102 | 55,699 | 71,584 | 82,125 | 89,098 | 105,041 | 107,096 | 132,460 |
| Of which Appropriation-in-Aid | 13,567 | 14,836 | 14,723 | 17,733 | 18,221 | 23,443 | 20,999 | 27,274 |
| 2.Development & Net Lending | 32,010 | 18,584 | 33,980 | 24,953 | 43,526 | 37,711 | 45,627 | 100,023 |
| Development Projects | 13,332 | 7,096 | 9,434 | 11,727 | 16,835 | 25,943 | 28,824 | 64,308 |
| Appropriation-in-Aid | 17,727 | 10,252 | 11,592 | 14,526 | 17,894 | 12,341 | 15,929 | 34,913 |
| Drought Development Expenditures | 0 | 0 | 5,806 | 0 | 0 | 0 | 0 | 0 |
| Payment of guaranteed loans | 951 | 1,880 | 3,957 | 1,862 | 1,799 | 1,368 | 860 | 802 |
| D.DEFICIT EXCL. GRANTS (Commitment Basis) | (1,084) | 3,324 | (40,608) | (29,147) | (53,394) | (27,506) | (13,571) | (84,669) |
| E.GRANTS | 4,920 | 4,247 | 24,080 | 6,823 | 14,942 | 16,224 | 14,905 | 27,866 |
| F.DEFICIT INCL.GRANTS (Commitment basis) | 3,836 | 7,571 | (16,528) | (22,324) | (38,452) | (11,282) | 1,334 | (56,803) |
| G. ADJUSTMENT TO CASH BASIS | (6,107) | (5,770) | 3,423 | (5,085) | 2,683 | 11,282 | 5,964 | 0 |
| H.DEFICIT INCL.GRANTS (cash basis) | (2,271) | 1,801 | (13,105) | (27,409) | (34,779) | 0 | 7,298 | (56,803) |
| I.FINANCING | 2,271 | (1,801) | 13,105 | 27,409 | 34,779 | 0 | (7,298) | 56,803 |
| Foreign Financing | (8,745) | (19,337) | 12,489 | (13,314) | (12,143) | (8,809) | (625) | 23,425 |
| Domestic Financing | 11,016 | 17,536 | 616 | 40,723 | 46,922 | 8,809 | (6,673) | 33,378 |
| Of which Domestic Borrowing | 11,016 | 17,536 | 616 | 40,723 | 46,922 | 8,809 | (6,673) | 25,378 |
| Others | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8,000 |
| In Percentage of GDP | | | | | | | | |
| A.TOTAL REVENUE | 28.7 | 26.5 | 19.9 | 19.2 | 20.3 | 22.3 | 22.8 | 22.8 |
| 1.Revenue | 26.9 | 23.5 | 18.1 | 17.1 | 18.3 | 19.8 | 20.9 | 20.7 |
| Income Tax | 8.9 | 7.5 | 5.5 | 5.4 | 6.4 | 6.8 | 7.4 | 7.7 |
| VAT | 5.6 | 5.3 | 5.2 | 5.0 | 5.4 | 5.4 | 6.0 | 5.5 |
| Import Duty | 4.0 | 3.8 | 3.0 | 2.1 | 1.8 | 2.0 | 1.8 | 1.8 |
| Excise Duty | 4.6 | 3.9 | 2.9 | 3.1 | 3.4 | 3.5 | 3.5 | 3.9 |
| Other Revenue | 3.8 | 3.0 | 1.5 | 1.5 | 1.3 | 2.2 | 2.2 | 1.8 |
| 2.Appropriation –in –Aid | 1.8 | 3.1 | 1.9 | 2.0 | 1.9 | 2.5 | 1.9 | 2.1 |
| B.EXPENDITURE & NET LENDING | 31.1 | 26.7 | 23.7 | 22.3 | 24.8 | 24.7 | 23.8 | 28.7 |
| 1.Recurrent | 25.6 | 22.3 | 20.6 | 19.6 | 21.2 | 21.4 | 20.2 | 21.6 |
| Wages and Salaries | 9.9 | 8.6 | 7.0 | 7.6 | 8.2 | 8.4 | 8.3 | 8.2 |
| Interest Payments | 6.1 | 5.4 | 3.2 | 3.0 | 3.5 | 2.6 | 2.4 | 2.5 |
| Domestic Interest | 4.8 | 4.3 | 2.4 | 2.3 | 2.7 | 2.0 | 1.8 | 1.9 |
| Foreign Interest Due | 1.2 | 1.1 | 0.8 | 0.6 | 0.8 | 0.6 | 0.6 | 0.6 |
| Pensions | 0.8 | 0.7 | 0.6 | 0.9 | 0.9 | 1.2 | 1.0 | 1.4 |
| Civil Service Reform | 0.1 | 0.1 | 0.6 | 0.2 | 0.1 | 0.0 | 0.0 | 0.1 |
| Drought Recurrent Expenditures | 0.0 | 0.0 | 1.7 | 0.0 | 0.0 | 0.0 | 0.2 | 0.1 |
| O &M/ Others | 8.7 | 7.6 | 7.4 | 8.0 | 8.6 | 9.2 | 8.4 | 9.3 |
| of which Appropriation-in-Aid | 1.3 | 1.8 | 1.5 | 1.7 | 1.8 | 2.1 | 1.6 | 1.9 |
| 2.Development & Net Lending | 5.5 | 4.3 | 3.2 | 2.7 | 3.5 | 3.3 | 3.6 | 7.0 |
| Development Projects | 2.1 | 1.8 | 1.0 | 1.1 | 1.6 | 2.3 | 2.3 | 4.5 |
| Appropriation-in-Aid | 3.0 | 2.4 | 1.2 | 1.4 | 1.7 | 1.1 | 1.3 | 2.4 |
| Drought Development Expenditures | 0.0 | 0.0 | 0.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Payment of guaranteed loans | 0.4 | 0.1 | 0.4 | 0.2 | 0.2 | 0.1 | 0.1 | 0.1 |
| D.DEFICIT EXCL. GRANTS (Commitment Basis) | (2.5) | (0.1) | (4.2) | (2.8) | (5.1) | (2.4) | (1.1) | (5.9) |
| E.GRANTS | 0.8 | 0.7 | 2.5 | 0.7 | 1.4 | 1.4 | 1.2 | 1.9 |
| F.DEFICIT INCL.GRANTS (Commitment basis) | (1.6) | 0.5 | (1.7) | (2.2) | (3.7) | (1.0) | 0.1 | (4.0) |
| G.ADJUSTMENT TO CASH BASIS | 0.5 | (0.8) | 0.4 | (0.5) | (0.3) | 1.0 | 0.5 | 0.0 |
| H.DEFICIT INCL.GRANTS (cash basis) | (1.1) | (0.3) | (1.4) | (2.7) | (3.3) | 0.0 | 0.6 | (4.0) |
| I.FINANCING | 1.1 | 0.3 | 1.4 | 2.7 | 3.3 | 0.0 | (0.6) | 4.0 |
| Foreign Financing | (1.1) | (1.2) | 1.3 | (1.3) | (1.2) | (0.8) | 0.0 | 1.6 |
| Domestic Financing | 2.3 | 1.5 | 0.1 | 4.0 | 4.5 | 0.8 | (0.5) | 2.3 |
| Of which Domestic Borrowing | 2.3 | 1.5 | 0.1 | 4.0 | 4.5 | 0.8 | (0.5) | 1.8 |
| Others | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.6 |
| Memorandum Item: | | | | | | | | |
| Nominal GDP at Market price (Kshs. million) | 739,800.0 | 777,838.0 | 967,838.0 | 1,025,918.0 | 1,038,764.0 | 1,141,780.0 | 1,273,716.0 | 1,431,579.0 |

Note: * indicate Preliminary results and ** Printed Estimates

Source: Ministry of Finance and Planning

2003/04 Approved Estimates and 2004/05 Budget for some State Corporations

| | Name | Actual 2003/2004 Ksh.'000 | Forecast 2004/2005 Ksh.'000 | Budget 2005/2006 Ksh.'000 |
|----|--|---------------------------------|-----------------------------------|---------------------------------|
| 1 | Kenya Institute of Administration | 162,224 | 176,658 | 184,730 |
| 2 | Capital Markets Authority | 145,759 | 117,800 | 141,978 |
| 3 | Retirement Benefits Authority | 191,447 | 180,550 | 195,050 |
| 4 | Kenya Revenue Authority | 3,883,000 | 5,676,000 | 7,208,000 |
| 5 | Registration Of Accountants Board | 2,781 | 3,140 | 3,647 |
| 6 | Registration Of Certified Public Secretaries Board | 1,517 | 1,797 | 1,828 |
| 7 | KIPPRA | 312,477 | 221,985 | 192,652 |
| 8 | Kenya Civil Aviation Authority | - | 1,974,195 | 2,059,500 |
| 9 | Kenya Maritime Authority | - | - | 180,000 |
| 10 | Kenya Industrial Research & Development Institute | 144,358 | 145,878 | 264,161 |
| 11 | Export Processing Zones Authority | 306,894 | 315,736 | 360,353 |
| 12 | Kenya Industrial Estates | 188,704 | 153,130 | 364,138 |
| 13 | Investment Promotion Centre | - | 90,000 | 275,718 |
| 14 | Catering Training & Tourism Development Levy Trustees. | 443,520 | 526,480 | 545,394 |
| 15 | Kenya Tourist Board | 738,974 | 752,850 | 976,748 |
| 16 | Kenya Utalii College | 547,360 | 472,677 | 533,811 |
| 17 | Communication Commission of Kenya | 1,757,551 | 1,821,310 | 1,915,350 |
| 18 | Agricultural Development Corporation | 373,484 | 567,621 | 830,467 |
| 19 | Horticultural Crops Development Authority | 176,044 | 197,448 | 207,410 |
| 20 | National Irrigation Board | 192,267 | 450,864 | 382,720 |
| 21 | Coffee Research Foundation | 142,557 | 211,268 | 200,960 |
| 22 | Pyrethrum Board Of Kenya | 1,085,653 | 1,240,785 | 1,465,157 |
| 23 | Pest Control Products Board | 31,188 | 36,432 | 42,759 |
| 24 | KEPHIS | 301,295 | 295,200 | 289,900 |
| 25 | Sugar Research Foundation | - | 172,761 | 220,662 |
| 26 | Kenya Sugar Board | 113,128 | 219,157 | 305,281 |
| 27 | Tea Board Of Kenya | 175,677 | 170,448 | 173,358 |
| 28 | Tea Research foundation of Kenya | 121,910 | 105,058 | 136,768 |
| 29 | Kenya Sisal Board | 11,519 | 11,853 | 15,554 |
| 30 | Kenya Agricultural Research Institute | 1,639,294 | 2,726,777 | 3,309,000 |
| 31 | Kenya Dairy Board | 87,009 | 85,035 | 100,638 |
| 32 | Kenya Marine & Fisheries Research Institute | 231,238 | 366,414 | 497,428 |
| 33 | Cooperative College Of Kenya | 94,690 | 100,937 | 103,886 |
| 34 | Egerton University | 1,880,493 | 1,999,925 | 2,566,537 |
| 35 | Jomo Kenyatta University of Agriculture & Technology | 916,981 | 1,500,202 | 1,980,622 |
| 36 | Kenyatta University | 1,572,170 | 2,150,196 | 2,800,914 |
| 37 | Maseno University | 621,300 | 938,078 | 1,039,589 |
| 38 | Moi University | 1,737,911 | 2,391,877 | 2,734,394 |
| 39 | University Of Nairobi | 4,080,679 | 5,101,300 | 6,557,786 |
| 40 | High Education Loans Board | 565,350 | 653,391 | 714,000 |
| 41 | Commission For High Education | 108,277 | 109,587 | 171,236 |
| 42 | Kenya National Examination Council | 1,502,104 | 1,527,318 | 1,640,240 |
| 43 | Kenyatta National Hospital | 3,409,863 | 6,649,746 | 7,296,200 |
| 44 | Moi Teaching & Referral Hospital | 783,911 | 1,310,665 | 1,920,734 |
| 45 | Kenya Medical Training College | 951,359 | 949,899 | 1,003,013 |
| 46 | Kenya Medical Research Institute | 1,739,496 | 2,414,739 | 2,856,212 |

ANNEX II

| | Name | Actual 2003/2004 Ksh.'000 | Forecast 2004/2005 Ksh.'000 | Budget 2005/2006 Ksh.'000 |
|----|--|---------------------------------|-----------------------------------|---------------------------------|
| 47 | Tana & Athi River Development Authority | 167,146 | 220,144 | 260,000 |
| 48 | Ewaso Ng'iro North Development Authority | 31,316 | 54,243 | 68,256 |
| 49 | Coast Development Authority | 48,613 | 77,092 | 117,766 |
| 50 | Electricity Regulatory Board | 116,532 | 125,693 | 131,097 |
| 51 | Bomas of Kenya | 107,825 | 98,699 | 87,500 |
| 52 | National Museums of Kenya | 559,535 | 779,353 | 1,083,266 |
| 53 | Sports Stadia Management Board | - | 119,150 | 207,060 |
| 54 | Kenya National Library Services | 351,158 | 402,453 | 680,970 |
| | Totals | 34,855,538 | 49,161,994 | 59,602,398 |

Source: Ministry of Finance

2003/2004 Actual Expenditures and 2004/2005 Budget Estimates for Local Authorities

| LA Code | Local Authority Name | FY 2003-04 | FY 2003-04 | FY 2004-05 |
|---------|----------------------|------------------|----------------|--------------------|
| | | Budget Estimates | Budget Actuals | Approved Estimates |
| 001 | Nairobi City | 9,801,000,000 | 5,977,525,562 | 4,875,059,758 |
| 006 | Ahero TC | 27,283,832 | NA | 22,151,036 |
| 011 | Awendo TC | 25,673,612 | 23,957,709 | 24,843,622 |
| 016 | Baringo CC | 42,523,718 | 43,488,913 | 43,788,109 |
| 021 | Bomet CC | 36,295,451 | 36,397,592 | 36,315,512 |
| 026 | Bomet MC | 16,347,582 | 26,749,489 | 17,836,759 |
| 031 | Bondo CC | 35,804,073 | 35,577,979 | 33,122,079 |
| 036 | Bondo TC | 18,777,597 | 12,245,735 | 13,244,911 |
| 041 | Bungoma CC | 76,999,788 | 76,653,387 | 99,756,802 |
| 046 | Bungoma MC | 58,590,534 | NA | 42,552,317 |
| 051 | Bureti CC | 28,785,755 | 34,419,035 | 33,276,998 |
| 056 | Burnt Forest TC | 7,319,941 | 7,653,614 | 6,835,346 |
| 061 | Busia CC | 34,962,129 | 38,540,693 | 32,738,794 |
| 066 | Busia MC | 53,266,179 | 38,841,618 | 37,454,835 |
| 071 | Butere-Mumias CC | 70,421,217 | 68,309,949 | 78,465,526 |
| 076 | Chepareria TC | 5,834,860 | 3,736,242 | 3,911,502 |
| 081 | Chogoria TC | 9,493,701 | 12,469,513 | 10,148,286 |
| 086 | Chuka MC | 16,483,455 | 16,211,143 | 13,866,632 |
| 091 | Eldama Ravine TC | 17,002,004 | 17,379,502 | 18,740,504 |
| 096 | Eldoret MC | 290,247,000 | 226,830,714 | 314,349,579 |
| 101 | Embu CC | 38,074,711 | 25,338,834 | 31,780,878 |
| 106 | Embu MC | 74,824,881 | 80,069,113 | 79,596,315 |
| 111 | Funyula TC | 5,158,321 | 6,675,831 | 4,505,224 |
| 116 | Garissa CC | 38,972,201 | 35,516,291 | 12,630,968 |
| 121 | Garissa MC | 43,719,344 | 41,936,154 | 21,120,000 |
| 126 | Gucha CC | 35,474,588 | 27,223,856 | 39,107,994 |
| 131 | Gusii CC | 48,360,758 | 32,921,800 | 51,980,682 |
| 136 | Homa Bay CC | 35,652,622 | 26,730,764 | 35,396,212 |
| 141 | Homabay MC | 45,026,511 | 40,607,744 | 34,697,440 |
| 143 | Ijara CC | 9,188,176 | 9,114,541 | 3,028,454 |
| 146 | Isiolo CC | 108,434,949 | 88,897,584 | 97,466,946 |
| 151 | Iten-Tambach TC | 11,302,167 | 9,147,105 | 11,167,877 |
| 156 | Kabarnet MC | 18,882,816 | 17,709,562 | 20,280,635 |
| 161 | Kajiado TC | 21,278,974 | 15,790,747 | 13,129,020 |
| 166 | Kakamega CC | 68,325,788 | NA | 66,582,705 |
| 171 | Kakamega MC | 81,977,072 | 62,643,089 | 66,119,624 |
| 176 | Kandara TC | 6,237,840 | 4,933,991 | 4,949,170 |
| 181 | Kangema TC | 11,775,396 | 10,278,735 | 9,174,985 |
| 186 | Kangundo TC | 42,514,562 | 37,989,969 | 40,083,795 |
| 191 | Kapenguria MC | 15,493,711 | 15,318,669 | 16,180,075 |
| 196 | Kapsabet MC | 26,229,702 | 29,515,887 | 27,442,739 |
| 201 | Karatina MC | 3,912,000 | 52,113,306 | 31,348,528 |
| 206 | Karuri TC | 32,451,385 | 24,470,618 | 26,741,280 |
| 211 | Kehancha MC | 58,685,313 | 57,598,167 | 35,059,185 |

ANNEX III

| LA Code | Local Authority Name | FY 2003-04 | FY 2003-04 | FY 2004-05 |
|---------|----------------------|------------------|----------------|--------------------|
| | | Budget Estimates | Budget Actuals | Approved Estimates |
| 216 | Keiyo CC | 32,314,225 | 28,999,034 | 20,484,142 |
| 221 | Kendu Bay TC | 8,234,292 | NA | 8,552,033 |
| 226 | Kericho MC | 86,116,427 | NA | 79,077,381 |
| 231 | Keroka TC | 26,677,311 | 13,313,379 | 22,359,072 |
| 236 | Kerugoya/Kutus MC | 42,746,744 | 34,069,483 | 36,343,670 |
| 241 | Kiambu CC | 57,707,405 | 62,295,513 | 62,336,187 |
| 246 | Kiambu MC | 47,495,000 | NA | 51,763,009 |
| 251 | Kikuyu TC | 51,862,308 | 54,779,338 | 53,294,573 |
| 256 | Kilifi CC | 63,783,847 | 52,344,550 | 69,430,906 |
| 261 | Kilifi TC | 36,051,151 | 31,371,593 | 31,408,924 |
| 266 | Kimilili MC | 19,846,882 | 18,498,733 | 18,525,641 |
| 271 | Kipkelion TC | 9,928,020 | 10,241,250 | 10,193,995 |
| 276 | Kipsigis CC | 68,402,179 | 50,656,123 | 64,329,835 |
| 281 | Kirinyaga CC | 100,432,277 | 111,298,816 | 94,886,127 |
| 286 | Kisii MC | 64,990,878 | 46,455,782 | 63,625,982 |
| 291 | Kisumu CC | 31,660,569 | 27,987,395 | 23,433,540 |
| 296 | Kisumu MC | 364,470,387 | 283,036,079 | 421,969,815 |
| 301 | Kitale MC | 105,130,063 | 69,700,416 | 86,141,279 |
| 306 | Kitui CC | 56,298,899 | 65,247,813 | 60,808,758 |
| 311 | Kitui MC | 56,348,264 | 44,335,165 | 34,407,580 |
| 316 | Koibatek CC | 25,824,783 | 22,000,146 | 26,845,043 |
| 321 | Kwale CC | 139,117,890 | 66,577,347 | 99,757,049 |
| 326 | Kwale TC | 14,327,228 | 15,378,211 | 9,426,756 |
| 331 | Laikipia CC | 45,972,051 | 50,972,972 | 54,285,788 |
| 336 | Lamu CC | 20,418,457 | 17,678,508 | 22,015,804 |
| 341 | Limuru MC | 36,156,115 | 28,989,378 | 31,481,882 |
| 346 | Litein TC | 21,074,244 | 18,823,562 | 19,131,929 |
| 351 | Lodwar MC | 16,723,853 | 14,648,472 | 13,791,970 |
| 356 | Londiani TC | 13,596,749 | 11,310,131 | 9,723,592 |
| 361 | Luanda TC | 15,213,710 | 15,274,800 | 15,660,197 |
| 366 | Lugari CC | 55,756,016 | NA | 42,323,000 |
| 371 | Machakos MC | 77,960,340 | 60,972,181 | 83,694,980 |
| 376 | Makueni CC | 130,920,457 | 113,708,710 | 106,312,416 |
| 381 | Makuyu TC | 11,520,386 | 9,557,374 | 11,672,026 |
| 386 | Malaba TC | 24,617,428 | 32,817,139 | 26,366,460 |
| 391 | Malakisi TC | 6,491,557 | 6,259,409 | 6,664,630 |
| 396 | Malava TC | 10,387,549 | 11,540,637 | 10,298,378 |
| 401 | Malindi CC | 34,144,761 | 43,491,090 | 39,416,178 |
| 406 | Malindi MC | 105,365,678 | 121,794,369 | 128,635,569 |
| 411 | Mandera CC | 35,433,757 | 30,566,175 | 33,677,536 |
| 416 | Mandera TC | 26,730,312 | 25,530,726 | 14,876,048 |
| 421 | Maragwa CC | 60,123,697 | 52,386,898 | 60,790,757 |
| 426 | Maragwa TC | 18,345,896 | 8,812,924 | 13,408,177 |
| 431 | Marakwet CC | 21,373,496 | 23,148,701 | 22,837,651 |
| 436 | Maralal TC | 17,239,825 | 14,323,278 | 15,359,808 |
| 441 | Mariakani TC | 23,628,574 | NA | 20,129,982 |
| 446 | Marsabit CC | 25,745,580 | 28,597,160 | 34,614,100 |
| 451 | Masaku CC | 110,503,868 | 108,418,698 | 110,663,575 |

ANNEX III

| LA Code | Local Authority Name | FY 2003-04 | FY 2003-04 | FY 2004-05 |
|---------|----------------------|------------------|----------------|--------------------|
| | | Budget Estimates | Budget Actuals | Approved Estimates |
| 456 | Masimba TC | 18,521,370 | 8,596,651 | 9,882,468 |
| 461 | Matuu TC | 18,881,535 | 14,464,507 | 20,098,520 |
| 466 | Maua MC | 18,445,240 | 21,840,723 | 25,724,773 |
| 471 | Mavoko MC | 81,668,932 | 92,789,143 | 78,035,197 |
| 476 | Mbeere CC | 35,596,661 | 23,440,403 | 39,391,568 |
| 481 | Mbita Point TC | 10,435,056 | 9,042,098 | 10,205,072 |
| 486 | Meru CC | 96,930,287 | NA | 85,721,208 |
| 491 | Meru MC | 73,929,287 | 57,064,459 | 56,344,971 |
| 496 | Meru South CC | 26,171,844 | 22,408,777 | 27,056,576 |
| 501 | Migori CC | 46,934,418 | 31,290,985 | 21,593,666 |
| 506 | Migori MC | 55,557,071 | 44,042,430 | 40,129,442 |
| 511 | Molo TC | 31,435,246 | 24,460,155 | 28,420,982 |
| 516 | Mombasa MC | 1,199,825,798 | NA | 1,225,763,946 |
| 521 | Mt. Elgon CC | 24,189,705 | NA | 20,084,016 |
| 526 | Moyale CC | 29,255,898 | 29,070,835 | 28,261,571 |
| 531 | Mtiti Andei TC | 18,396,564 | NA | 13,706,286 |
| 536 | Muhoroni TC | 12,860,711 | 13,899,889 | 13,155,076 |
| 541 | Mumias MC | 49,925,623 | 38,564,865 | 36,873,007 |
| 546 | Murang'a CC | 61,079,375 | 59,820,651 | 60,206,046 |
| 551 | Murang'a MC | 38,745,560 | 36,294,858 | 38,881,247 |
| 556 | Mwingi CC | 33,386,239 | 29,350,745 | 34,559,815 |
| 561 | Mwingi TC | 14,849,823 | 17,600,081 | 17,567,580 |
| 566 | Naivasha MC | 64,942,522 | 76,240,361 | 68,421,558 |
| 571 | Nakuru CC | 157,715,775 | 173,067,513 | 165,701,896 |
| 576 | Nakuru MC | 500,843,067 | 304,008,034 | 362,047,534 |
| 581 | Nambale TC | 12,400,502 | 9,275,826 | 9,576,439 |
| 586 | Nandi CC | 59,372,114 | 57,203,535 | 76,396,217 |
| 591 | Nandi Hills TC | 14,062,845 | 13,801,353 | 13,836,878 |
| 596 | Nanyuki MC | 127,176,963 | NA | 132,103,995 |
| 601 | Narok CC | 27,590,425 | 364,837,460 | 377,850,927 |
| 606 | Narok TC | 20,218,985 | 20,652,275 | 22,791,031 |
| 616 | Nyahururu MC | 79,533,226 | 68,308,879 | 75,906,138 |
| 621 | Nyamache TC | 6,687,783 | 8,421,589 | 6,603,517 |
| 626 | Nyamarambe TC | 11,400,389 | NA | 8,043,518 |
| 631 | Nyambene CC | 65,785,558 | 50,297,683 | 73,872,413 |
| 636 | Nyamira CC | 46,889,245 | 41,655,903 | 42,281,613 |
| 641 | Nyamira TC | 29,279,587 | 12,619,683 | 28,019,454 |
| 646 | Nyandarua CC | 81,113,536 | 88,305,981 | 85,709,684 |
| 651 | Nyando CC | 55,373,711 | 29,991,254 | 59,914,342 |
| 656 | Nyansiongo TC | 10,629,056 | 14,504,084 | 10,649,080 |
| 661 | Nyeri CC | 83,405,384 | 89,222,362 | 89,085,293 |
| 667 | Nyeri MC | 88,191,311 | 124,181,771 | 92,680,669 |
| 671 | Nzoia CC | 66,058,134 | 55,432,890 | 71,745,022 |
| 676 | Ogembo TC | 12,984,546 | 15,856,349 | 11,734,103 |
| 681 | Olkalou TC | 25,113,315 | 26,101,780 | 21,856,232 |
| 686 | Olkejuado CC | 116,878,336 | 103,514,681 | 112,866,929 |
| 691 | Othaya TC | 14,007,318 | 15,073,444 | 14,353,331 |
| 696 | Oyugis TC | 20,071,540 | 22,175,355 | 17,678,714 |

ANNEX III

| LA Code | Local Authority Name | FY 2003-04 | FY 2003-04 | FY 2004-05 |
|---------|----------------------|------------------|----------------|--------------------|
| | | Budget Estimates | Budget Actuals | Approved Estimates |
| 701 | Pokot CC | 43,364,888 | 23,997,676 | 28,000,442 |
| 706 | Port Victoria TC | 10,518,261 | 12,163,300 | 11,379,492 |
| 711 | Rachuonyo CC | 35,162,776 | 27,564,319 | 27,886,836 |
| 716 | Rongo TC | 20,693,569 | 20,674,942 | 22,210,547 |
| 721 | Ruiru MC | 55,812,435 | 42,991,939 | 58,497,967 |
| 726 | Rumuruti TC | 17,165,388 | 11,631,737 | 12,232,826 |
| 731 | Runyenjes MC | 22,992,604 | 21,368,763 | 21,303,744 |
| 736 | Sagana TC | 11,545,215 | 11,484,338 | 13,731,669 |
| 741 | Samburu CC | 87,507,176 | 99,035,098 | 101,031,914 |
| 746 | Siaya CC | 36,131,295 | 48,806,566 | 40,130,610 |
| 751 | Siaya MC | 17,649,167 | 16,935,845 | 20,439,137 |
| 756 | Sirisia TC | 4,599,347 | 4,023,497 | 4,418,313 |
| 761 | Sotik TC | 16,512,848 | 10,254,471 | 17,251,773 |
| 766 | Suba CC | 19,500,949 | 21,185,830 | 24,950,169 |
| 771 | Suneka TC | 13,669,866 | 15,568,521 | 4,597,091 |
| 776 | Tabaka TC | 11,610,253 | 6,826,529 | 8,388,578 |
| 781 | Taita Taveta CC | 42,516,344 | 43,939,867 | 33,341,249 |
| 786 | Tana River CC | 38,345,626 | 29,010,978 | 30,842,864 |
| 791 | Taveta TC | 29,097,866 | 22,648,413 | 23,182,010 |
| 796 | Teso CC | 15,200,273 | 15,307,864 | 15,798,470 |
| 801 | Tharaka CC | 16,531,869 | 21,639,847 | 15,363,336 |
| 806 | Thika CC | 75,151,588 | 75,994,697 | 76,113,208 |
| 811 | Thika MC | 229,565,050 | 232,965,720 | 238,106,176 |
| 816 | Transmara CC | 58,551,825 | 90,820,150 | 70,524,069 |
| 821 | Turkana CC | 54,645,090 | 37,635,640 | 52,447,324 |
| 826 | Ugunja TC | 10,966,924 | 8,506,595 | 9,910,380 |
| 831 | Ukwala TC | 9,569,241 | 8,664,616 | 10,761,688 |
| 836 | Vihiga CC | 56,718,412 | 34,051,486 | 57,921,540 |
| 841 | Vihiga MC | 35,103,504 | 26,050,394 | 47,617,306 |
| 846 | Voi MC | 23,426,923 | 22,011,528 | 27,357,635 |
| 851 | Wajir CC | 43,716,942 | 52,676,267 | 55,961,541 |
| 856 | Wareng CC | 63,544,280 | 82,011,826 | 70,452,325 |
| 861 | Webuye MC | 30,971,214 | NA | 36,523,152 |
| 866 | Wote TC | 19,099,088 | 15,375,974 | 18,211,909 |
| 871 | Yala TC | 15,803,379 | 8,072,412 | 17,541,030 |