



**Republic of Kenya**

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**Ministry of Finance**



# **Quarterly Budget Review**

Fourth Quarter  
2005/2006

September 2006 Edition

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## **LIST OF ABBREVIATIONS**

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

## **HIGHLIGHTS OF THE FOURTH QUARTER BUDGET REVIEW: 2005/2006**

### **❖ The overall fiscal balance**

The cumulative overall fiscal balance (on a commitment basis and excluding grants) recorded a deficit of Kshs 62.9 billion (equivalent to 4.02 percent of the GDP) against a targeted deficit of Kshs 89.5 billion (equivalent to 5.72 percent of GDP) in the 2005/06 fiscal year.

### **❖ Total revenue collection**

The total Government revenue collection for the fiscal year 2005/06 was below the target by Kshs 12.0 billion. This was mainly due to poor performance in various categories of the ordinary revenue and under collection in ministerial A-In-A.

### **❖ Government expenditure and net lending**

The total Government expenditure and net lending for the FY ending 30<sup>th</sup> June 2006 was Kshs 376.5 billion against a target of Kshs 415.1 billion. This Ksh 38.6 billion shortfall is attributed mainly to lower expenditure absorption than targeted under recurrent expenditures and foreign financed capital expenditures reflecting low disbursement of external funds.

### **❖ Stock of pending bills**

During the period under review, stock of pending bills held by the line Ministries decrease slightly. In particular, the stock of pending bills decreased by Kshs 71 million, from Kshs 11.67 billion in June 2005 to Kshs 11.60 billion in June 2005.

### **❖ Guaranteed Loans**

Guaranteed loans by the Government (on behalf of the State Enterprises and Local Authorities, with liquidity problems) amounted to Kshs 1.05 billion by the end of the fourth quarter. There were no payments made due to Paris Club rescheduling. The Government will begin paying on behalf of the parastatals in the financial year 2006/07.

❖ **External financing**

External financing represented a net repayment of Kshs 241.5 million compared to a net repayment of Kshs 3,306.5 million in a similar period in 2004/2005 fiscal year.

❖ **Net Domestic Borrowing**

Net domestic borrowing was Kshs 28.3 billion in the period ending 30<sup>th</sup> June 2006 against a target of Kshs 36.6 billion. The below- target domestic borrowing was mainly due to lower than expected special borrowing to cover drought related expenses. It comprised of net borrowing of Kshs 27.1 billion from Commercial Banks, net borrowing of Kshs 23.5 billion from Non Bank Financial Institutions and net repayment of Kshs 21.0 billion to the Central Bank, net repayment of Kshs 1.4 billion to Non Residents.

❖ **Total Domestic Debt**

The total domestic debt stock increased from Kshs 315.6 billion as at the end of June 2005 to Kshs 357.8 billion by the end of June 2006, a 13.4 percent growth. This increase was due to increased borrowing through the Fixed Rate Treasury Bonds and Treasury Bills in the period under review.

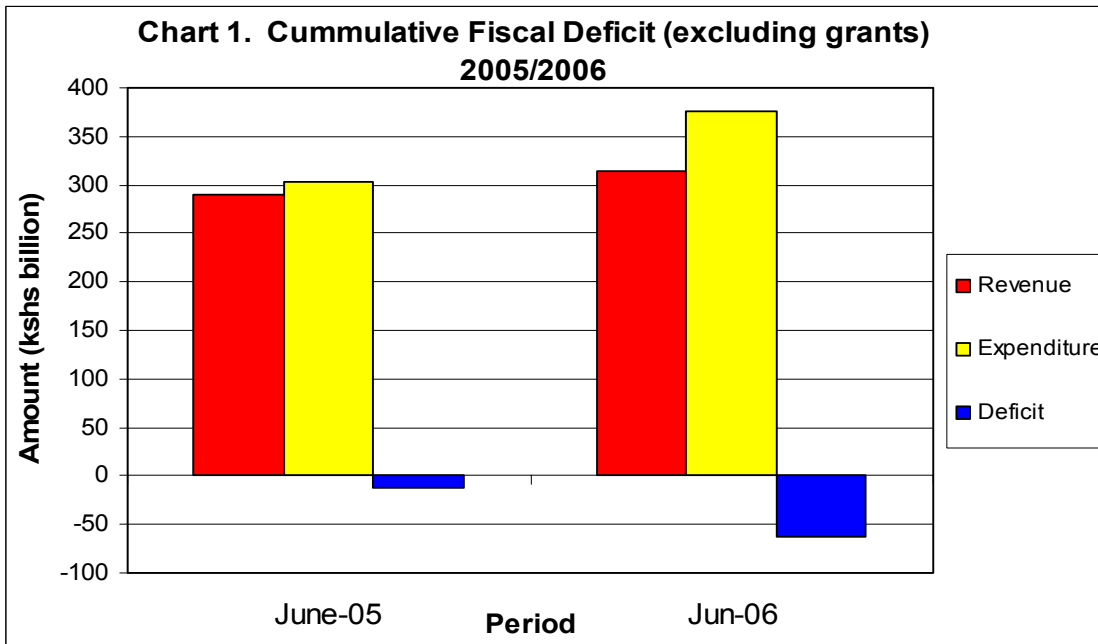
❖ **External Debt**

The total external debt was Kshs 431.2 billion by the end of June 2006. Out of this, Multilateral Creditors accounted for 59.3%, Bilateral Creditors 35.9 percent, Commercial Banks and Export Credit accounted for 4.8 percent of the total external debt in that order respectively.

## 1. FISCAL DEVELOPMENTS

### 1.1 Introduction

The overall fiscal balance on a commitment basis and excluding grants, in the fiscal year quarter 2005/2006 recorded a deficit of Kshs 62.9 billion (equivalent to 4.02 percent of Gross Domestic Product (GDP)), against a targeted deficit of Kshs 89.5 billion (equivalent to 5.72 percent of GDP). This compares unfavourably with the deficit of Kshs 13.6 billion (equivalent to 1.01 percent of GDP) recorded in FY 2004/05. On the other hand, the fiscal balance on a commitment basis and including grants recorded a deficit of Kshs 42.8 billion (equivalent to 2.74 percent of GDP), against a target deficit of Kshs 54.4 billion (equivalent to 3.48 percent of GDP) (*Chart 1 and Table 1*).



FISCAL DEVELOPMENTS

**Table 1: BUDGET OUTFURN, 2005/2006 (Kshs Millions)**

	2004/2005 Quarter IV Actual	2005/2006 Quarter IV Actual	2005/2006 Quarter IV Targets	Deviation	2005/2006 Quarter IV Actual % of GDP	2005/2006 Quarter IV Target as % of GDP	2004/05 Quarter IV Actual % of GDP
<b>A. TOTAL REVENUE AND GRANTS</b>							
GRANTS	304,707	333,665	360,695	(27,030)	21.33	23.06	22.59
1. Revenue	289,802	313,595	325,563	(11,968)	20.05	20.81	21.49
Ordinary Revenue	265,715	283,427	291,064	(7,637)	18.12	18.61	19.70
Import Duty	23,532	20,511	21,732	(1,221)	1.31	1.39	1.74
Excise Duty	44,151	50,309	54,077	(3,768)	3.22	3.46	3.27
Income tax	94,095	108,897	110,016	(1,119)	6.96	7.03	6.98
VAT	75,989	76,263	77,732	(1,469)	4.87	4.97	5.63
Investment Revenue	3,685	2,239	2,142	97	0.14	0.14	0.27
Others	24,263	25,208	25,365	(157)	1.61	1.62	1.80
Appropriation-in-Aid	24,087	30,168	34,499	(4,331)	1.93	2.21	1.79
2. Grants	14,905	20,070	35,132	(15,062)	1.28	2.25	1.11
Cash	5,564	4,872	15,133	(10,261)	0.31	0.97	0.41
Appropriation-in-Aid Programme	9,341	10,827	15,249	(4,422)	0.69	0.97	0.69
	0	4,371	4,750	(379)	0.28	0.30	0.00
<b>B. EXPENDITURE and NET LENDING</b>	303,373	376,482	415,104	(38,622)	24.07	26.53	22.49
1. Recurrent	257,746	312,181	328,160	(15,979)	19.96	20.98	19.11
Domestic Interest	23,375	31,445	28,478	2,967	2.01	1.82	1.73
Foreign Interest Due	7,095	9,664	9,802	(138)	0.62	0.63	0.53
Pension	12,568	19,759	21,421	(1,662)	1.26	1.37	0.93
Wages and Salaries	105,612	112,277	114,515	(2,238)	7.18	7.32	7.83
O & M/Others	109,096	139,036	153,944	(14,908)	8.89	9.84	8.09
2. Development and Net Lending	45,627	64,301	86,944	(22,643)	4.11	5.56	3.38
3. Civil Contingency Fund	0	0	0	0	0.00	0.00	0.00
<b>C. DEFICIT EXCL. GRANT (Commitment basis)</b>	(13,571)	(62,887)	(89,541)	26,654	(4.02)	(5.72)	(1.01)
<b>D. DEFICIT INCL. GRANTS (Commitment basis)</b>	1,334	(42,817)	(54,409)	11,592	(2.74)	(3.48)	0.10
<b>E. ADJUSTMENT TO CASH BASIS</b>	5,964	6,280	4,750	1,530	0.40	0.30	0.44
<b>F. DEFICIT INCL. GRANTS (Cash basis)</b>	7,298	(36,537)	(49,659)	13,122	(2.34)	(3.17)	0.54
<b>G. FINANCING</b>	(7,298)	36,537	49,659	(13,122)	2.34	3.17	(0.54)
1. Foreign financing	(625)	1,216	5,720	(4,504)	0.08	0.37	(0.05)
Disbursements	7,238	8,988	15,741	(6,753)	0.57	1.01	0.54
Programme Cash Loans	0	1,572	1,572	0	0.10	0.10	0.00
Project Cash Loans	3,741	2,788	6,469	(3,681)	0.18	0.41	0.28
Loans AIA	3,497	4,628	7,700	(3,072)	0.30	0.49	0.26
Repayment due (current)	(22,613)	(27,490)	(27,489)	(1)	(1.76)	(1.76)	(1.68)
Rescheduling	9,726	7,113	7,113	0	0.45	0.45	0.72
Of which principal	7,045	5,656	5,656	0	0.36	0.36	0.52
Of which interest	2,681	1,457	1,457	0	0.09	0.09	0.20
Change in arrears (current)	5,024	12,605	10,355	2,250	0.81	0.66	0.37
Repayment (arrears)	0	0	0	0	0.00	0.00	0.00
2. Privatization proceeds	0	7,000	7,300	(300)	0.45	0.47	0.00
3. Bank restructuring Costs	0	0	0	0	0.00	0.00	0.00
4. Domestic financing	(6,673)	28,321	36,639	(8,318)	1.81	2.34	(0.49)
<b>Memo item</b>							
Nominal GDP	1,348,830	1,563,100	1,563,100				

Source: Ministry of Finance

## FISCAL DEVELOPMENTS

### 1.2 REVENUE

The total Government revenue collection for the fiscal year 2005/2006 was below target by Kshs 12.0 billion, due to poor performances in ordinary revenue and lower ministerial A-in-A collections. Ordinary revenue collection amounted to Kshs 283.4 billion against a target of Kshs 291.1 billion, a Kshs 7.6 billion under collection. Notably, there was under performance in all the revenue categories, with the Excise duty and Appropriation In Aid collections recording the highest shortfalls of Kshs 3.8 billion and Kshs 6.7 respectively. (*Table 2 and Chart 2*).

**Table 2: Government Revenue and External Grants, Fourth Quarter (Cumulative) Ending 30<sup>th</sup> June 2006 (Kshs Million)**

	2004/2005 Quarter IV Actual	2005/2006 Quarter IV Actual	2005/2006 Quarter IV Target	Deviation
<b>Total Revenue</b>	<b>289,802</b>	<b>313,595</b>	<b>325,563</b>	<b>(11,968)</b>
<b>(a) Ordinary Revenue</b>	<b>265,715</b>	<b>283,427</b>	<b>291,064</b>	<b>(7,637)</b>
Import Duty	23,532	20,511	21,732	(1,221)
Excise Duty	44,151	50,309	54,077	(3,768)
PAYE	50,282	57,460	62,910	(5,450)
Other Income Tax	43,813	51,437	52,896	(1,459)
VAT Local	43,121	42,430	42,422	8
VAT Imports	32,867	33,833	35,310	(1,477)
Investment Revenue	3,685	2,239	2,142	97
Traffic Revenue	2,539	2,742	1,008	1,734
Airport Revenue	1,150	0	0	0
Essential Supplies Revenue	7,300	9,350	9,006	344
Others 1/	13,275	13,116	9,561	3,555
<b>(b) Appropriation In Aid 2/</b>	<b>24,087</b>	<b>30,168</b>	<b>34,499</b>	<b>(4,331)</b>
<b>External Grants</b>	<b>14,905</b>	<b>20,070</b>	<b>35,132</b>	<b>(15,062)</b>
<b>Total Revenue and Grants</b>	<b>304,707</b>	<b>333,665</b>	<b>360,695</b>	<b>(27,030)</b>
In % of GDP	22.59	21.35	23.08	(1.73)

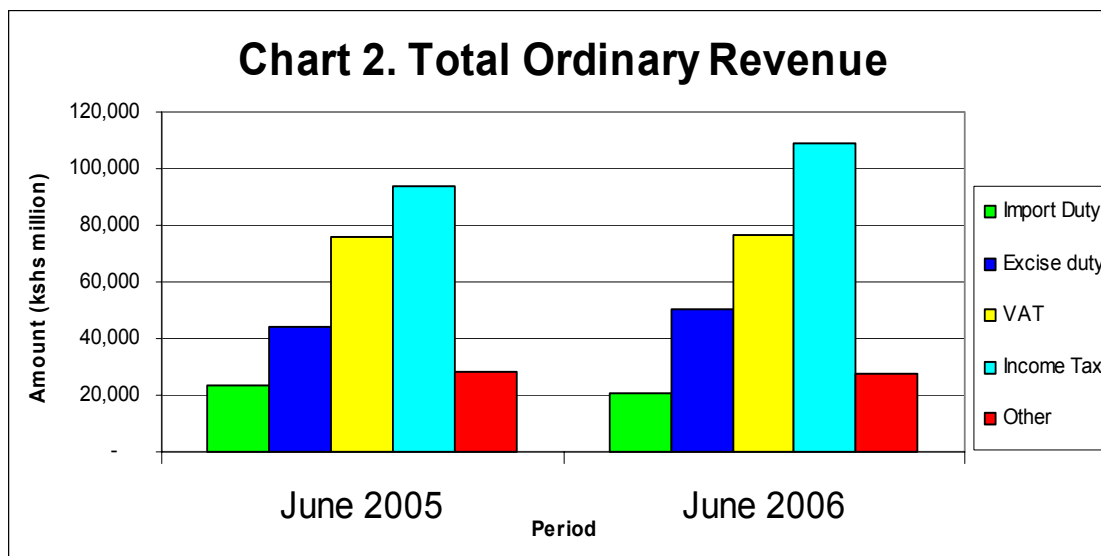
Source: Ministry of Finance

1/ includes, aviation, land, forest and 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 21.35 percent compared to 22.59 percent in the corresponding period of 2004/2005 financial year. And External grants amounted to Kshs 20.1 billion against a target of Kshs 35.1 billion. (*Table 1 and Table 2*)





### 1.3 Expenditure

The total Government Expenditure and Net Lending, in the period under review, amounted to Kshs 376.5 billion, against a target of Kshs 415.1 billion. This reflected a below target performance by Kshs 38.6 billion, mainly due to lower than targeted recurrent expenditures and foreign financed capital expenditures reflecting low disbursement of external funds especially those meant for development related expenditures (*Table 3 and Chart 3*).

Recurrent expenditures amounted to Kshs 312.2 billion against a target of Kshs 328.2 billion. The lower than targeted recurrent expenditures were recorded under; Operations and Maintenance (Kshs 15.0 billion), Wages and Salaries (Kshs 2.2 billion) and Pensions (Kshs 1.7 billion).

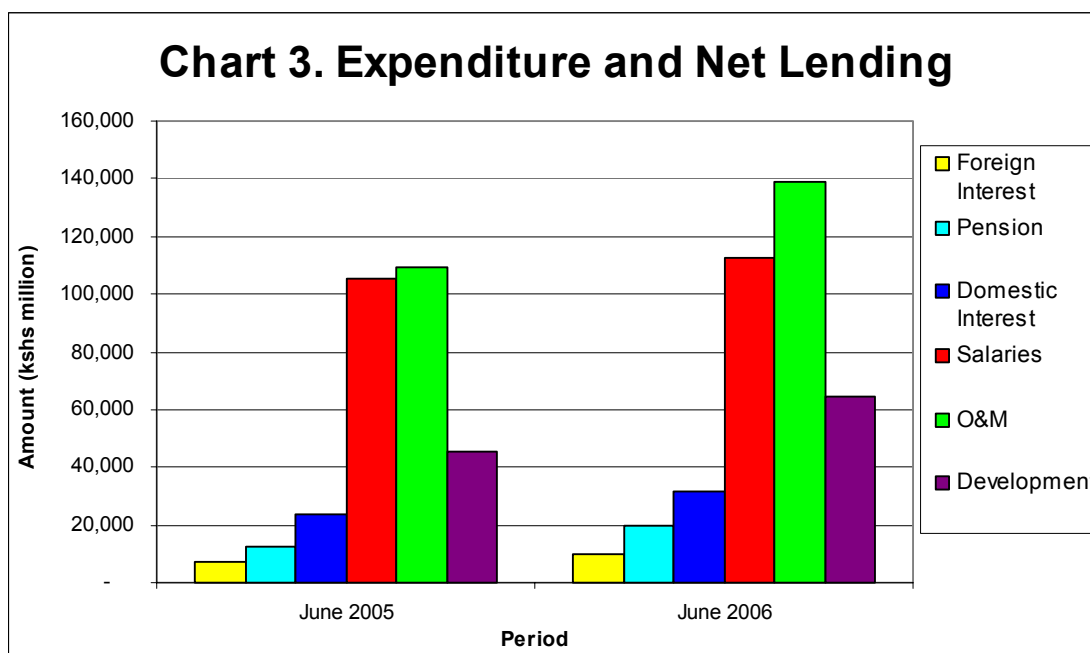
During the fiscal year, scheduled foreign interest payments amounted to Kshs 9.7 billion, which was higher than the Kshs 7.1 billion due in the 2004/2005 fiscal year. And domestic interest payment amounted to Kshs 31.4 billion, slightly more than Kshs 23.4 billion paid in the corresponding period of the previous financial year and also above the target by Kshs 2.97 billion.

FISCAL DEVELOPMENTS

**Table 3: Expenditure and Net Lending, Fourth Quarter (Cumulative)  
Ending June 2006  
(Kshs Million)**

	2004/2005 Quarter IV Actual	2005/2006 Quarter IV Actual	2005/2006 Quarter IV Targets	Deviation
<b>1. RECURRENT</b>	<b>257,746</b>	<b>312,181</b>	<b>328,160</b>	<b>(15,979)</b>
Domestic Interest	23,375	31,445	28,478	2,967
Foreign Interest	7,095	9,664	9,802	(138)
Pensions	12,568	19,759	21,421	(1,662)
Wages and Salaries	105,612	112,277	114,515	(2,238)
Operation and Maintenance	109,096	139,036	153,944	(14,908)
O/W : Civil Service Reform	0	1,300	1,309	(9)
: Appropriation-in-Aid	24,087	21,548	31,054	(9,506)
<b>2. DEVELOPMENT</b>	<b>45,627</b>	<b>64,301</b>	<b>86,944</b>	<b>(22,643)</b>
Net Issues	28,824	40,455	59,472	(19,017)
Payment of Guaranteed Loans	860	1,048	1,078	(30)
Appropriation-in-Aid	15,926	23,115	26,394	(3,279)
Change in Pending Bills	17	(317)	0	
3. Civil Contingency Fund	-	-	-	-
<b>TOTAL EXPENDITURE</b>	<b>303,373</b>	<b>376,482</b>	<b>415,104</b>	<b>(38,622)</b>

Source: Ministry of Finance



Analysis of Ministries' expenditure shows that the government has continued to shift budgetary resources towards priority social sector. The Ministries of Education, Science and Technology, and Health incurred 42.2 percent of total recurrent expenditure during the period under review. Administrative services also accounted for a significant proportion of total recurrent expenditure. The Office of the President topped the rank with Kshs 35.3 billion, which accounted for 14.1 percent of the total recurrent expenditure, while the Public Service Commission, State Law Office and Ministry of Energy incurred the least share of the total recurrent expenditure, amounting to 0.1 percent of the total recurrent expenditure. (*Table 4*).

On the development expenditure front, the Ministry of Roads and Public Works, the Ministry of Finance and the Ministry of Energy accounted for the largest share standing at 18.8 percent, 25.3 percent and 12.6 percent of the total development expenditure, respectively. However, the Ministry of Foreign Affairs, the State Law Office and the Ministry of Labour and Human Resource Development incurred very low expenditures on the development vote.

FISCAL DEVELOPMENTS

**Table 4: Ministerial Expenditures, Fourth Quarter (Cumulative)  
Ending 30<sup>th</sup> June 2006  
(Kshs. Million)**

	June 2006			June 2006			June 2006		
	Recurrent			Development			Total		
	Actual	Target	Variance	Actual	Target	Variance	Actual	Target	Variance
1.O.O.P	35,334	36,662	(1,328)	2,867	5,962	(3,094)	38,201	42,623	(4,422)
2. State House	911	913	(2)	199	203	(4)	1,110	1,116	(6)
3. DPM	1,859	2,203	(344)	155	217	(62)	2,015	2,421	(406)
4. Foreign Affairs	6,222	6,693	(471)	79	100	(21)	6,301	6,793	(491)
5. OVP & MHA	6,735	7,710	(975)	714	1,417	(704)	7,449	9,127	(1,679)
6. Planning	814	893	(79)	1,015	1,524	(509)	1,829	2,417	(588)
7. Finance	10,272	11,180	(908)	15,508	17,667	(2,160)	25,780	28,848	(3,067)
8. Department of Defence	25,609	26,984	(1,375)	0	0	0	25,609	26,984	(1,375)
9. Regional Dev. Authority	523	530	(7)	444	557	(113)	966	1,086	(120)
10. Agriculture	5,053	5,125	(72)	2,216	3,161	(945)	7,268	8,286	(1,017)
11. Health	19,765	20,524	(759)	3,242	9,920	(6,678)	23,007	30,444	(7,437)
12. Local Government	7,032	6,334	699	954	1,150	(196)	7,986	7,484	503
13. Roads & Public Works	8,756	13,891	(5,135)	11,502	17,321	(5,819)	20,258	31,212	(10,954)
14. Transport	3,177	3,242	(65)	684	1,421	(738)	3,861	4,663	(802)
15. Labour & Human Resources	885	940	(55)	72	202	(130)	956	1,141	(185)
16. Trade & Industry	1,431	2,117	(687)	302	610	(308)	1,733	2,727	(994)
17. Justice & Constitutional Affairs	534	631	(98)	844	1,292	(448)	1,378	1,924	(545)
18. Gender, Sports, Culture & SS	1,666	2,011	(345)	110	389	(278)	1,776	2,400	(624)
19. Livestock & Fisheries Dev.	2,457	2,686	(230)	530	1,476	(946)	2,986	4,162	(1,176)
20. Water & Irrigation	2,189	2,515	(325)	3,994	5,863	(1,869)	6,184	8,378	(2,194)
21. Environment & Natural Resources	2,476	2,699	(223)	381	621	(240)	2,858	3,320	(463)
22. Cooperative Dev. & Marketing	560	683	(123)	30	59	(28)	590	742	(152)
23. East African Community	534	607	(73)	0	0	0	534	607	(73)
24. State Law Office	233	667	(433)	36	94	(58)	269	760	(491)
25. Judicial Department	1,516	1,626	(111)	192	231	(39)	1,708	1,857	(150)
26. Public Service Commission	191	193	(1)	0	0	0	191	193	(1)
27. Kenya National Audit Office	948	1,034	(86)	0	0	0	948	1,034	(86)
28. National Assembly	4,764	5,556	(791)	0	0	0	4,764	5,556	(791)
29. Energy	248	327	(80)	7,733	8,765	(1,032)	7,981	9,092	(1,112)
30. Education, Science & Technology	86,152	87,065	(913)	6,449	9,744	(3,295)	92,601	96,809	(4,208)
31. Information & Communication	1,073	1,106	(34)	22	26	(4)	1,095	1,132	(38)
32. Electoral Commission	1,251	1,940	(688)	0	0	0	1,251	1,940	(688)
33. KACC	989	1,185	(196)	0	0	0	989	1,185	(196)
34. Lands & Settlement	2,197	2,568	(371)	402	703	(301)	2,599	3,271	(672)
35. National Security Intell. Service	5,088	5,157	(69)	0	0	0	5,088	5,157	(69)
36. Tourism & Wildlife	1,622	1,640	(18)	555	1,118	(563)	2,177	2,758	(581)
<b>TOTAL</b>	<b>251,067</b>	<b>267,835</b>	<b>(16,768)</b>	<b>61,231</b>	<b>91,814</b>	<b>(30,583)</b>	<b>312,298</b>	<b>359,649</b>	<b>(47,351)</b>

Source: Ministry of Finance

**Table 5: Stock of Pending Bills, 2005/2006  
(Kshs Million)**

Min/Dept.	June 2005			June 2006			Change during the Period		
	Rec.	Dev	Total	Rec.	Dev.	Total	Rec.	Dev.	Total
Office of the President	3,920.4	852.8	4,773.2	2,272.4	711.7	2,984.1	(1,648.0)	(141.1)	(1,789.1)
State House	68.5	15.5	84.0	73.6	0.0	73.6	5.1	(15.5)	(10.4)
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	40.4	0.0	40.4	40.4	0.0	40.4
Home Affairs	721.2	0.0	721.2	617.8	0.0	617.8	(103.4)	0.0	(103.4)
Planning & National Dev.	47.1	14.8	61.9	0.0	0.0	0.0	(47.1)	(14.8)	(61.9)
Finance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Department of Defence	501.0	0.0	501.0	0.0	0.0	0.0	(501.0)	0.0	(501.0)
Regional Dev. Authorities	373.1	911.2	1,284.3	1,319.9	79.1	1,398.9	946.8	(832.1)	114.6
Agriculture	500.0	78.0	578.0	366.9	0.0	366.9	(133.1)	(78.0)	(211.1)
Health	111.1	5.6	116.7	226.0	29.5	255.5	114.9	23.9	138.8
Local Government	6.0	737.7	743.7	0.0	327.4	327.4	(6.0)	(410.3)	(416.3)
Roads and Public Works	176.6	488.8	665.4	971.3	696.6	1,667.8	794.7	207.8	1,002.4
Transport	64.1	0.0	64.1	112.2	0.0	112.2	48.1	0.0	48.1
Labour & Human Resources	86.1	22.3	108.4	0.2	0.0	0.2	(85.9)	(22.3)	(108.2)
Trade & Industry	1.1	0.0	1.1	8.4	0.0	8.4	7.3	0.0	7.3
Justice & Const. Affairs	86.1	24.7	110.8	2.5	0.0	2.5	(83.6)	(24.7)	(108.3)
Gender, Sports, & Social Services	100.4	0.0	100.4	101.8	0.0	101.8	1.4	0.0	1.4
Livestock and Fisheries dev	10.0	0.0	10.0	0.0	0.0	0.0	(10.0)	0.0	(10.0)
Water and Irrigation	34.2	0.7	34.9	1.7	13.5	15.2	(32.5)	12.8	(19.7)
Environment & Nat. Resources	47.9	289.5	337.4	47.9	337.4	385.3	0.0	47.9	47.9
Cooperative Development & Mkt.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
East African Community	0.0	0.0	0.0	0.5	0.0	0.5	0.5	0.0	0.5
State Law Office	4.9	0.0	4.9	3.8	0.0	3.8	(1.1)	0.0	(1.1)
Judicial Department	0.0	0.0	0.0	29.9	41.9	71.8	29.9	41.9	71.8
PSC	0.0	0.0	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	0.0	0.0
National Assembly	0.0	0.0	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 & Tech.	0.0	1,357.9	1,357.9	0.0	1,330.9	1,330.9	0.0	(27.0)	(27.0)
Electoral Commission	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lands and Settlement	0.0	0.0	0.0	150.0	245.4	395.4	150.0	245.4	395.4
National Security Int. Service	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Information & Comm	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tourism & Wildlife	8.2	0.6	8.8	0.0	0.0	0.0	(8.2)	(0.6)	(8.8)
<b>Total</b>	<b>6,868.0</b>	<b>4,800.1</b>	<b>11,668.1</b>	<b>6,347.0</b>	<b>3,813.3</b>	<b>10,160.3</b>	<b>(521.0)</b>	<b>(986.8)</b>	<b>(1,507.8)</b>

Source: Ministry of Finance

### 1.3.1 Pending Bills

During the period under review, the stock of pending bills decreased by Kshs 71.1 million from Kshs 11.7 billion as at the end of June 30<sup>th</sup> 2005 to Kshs 11.6 billion at end June 2006. However, the stock of recurrent pending bills

## FISCAL DEVELOPMENTS

increased by Kshs 246 million, and the stock of development pending bills decreased by Kshs 317 million. Significant reductions in the stock were noted under the Office of the President ( Kshs. 1.79 billion) Department of Defence (Kshs. 501.0 million) and ministry of Local Government (Kshs 409.0 millions). Conversely, there were some accumulation of pending bills in the ministries of Roads and Public Works and water and Irrigation amounting to Kshs. 1.0 billion and Kshs 922.2 million, respectively. (*Table 5*).

### 1.3.2 Guaranteed Loans for Parastatals

During the period under review, claims due on guaranteed loans by the Government (on behalf of State Enterprises and Local Authorities with liquidity problems) amounted to Kshs 1,048.13 million. Following an agreed rescheduling under Paris Club, payments are now planned for FY 2006/07. (*Table 6*).

**Table 6: Payments on Guaranteed Loans, July 2005 – June 2006  
(Kshs Million)**

	PRINCIPAL	INTEREST	TOTAL	PAID	BALANCE
Nairobi City Council	67.15	9.30	76.45	0.00	76.45
TARDA 1/	187.90	70.74	258.64	0.00	258.64
KBC 2/	447.30	165.58	612.88	0.00	612.88
ICDC 3/	92.41	7.75	100.16	0.00	100.16
<b>TOTAL</b>	<b>794.76</b>	<b>253.37</b>	<b>1,048.13</b>	<b>0.00</b>	<b>1,048.13</b>

Source: Ministry of Finance

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

## 1.4 Financing the Budget

### 1.4.1 External Financing

Through the fourth quarter, cumulative external financing (loans) registered a net repayment of Kshs 241.5 million (which excluded rescheduled interest of Kshs 1.5 billion as in table 1) against a targeted repayment of Kshs 7.9 billion. Comparatively, the external financing for the same period in the 2004/05 financial year represented a net repayment of Kshs 3.3 billion.

## FISCAL DEVELOPMENTS

And total disbursements (inflows) including Appropriations-in-Aid amounted to Kshs 9.0 billion. This amount included Kshs 2.8 billion from Project Cash Loans, Kshs 1.6 billion from Programme Loan and Kshs 4.6 billion from Project Loans A.I.A., while repayments (Outflows) amounted to Kshs 9.2 billion, the bulk of which being made to Bilateral and Multilateral Creditors (*Table 7*).

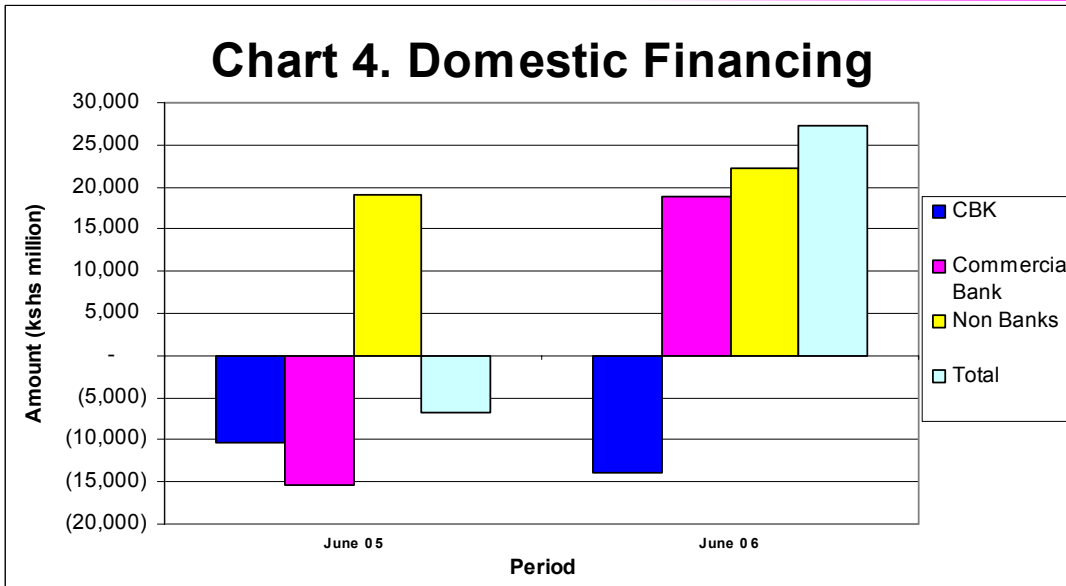
**Table 7: Net External Financing (Loans), 2005/2006  
(Kshs Million)**

	Cumulative June 2005	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Cumulative June 2006	June 2006 Target
<b>DISBURSEMENTS:</b>	<b>7,238.00</b>	<b>3,617.00</b>	<b>1,517.00</b>	<b>1,200.00</b>	<b>2,654.00</b>	<b>8,988.00</b>	<b>15,730.00</b>
Project Cash loans	3,741.00	1,432.00	354.00	822.00	180.00	2,788.00	6,423.00
Programme loans	0.00	1,572.00	0.00	0.00	0.00	1,572.00	1,564.00
Project loans A-I-A	3,497.00	613.00	1,163.00	378.00	2,474.00	4,628.00	7,743.00
<b>EXTERNAL REPAYMENTS:</b>	<b>10,544.51</b>	<b>2,495.97</b>	<b>1,868.95</b>	<b>2,963.89</b>	<b>1,783.80</b>	<b>9,229.50</b>	<b>23,628.37</b>
Bilateral	2,505.12	306.88	318.53	712.10	317.22	1,547.50	2,619.08
Multilateral	7,235.40	2,189.09	1,550.42	2,251.79	1,245.40	7,236.70	7,956.03
Commercial	804.32	0.00	0.00	224.11	221.18	445.30	13,053.26
<b>NET FOREIGN FINANCING</b>	<b>(3,306.51)</b>	<b>1,004.18</b>	<b>(351.95)</b>	<b>(1,763.89)</b>	<b>870.20</b>	<b>(241.50)</b>	<b>(7,898.40)</b>

Source: Ministry of Finance

### 1.4.2 Domestic Financing

In the 2005/2006 fiscal year, the government realised a net borrowing of Kshs 28.3 billion which comprised of a net borrowing of Kshs 27.1 billion from Commercial Banks and Kshs 23.5 billion from Non Banks Financial Institutions as well as a net repayment of Kshs 21.0 billion to the Central Bank and Kshs 1.4 billion to Non Residents Financial Institutions. In Contrast, in the 2004/2005 fiscal year, net repayment amounted to Kshs 6.7 billion, which comprised of Kshs 10.4 billion to the Central Bank and Kshs 15.3 billion to Commercial Banks and a net borrowing of Kshs 16.8 billion from Non-Banks Financial Institutions and Kshs 2.3 billion from Non Residents (*chart 4*).



The stock of Treasury Bills held by the Commercial Banks and Non-Bank Financial Institutions recorded a net increase of Kshs 14.6 billion, and Kshs 8.7 billion, respectively. However, the stock of Treasury Bills held by the Central Bank and Non-Residents, recorded a net reduction of Kshs 6 million and Kshs 1.2 billion respectively. Similarly, the Fixed Rate Treasury Bonds held by, Commercial Banks, Non-Bank Financial Institutions and Non-Residents recorded a net increase of Kshs 26.7 billion , Kshs 30.3 billion and Kshs 0.2 billion respectively (*Table 8*).



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**Table 8: Cumulative Domestic Financing, 2005/2006(Kshs Million)<sup>1</sup>**

	JUNE 2005	SEPTEMBER 2005	DECEMBER 2005	MARCH 2006	JUNE 2006
<b>1.CENTRAL BANK</b>	<b>(10,401)</b>	<b>1,192</b>	<b>(1,335)</b>	<b>351</b>	<b>(20,005)</b>
Overdraft	(4007)	3,683	3,683	6,099	(23)
IMF funds on let to Govt	(110)	(75)	(156)	(154)	(273)
Treasury bills	4	(1)	(7)	(5)	(6)
Stocks	0	0	0	0	0
Floating rate T. Bonds	0	0	0	0	0
Fixed rate Bonds	0	0	0	0	0
Items on Transit	846	(5,505)	(5,349)	(5,230)	(4,931)
Government Deposits	(6,134)	3,090	494	(358)	(15,403)
Frozen Account	(1,000)	0	0	0	(368)
<b>2.COM. BANKS</b>	<b>(15,327)</b>	<b>5,625</b>	<b>11,364</b>	<b>13,650</b>	<b>27,139</b>
Advances	(235)	(103)	(471)	(353)	(248)
Stocks	0	0	0	0	0
Treasury bills	(9,681)	4,581	3,651	7,247	14,576
Floating rate T. Bonds	(5,632)	(867)	(1,420)	(1,420)	(2,383)
Fixed rate Bonds	(8,462)	3,854	12,819	21,663	26,653
Zero Coupon Bonds	12,931	0	(2,795)	(9,731)	(14,268)
Special Bonds	-	-	-	-	3,244
Government Deposits	(4,248)	(1,840)	(420)	(3,756)	(434)
<b>3. NON BANKS</b>	<b>16,757</b>	<b>6,368</b>	<b>9,940</b>	<b>14,098</b>	<b>23,471</b>
Stocks	0	0	0	0	0
Treasury bills	15,274	2,136	1,971	5,608	8,705
Floating Rate T. Bonds	(7,710)	(1,123)	(1,646)	(1,646)	(2,510)
Fixed rate Bonds	(2,606)	5,355	13,299	19,107	30,341
Zero Coupon Bonds	11,799	-	(3,684)	(8,971)	(13,065)
<b>4. NON RESIDENTS</b>	<b>2,299</b>	<b>732</b>	<b>(323)</b>	<b>(568)</b>	<b>(1,354)</b>
Treasury bills	1,900	664	(235)	(373)	(1,152)
Floating rate T. Bonds	0	0	0	0	0
Fixed rate Bonds	22	68	121	161	182
Zero Coupon Bonds	377	0	(209)	(355)	(384)
<b>NET CREDIT</b>	<b>(6,672)</b>	<b>13,917</b>	<b>19,646</b>	<b>27,531</b>	<b>28,251</b>

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

Source: Central Bank of Kenya

<sup>1</sup> Cumulative from the beginning of the respective fiscal year

FISCAL DEVELOPMENTS

**2. PUBLIC DEBT**

**2.1 Overall Debt Position**

The Total Public Debt in shilling terms increased by Ksh 39.0 billion from Kshs 750.0 billion as at the end of June 2005 to Kshs 789.0 billion by 30<sup>th</sup> June 2006. This was as a result of a 0.7 percent decrease in external debt and an increase in domestic debt by 13.5 percent during the period under review. (*Table 9*).

**Table 9: Kenya's Public and Publicly Guaranteed Debt, June 2000– June 2006(Kshs millions)**

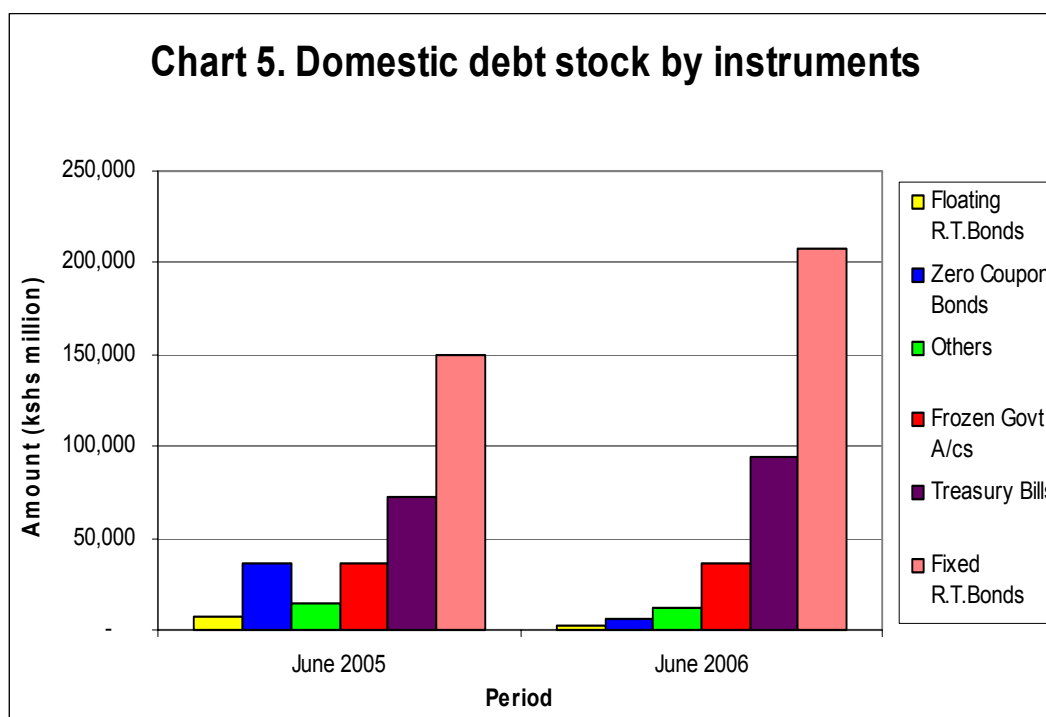
	June 00	June 01	June 02	June 03	June 04	June 05	June 06	% change
<b>EXTERNAL:</b>								
BILATERAL	138,567	132,269	129,973	142,593	162,914	157,669	154,877	(1.8)
MULTILATERAL	230,740	228,497	222,452	233,829	260,658	255,784	255,550	(0.1)
COMMERCIAL BANKS	24,913	29,423	24,031	3,597	2,911	1,776	1,274	(28.2)
EXPORT CREDIT	1,474	3,789	1,292	27,034	16,674	19,224	19,536	1.6
<b>SUB-TOTAL</b>	<b>395,694</b>	<b>393,978</b>	<b>377,748</b>	<b>407,053</b>	<b>443,157</b>	<b>434,453</b>	<b>431,237</b>	<b>(0.7)</b>
<b>DOMESTIC:</b>								
CENTRAL BANK <sup>2</sup>	50,986	47,196	42,841	45,290	50,774	46,617	41,289	(10.9)
COMMERCIAL BANKS	69,102	62,046	78,000	112,369	128,214	122,912	149,474	21.6
<b>TOTAL BANKS</b>	<b>120,088</b>	<b>109,242</b>	<b>120,841</b>	<b>157,659</b>	<b>178,988</b>	<b>169,529</b>	<b>190,763</b>	<b>12.7</b>
<b>NON-BANKS</b>	<b>86,039</b>	<b>102,572</b>	<b>115,150</b>	<b>131,722</b>	<b>127,247</b>	<b>146,044</b>	<b>167,076</b>	<b>14.4</b>
<b>SUB-TOTAL</b>	<b>206,127</b>	<b>211,814</b>	<b>235,991</b>	<b>289,381</b>	<b>306,235</b>	<b>315,573</b>	<b>357,839</b>	<b>13.5</b>
<b>GRAND TOTAL GROSS</b>	<b>601,821</b>	<b>605,792</b>	<b>613,739</b>	<b>696,434</b>	<b>749,392</b>	<b>750,026</b>	<b>789,076</b>	<b>5.2</b>
LESS ON-LENDING	(5,701)	(5,701)	(5,701)	(5,701)	(5,701)	(5,701)	(5,701)	0)
LESS GOVERNMENT DEPOSITS	(37,021)	(43,877)	(29,659)	(38,046)	(48,281)	(58,600)	(74,437)	27.0
<b>GRAND TOTAL NET</b>	<b>559,099</b>	<b>556,214</b>	<b>578,379</b>	<b>652,687</b>	<b>695,473</b>	<b>685,725</b>	<b>708,938</b>	<b>3.4</b>

Source: Ministry of Finance

<sup>2</sup> 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 domestic debt increased from Kshs 315.6 billion in June 2005 to Kshs 357.8 billion in June 2006, reflecting a net increase of Kshs 42.3 billion or 13.4% growth (**Table 10**). The stock of Treasury Bills and Fixed Rate Treasury Bonds held by Commercial Banks, Non Financial Institution and Non Residents increased from Kshs 71.9 billion in June 2005 to Kshs 94.8 billion in June 2006 and Kshs 149.7 billion in June 2005 to Kshs 207.1 billion in June 2006 respectively. However, the stock of Floating Rate Treasury Bonds and Zero Coupon Bonds declined. On the other hand, there was a Special Bond which was issued, amounting to Kshs 3.2 billion by the end of the period under review. (**Chart 5**).



FISCAL DEVELOPMENTS

**Table 10: Stock of Domestic Debt, 2005/2006 (Kshs million)**

	JUNE 2005	SEPT 2005	DEC 2005	MARCH 2006	JUNE 2006
<b>1.CENTRAL BANK</b>	<b>46,617</b>	<b>44,795</b>	<b>44,945</b>	<b>47,481</b>	<b>41,289</b>
Overdraft	5,225	8,909	8,909	11,324	5,202
Frozen Govt Accounts	35,917	35,917	35,917	35,917	35,549
Treasury Bills	7	6	0	2	1
Items on Transit	5,468	(37)	119	238	537
<b>2.COM.BANKS</b>	<b>122,912</b>	<b>130,652</b>	<b>134,674</b>	<b>139,600</b>	<b>149,474</b>
Advances	2,539	2,436	2,068	2,186	2,291
Stocks	0	0	0	0	0
Treasury Bills	31,863	36,585	35,649	39,490	47,034
Floating Rate T. Bonds	4,215	3,347	2,793	2,793	1,830
Fixed Rate T. Bonds	63,888	67,877	76,861	85,594	90,530
Special Bonds					3,244
Zero Coupon Bonds	20,407	20,407	17,302	9,537	4,545
<b>3. NON BANKS</b>	<b>139,542</b>	<b>146,094</b>	<b>149,243</b>	<b>153,120</b>	<b>162,028</b>
Stocks	1,058	1,058	1,058	1,058	1,058
Treasury Bills	34,522	36,731	36,488	40,309	43,400
Floating Rate T. Bonds	2,914	1,789	1,265	1,265	402
Fixed Rate T. Bonds	85,297	90,765	98,748	104,701	115,894
Zero Coupon Bonds	15,682	15,682	11,615	5,717	1,205
Tax Reserve Certificate	69	69	69	69	69
<b>4. NON RESIDENTS</b>	<b>6,502</b>	<b>7,260</b>	<b>6,140</b>	<b>5,864</b>	<b>5,048</b>
Treasury Bills	5,546	6,236	5,300	5,147	4,341
Floating Rate T. Bonds	0	0	0	0	0
Fixed Rate T. Bonds	523	591	646	685	707
Zero Coupon Bonds	433	433	194	32	0
<b>5. TOTAL DEBT</b>	<b>315,573</b>	<b>328,801</b>	<b>335,002</b>	<b>346,065</b>	<b>357,839</b>
6. LESS ON-LENDING	5,701	5,701	5,701	5,701	5,701
7. Less Govt. Deposits	58,600	57,350	58,526	62,714	74,437
<b>8. NET DEBT</b>	<b>251,272</b>	<b>265,750</b>	<b>270,775</b>	<b>277,650</b>	<b>277,869</b>

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

Source: Central Bank of Kenya

**FISCAL DEVELOPMENTS**

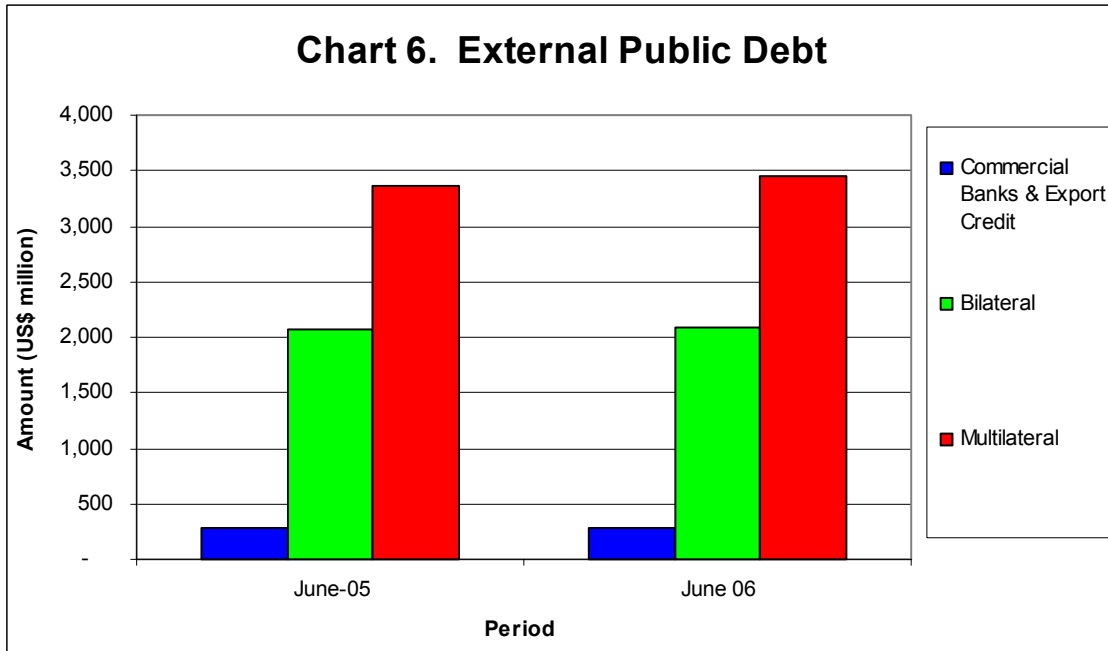
**2.3 External Public Debt**

In US Dollar terms, the External debt stock was estimated at US \$ 5.8 billion as at the end of June 2006 showing an increment of US \$ 135.9 million from the June 2005 position. Loans from multilateral agencies constituted a large proportion of the Kenya's external debt (59.3 percent) due to their favourable lending terms of low interest rates and long-term repayment period. The rest of the debt comprised of 35.9 percent Bilateral and 4.8 percent Commercial Banks and Export or Suppliers Credit (*Table 11 and Chart 6*).

**Table 11: Kenya's External Public and Publicly Guaranteed Debt  
June 2000- June 2006 US (\$ Million)**

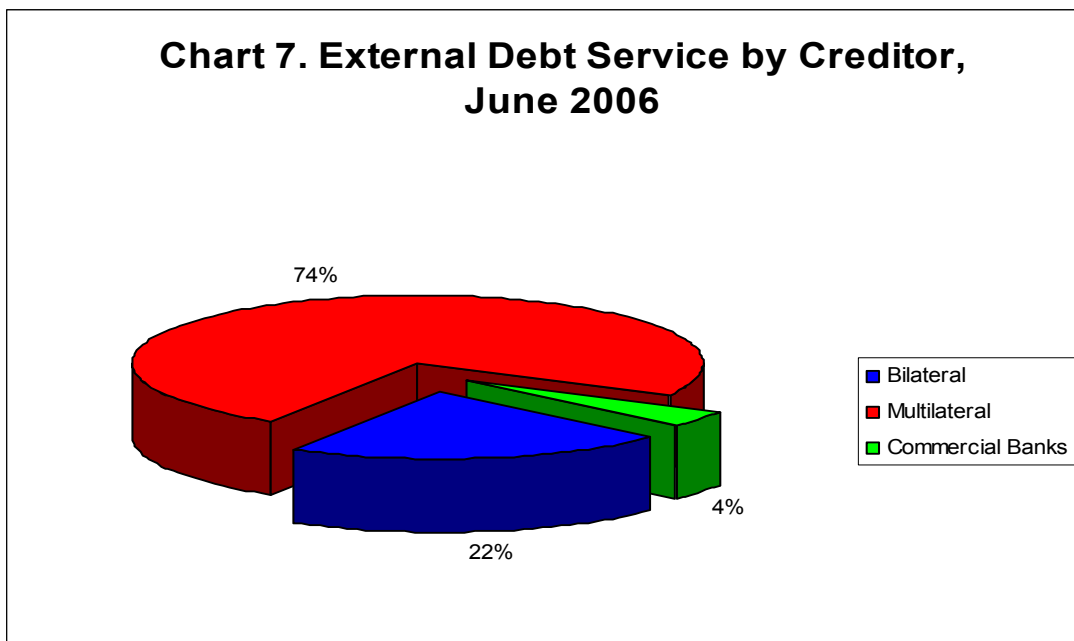
<b>CREDITOR</b>	<b>June 2000</b>	<b>June 2001</b>	<b>June 2002</b>	<b>June 2003</b>	<b>June 2004</b>	<b>June 2005</b>	<b>June 2006</b>
<b><u>BILATERAL</u></b>							
AUSTRIA	34	16.1	25.0	30.50	33.14	32.35	32.99
BELGIUM	38	30.6	29.8	30.50	59.41	68.00	71.02
CANADA	41	67.7	28.0	36.40	22.18	17.00	17.15
DENMARK	40	32.4	24.80	26.10	26.22	31.00	32.38
FINLAND	2	2.5	5.0	3.60	3.08	1.76	2.17
FRANCE	179	219.6	199.0	182.60	201.02	237.33	252.34
GERMANY	109	98.1	94.4	109.80	137.14	169.63	188.28
ITALY	82	125.8	136.10	117.90	126.33	94.14	118.31
JAPAN	1,031	922.2	824.0	1,071.00	1,058.80	1,109.50	1,075.58
NETHERLANDS	58	52.4	44.2	50.4	52.79	28.94	37.25
U.K.	37	35.8	40.82	35.80	33.35	36.94	36.61
USA	72	43.0	55.4	89.70	74.55	79.40	79.08
OTHERS	54	49.7	143.1	138.40	153.9	163.00	153.17
<b>SUB TOTAL</b>	<b>1,787</b>	<b>1,695.9</b>	<b>1,649.62</b>	<b>1,922.60</b>	<b>1,981.92</b>	<b>2,068.99</b>	<b>2,096.33</b>
<b><u>MULTILATERAL</u></b>							
ADB/ADF	308	328.4	292.8	321.50	315.10	310.00	349.71
EEC/EIB	115	156.7	148.0	115.50	128.92	111.00	180.49
IBRD	91	20.0	11.50	11.50	14.22	0.50	0.00
IDA	2,332	2,306.8	2,263.0	2,516.60	2,492.88	2,757.00	2,765.38
IMF	104	111.3	98.0	80.75	111.50	172.00	154.41
OTHERS	9	6.3	10.05	6.90	0.75	6.00	8.98
<b>SUB TOTAL</b>	<b>2,958</b>	<b>2,929.5</b>	<b>2,823.35</b>	<b>3,052.75</b>	<b>3,063.37</b>	<b>3,356.50</b>	<b>3,458.98</b>
COMMERCIAL BANKS	319	377.2	305	48.50	46.9	23.30	17.25
EXPORT CREDIT	19	48.6	16.4	364.50	200.57	252.27	264.43
<b>GRAND TOTAL</b>	<b>5,083</b>	<b>5,051.2</b>	<b>4,794.37</b>	<b>5,388.35</b>	<b>5,292.76</b>	<b>5,701.06</b>	<b>5,836.99</b>
<b>In Percentage of total Debt</b>							
BILATERAL	35.0	33.6	34.4	35.0	36.8	36.3	35.91
MULTILATERAL	58.3	58.0	58.9	57.0	58.8	58.9	59.26
COMMERCIAL BANKS	6.3	7.5	6.4	0.9	0.7	0.4	0.30
EXPORT CREDIT	0.4	1.0	0.3	6.6	3.8	4.4	4.53
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.00

Source: Ministry of Finance – Debt Department



### 2.3.1 External Debt Service

During the year ending June 2006, the Government’s external debt service payments amounted to Kshs 12.9 billion. This was made up of 21.5 percent to Bilateral creditors, 74.4 percent to Multilateral institutions and 4.1 percent to Commercial Banks (*Table 12 Chart 7*).



**Table 12: External Debt Service, July 2005 – June 2006**  
(Kshs Million)

CATEGORY	Principal	Interest	TOTAL
<b><u>BILATERAL</u></b>			
AUSTRIA	52.81	64.99	117.8
DENMARK	0	0	0
FINLAND	2.37	4.03	6.4
FRANCE	126.18	197.22	323.4
ITALY	301.95	55.02	356.97
JAPAN	334.10	190.48	524.58
SAUDI FUND	178.28	111.76	290.04
KUWAIT	47.39	17.76	65.15
SPAIN	173.1	97.82	270.92
SWEDEN	3.28	3.13	6.41
SWITZERLAND	15.37	5.57	20.94
NETHERLANDS	6.67	29.01	35.68
USA	0.56	17.86	18.42
CANADA	0	67.69	67.69
GERMANY	98.77	57.42	156.19
UK	99.94	209.81	309.75
KOREA	98.77	57.42	156.19
BELGIUM	78.49	76.74	155.23
CHINA	0.0	8.15	8.15
INDIA	0.0	0.0	0.0
<b>TOTAL BILATERAL</b>	<b>1,547.47</b>	<b>1,226.45</b>	<b>2,773.92</b>
<b><u>MULTILATERAL</u></b>			
ADB/ADF	1,024.93	511.65	1,536.58
BADEA	0	0.65	0.65
EEC	256.47	50.74	307.21
EIB	2,036.64	294.7	2,331.34
IBRD	0.00	0.00	0.00
IDA	3,889.25	1,474.12	5,363.37
OPEC	29.41	5.51	34.92
<b>TOTAL MULTILATERAL</b>	<b>7,236.70</b>	<b>2,337.37</b>	<b>9,574.07</b>
<b>COMMERCIAL BANKS 1/</b>	<b>445.29</b>	<b>81.61</b>	<b>526.90</b>
<b>GRAND TOTAL</b>	<b>9,229.46</b>	<b>3,645.43</b>	<b>12,874.89</b>

Source: Ministry of Finance

## FISCAL DEVELOPMENTS

### 3.0 CORE POVERTY PROGRAMMES

Expenditure targeted to the Core Poverty Projects/Programmes (CPP) are aimed at directly improving the well fare of the poor, including by increasing their incomes, improving the quality of life, enhancing security, empowering the poor, improving governance and promoting equity and equality in the society. These programmes are given top priority by the government to cushion them from budget cuts and ensure that their goals are achieved as targeted. The overall expenditure outlays to these programmes by the end of the fourth quarter of the F/Y. 2005/06 amounted to Kshs 42.4 billion, equivalent to 71 percent of the total budget allocation on the CPP.

#### 3.1 Analysis of Recurrent Expenditures

The total ministerial recurrent expenditure (non-wage) of the Core Poverty Programmes amounted to kshs.26.8 billion equivalent to 88.7 percent of the total allocation by the end of the fourth quarter(see table below, which gives summary of ministerial/departmental total payments and commitments for the fourth quarter on the Core Poverty Programmes).

**Table 13: Core Poverty Programmes Recurrent Expenditures (Non-Wage) Kshs.**

MINISTRY/DEPARTMENT	<i>Revised Estimates (NET)</i>	<i>Actual Payments (Cummulative)</i>	<i>Commitment (Cummulative )</i>	<i>Total Payment+Commitment</i>
Ministry of Education, Science & Technology	9,018,563,164	6,224,146,722	2,440,388,085	8,664,534,807
Ministry of Health	4,136,124,974	3,959,639,021	4,566,829	3,964,205,850
Office of the President	8,981,102,785	8,978,375,850	0	8,978,375,850
OVP & Ministry of Home Affairs	97,660,000	43,108,793	42,281,554	85,390,347
Ministry of Environment & Natural Resources	369,874,900	236,448,362	19,470,184	255,918,546
Ministry of Agriculture	834,422,193	312,475,699	107,143,262	419,618,961
Ministry of Labour & Human Resources Development	39,839,577	36,789,225	31,525	36,820,750
Kenya Anti-Corruption Commission	607,696,580	383,246,975	0	383,246,975
Ministry of Justice & Constitutional Affairs	34,800,352	30,213,611	2,316,970	32,530,581
Ministry of Lands & Housing	110,034,675	110,034,675	0	110,034,675
Ministry of Local Government	1,116,800,000	617,977,860	0	617,977,860
Ministry of Roads & Public Works	3,560,000,000	2,376,587,590	0	2,376,587,590
Ministry of Gender, Sports, Culture & Social Services	49,323,801	40,391,345	0	40,391,345
Ministry of Water & Irrigation	526,190,150	308,721,582	999,842	309,721,424
National Audit Office	288,853,846	219,931,991	6,292,507	226,224,498
State Law Office	51,345,507	43,688,038	0	43,688,038
Ministry of Livestock & Fisheries Development	247,226,005	95,357,539	17,977,164	113,334,703
Ministry of Cooperative Dev. & Marketing	105,041,600	76,012,281	24,858,788	100,871,069
<b>Total</b>	<b>30,174,900,109</b>	<b>24,093,147,159</b>	<b>2,666,326,710</b>	<b>26,759,473,869</b>

Source of data: Ministries/Departments monthly expenditure returns



## FISCAL DEVELOPMENTS

### 3.2 Analysis of Development Expenditures

Notably, the expenditure absorption under the development budget was very low compared to the recurrent expenditures. As at end of the period under review, only 52 percent of the total development budget provision was spent. The details of expenditures on directly funded programmes by the donors were not available to the line Ministries/Departments.

**Table 14: Development Expenditures (Kshs.)**

MINISTRY/DEPARTMENT	<i>Revide Estimates</i>	<i>Total Actual Payments (Cummulative)</i>	<i>Commitment (Cummulative )</i>	<i>Total Payment+Commitment</i>
Office of the President	4,221,869,256	2,429,762,753	160,703,265	2,590,466,018
OVP and Ministry of Home Affairs	100,770,000	56,281,878	498,200	56,780,078
Ministry of Agriculture	2,354,724,950	1,650,275,868	23,071,751	1,673,347,619
Ministry of Health	8,398,451,121	1,696,375,563	697,637,481	2,394,013,044
Ministry of Roads and Public Works	1,231,200,000	937,399,781	-	937,399,781
Ministry of Environment and Natural Resources	349,881,031	134,833,550	22,985,632	157,819,182
Ministry of Education, Science & Technology	1,326,457,050	804,457,050	-	804,457,050
Ministry of Labour and Human Resources Development	141,500,000	6,753,206	-	6,753,206
Ministry of Planning and National Development	583,059,850	548,949,759	34,110,090	583,059,849
Ministry of Gender, Sports, Culture and Social Services	111,050,000	5,650,556	139,897	5,790,453
Ministry of Water and Irrigation	3,312,637,695	1,378,579,423	392,170,041	1,770,749,464
Ministry of Justice & Constitution Affairs	912,200,000	358,138,125	-	358,138,125
Ministry of Lands & Housing	532,300,000	291,215,994	227,619,029	518,835,023
Ministry of Trade and Industry	319,500,000	160,302,043	-	160,302,043
Ministry of Finance	379,500,000	151,138,259	-	151,138,259
Ministry of Energy	2,976,000,000	2,046,932,460	9,545,000	2,056,477,460
Ministry of Livestock and Fisheries Development	1,125,779,660	336,489,950	-	336,489,950
Ministry of Cooperative Development and Marketing	19,200,000	9,591,505	-	9,591,505
Ministry of Local Government	1,149,914,510	784,011,093	-	784,011,093
State Law Office	93,500,000	32,583,457	-	32,583,457
Judiciary Services	240,120,000	187,625,565	31,085,000	218,710,565
<b>Total</b>	<b>29,879,615,123</b>	<b>14,007,347,838</b>	<b>1,599,565,386</b>	<b>15,606,913,224</b>

Source of data: Ministries/Departments monthly expenditure returns

## ANNEX I

## FISCAL RESULTS, FINANCIAL YEAR 1998/99 – 2005/2006

(Kshs. Millions)

	1998/99	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005*	2005/06*
<b>A.TOTAL REVENUE</b>	196,257	178,443	192,313	196,613	210,750	254,681	289,802	313,595.0
1.Revenue	173,550	163,769	175,481	175,746	190,591	226,478	265,715	283,427.0
Income Tax	55,235	54,402	53,429	55,862	66,744	77,410	94,095	108,897.0
VAT	39,205	40,944	50,298	50,871	56,135	61,725	75,989	76,263.0
Import Duty	28,444	28,605	28,726	21,584	18,477	22,324	23,532	20,511.0
Excise Duty	28,733	28,493	28,318	32,077	35,643	40,085	44,151	50,309.0
Other Revenue	21,933	11,325	14,710	15,352	13,592	24,934	27,948	27,447.0
2.Appropriation –in –Aid	22,707	14,674	232,921	225,760	264,144	282,187	303,373	376,482.0
<b>B.EXPENDITURE &amp; NET LENDING</b>	197,341	175,119	198,941	200,807	220,618	244,476	257,746	303,570.0
1.Recurrent	165,331	156,535	168,119	177,638	185,087	195,850	105,612	112,277.0
Wages and Salaries	63,253	65,861	31,035	30,384	36,026	29,700	30,470	41,109.0
Interest Payments	40,055	29,387	23,232	23,744	27,567	23,281	23,375	31,445.0
Domestic Interest	31,743	20,752	7,803	6,640	8,459	6,419	7,095	9,664.0
Foreign Interest Due	8,312	8,635	6,136	8,995	9,450	13,162	12,568	19,759.0
Pensions, etc	5,171	5,145	6,095	1,665	957	273	0	1,300.0
Civil Service Reform	750	443	71,584	82,125	89,098	105,041	107,096	129,125.0
Operations & maintenance/ Others	56,102	55,699	14,723	17,733	18,221	23,443	20,999	21,548.0
Of which Appropriation-in-Aid	13,567	14,836	33,980	24,953	43,526	37,711	45,627	60,301.0
2.Development & Net Lending	32,010	18,584	9,434	11,727	16,835	25,943	28,824	40,162.0
Development Projects	13,332	7,096	11,592	14,526	17,894	12,341	15,929	19,091.0
Appropriation-in-Aid	17,727	10,252	3,957	1,862	1,799	1,368	860	1,048.0
Payment of guaranteed loans	(1,084)	3,324	5,806	0	0	0	2,000	12,611.0
3. Drought Development Expenditures	951	1,880	(40,608)	(29,147)	(53,394)	(27,506)	(13,571)	(62,887.0)
<b>D.DEFICIT EXCL. GRANTS (Commitment Basis)</b>	4,920	4,247	24,080	6,823	14,942	16,224	14,905	20,070.0
<b>E.GRANTS</b>	3,836	7,571	(16,528)	(22,324)	(38,452)	(11,282)	1,334	(42,817.0)
<b>F.DEFICIT INCL.GRANTS (Commitment basis)</b>	(6,107)	(5,770)	3,423	(5,085)	2,683	11,282	5,964	6,349.0
<b>G. ADJUSTMENT TO CASH BASIS</b>	(2,271)	1,801	(13,105)	(27,409)	(34,779)	0	7,298	(36,468.0)
<b>H.DEFICIT INCL.GRANTS (cash basis)</b>	2,271	(1,801)	13,105	27,409	34,779	0	(7,298)	36,468.0
<b>I.FINANCING</b>	(8,745)	(19,337)	12,489	(13,314)	(12,143)	(8,809)	(625)	1,216.0
Foreign Financing	11,016	17,536	616	40,723	46,922	8,809	(6,673)	35,252.0
Domestic Financing	11,016	17,536	616	40,723	46,922	8,809	(6,673)	28,252.0
Of which Domestic Borrowing	0	0	0	0	0	0	0	7,000.0
Others								
<b>In Percentage of GDP</b>								
<b>A.TOTAL REVENUE</b>	28.7	26.5	19.9	19.2	20.3	21.06	21.5	20.8
1.Revenue	26.9	23.5	18.1	17.1	18.3	18.73	19.7	18.6
Income Tax	8.9	7.5	5.5	5.4	6.4	6.40	7.0	7.0
VAT	5.6	5.3	5.2	5.0	5.4	5.10	5.6	5.0
Import Duty	4.0	3.8	3.0	2.1	1.8	1.85	1.7	1.4
Excise Duty	4.6	3.9	2.9	3.1	3.4	3.31	3.3	3.5
Other Revenue	3.8	3.0	1.5	1.5	1.3	2.06	2.1	1.8
2.Appropriation –in –Aid	1.8	3.1	1.9	2.0	1.9	2.33	1.8	2.2
<b>B.EXPENDITURE &amp; NET LENDING</b>	31.1	26.7	23.7	22.3	24.8	23.49	22.3	26.5
1.Recurrent	25.6	22.3	20.6	19.6	21.2	20.21	19.0	20.1
Wages and Salaries	9.9	8.6	7.0	7.6	8.2	7.93	7.8	7.3
Interest Payments	6.1	5.4	3.2	3.0	3.5	2.46	2.3	2.4
Domestic Interest	4.8	4.3	2.4	2.3	2.7	1.93	1.7	1.8
Foreign Interest Due	1.2	1.1	0.8	0.6	0.8	0.53	0.5	0.6
Pensions	0.8	0.7	0.6	0.9	0.9	0.02	0.0	0.1
Civil Service Reform	0.1	0.1	0.6	0.2	0.1	8.69	7.9	8.9
O &M/ Others	8.7	7.6	7.4	8.0	8.6	1.94	1.6	1.7
of which Appropriation-in-Aid	1.3	1.8	1.5	1.7	1.8	3.28	3.4	5.6
2.Development & Net Lending	5.5	4.3	3.2	2.7	3.5	2.15	2.1	3.8
Development Projects	2.1	1.8	1.0	1.1	1.6	1.02	1.2	1.7
Appropriation-in-Aid	3.0	2.4	1.2	1.4	1.7	0.11	0.1	0.1
Payment of guaranteed loans	0.4	0.1	0.4	0.2	0.2	0.00	0.1	0.9
3. Drought Expenditures	0.0	0.0	2.6	0.0	0.0	(2.43)	(0.9)	(5.7)
<b>D.DEFICIT EXCL. GRANTS (Commitment Basis)</b>	(2.5)	(0.1)	(4.2)	(2.8)	(5.1)	1.34	1.1	2.2
<b>E.GRANTS</b>	0.8	0.7	2.5	0.7	1.4	(1.09)	0.2	(3.5)
<b>F.DEFICIT INCL.GRANTS (Commitment basis)</b>	(1.6)	0.5	(1.7)	(2.2)	(3.7)	0.93	0.4	0.2
<b>G. ADJUSTMENT TO CASH BASIS</b>	0.5	(0.8)	0.4	(0.5)	(0.3)	(0.16)	0.7	(3.3)
<b>H.DEFICIT INCL.GRANTS (cash basis)</b>	(1.1)	(0.3)	(1.4)	(2.7)	(3.3)	0.00	(0.5)	3.3
<b>I.FINANCING</b>	1.1	0.3	1.4	2.7	3.3	(0.73)	(0.0)	0.4
Foreign Financing	(1.1)	(1.2)	1.3	(1.3)	(1.2)	0.73	(0.5)	2.9
Domestic Financing	2.3	1.5	0.1	4.0	4.5	0.73	(0.5)	2.3
Of which Domestic Borrowing	2.3	1.5	0.1	4.0	4.5	0.00	0.0	0.6
Others	0.0	0.0	0.0	0.0	0.0			
Memorandum Item:								
Nominal GDP at Market price (Kshs. million)	739,800.0	777,838.0	967,838.0	1,025,918.0	1,038,163.0	1,209,396.0	1,348,830.0	1,563,100.0

\*Preliminary Actual

Source: Ministry of Finance

## ANNEX II

**2003/04 Approved Estimates and 2004/05 Budget for Some State Corporations  
(SAGA's)**

	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

## ANNEX II

	<b>Name</b>	<b>Actual 2003/2004 Ksh.'000</b>	<b>Forecast 2004/2005 Ksh.'000</b>	<b>Budget 2005/2006 Ksh.'000</b>
46	Kenya Medical Research Institute	1,739,496	2,414,739	2,856,212
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
	<b>Totals</b>	<b>34,855,538</b>	<b>49,161,994</b>	<b>59,602,398</b>

Source: Ministry of Finance



## ANNEX III.

**2003-04 & 2004-05 Actual Expenditures and 2005/2006 Budget Estimates for Local Authorities**

LA Code	Local Authority Name	FY 2003-04	FY 2004-05	FY 2004-05	FY 2004-05	FY 2005-06
		Budget Actuals	Approved Estimates	actual	VARIANCE	Budget Estimates
1	Nairobi City	5,977,525,562	4,875,059,758	3,224,208,882	1,650,850,876	5,419,147,250
6	Ahero TC	NA	22,151,036	16,910,521	5,240,515	21,368,255
11	Awendo TC	23,957,709	24,843,622	21,454,108	3,389,514	27,815,868
16	Baringo CC	43,488,913	43,788,109	28,064,837	15,723,272	49,445,707
21	Bomet CC	36,397,592	36,315,512	36,544,076	(228,564)	45,071,716
26	Bomet MC	26,749,489	17,836,759	17,487,732	349,027	17,546,785
31	Bondo CC	35,577,979	33,122,079	26,241,228	6,880,851	38,450,030
36	Bondo TC	12,245,735	13,244,911	13,507,298	(262,387)	16,598,658
41	Bungoma CC	76,653,387	99,756,802	43,198,883	56,557,919	90,278,219
46	Bungoma MC	NA	42,552,317	70,047,112	(27,494,795)	54,268,467
51	Bureti CC	34,419,035	33,276,998	41,173,467	(7,896,469)	47,561,817
56	Burnt Forest TC	7,653,614	6,835,346	6,936,590	(101,244)	8,082,375
61	Busia CC	38,540,693	32,738,794	34,999,521	(2,260,727)	42,791,618
66	Busia MC	38,841,618	37,454,835	26,646,482	10,808,353	45,141,100
71	Butere-Mumias CC	68,309,949	78,465,526	68,828,782	9,636,744	92,570,606
76	Chepareria TC	3,736,242	3,911,502	2,816,185	1,095,317	4,249,344
81	Chogoria TC	12,469,513	10,148,286	7,079,278	3,069,008	9,515,951
86	Chuka MC	16,211,143	13,866,632	12,599,756	1,266,876	17,256,967
91	Eldama Ravine TC	17,379,502	18,740,504	17,349,618	1,390,886	21,089,827
96	Eldoret MC	226,830,714	314,349,579	254,441,783	59,907,796	296,452,275
101	Embu CC	25,338,834	31,780,878	23,605,591	8,175,287	34,580,989
106	Embu MC	80,069,113	79,596,315	35,901,048	43,695,267	83,828,020
111	Funyula TC	6,675,831	4,505,224	4,360,561	144,663	5,088,373
116	Garissa CC	35,516,291	12,630,968	37,280,135	(24,649,167)	45,562,763
121	Garissa MC	41,936,154	21,120,000	35,009,979	(13,889,979)	54,856,334
126	Gucha CC	27,223,856	39,107,994	37,508,967	1,599,027	45,310,367
131	Gusii CC	32,921,800	51,980,682	36,573,562	15,407,120	45,059,365
136	Homa Bay CC	26,730,764	35,396,212	27,023,848	8,372,364	35,251,616
141	Homabay MC	40,607,744	34,697,440	30,568,404	4,129,036	41,707,750
143	Ijara CC	9,114,541	3,028,454	10,394,766	(7,366,312)	11,631,898
146	Isiolo CC	88,897,584	97,466,946	19,893,750	77,573,196	103,946,223
151	Iten-Tambach TC	9,147,105	11,167,877	7,797,222	3,370,655	10,966,201
156	Kabarnet MC	17,709,562	20,280,635	13,972,905	6,307,730	22,537,262
161	Kajiado TC	15,790,747	13,129,020	9,362,104	3,766,916	15,433,487
166	Kakamega CC	NA	66,582,705	54,243,808	12,338,897	77,471,547
171	Kakamega MC	62,643,089	66,119,624	59,686,503	6,433,121	74,991,522
176	Kandara TC	4,933,991	4,949,170	5,070,919	(121,749)	5,699,602
181	Kangema TC	10,278,735	9,174,985	8,347,604	827,381	9,696,858
186	Kangundo TC	37,989,969	40,083,795	26,725,094	13,358,701	45,668,815
191	Kapenguria MC	15,318,669	16,180,075	15,736,619	443,456	21,005,691
196	Kapsabet MC	29,515,887	27,442,739	22,214,208	5,228,531	29,371,418
201	Karatina MC	52,113,306	31,348,528	35,309,087	(3,960,559)	34,363,793
206	Karuri TC	24,470,618	26,741,280	23,633,459	3,107,821	30,256,966
211	Kehancha MC	57,598,167	35,059,185	33,708,676	1,350,509	39,180,254
216	Keiyo CC	28,999,034	20,484,142	18,956,620	1,527,522	24,808,320
221	Kendu Bay TC	NA	8,552,033	5,022,710	3,529,323	7,373,896
226	Kericho MC	NA	79,077,381	66,379,501	12,697,880	101,835,572
231	Keroka TC	13,313,379	22,359,072	12,815,914	9,543,158	16,361,070
236	Kerugoya/Kutus MC	34,069,483	36,343,670	27,579,857	8,763,813	40,251,857
241	Kiambu CC	62,295,513	62,336,187	54,362,486	7,973,701	71,901,013

## ANNEX III

LA Code	Local Authority Name	FY 2003-04	FY 2004-05	FY 2004-05	FY 2004-05	FY 2005-06
		Budget Actuals	Approved Estimates	actual	VARIANCE	Budget Estimates
246	Kiambu MC	NA	51,763,009	36,560,984	15,202,025	57,822,654
251	Kikuyu TC	54,779,338	53,294,573	52,268,885	1,025,688	58,822,591
256	Kilifi CC	52,344,550	69,430,906	579,765,597	(510,334,691)	87,456,984
261	Kilifi TC	31,371,593	31,408,924	34,982,864	(3,573,940)	38,664,896
266	Kimilili MC	18,498,733	18,525,641	15,424,039	3,101,602	22,362,373
271	Kipkelion TC	10,241,250	10,193,995	7,954,821	2,239,174	9,803,297
276	Kipsigis CC	50,656,123	64,329,835	64,065,621	264,214	80,092,464
281	Kirinyaga CC	111,298,816	94,886,127	96,097,550	(1,211,423)	110,194,000
286	Kisii MC	46,455,782	63,625,982	61,488,824	2,137,158	64,850,774
291	Kisumu CC	27,987,395	23,433,540	20,576,672	2,856,868	26,774,862
296	Kisumu MC	283,036,079	421,969,815	241,673,332	180,296,483	386,491,952
301	Kitale MC	69,700,416	86,141,279	75,998,372	10,142,907	94,960,333
306	Kitui CC	65,247,813	60,808,758	59,888,764	919,994	71,428,084
311	Kitui MC	44,335,165	34,407,580	36,693,244	(2,285,664)	48,354,441
316	Koibatek CC	22,000,146	26,845,043	16,846,027	9,999,016	31,041,651
321	Kwale CC	66,577,347	99,757,049	88,161,428	11,595,621	116,862,722
326	Kwale TC	15,378,211	9,426,756	7,471,726	1,955,030	16,748,682
331	Laikipia CC	50,972,972	54,285,788	42,770,895	11,514,893	53,256,975
336	Lamu CC	17,678,508	22,015,804	18,796,815	3,218,989	24,305,524
341	Limuru MC	28,989,378	31,481,882	31,129,766	352,116	34,917,733
346	Litein TC	18,823,562	19,131,929	15,924,799	3,207,130	21,297,030
351	Lodwar MC	14,648,472	13,791,970	13,098,115	693,855	16,544,216
356	Londiani TC	11,310,131	9,723,592	9,285,811	437,781	10,590,896
361	Luanda TC	15,274,800	15,660,197	13,983,956	1,676,241	17,925,191
366	Lugari CC	NA	42,323,000	37,191,947	5,131,053	57,214,558
371	Machakos MC	60,972,181	83,694,980	62,974,809	20,720,171	95,659,288
376	Makueni CC	113,708,710	106,312,416	92,701,252	13,611,164	122,826,901
381	Makuyu TC	9,557,374	11,672,026	9,468,588	2,203,438	13,045,531
386	Malaba TC	32,817,139	26,366,460	8,156,223	18,210,237	28,814,456
391	Malakisi TC	6,259,409	6,664,630	6,803,201	(138,571)	7,705,467
396	Malava TC	11,540,637	10,298,378	8,665,613	1,632,765	14,262,768
401	Malindi CC	43,491,090	39,416,178	18,946,362	20,469,816	47,681,286
406	Malindi MC	121,794,369	128,635,569	76,710,045	51,925,524	85,650,500
411	Mandera CC	30,566,175	33,677,536	27,750,313	5,927,223	39,402,705
416	Mandera TC	25,530,726	14,876,048	20,236,960	(5,360,912)	30,186,556
421	Maragwa CC	52,386,898	60,790,757	55,723,403	5,067,354	67,325,607
426	Maragwa TC	8,812,924	13,408,177	9,110,065	4,298,112	14,852,435
431	Marakwet CC	23,148,701	22,837,651	21,517,135	1,320,516	30,773,078
436	Maralal TC	14,323,278	15,359,808	16,976,694	(1,616,886)	18,252,465
441	Mariakani TC	NA	20,129,982	13,030,644	7,099,338	22,231,522
446	Marsabit CC	28,597,160	34,614,100	19,582,622	15,031,478	31,074,589
451	Masaku CC	108,418,698	110,663,575	78,929,244	31,734,331	121,704,625
456	Masimba TC	8,596,651	9,882,468	6,891,346	2,991,122	8,212,297
461	Matuu TC	14,464,507	20,098,520	12,996,199	7,102,321	16,802,304
466	Maua MC	21,840,723	25,724,773	16,137,926	9,586,847	25,365,802
471	Mavoko MC	92,789,143	78,035,197	85,021,306	(6,986,109)	90,052,574
476	Mbeere CC	23,440,403	39,391,568	30,349,431	9,042,137	36,689,482
481	Mbita Point TC	9,042,098	10,205,072	8,352,927	1,852,145	10,774,671
486	Meru CC	NA	85,721,208	78,674,398	7,046,810	120,458,563
491	Meru MC	57,064,459	56,344,971	52,440,590	3,904,381	73,060,547
496	Meru South CC	22,408,777	27,056,576	22,108,792	4,947,784	24,110,988
501	Migori CC	31,290,985	21,593,666	37,480,082	(15,886,416)	49,022,326

## ANNEX III

LA Code	Local Authority Name	FY 2003-04	FY 2004-05	FY 2004-05	FY 2004-05	FY 2005-06
		Budget Actuals	Approved Estimates	actual	VARIANCE	Budget Estimates
506	Migori MC	44,042,430	40,129,442	28,672,359	11,457,083	32,460,233
511	Molo TC	24,460,155	28,420,982	19,516,253	8,904,729	31,263,840
516	Mombasa MC	NA	1,225,763,946	785,609,764	440,154,182	991,384,258
521	Mt. Elgon CC	NA	20,084,016	19,034,131	1,049,885	23,727,921
526	Moyale CC	29,070,835	28,261,571	24,982,019	3,279,552	32,718,308
531	Mtiti Andei TC	NA	13,706,286	9,316,464	4,389,822	10,684,145
536	Muhoroni TC	13,899,889	13,155,076	11,035,680	2,119,396	20,784,370
541	Mumias MC	38,564,865	36,873,007	30,366,188	6,506,819	42,543,779
546	Murang'a CC	59,820,651	60,206,046	52,301,896	7,904,150	68,419,836
551	Murang'a MC	36,294,858	38,881,247	25,553,111	13,328,136	39,069,819
556	Mwingi CC	29,350,745	34,559,815	34,296,788	263,027	39,519,747
561	Mwingi TC	17,600,081	17,567,580	16,537,325	1,030,255	19,776,942
566	Naivasha MC	76,240,361	68,421,558	62,950,771	5,470,787	80,511,745
571	Nakuru CC	173,067,513	165,701,896	160,827,505	4,874,391	178,197,996
576	Nakuru MC	304,008,034	362,047,534	341,553,490	20,494,044	330,454,154
581	Nambale TC	9,275,826	9,576,439	7,034,267	2,542,172	7,453,509
586	Nandi CC	57,203,535	76,396,217	62,009,102	14,387,115	74,098,442
591	Nandi Hills TC	13,801,353	13,836,878	12,312,861	1,524,017	16,252,730
596	Nanyuki MC	NA	132,103,995	73,788,881	58,315,114	143,453,427
601	Narok CC	364,837,460	377,850,927	37,776,739	340,074,188	367,565,912
606	Narok TC	20,652,275	22,791,031	18,885,265	3,905,766	27,864,749
616	Nyahururu MC	68,308,879	75,906,138	64,306,743	11,599,395	83,799,987
621	Nyamache TC	8,421,589	6,603,517	5,796,413	807,104	7,499,543
626	Nyamarambe TC	NA	8,043,518	6,579,694	1,463,824	7,176,060
631	Nyambene CC	50,297,683	73,872,413	66,906,496	6,965,917	86,729,884
636	Nyamira CC	41,655,903	42,281,613	46,007,362	(3,725,749)	54,555,489
641	Nyamira TC	12,619,683	28,019,454	13,019,066	15,000,388	16,618,940
646	Nyandarua CC	88,305,981	85,709,684	89,625,792	(3,916,108)	100,098,968
651	Nyando CC	29,991,254	59,914,342	32,635,130	27,279,212	42,825,242
656	Nyansiongo TC	14,504,084	10,649,080	9,526,703	1,122,377	9,907,398
661	Nyeri CC	89,222,362	89,085,293	79,418,779	9,666,514	129,425,180
667	Nyeri MC	124,181,771	92,680,669	93,457,889	(777,220)	113,316,392
671	Nzoia CC	55,432,890	71,745,022	55,047,187	16,697,835	78,833,926
676	Ogembo TC	15,856,349	11,734,103	9,228,831	2,505,272	12,021,860
681	Olkalou TC	26,101,780	21,856,232	19,328,360	2,527,872	24,974,329
686	Olkejuado CC	103,514,681	112,866,929	80,000,939	32,865,990	135,247,190
691	Othaya TC	15,073,444	14,353,331	12,762,103	1,591,228	14,734,611
696	Oyugis TC	22,175,355	17,678,714	21,059,770	(3,381,056)	24,041,607
701	Pokot CC	23,997,676	28,000,442	24,262,250	3,738,192	14,655,746
706	Port Victoria TC	12,163,300	11,379,492	5,493,024	5,886,468	11,655,746
711	Rachuonyo CC	27,564,319	27,886,836	25,284,455	2,602,381	33,155,009
716	Rongo TC	20,674,942	22,210,547	14,178,323	8,032,224	21,935,757
721	Ruiru MC	42,991,939	58,497,967	58,772,870	(274,903)	71,373,850
726	Rumuruti TC	11,631,737	12,232,826	7,770,457	4,462,369	12,728,535
731	Runyenjes MC	21,368,763	21,303,744	14,388,419	6,915,325	19,079,971
736	Sagana TC	11,484,338	13,731,669	8,808,678	4,922,991	11,666,161
741	Samburu CC	99,035,098	101,031,914	27,545,318	73,486,596	116,937,460
746	Siaya CC	48,806,566	40,130,610	39,598,340	532,270	48,174,831
751	Siaya MC	16,935,845	20,439,137	17,481,204	2,957,933	21,236,160
756	Sirisia TC	4,023,497	4,418,313	4,022,540	395,773	5,022,809
761	Sotik TC	10,254,471	17,251,773	10,189,628	7,062,145	11,241,467
766	Suba CC	21,185,830	24,950,169	20,547,093	4,403,076	29,550,102



## ANNEX III

LA Code	Local Authority Name	FY 2003-04 Budget Actuals	FY 2004-05 Approved Estimates	FY 2004-05 actual	FY 2004-05 VARIANCE	FY 2005-06 Budget Estimates
771	Suneka TC	15,568,521	4,597,091	11,801,522	(7,204,431)	12,859,918
776	Tabaka TC	6,826,529	8,388,578	6,740,163	1,648,415	13,072,498
781	Taita Taveta CC	43,939,867	33,341,249	33,548,759	(207,510)	37,695,058
786	Tana River CC	29,010,978	30,842,864	33,008,334	(2,165,470)	41,675,410
791	Taveta TC	22,648,413	23,182,010	16,172,017	7,009,993	25,953,250
796	Teso CC	15,307,864	15,798,470	17,168,636	(1,370,166)	22,991,908
801	Tharaka CC	21,639,847	15,363,336	15,916,179	(552,843)	17,981,780
806	Thika CC	75,994,697	76,113,208	70,307,543	5,805,665	93,182,366
811	Thika MC	232,965,720	238,106,176	138,399	237,967,777	260,450,466
816	Transmara CC	90,820,150	70,524,069	19,823,474	50,700,595	18,171,924
821	Turkana CC	37,635,640	52,447,324	49,328,403	3,118,921	62,480,632
826	Ugunja TC	8,506,595	9,910,380	8,333,609	1,576,771	9,454,858
831	Ukwala TC	8,664,616	10,761,688	7,926,550	2,835,138	9,637,561
836	Vihiga CC	34,051,486	57,921,540	37,232,708	20,688,832	46,353,077
841	Vihiga MC	26,050,394	47,617,306	24,723,399	22,893,907	30,881,457
846	Voi MC	22,011,528	27,357,635	25,286,004	2,071,631	33,024,570
851	Wajir CC	52,676,267	55,961,541	46,305,926	9,655,615	61,696,810
856	Wareng CC	82,011,826	70,452,325	55,991,311	14,461,014	85,046,200
861	Webuye MC	NA	36,523,152	22,412,805	14,110,347	36,810,822
866	Wote TC	15,375,974	18,211,909	13,255,627	4,956,282	18,171,924
871	Yala TC	8,072,412	17,541,030	6,985,568	10,555,462	8,009,856
		<b>12,988,430,149</b>	<b>14,243,081,248</b>	<b>10,685,236,721</b>	<b>3,557,844,527</b>	<b>15,249,514,310</b>

**Notes:**

- These figures denoted \* represent planned figures reported by the Local Authorities all the other figures are approved by the minister for Local Government.  
NA signifies that the information is incomplete or not yet submitted by the Local Authority.