



**Republic of Kenya**

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**Ministry of Finance**

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# **Quarterly Budget Review**

**Second Quarter  
2006/2007**

**March 2007 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 SECOND QUARTER BUDGET REVIEW: 2006/2007**

### **❖ The overall fiscal balance**

The Cumulative overall fiscal balance, on a commitment basis (excluding grants) registered a deficit of Kshs.13.8 billion (or 0.8 percent of GDP) through end December 2006, compared to a targeted deficit of Kshs. 21.1 billion (or 1.4 percent of GDP).

### **❖ Total revenue collection**

The Central Government total cumulative revenue collection was Kshs 164,129 million (or 0.1 percent of GDP) through the second quarter of the FY 06/07. This was below the target by Kshs 9,930 million.

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

The Central Government expenditure and net lending for the period July–December 2006 was Kshs 177,921 million against a target of Kshs 219,932 million. The under performance was due to low absorption of recurrent and development expenditure by some line ministries.

### **❖ Stock of pending bills**

The second quarter experienced an overall decrease in the stock of pending bills held by the line Ministries. In particular, the stock of pending bills decreased by Kshs 623 million from Kshs 10,160.6 million in June 2006 to Kshs 9,537.7 million in December 2006.

### **❖ Guaranteed Loans**

Scheduled Debt payment by the Central Government on government guaranteed loans (on behalf of the State Enterprises and Local Authorities with liquidity problems) was Kshs 756.17 million by the end of the second quarter. This amount was, however, rescheduled under the Paris Club.

❖ **External financing**

External financing in the second quarter registered a net repayment of Kshs 803 million compared to a net borrowing of Kshs 814 million in a similar period in FY 05/06.

❖ **Net Domestic Borrowing**

The net domestic borrowing stood at Kshs 27,246 million (or 1.5 percent of GDP) at the end of the second quarter compared to a target of Kshs. 32,325 million (or 1.8 percent of GDP).

❖ **Total Domestic Debt**

The total domestic debt stock increased from Kshs 373,525 million as at the end of June 2006 to Kshs 386,788 million by the end of second quarter.

❖ **External Debt**

The total external debt stock stood at Kshs 407,743 million by the end of the second quarter. The debt stock comprised of multilateral debt (59.5%), Bilateral debt (35.6%), Commercial Banks debt and Export Credit debt (4.8%).

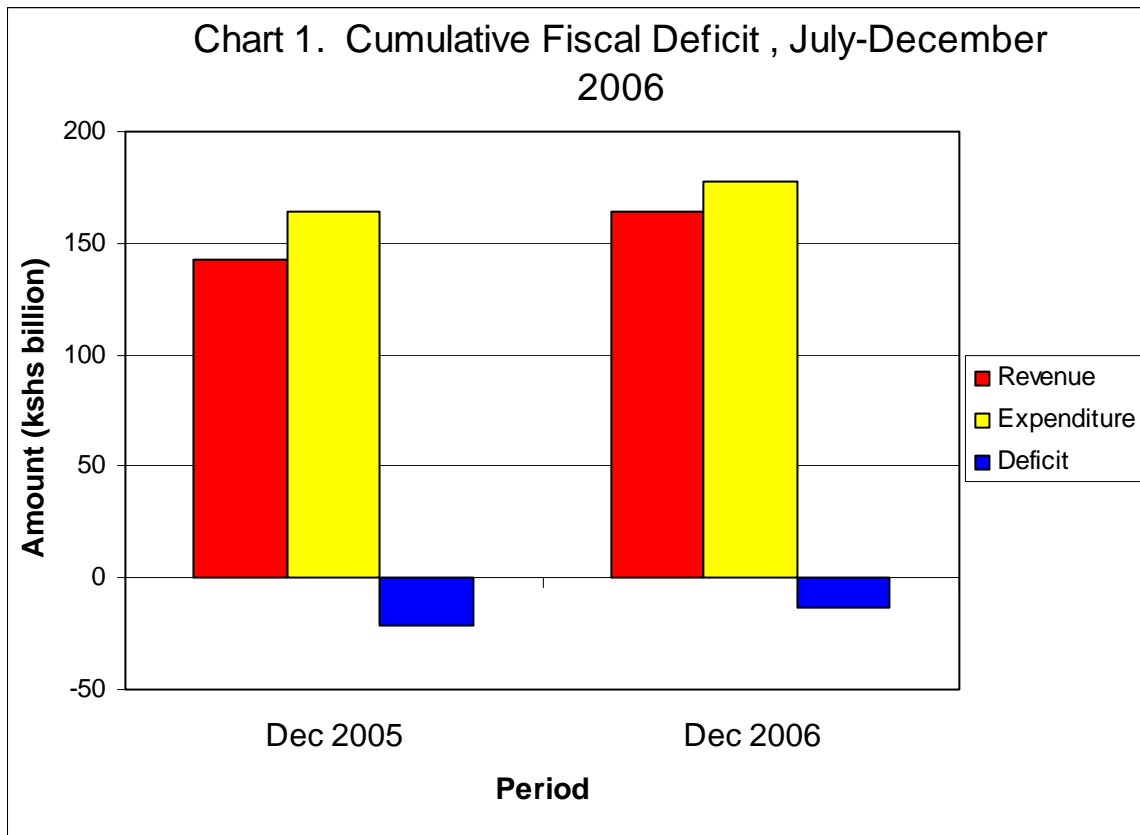
❖ **Public Debt**

The total Public Debt increased from Kshs 789,076 million as at the end of June 2006 to Kshs 792,864 million by the end of the second quarter, a 0.48 percent higher.

# 1. FISCAL DEVELOPMENTS

## 1.1 Introduction

During the first half of FY 06/07 the Government's overall fiscal balance (on a commitment basis and excluding grants) registered a deficit of 0.8 percent of GDP against a targeted deficit of 2.6 percent. Over the same period in the FY 05/06, the fiscal deficit stood at 1.4 percent of GDP. On the other hand, fiscal balance (on a commitment basis including grants) recorded a deficit of 0.4 percent of GDP against a targeted deficit of 2.0 percent of GDP (*Chart 1 and Table 1*).



**Table 1: BUDGET OUTTURN, Second Quarter (Cumulative) Ending  
31<sup>st</sup> Dec. 2006 (Kshs Millions)**

	2005/2006 Quarter II Actual	2006/2007 Quarter II Actual	2006/2007 Quarter II Targets	Quarter II Deviation	2006/07 Quarter II Actual as % of GDP	2006/07 Quarter II Target % of GDP	2005/2006 Quarter II Actual % of GDP
A. TOTAL REVENUE AND GRANTS	148,314	170,156	184,175	(14,019)	9.57	10.36	9.49
1. Revenue	142,616	164,129	174,060	(9,930)	9.23	9.79	9.12
Ordinary Revenue	131,615	150,132	154,354	(4,222)	8.44	8.68	8.42
Import Duty	9,923	13,693	13,264	429	0.77	0.75	0.63
Excise Duty	24,937	25,374	26,072	(698)	1.43	1.47	1.60
Income tax	52,398	56,537	57,667	(1,130)	3.18	3.24	3.35
VAT	33,753	44,617	44,612	6	2.51	2.51	2.16
Investment Revenue	320	828	515	312	0.05	0.03	0.02
Others	10,284	9,083	12,224	(3,141)	0.51	0.69	0.66
Appropriation-in-Aid	11,001	13,998	19,706	(5,708)	0.79	1.11	0.70
2. Grants	5,698	6,026	10,115	(4,089)	0.34	0.57	0.36
Cash	643	3,097	5,103	(2,006)	0.17	0.29	0.04
Appropriation-in-Aid	5,055	2,930	5,012	(2,083)	0.16	0.28	0.32
B. EXPENDITURE and NET LENDING	163,749	177,921	219,932	(42,011)	10.00	12.37	10.48
1. Recurrent	144,658	148,837	175,468	(26,631)	8.37	8.87	9.25
Domestic Interest	13,761	17,559	17,588	(29)	0.99	0.99	0.88
Foreign Interest Due	5,824	2,756	2,756	0	0.15	0.15	0.37
Pension	11,189	12,880	11,241	1,639	0.72	0.63	0.72
Wages and Salaries	54,593	59,675	62,213	(2,538)	3.36	3.50	3.49
O & M/Others	59,291	57,314	81,670	(25,703)	3.15	4.59	3.79
2. Development and Net Lending	18,264	28,338	43,464	(15,126)	1.59	2.44	1.17
3. CCF	827	746	1,000	(254)	0.04	0.06	0.05
C. DEFICIT EXCL.GRANT (Commitment basis)	(21,133)	(13,792)	(45,872)	32,080	(0.78)	(2.58)	(1.35)
D. DEFICIT INCL.GRANTS (Commitment basis)	(15,435)	(7,765)	(35,757)	27,992	(0.44)	(2.01)	0.99
E. ADJUSTMENT TO CASH BASIS	(5,827)	(19,421)	756	(20,177)	(1.09)	0.04	(0.37)
F.DEFICIT INCL.GRANTS (Cash basis)	(21,262)	(27,186)	(35,011)	7,816	(1.53)	(1.97)	(1.36)
G. FINANCING	21,262	27,186	35,011	(7,816)	1.53	1.97	1.36
1. Foreign financing	1,616	(60)	2,676	(2,736)	0.00	0.15	0.10
Disbursements	5,296	4,772	8,196	(3,423)	0.27	0.46	0.34
Programme Cash Loans	1,572	0	0	0	0.00	0.00	0.10
Project Cash Loans	1,786	2,541	4,231	(1,689)	0.14	0.24	0.11
Loans AIA	1,938	2,231	3,965	(1,734)	0.13	0.22	0.12
Repayment due (current)	(15,114)	(8,481)	(8,481)	0	(0.48)	(0.48)	(0.97)
Rescheduling	3,946	3,317	3,317	0	0.19	0.19	0.25
Of which principal	3,144	2,573	2,573	0	0.14	0.14	0.20
Of which interest	802	743	743	0	0.04	0.04	0.05
Change in arrears (current)	7,488	538	0	538	0.02	(0.02)	0.48
Repayment (arrears)	0	(207)	(355)	(562)	0.00	0.00	0.00
2. Privatization proceeds	0	0	0	0	0.00	0.00	0.00
3. Bank Restructuring costs	0	0	0	0	0.00	0.00	0.00
3. Domestic financing	19,646	27,246	32,325	(5,079)	1.53	1.82	1.26
<b>Memo item</b>							
Nominal GDP	1,563,100	1,778,500	1,778,500				

Source: Ministry of Finance

## 1.2 REVENUE

The total Government revenue collection for the first half of the FY 06/07 was below the target by Kshs 9,930 million. Ordinary revenue collection amounted to Kshs 150,132 million against a target of Kshs 154,354 million, resulting in an under collection of Kshs 4,222 million. Ministerial Appropriation in Aid (AIA) also recorded an under collection of 5,708 million below the target. (*Table 2 and Chart 2*).

**Table 2: Government Revenue and External Grants, Second Quarter (Cumulative) Ending 31<sup>st</sup> December 2006 (Kshs Million)**

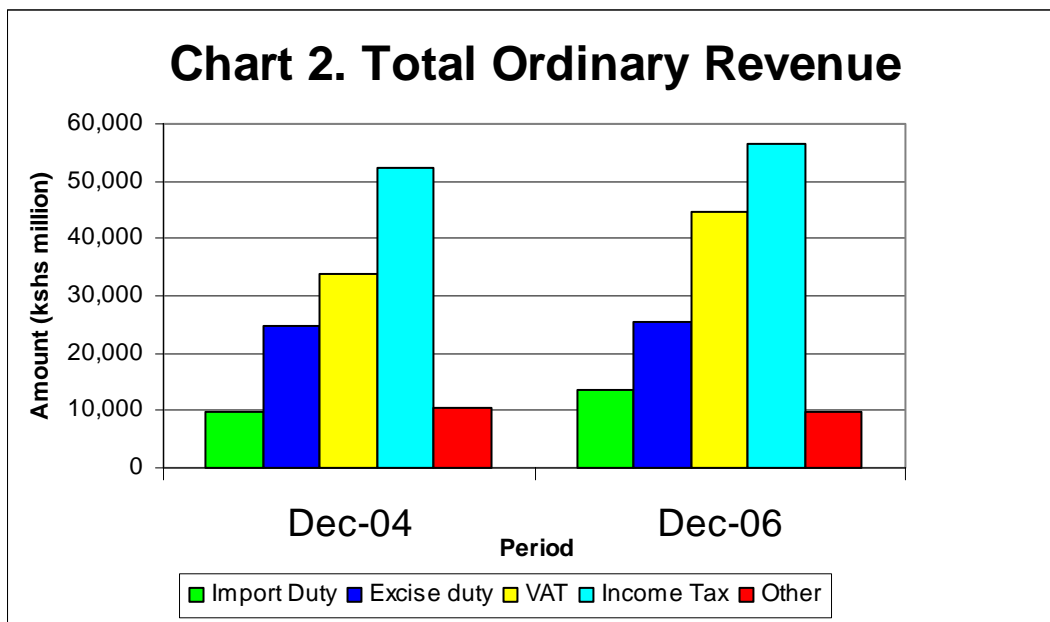
	2005/2006 Quarter II Actual	2006/2007 Quarter II Actual	2006/2007 Quarter II Target	Deviation
<b>Total Revenue</b>	<b>142,617</b>	<b>164,129</b>	<b>174,060</b>	<b>(9,930)</b>
<b>(a) Ordinary Revenue</b>	<b>131,616</b>	<b>150,132</b>	<b>154,354</b>	<b>(4,222)</b>
Import Duty	9,923	13,693	13,264	429
Excise Duty	24,937	25,374	26,072	(698)
PAYE	27,733	30,372	30,281	91
Other Income Tax	24,665	26,165	27,386	(1,221)
VAT Local	17,666	24,053	24,415	(363)
VAT Imports	16,088	20,564	20,196	368
Investment Revenue	320	828	515	312
Traffic Revenue	1,349	821	855	(34)
Essential Supplies Revenue	3,950	4,823	5,807	(984)
Others 1/	4,985	3,439	5,562	(2,122)
<b>(b) Appropriation In Aid 2/</b>	<b>11,001</b>	<b>13,998</b>	<b>19,706</b>	<b>(5,708)</b>
<b>External Grants</b>	<b>5,698</b>	<b>6,026</b>	<b>10,115</b>	<b>(4,089)</b>
<b>Total Revenue and External Grants</b>	<b>148,315</b>	<b>170,156</b>	<b>184,175</b>	<b>(14,019)</b>
<b>Total Revenue and External Grants in % of GDP</b>	<b>9.49</b>	<b>9.57</b>	<b>10.36</b>	<b>(0.79)</b>

**Source: Ministry of Finance**

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

As a proportion of GDP, total revenue and grants, in the period under review was 9.6 percent compared to the targeted 10.4 percent, this was slightly higher than 9.5 percent recorded in the corresponding period of FY 05/06 (see Table 1). External grants amounted to Kshs 6,026 million against a target of Kshs 10,115 million resulting in under performance of Kshs 4,089 million.





### 1.3 Expenditure

The total Government Expenditure and Net Lending in the period under review stood at Kshs 177,921 million against a target of Kshs 219,932 million. The shortfall of Kshs 42,011 million was attributed to lower absorption recorded under the recurrent and development expenditures by the line ministries during the first half of the fiscal year (*Table 3 and Chart 3*).

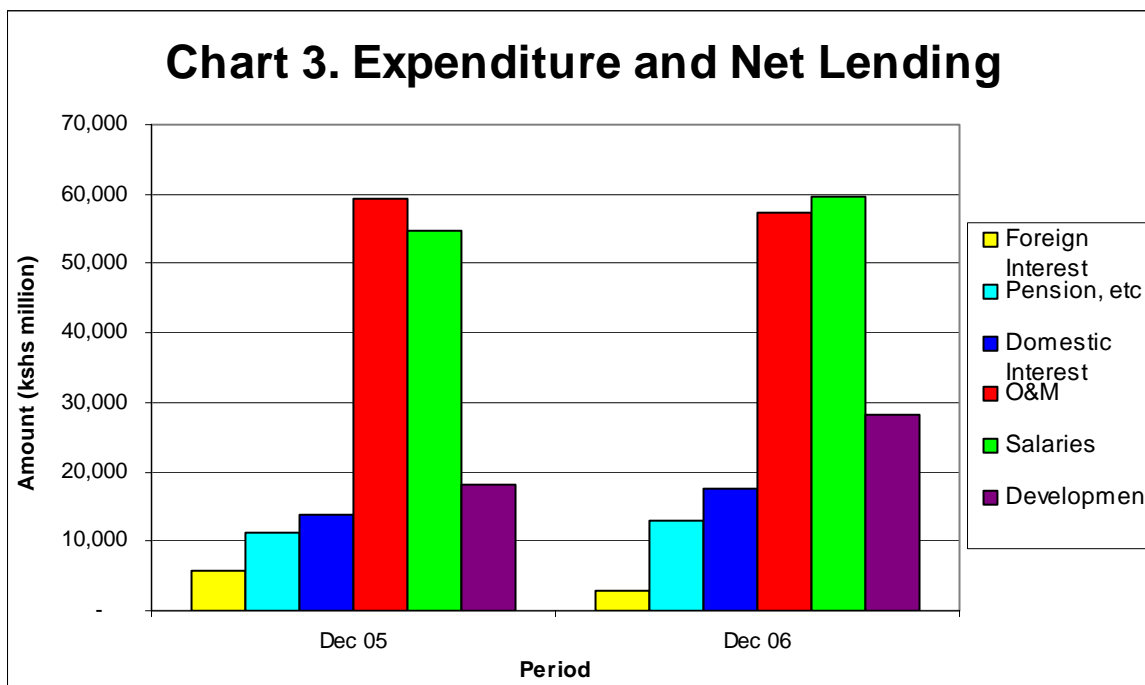
In particular, recurrent expenditure amounted to Kshs 148,837 million against a target of Kshs 175,468 million. This shortfall was mainly due to low expenditures recorded in Operations and Maintenance by Kshs 25,703 million and Wages and salaries by Kshs 2,538 million.

Similarly, scheduled Foreign interest payments amounted to Kshs 2,756 million as compared to Kshs 5,824 million due in the same period in the FY 05/06, while domestic interest payment totalled Kshs 17,559 million compared to Kshs 13,761 million paid in the corresponding period in the previous financial year.

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

	2005/2006 Quarter II Actual	2006/2007 Quarter II Actual	2006/2007 Quarter II Targets	Deviation
<b>1. RECURRENT</b>	<b>144,658</b>	<b>148,837</b>	<b>175,468</b>	<b>(26,631)</b>
Domestic Interest	13,761	17,559	17,588	(29)
Foreign Interest	5,824	2,756	2,756	0
Pensions, etc	11,189	12,880	11,241	1,639
Wages and Salaries	54,593	59,675	62,213	(2,538)
Operation and Maintenance	59,291	55,967	81,670	(25,703)
O/W: Change in Pending Bills	681	(1,347)	0	(1,347)
: Civil Service Reform	714	546	546	0
: Appropriation-in-Aid	10,119	13,998	19,706	(5,708)
<b>2. DEVELOPMENT</b>	<b>18,264</b>	<b>28,338</b>	<b>43,464</b>	<b>(15,126)</b>
Net Issues	10,032	20,393	30,102	(9,709)
Govt. Guaranteed Loans due	587	1,004	1,004	0
Appropriation-in-Aid	7,875	6,217	12,358	(6,141)
Change in pending bills	(230)	724	0	724
<b>3. CCF</b>	<b>827</b>	<b>746</b>	<b>1,000</b>	<b>(254)</b>
<b>TOTAL EXPENDITURE</b>	<b>163,749</b>	<b>177,921</b>	<b>219,932</b>	<b>(42,011)</b>

Source: Ministry of Finance



Analysis of Ministerial expenditures reveals that much of Government expenditure continues to go to the Social Sector with the Ministries of Education and Health incurring 46.7 percent of total recurrent expenditure for the period under review. Administrative Services also accounted for a significant percentage of total recurrent expenditure. The Ministry of Defence led with Kshs 11,461 million followed by Office of the President with Kshs 8,671 million, which represented 9.9 percent and 9.0 percent of the total recurrent expenditure respectively. The ministry of Roads and Public Works also incurred expenditure accounting for 9.0 percent of the recurrent expenditure. The Public Service Commission and ministry of Local Government incurred the least share of the total recurrent expenditure, each accounting for 0.08 percent, and 0.1 percent respectively (*Table 4*).

In regard to development expenditure; the Ministry of Roads and Public Works, Ministry of Finance, and the Ministry of Water and Irrigation incurred the largest share with each accounting for 43.0 percent, 21.5 percent and 8.0 percent of the total development expenditure, respectively. This is attributed mainly to prompt CDF disbursements by the Ministry of Finance and the increased of the allocation to the Ministry of Roads and Public Works for construction of roads countrywide

**Table 4: Ministerial Expenditures, Second Quarter (Cumulative)  
Ending 31<sup>st</sup> December 2006  
(Kshs. Million)**

MINISTRIES	Dec 2006			Dec 2006			Dec. 2006		
	Recurrent			Development			Total		
	Actual	Target	Variance	Actual	Target	Variance	Actual Rec+Dev	Target Rec+Dev	Variance
1. O.O.P	8,671	11,007	(2,336)	143	607	(464)	8,814	11,614	(2,800)
2. State House	447	453	(6)	242	125	117	688	578	110
3. DPM	633	965	(332)	13	73	(60)	646	1,038	(392)
4. Foreign Affairs & Int. Co-op.	2,496	2,798	(301)	19	400	(381)	2,515	3,198	(682)
5. OVP&MHA	2,224	3,467	(1,243)	160	415	(255)	2,384	3,882	(1,498)
6. Planning	422	460	(38)	241	299	(57)	664	759	(95)
7. Finance	3,692	4,008	(316)	5,168	5,513	(344)	8,861	9,520	(660)
8. Department of Defence	11,461	11,117	284	0	0	0	11,461	11,177	284
9. Regional Development	270	290	(21)	100	100	0	370	390	(21)
10. Agriculture & Rural Development	2,238	2,640	(402)	243	1,826	(1,583)	2,481	4,466	(1,985)
11. Health	9,202	10,354	(1,152)	212	2,184	(1,972)	9,414	12,538	(3,124)
12. Local Government	66	395	(329)	615	605	10	682	1,000	(319)
13. Roads & Public Works	10,414	8,484	1,930	10,321	5,032	5,289	20,735	13,516	7,219
14. Transport	646	760	(114)	497	778	(281)	1,143	1,538	(395)
15. Labour & Human Resources	385	453	(68)	10	63	(53)	395	516	(122)
16. Trade & Industry	651	805	(154)	91	122	(31)	742	927	(184)
17. Justice & Constitutional Affairs	199	280	(81)	387	85	302	586	365	221
18. Gender, Sports, Culture and SS	791	898	(106)	107	139	(32)	899	1,037	(139)
19. Livestock, Fisheries & Marketing	1,240	1,394	(154)	216	406	(190)	1,456	1,800	(344)
20. Water Resources Management.	1,107	1,192	(85)	1,924	2,755	(831)	3,031	3,947	(916)
21. Environment & Natural Resources	1,182	1,356	(174)	55	204	(148)	1,237	1,559	(322)
22. Cooperative Development	239	352	(113)	8	50	(42)	247	402	(155)
23. Cabinet Office	527	372	155	0	30	(30)	527	402	125
24. East Africa & Regional Coop	247	311	(64)	0	0	0	247	311	(64)
25. State Law Office	220	352	(132)	10	25	(15)	230	377	(147)
26. Judicial Department	783	931	(148)	93	147	(54)	876	1,078	(202)
27. Public Service Commission	93	118	(25)	0	0	0	93	118	(25)
28. Kenya National Audit Office	481	553	(72)	0	0	0	481	553	(72)
29. National Assembly	2,211	2,401	(190)	0	0	0	2,211	2,401	(190)
30. Energy	172	137	35	1,876	1,767	108	2,048	1,905	143
31. Education, Science & Technology	44,712	45,905	(1,192)	303	642	(339)	43,016	46,547	(1,531)
32. Information and Communication	299	357	(58)	2	10	(8)	301	1,180	(65)
33. Electoral Commission of Kenya	264	1,180	(916)	0	0	0	264	367	(916)
34. Special Programmes	123	1,708	(1,586)	22	825	(803)	145	2,534	(2,389)
35. Lands & Settlement	800	841	(41)	5	105	(100)	805	947	(141)
36. Immigration & Registration of Per	614	293	321	4	240	(236)	618	533	85
37. National Heritage	256	370	(114)	127	45	82	383	415	(32)
38. Youth Affairs	467	1,311	(844)	13	740	(727)	480	2,051	(1,572)
39. Science & Technology	281	1,295	(1,013)	61	66	(5)	342	1,361	(1,018)
40. Housing	355	269	86	89	175	(86)	444	444	0
41. National Security Intelligence Ser.	2,545	2,950	(405)	0	0	0	2,545	2,950	(405)
42. Tourism & Wildlife	834	898	(64)	648	100	548	1,481	998	483
43. KACC	493	612	(119)	0	0	0	493	612	(119)
<b>TOTAL</b>	<b>115,454</b>	<b>127,153</b>	<b>(11,698)</b>	<b>24,028</b>	<b>26,700</b>	<b>(2,672)</b>	<b>139,483</b>	<b>153,853</b>	<b>(14,370)</b>

Source: Ministry of Finance

## 1.3.1 Pending Bills

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

Min/Dept.	June 30, 2006			December 31, 2006			Change during the Period		
	Rec.	Dev.	Total	Rec.	Dev.	Total	Rec.	Dev.	Total
Office Of the President	2,272.4	711.7	2,984.1	2,597.2	568.6	3,165.8	324.8	(143.1)	181.7
State House	73.6	0.02	73.6	0.0	0.0	0.0	(73.6)	0.0	(73.6)
DPM	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Foreign Affairs	40.4	0.0	40.4	103.5	0.0	103.5	63.1	0.0	63.1
Home Affairs	617.8	0.0	617.8	888.9	1.8	890.8	271.1	1.8	273.0
Planning & National Development	0.0	0.0	0.0	12.4	10.3	22.7	12.4	10.3	22.7
Finance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Defence	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Regional Authorities	1,319.9	79.1	1,399.0	134.4	1,011.5	1,145.8	(1,185.5)	932.4	(253.2)
Agriculture and Rural Dev.	366.9	0.0	366.9	58.7	73.2	131.9	(308.2)	73.2	(235.0)
Health	226.0	29.5	255.5	10.7	10.0	20.7	(215.3)	(19.5)	(234.8)
Local Government	0.0	327.4	327.4	1.8	327.4	329.3	1.8	0.0	1.9
Roads and Public Works	971.3	696.6	1,667.9	599.3	34.3	633.6	(372.0)	(662.3)	(1,034.3)
Transport	112.2	0.0	112.2	110.7	0.0	110.7	(1.5)	0.0	(1.5)
Labour and Human Resources	0.2	0.0	0.2	1.9	0.0	1.9	1.7	0.0	1.7
Trade and Industry	8.4	0.0	8.4	0.0	0.0	0.0	(8.4)	0.0	(8.4)
Tourism & Wildlife	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Livestock and Fisheries Dev	0.0	0.0	0.0	0.3	0.0	0.3	0.3	0.0	0.3
Water and Irrigation	1.7	13.5	15.2	345.6	488.6	834.2	343.9	475.1	819.0
Environment and Nat. Resources	47.9	337.4	385.3	47.9	290.9	338.8	0.0	(46.5)	(46.5)
Cooperative Development	0.0	0.0	0.0	31.2	0.0	31.2	31.2	0.0	31.2
East African Cooperation	0.5	0.0	0.5	0.0	0.0	0.0	(0.5)	0.0	(0.5)
State Law Office	3.8	0.0	3.8	0.0	0.0	0.0	(3.8)	0.0	(3.8)
Judicial Department	29.9	41.9	71.8	0.0	0.0	0.0	(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 and Tech.	0.0	1,330.9	1,330.9	0.0	1,330.9	1,330.9	0.0	0.0	0.0
Electoral Commission of Kenya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Justice & Constitutional Affairs	2.5	0.0	2.5	2.5	0.0	2.5	0.0	0.0	0.0
Lands	150.0	245.4	395.4	0.0	0.0	0.0	(150.0)	(245.4)	(395.4)
Housing	0.0	0.0	0.0	0.0	54.4	54.4	0.0	54.4	54.4
Cabinet Office	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gender, Sport, & Social Services	101.8	0.0	101.8	41.6	0.0	41.6	(60.2)	0.0	(60.2)
Youth Affairs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Science and Technology	0.0	0.0	0.0	11.3	335.8	347.1	11.3	335.8	347.1
National Security Int. Service	0.0	0.0	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
<b>Total</b>	<b>6,347.2</b>	<b>3,813.4</b>	<b>10,160.6</b>	<b>5,000.0</b>	<b>4,537.7</b>	<b>9,537.7</b>	<b>(1,347.2)</b>	<b>724.2</b>	<b>(623.0)</b>

Source: Ministry of Finance

During the period under review, the stock of pending bills decreased by Kshs 623 million, from Kshs 10,160.6 million as at the end of June 30<sup>th</sup> 2006 to Kshs 9,537.7 million. The recurrent pending bills decreased by Kshs 1,347.2 million from Kshs 6,347.2 million to Kshs 5,000 million, while the stock of development pending bills increased by Kshs 724.2 million from Kshs

3,813.4 million to Kshs 4,537.7 million. Notable increase in pending bills was recorded in the Ministries of Water and Irrigation by Kshs 819 million, Office of the President by Kshs 181.7 million and Ministry of Science and Technology 347.1 million (*Table 5*).

### 1.3.2 Guaranteed Loans for Parastatals

Scheduled Payments of Guaranteed Loans for Parastatals with liquidity problems amounted to Kshs 756.2 million during the second quarter. However these loans were rescheduled under the Paris Club and the Government will start servicing them in the FY 07/08 (*Table 6*).

**Table 6: Guaranteed Loans, July 2006 – December 2006  
(Kshs Million)**

	PRINCIPAL	INTEREST	TOTAL	PAID	BALANCE
Nairobi City Council	75.38	4.13	79.50	-	79.50
TARDA 1/	93.98	29.06	123.03	-	123.03
KBC 2/	237.28	79.92	317.20	-	317.20
Others	230.25	6.17	236.42	-	236.42
<b>TOTAL</b>	<b>636.88</b>	<b>119.27</b>	<b>756.15</b>	<b>-</b>	<b>756.15</b>

1/ TARDA stands for Tana and Athi Rivers Development Authority

2/ KBC stands for Kenya Broadcasting Corporation

Source: Ministry of Finance

## 1.4 Financing the Budget

### 1.4.1 External Financing

During the period under review, external financing (loans) represented a net repayment of Kshs 804 million (which excludes rescheduled interest of kshs 743 million as in table 1) against a targeted borrowing of Kshs 3,419 million. Comparatively, the external financing for the same period in FY 05/06 was a net borrowing of Kshs 814 million. Total disbursements (inflows) including Appropriations-in-Aid amounted to Kshs 4,772 million. This amount includes Kshs 2,541 million Project Cash Loans and Kshs 2,231 million Project Loans A.I.A. Repayments (Outflows) of principal, on the other hand, amounted to Kshs 5,575.9 million, the bulk of these being made to multilateral Creditors (*Table 7*).

**Table 7: Net External Financing (Loans), Ending 31<sup>st</sup> December 2006(Kshs Million)**

	Dec. 2005	Quarter 1	Quarter II	Cummulative Dec. 2006	June 2006 Target
<b>DISBURSEMENTS:</b>	<b>5,296.00</b>	<b>1,390.00</b>	<b>3,382.00</b>	<b>4,772.00</b>	<b>22,280.00</b>
Project Cash loans	1,786.00	1,264.00	1,277.00	1,786.00	10,371.00
Programme loans	1,572.00	0.00	0.00	0.00	0.00
Project loans A-I-A	1,938.00	126.00	2,105.00	2,231.00	11,909.00
<b>EXTERNAL REPAYMENTS:</b>	<b>4,481.77</b>	<b>2,564.59</b>	<b>3,011.35</b>	<b>5,575.94</b>	<b>16,515.62</b>
Bilateral	742.26	520.92 <sup>1</sup>	1,300.62	1,614.53	8,496.23
Multilateral	3,739.51	2,043.67	1,710.73	3,754.40	7,372.66
Commercial	0.00	0.00	0.00	0.00	646.73
<b>NET FOREIGN FINANCING</b>	<b>814.23</b>	<b>(1,174.59)</b>	<b>370.65</b>	<b>(803.94)</b>	<b>5,764.38</b>

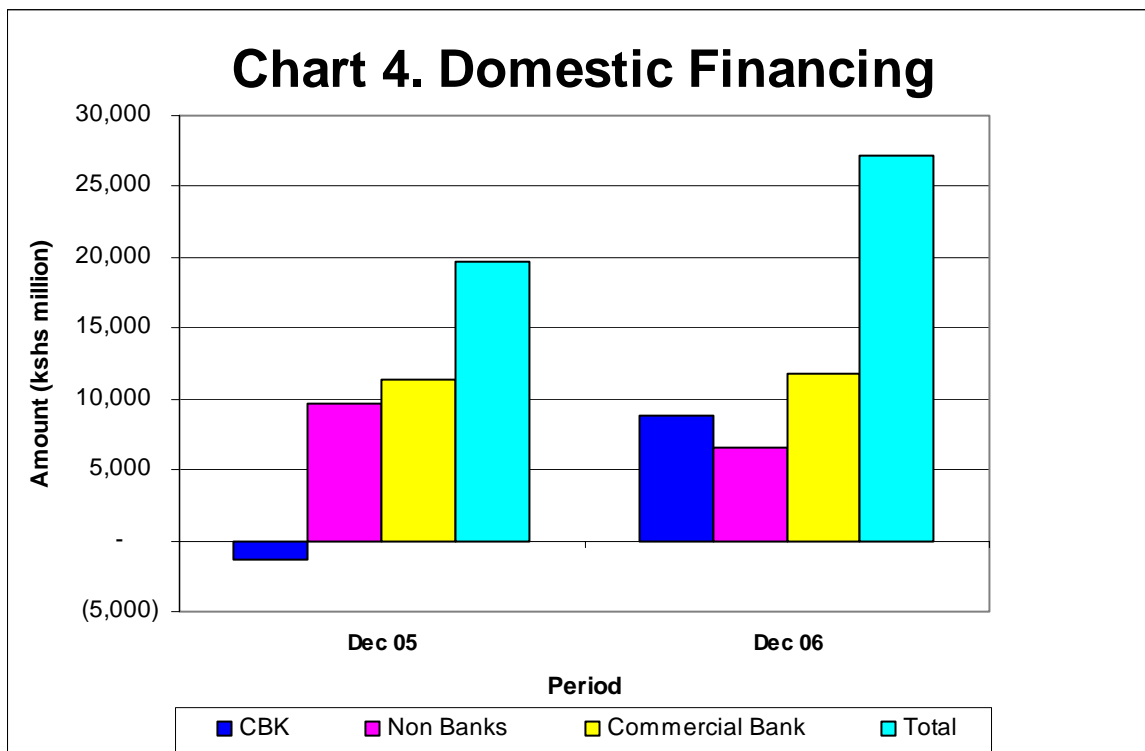
1/ Includes repayment of previous FY arrears of Kshs 207.01

Source: Ministry of Finance

### 1.4.2 Domestic Financing

In the second quarter of the FY 06/07, the overall performance in the Government's financial position resulted in a net borrowing of Kshs 27,246 million. This amount comprised a net borrowing of Kshs 8,834 million from the Central Bank, Kshs 1,253 million from Non Residents, Kshs

11,774 million from Commercial Banks and Kshs 5,385 million from Non-Bank Financial Institutions. Comparatively, the same period in the FY 05/06, the net borrowing amounted to Kshs 19,646 million, which represented a net repayment of Kshs 1,335 million to the Central Bank, Kshs 323 million to Non Residents and a net borrowing of Kshs 11,364 million from Commercial Banks and Kshs 9,940 million from Non-Bank Financial Institutions(*chart 4*).



The stock of Treasury Bills held by Non-Bank Financial Institutions and Non-Residents registered an increase of Kshs 748 million and Kshs 1,263 million, respectively. However, those held by the Commercial Banks registered net reduction of Kshs 148 million, while those held by the Central Bank remained constant during the period under review. On the other hand, the Fixed Rate Treasury Bonds held by Commercial Banks, Non Bank Financial Institutions registered a net increment of Kshs 7,545 million and Kshs 3,706 million, respectively, while those held by Non Residents decreased by Kshs 10 million. The Zero Coupon bonds held by the Commercial Banks and Non-Bank Financial Institutions registered an increase of Kshs 6,573 million and Kshs 1,522 million, respectively during the period under review. (*Table 8*)



**Table 8: Cumulative Domestic Financing, Second Quarter Ending 31<sup>st</sup>  
December 2006(Kshs Million)<sup>1</sup>**

	DECEMBER 2005	JUNE 2006	SEPTEMBER 2006	DECEMBER 2006
<b>1.CENTRAL BANK</b>	<b>(1,335)</b>	<b>(21,005)</b>	<b>5,504</b>	<b>8,834</b>
Overdraft	3,683	(23)	(1,533)	6,122
IMF funds on let to Govt	(156)	(273)	(14)	(281)
Treasury bills	(7)	(6)	14	0
Stocks	0	0	0	0
Floating rate T. Bonds	0	0	0	0
Fixed rate Bonds	0	0	0	0
Items on Transit	(5,349)	(4,931)	(166)	(282)
Less Govt Deposits	494	(15,403)	7,203	3,274
Frozen Account	0	(368)	0	0
<b>2.COM. BANKS</b>	<b>11,364</b>	<b>27,139</b>	<b>7,368</b>	<b>11,774</b>
Advances	(471)	(248)	83	211
Stocks	0	0	0	0
Treasury bills	3,651	14,576	5,202	(148)
Floating rate T. Bonds	(1,420)	(2,383)	0	(455)
Fixed rate Bonds	12,819	26,653	3,469	7,545
Zero Coupon Bonds	(2,795)	(14,268)	2,716	6,573
Special Bonds		3,244	0	0
Less Govt Deposits	(420)	(434)	(4,102)	(1,953)
<b>3. NON BANKS</b>	<b>9,940</b>	<b>23,471</b>	<b>2,619</b>	<b>5,385</b>
Stocks	0	0	0	(303)
Treasury bills	1,971	8,705	(2,301)	748
Floating Rate T. Bonds	(1,646)	(2,510)	0	(288)
Fixed rate Bonds	13,299	30,341	4,280	3,706
Zero Coupon Bonds	(3,684)	(13,065)	640	1,522
<b>4. NON RESIDENTS</b>	<b>(323)</b>	<b>(1,354)</b>	<b>1,139</b>	<b>1,253</b>
Treasury bills	(235)	(1,152)	1,145	1,263
Floating rate T. Bonds	0	0	0	0
Fixed rate Bonds	121	182	(6)	10
Zero Coupon Bonds	(209)	(384)	0	0
<b>NET CREDIT</b>	<b>19,646</b>	<b>28,252</b>	<b>16,630</b>	<b>27,246</b>

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.

## 2. PUBLIC DEBT

### 2.1 Overall Debt Position

The total Public Debt in shilling terms increased from Kshs 789,076 million as at the end of June 2006 to Kshs 792,864 million by 31<sup>st</sup> December 2006. This was as a result of a 5.4 percent decrease in external debt and an increase in domestic debt by 7.6 percent during the period under review. (*Table 9*).

**Table 9: Kenya's Public and Publicly Guaranteed Debt, June 2001– December 2006 (Kshs millions)**

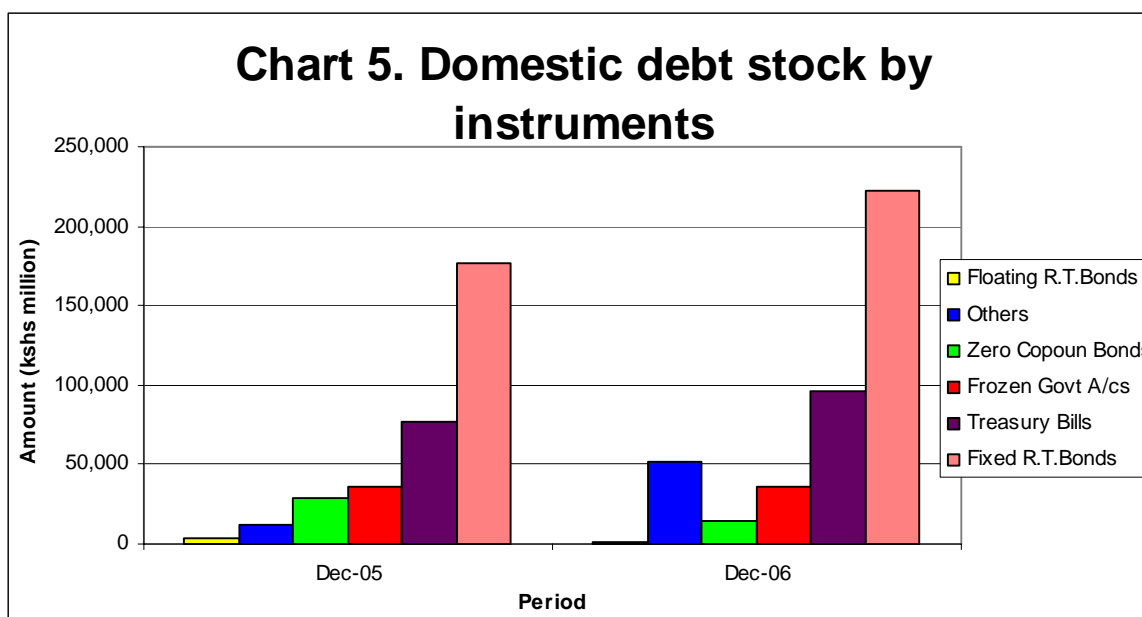
	June 01	June 02	June 03	June 04	June 05	June 06	Dec 06
<b>EXTERNAL:</b>							
BILATERAL	132,269	129,973	142,593	162,914	157,669	154,877	145,327
MULTILATERAL	228,497	222,452	233,829	260,658	255,784	255,550	242,748
COMMERCIAL BANKS	29,423	24,031	3,597	2,911	1,776	1,274	898
EXPORT CREDIT	3,789	1,292	27,034	16,674	19,224	19,536	18,770
<b>SUB-TOTAL</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>407,743</b>
<b>DOMESTIC:</b>							
CENTRAL BANK <sup>1</sup>	47,196	42,841	45,290	50,774	46,617	41,289	47,130
COMMERCIAL BANKS	62,046	78,000	112,369	128,214	122,912	149,473	163,907
<b>TOTAL BANKS</b>	<b>109,242</b>	<b>120,841</b>	<b>157,659</b>	<b>178,988</b>	<b>169,529</b>	<b>190,762</b>	<b>211,037</b>
<b>NON-BANKS</b>	<b>102,572</b>	<b>115,150</b>	<b>131,722</b>	<b>127,247</b>	<b>146,044</b>	<b>167,077</b>	<b>174,084</b>
<b>SUB-TOTAL</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>385,121</b>
<b>GRAND TOTAL GROSS</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>792,864</b>
LESS ON-LENDING	(5,701)	(5,701)	(5,701)	(5,701)	(5,701)	(5,701)	(5,701)
LESS GOVERNMENT DEPOSITS	(43,877)	(29,659)	(38,046)	(48,281)	(58,600)	(74,437)	(73,166)
<b>GRAND TOTAL NET</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>714,047</b>

Source: Ministry of Finance

<sup>1</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 gross domestic debt increased from Kshs 357,839 million in June 2006 to Kshs 385,121 million in December 2006, reflecting a net increase of Kshs 27,282 million (*Table 10*). The stock of Treasury Bills held by Central Bank, Commercial Banks, Non Bank Financial Institutions and Non Residents increased slightly from Kshs 94,777 million in June 2006 to Kshs 96,679 million in December 2006, while the stock of Treasury Bonds, Floating, Fixed Rate, Special and Zero Coupon, increased from Kshs 218,357 million in June 2006 to Kshs 237,988 in December 2006 (*chart 5*).



**Table 10: Stock of Domestic Debt, Second Quarter Ending 31st Dec.  
2006(Kshs million)**

	DEC 2005	JUNE 2006	SEPT 2006	DEC 2006
<b>1.CENTRAL BANK</b>	<b>44,945</b>	<b>43,237</b>	<b>41,538</b>	<b>48,796</b>
Overdraft	8,909	5,202	3,669	11,324
Frozen Govt Accounts	35,917	35,549	35,549	35,549
Treasury Bills	0	1	15	2
Items on Transit	119	537	371	255
IMF funds on lent to Govt		1,948	1,934	1,667
<b>2.COM.BANKS</b>	<b>134,674</b>	<b>149,473</b>	<b>161,188</b>	<b>163,907</b>
Advances	2,068	2,291	2,373	2,502
Stocks	0	0	0	0
Treasury Bills	35,649	47,034	52,162	46,840
Floating Rate T. Bonds	2,793	1,830	1,830	1,376
Fixed Rate T. Bonds	76,861	90,530	94,149	98,310
Special Bonds		3,244	3,244	3,244
Zero Coupon Bonds	17,302	4,545	7,430	11,635
<b>3. NON BANKS</b>	<b>149,243</b>	<b>162,029</b>	<b>164,591</b>	<b>167,733</b>
Stocks	1,058	1,058	1,058	755
Treasury Bills	36,488	43,401	40,868	44,181
Floating Rate T. Bonds	1,265	402	402	112
Fixed Rate T. Bonds	98,748	115,894	120,308	119,773
Zero Coupon Bonds	11,615	1,205	1,886	2,843
Tax Reserve Certificate	69	69	69	69
<b>4. NON RESIDENTS</b>	<b>6,140</b>	<b>5,047</b>	<b>6,208</b>	<b>6,351</b>
Treasury Bills	5,300	4,341	5,507	5,656
Floating Rate T. Bonds	0	0	0	0
Fixed Rate T. Bonds	646	707	701	695
Zero Coupon Bonds	194	0	0	0
<b>5. TOTAL DEBT</b>	<b>335,002</b>	<b>359,787</b>	<b>373,525</b>	<b>386,788</b>
6. LESS ON-LENDING	(5,701)	(5,701)	(5,701)	(5,701)
7. Less Govt. Deposits	(58,526)	(74,437)	(71,336)	(73,116)
<b>8. NET DEBT</b>	<b>270,775</b>	<b>279,649</b>	<b>296,488</b>	<b>307,971</b>

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

Source: Central Bank of Kenya

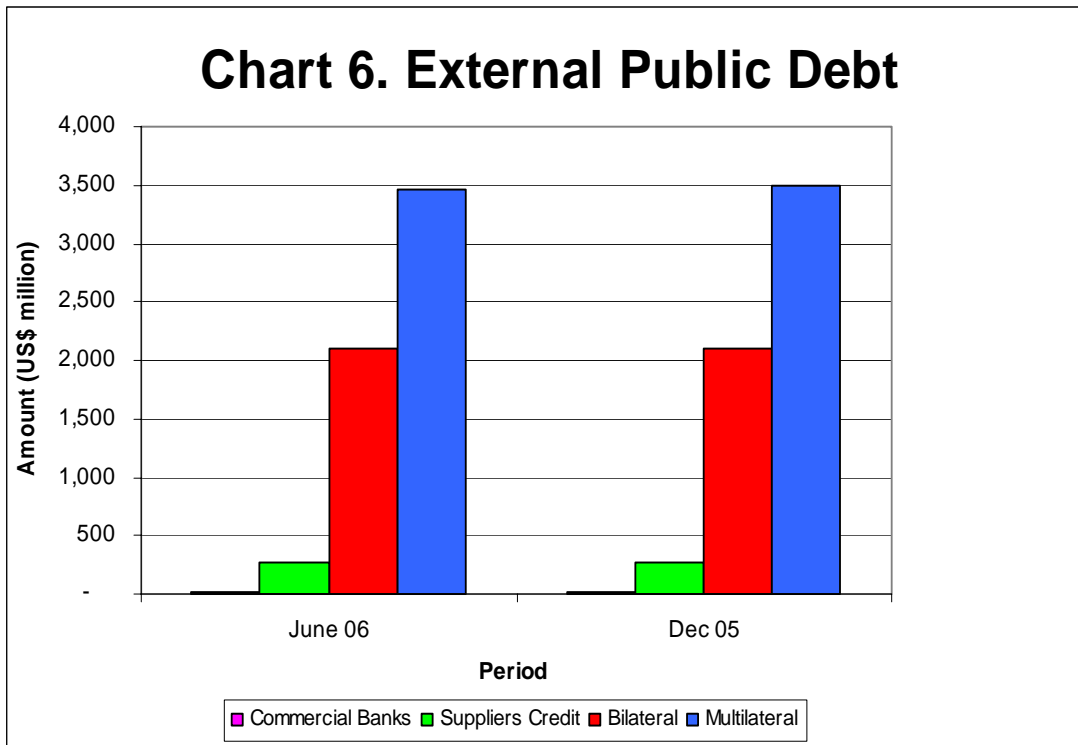
## 2.3 External Public Debt

External debt stock stood at approximately US \$ 5.87 billion as at the end of December 2006 showing a slight increase from the June 2006 position of US \$ 5.84 billion. Loans from multilateral agencies constitute a big portion of Kenya's external debt due to their favourable lending terms (low interest rates and long-term repayment period). Overall external debt consisted of 59.5 percent Multilateral, 35.6 percent Bilateral, 4.6 percent Export or Suppliers Credit and the remainder being Commercial Banks in the period under review (*Table 11 and Chart 6*).

**Table 11: Kenya's External Public and Publicly Guaranteed Debt  
2001-2006 US (\$ Million)**

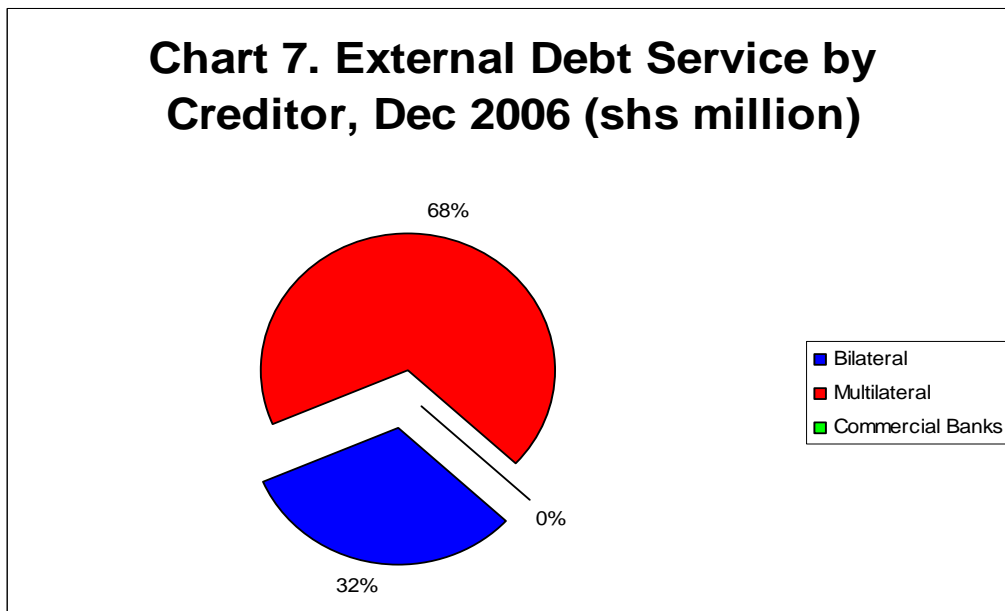
CREDITOR	June 2001	June 2002	June 2003	June 2004	June 2005	June 2006	Dec 2006
<b><u>BILATERAL</u></b>							
AUSTRIA	16.1	25.0	30.50	33.14	32.35	32.99	33.57
BELGIUM	30.6	29.8	30.50	59.41	68.00	71.02	72.39
CANADA	67.7	28.0	36.40	22.18	17.00	17.15	22.40
DENMARK	32.4	24.8	26.10	26.22	31.00	32.38	33.64
FINLAND	2.5	5.0	3.60	3.08	1.76	2.17	1.78
FRANCE	219.6	199.0	182.60	201.02	237.33	252.34	263.30
GERMANY	98.1	94.4	109.80	137.14	169.63	188.28	195.52
ITALY	125.8	136.1	117.90	126.33	94.14	118.31	119.94
JAPAN	922.2	824.0	1,071.00	1,058.80	1,109.50	1,075.58	1,041.63
NETHERLANDS	52.4	44.2	50.40	52.79	28.94	37.25	38.48
U.K.	35.8	40.82	35.80	33.35	36.94	36.61	39.31
USA	43.0	55.4	89.70	74.55	79.40	79.08	78.85
OTHERS	49.7	143.1	138.40	153.90	163.00	153.17	153.35
<b>SUBTOTAL</b>	<b>1,695.9</b>	<b>1,649.62</b>	<b>1,922.70</b>	<b>1,981.91</b>	<b>2,068.99</b>	<b>2,096.33</b>	<b>2,094.11</b>
<b><u>MULTILATERAL</u></b>							
ADB/ADF	328.4	292.8	321.50	315.10	310.00	349.71	360.77
EEC/EIB	156.7	148.0	115.50	128.92	111.00	180.49	159.14
IBRD	20.0	11.50	11.50	14.22	0.50	0.00	0.00
IDA	2,306.8	2,263.0	2,616.60	2,492.88	2,757.00	2,765.38	2,812.69
IMF	111.3	98.0	80.75	111.50	172.00	154.41	153.14
OTHERS	6.3	10.05	6.90	0.75	6.00	8.98	12.23
<b>SUBTOTAL</b>	<b>2,929.5</b>	<b>2,823.35</b>	<b>3,152.75</b>	<b>3,063.37</b>	<b>3,356.50</b>	<b>3,458.97</b>	<b>3,497.97</b>
COMMERCIAL BANKS	377.2	305	48.50	46.9	23.30	17.25	12.94
EXPORT CREDIT	48.6	16.4	364.5	200.57	252.27	264.43	270.47
<b>GRAND TOTAL</b>	<b>5,051.2</b>	<b>4,794.37</b>	<b>5,488.45</b>	<b>5,292.76</b>	<b>5,701.06</b>	<b>5,836.98</b>	<b>5,875.49</b>
<b>Bilateral</b>	33.6	34.4	35.0	36.8	36.3	35.9	35.6
<b>Multilateral</b>	58.0	58.9	57.4	58.8	58.9	59.3	59.5
<b>Commercial Banks</b>	7.5	6.4	0.9	0.7	0.4	0.3	0.2
<b>Export Credit</b>	1.0	0.3	6.6	3.8	4.4	4.5	4.6
<b>Total</b>	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 as at end December 2006 amounted to KShs 7,242.54 million (principal and Interest). This comprised repayments of KShs 2,292 million (31.7 percent) of bilateral and KShs 4,950 million (68.4 percent) of Multilateral loans principal and interest during the first half of the financial year (*Table 12*).



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

<b>CATEGORY</b>	<b>Principal</b>	<b>Interest</b>	<b>TOTAL</b>
<b><u>BILATERAL</u></b>			
AUSTRIA	31.21	23.79	55.00
DENMARK	0.00	0.00	0.00
FINLAND	0.00	9.39	9.39
FRANCE	60.77	59.22	119.99
ITALY	240.94	22.69	263.63
JAPAN	162.84	74.43	237.27
SAUDI FUND	146.23	105.30	251.54
KUWAIT	44.04	22.02	66.06
SPAIN	69.46	22.13	91.59
NETHERLANDS	0.00	0.25	0.25
USA	167.37	246.27	413.64
UK	0.00	0.00	0.00
BELGIUM	108.06	36.04	144.10
INDIA	0.00	0.00	0.00
CHINA	548.47	2.06	550.53
CANADA	0.00	5.78	5.78
GERMANY	0.00	23.68	23.68
SWEDEN	2.24	2.84	5.08
SWITZERLAND	4.00	3.41	7.41
KOREA	28.92	18.39	47.30
<b>TOTAL BILATERAL</b>	<b>1,614.55</b>	<b>677.69</b>	<b>2,292.24</b>
<b><u>MULTILATERAL</u></b>			
ADB	243.72	139.41	383.13
BADEA	0.00	1.80	1.80
EEC	138.99	25.59	164.58
EIB	1,003.72	129.64	1,133.36
IBRD	0.00	0.00	0.00
IDA	2,310.44	890.09	3,200.53
OPEC	57.53	9.37	66.90
<b>TOTAL MULTILATERAL</b>	<b>3,754.40</b>	<b>1,195.90</b>	<b>4,950.30</b>
<b>COMMERCIAL BANKS 1/</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>5,368.95</b>	<b>1,873.59</b>	<b>7,242.54</b>

Source: Ministry of Finance

### 3.0 CORE POVERTY PROGRAMMES

The Core Poverty Projects/Programmes (CPP) are intended to impact positively the lives of the poor, thereby reducing the levels of poverty in the society. Their implementation is expected to impact directly on the standard of living in the Kenyan society by increasing incomes for the poor, improving the quality of life, enhancing security, empowering the poor, improving governance as well as promoting equity and equality in our society. These programmes are given core priority by the government to cushion them from budget cuts and ensure that their goals are achieved as targeted. The overall expenditure and commitments on these programmes by the end of the second quarter of the F/Y. 06/07 was Kshs 16.6 billion equivalent to 27.3 percent of the total budget allocation on the CPP.

#### 3.1 ANALYSIS OF RECURRENT EXPENDITURES

The total recurrent expenditure (non-wage) and commitments of the Core Poverty Programmes for all the ministries/departments, by the end of the second quarter, was kshs 11 billion equivalent to 42 percent of the total recurrent allocation. The table below is a summary of ministries/departments total payments and commitments for the second quarter on the Core Poverty Programmes.

**TABLE 13: RECURRENT EXPENDITURES (NON-WAGE) KSHS.**

MINISTRY/DEPARTMENT	Printed Estimates (NET)	Actual Payments (Cumulative)	Commitment (Cumulative)	Total Payment+Commitment
EDUCATION	10,174,162,667	4,734,937,593	0	4,734,937,593
HEALTH	4,315,633,195	1,080,732,546	222,846,887	1,303,579,433
OFFICE OF THE PRESIDENT	77,354,000	45,000,000	10,000,000	55,000,000
OVP AND HOME AFFAIRS	117,495,626	15,149,386	0	15,149,386
ENVIRONMENT & NATURAL RESOURCES	310,430,030	90,251,298	26,884,755	117,136,053
AGRICULTURE	1,006,987,140	434,557,530	0	434,557,530
LABOUR AND HUMAN RESOURCES DEV.	36,323,810	5,773,798	2,603,496	8,377,294
JUSTICE AND CONSTITUTIONAL AFFAIRS	34,400,000	4,953,628	1,369,622	6,323,250
LANDS	400,000,000	240,000,000	160,000,000	400,000,000
LOCAL GOVERNMENT	1,340,160,000	674,231,439	0	674,231,439
ROADS AND PUBLIC WORKS	4,824,830,000	0	993,665,730	993,665,730
GENDER,SPORTS,CULTURE & SOCIAL SERV.	42,953,238	25,699,620	1,297,225	26,996,845
WATER AND IRRIGATION	473,504,617	58,727,681	70,361,261	129,088,942
NATIONAL AUDIT OFFICE	317,702,530	47,297,078	21,993,056	69,290,134
STATE LAW OFFICE	56,660,000	3,905,856	801,115	4,706,971
LIVESTOCK & FISHERIES DEVELOPMENT	254,941,184	7,166,573	40,053,825	47,220,398
COOPERATIVE DEV. AND MARKETING	100,590,988	14,968	26,891,399	26,906,367
SPECIAL PROGRAMMES	2,351,605,750	1,807,668,172	136,643,940	1,944,332,112
<b>TOTAL</b>	<b>26,235,734,775</b>	<b>9,276,097,165</b>	<b>1,715,412,311</b>	<b>10,991,509,476</b>

Source of data: Ministries/Departments monthly expenditure returns



### 3.2 ANALYSIS OF DEVELOPMENT EXPENDITURES

The table below shows that the expenditure and commitments in the development portfolio as at the end of the second quarter and 16.1 percent of the total budget provision was spent.

**TABLE 14: DEVELOPMENT EXPENDITURES (KSHS.)**

MINISTRY/DEPARTMENT	Total Printed Estimates	Total Actual Payments (Cumulative)	Commitment (Cumulative)	Total Payment+Commitment
OFFICE OF THE PRESIDENT	1,260,000,000	560,000,000	250,000,000	810,000,000
OVP AND MINISTRY OF HOME AFFAIRS	331,157,325	4,466,119	0	4,466,119
MINISTRY OF AGRICULTURE	2,934,092,859	176,479,897	0	176,479,897
MINISTRY OF HEALTH	9,834,331,036	147,301,966	85,183,353	227,707,953
MINISTRY OF ROADS AND PUBLIC WORKS	2,497,000,000	791,940,132	0	791,940,132
MINISTRY OF ENVIRONMENT AND NATURAL RESOURCES	382,960,492	62,190,757	24,089,456	86,280,213
MINISTRY OF EDUCATION	2,715,016,993	13,286,381	1,204,460	14,490,841
MINISTRY OF LABOUR AND HUMAN RESOURCES DEV.	7,500,000	0	0	0
MINISTRY OF PLANNING AND NATIONAL DEVELOPMENT	298,103,504	209,872,655	54,599,388	264,472,043
MINISTRY OF GENDER, SPORTS, CULTURE AND SOCIAL SERVICES	299,334,200	1,009,636	0	1,009,636
MINISTRY OF WATER AND IRRIGATION	2,018,950,000	28,873,775	217,262,800	246,136,575
MINISTRY OF JUSTICE & CONSTITUTION AFFAIRS	1,165,933,943	30,820,091	4,362,142	35,182,233
MINISTRY OF LANDS	28,436,412	9,924,721	11,198,039	21,122,760
MINISTRY OF TRADE AND INDUSTRY	298,019,300	12,575,000	25,355,000	37,930,000
MINISTRY OF FINANCE	433,000,001	34,647,900	26,629,712	60,667,156
MINISTRY OF ENERGY	2,813,804,005	0	797,894,367	797,894,367
MINISTRY OF LIVESTOCK AND FISHERIES DEVELOPMENT	1,325,626,157	38,172,543	24,446,001	62,618,544
MINISTRY OF COOPERATIVE DEVELOPMENT AND MARKETING	20,800,000	0	0	0
MINISTRY OF LOCAL GOVERNMENT	2,092,552,356	712,546,173	63,965,041	776,511,214
STATE LAW OFFICE	25,000,000	5,747,583	0	5,747,583
JUDICIARY SERVICES	400,000,000	165,000,000	17,000,000	182,000,000
SPECIAL PROGRAMMES	3,811,239,851	336,938,208	429,714,406	766,652,614
HOUSING	550,000,000	76,000,000	102,000,000	178,000,000
<b>TOTAL</b>	<b>34,726,367,732</b>	<b>3,417,793,537</b>	<b>2,134,293,709</b>	<b>5,552,087,246</b>

Source of data: Ministries/Departments monthly expenditure returns

## FISCAL RESULTS, FINANCIAL YEAR 1999/00 – 2006/2007

(Kshs. Millions)

	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005*	2005/2006*	2006/07**
A.TOTAL REVENUE	178,443	192,313	196,613	210,750	254,681	289,802	311,251	377,430
1.Revenue	163,769	175,481	175,746	190,591	226,478	265,715	283,427	338,907
Income Tax	54,402	53,429	55,862	66,744	77,410	94,095	108,897	124,320
VAT	40,944	50,298	50,871	56,135	61,725	75,989	76,263	95,378
Import Duty	28,605	28,726	21,584	18,477	22,324	23,532	20,511	29,013
Excise Duty	28,493	28,318	32,077	35,643	40,085	44,151	50,309	56,511
Other Revenue	11,325	14,710	15,352	13,592	24,934	27,948	27,447	33,685
2.Appropriation –in –Aid	14,674	16,832	20,867	20,159	28,203	24,087	27,824	38,523
B.EXPENDITURE & NET LENDING	175,119	232,921	225,760	264,144	282,187	303,373	382,818	457,017
1.Recurrent	156,535	198,941	200,807	220,618	244,476	257,746	306,515	347,517
Wages and Salaries	65,861	68,119	77,638	85,087	95,850	105,612	112,277	126,722
Interest Payments	29,387	31,035	30,384	36,026	29,700	30,470	41,247	42,597
Domestic Interest	20,752	23,232	23,744	27,567	23,281	23,375	31,445	37,309
Foreign Interest Due	8,635	7,803	6,640	8,459	6,419	7,095	9,802	5,288
Pensions, etc	5,145	6,136	8,995	9,450	13,612	12,568	19,759	21,382
Civil Service Reform	443	6,095	1,665	957	273	0	1,300	1,400
Operations & maintenance/ Others	55,699	71,584	82,125	89,098	105,041	107,096	131,932	155,416
Of which Appropriation-in-Aid	14,836	14,723	17,733	18,221	23,443	20,999	23,891	31,023
2.Development & Net Lending	18,584	33,980	24,953	43,526	37,711	45,627	67,692	104,500
Development Projects	7,096	9,434	11,727	16,835	25,943	28,824	48,037	71,044
Appropriation-in-Aid	10,252	11,592	14,526	17,894	12,341	15,929	18,607	30,659
Payment of guaranteed loans	1,880	3,957	1,862	1,799	1,368	860	1,048	2,797
3. Drought Development Expenditures	0	5,806	0	0	0	2,000	8,611	3,000
4. CCF	0	0	0	0	0	0	0	2,000
D.DEFICIT EXCL. GRANTS (Commitment Basis)	3,324	(40,608)	(29,147)	(53,394)	(27,506)	(13,571)	(71,567)	(79,587)
E.GRANTS	4,247	24,080	6,823	14,942	16,224	14,905	20,070	22,370
F.DEFICIT INCL.GRANTS (Commitment basis)	7,571	(16,528)	(22,324)	(38,452)	(11,282)	1,334	(51,497)	(57,217)
G. ADJUSTMENT TO CASH BASIS	(5,770)	3,423	(5,085)	2,683	11,282	5,964	15,030	758
H.DEFICIT INCL.GRANTS (cash basis)	1,801	(13,105)	(27,409)	(34,779)	0	7,298	(36,467)	(56,459)
I.FINANCING	(1,801)	13,105	27,409	34,779	0	(7,298)	36,467	56,459
Foreign Financing	(19,337)	12,489	(13,314)	(12,143)	(8,809)	(625)	1,216	8,726
Domestic Financing	17,536	616	40,723	46,922	8,809	(6,673)	35,251	47,733
Of which Domestic Borrowing	17,536	616	40,723	46,922	8,809	(6,673)	28,251	29,507
Others	0	0	0	0	0	0	7,000	18,226
In Percentage of GDP								
A.TOTAL REVENUE	26.5	19.9	19.2	20.3	22.3	22.8	19.9	21.2
1.Revenue	23.5	18.1	17.1	18.3	19.8	20.9	18.1	19.1
Income Tax	7.5	5.5	5.4	6.4	6.8	7.4	7.0	7.0
VAT	5.3	5.2	5.0	5.4	5.4	6.0	4.9	5.4
Import Duty	3.8	3.0	2.1	1.8	2.0	1.8	1.3	1.6
Excise Duty	3.9	2.9	3.1	3.4	3.5	3.5	3.2	3.2
Other Revenue	3.0	1.5	1.5	1.3	2.2	2.2	1.8	1.9
2.Appropriation –in –Aid	3.1	1.9	2.0	1.9	2.5	1.9	1.8	2.2
B.EXPENDITURE & NET LENDING	26.7	23.7	22.3	24.8	24.7	23.8	24.5	25.7
1.Recurrent	22.3	20.6	19.6	21.2	21.4	20.2	19.6	19.5
Wages and Salaries	8.6	7.0	7.6	8.2	8.4	8.3	7.2	7.1
Interest Payments	5.4	3.2	3.0	3.5	2.6	2.4	2.6	2.4
Domestic Interest	4.3	2.4	2.3	2.7	2.0	1.8	2.0	2.1
Foreign Interest Due	1.1	0.8	0.6	0.8	0.6	0.6	0.6	0.3
Pensions	0.7	0.6	0.9	0.9	1.2	1.0	1.3	1.2
Civil Service Reform	0.1	0.6	0.2	0.1	0.0	0.0	0.1	0.1
O & M/ Others	7.6	7.4	8.0	8.6	9.2	8.4	8.4	8.7
of which Appropriation-in-Aid	1.8	1.5	1.7	1.8	2.1	1.6	1.5	1.7
2.Development & Net Lending	4.3	3.2	2.7	3.5	3.3	3.6	4.3	5.9
Development Projects	1.8	1.0	1.1	1.6	2.3	2.3	3.1	4.0
Appropriation-in-Aid	2.4	1.2	1.4	1.7	1.1	1.3	1.2	1.7
Payment of guaranteed loans	0.1	0.4	0.2	0.2	0.1	0.1	0.1	0.2
3. Drought Expenditures	0.0	2.6	0.0	0.0	0.0	0.2	0.6	0.2
4. CCF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
D.DEFICIT EXCL. GRANTS (Commitment Basis)	(0.1)	(4.2)	(2.8)	(5.1)	(2.4)	(1.1)	(4.6)	(4.5)
E.GRANTS	0.7	2.5	0.7	1.4	1.4	1.2	1.3	1.3
F.DEFICIT INCL.GRANTS (Commitment basis)	0.5	(1.7)	(2.2)	(3.7)	(1.0)	0.1	(3.3)	(3.2)
G.ADJUSTMENT TO CASH BASIS	(0.8)	0.4	(0.5)	(0.3)	1.0	0.5	1.0	0.0
H.DEFICIT INCL.GRANTS (cash basis)	(0.3)	(1.4)	(2.7)	(3.3)	0.0	0.6	(2.3)	(3.2)
I.FINANCING	0.3	1.4	2.7	3.3	0.0	(0.6)	2.3	3.2
Foreign Financing	(1.2)	1.3	(1.3)	(1.2)	(0.8)	0.0	0.1	0.5
Domestic Financing	1.5	0.1	4.0	4.5	0.8	(0.5)	2.3	2.7
Of which Domestic Borrowing	1.5	0.1	4.0	4.5	0.8	(0.5)	1.8	1.7
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.4	1.0
Memorandum Item: Nominal GDP at Market price (Kshs. million)	777,838.0	967,838.0	1,025,918.0	1,038,764.0	1,141,780.0	1,273,716.0	1,563,099	1,778,483

Note: \* indicate Preliminary results and \*\* PRGF numbers

Source: Ministry of Finance

## 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

	<b>Name</b>	<b>Actual 2003/2004 Ksh.'000</b>	<b>Forecast 2004/2005 Ksh.'000</b>	<b>Budget 2005/2006 Ksh.'000</b>
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>

## 2003/04 & 2004/ 05 Actual Expenditures and 2005/06 Budget Estimates for Local Authorities

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
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

## 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
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
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

## 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
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
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

## 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
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
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:**

1. These figures denoted \* represent planned figures reported by the LA(s) all the other figures are approved by the minister for Local Government.
2. NA signifies that the information is incomplete or not yet submitted by the LA.