



**Republic of Kenya**

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**Ministry of Finance**

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# **Quarterly Budget Review**

**Third Quarter  
2005/2006**

**August 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 THIRD QUARTER BUDGET REVIEW: 2005/2006**

### **❖ The overall fiscal balance**

The cumulative overall fiscal balance, on a commitment basis and excluding grants, registered a deficit of Kshs 46.0 billion (equivalent to 3.0 percent of the GDP), which was lower than a targeted deficit of Kshs 72.6 billion (equivalent to 4.7 percent of GDP) in the 2005/06 fiscal year.

### **❖ Total revenue collection**

The Central Government total revenue collection was Kshs 217.2 billion for the third quarter of the 2005/2006 fiscal year which was below target by Kshs 11.0 billion. The under performance was mainly due to shortfall recorded in revenue collection under major taxes.

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

The Central Government expenditure and net lending for the period ending 31<sup>st</sup> March 2006 amounted to Kshs 263.2 billion against a target of Kshs 300.7 billion. This shortfall was attributed mainly to lower than expected payments of pensions, wages & salaries, and operation & maintenance.

### **❖ Stock of pending bills**

During the period under review, there was an overall decrease in the stock of pending bills held by the line Ministries. In particular, the stock of pending bills decreased by Kshs 2.3 billion, from Kshs 11.7 billion in June 2005 to Kshs 9.4 billion by March 2006.

### **❖ Guaranteed Loans**

Scheduled Debt Service payment by the Central Government on government guaranteed loans on behalf of the State Enterprises and Local Authorities with liquidity problems was Kshs 726.12 million by the end of the third quarter. This amount was however, rescheduled under the Paris Club.

❖ **External financing**

External financing represented a net repayment of Kshs 962 million compared to a net repayment of Kshs 6.4 billion in a similar period in 2004/2005 fiscal year.

❖ **Net Domestic Borrowing**

Net domestic borrowing stood at Kshs 27.5 billion in the period ending 31<sup>st</sup> March 2006, compared with a targeted borrowing of Kshs. 31.4 billion

❖ **Public Debt**

The total Public Debt increased from Kshs. 750.0 billion as at the end of June 2005 to Kshs. 753.1 billion by 31<sup>st</sup> March 2006.

❖ **Total Domestic Debt**

The total domestic debt stock increased from Kshs 315.6 billion as at the end of June 2005 to Kshs 346.1 billion by the end of March 2006. This was due to additional borrowing to finance Government operations.

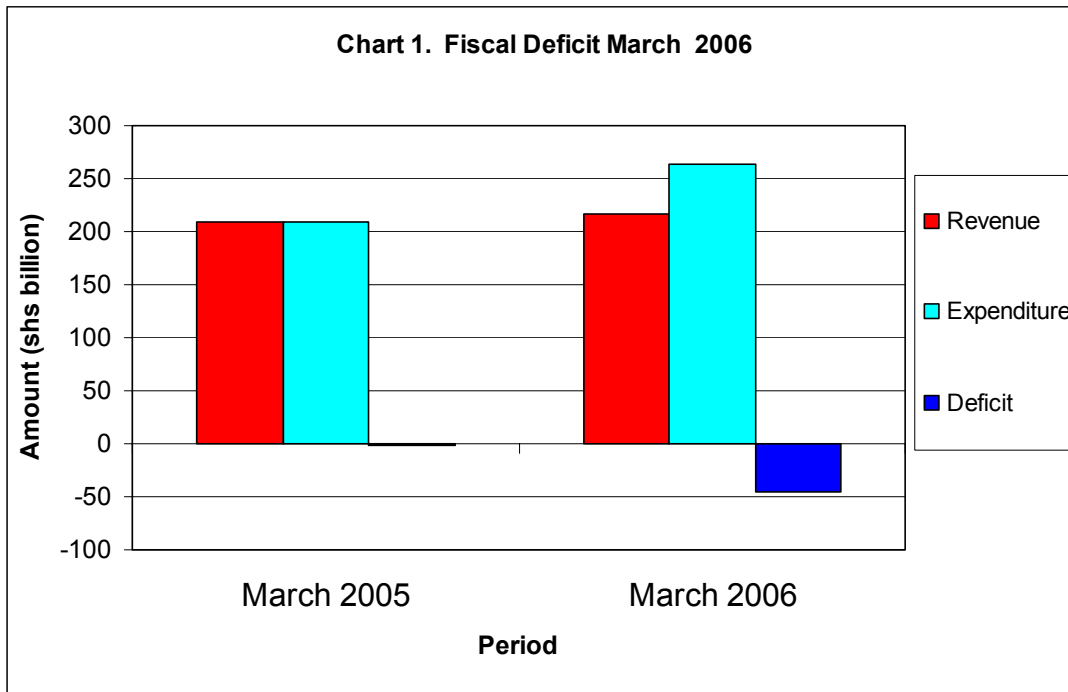
❖ **External Debt**

The total external debt stock decreased from Kshs 434.5 billion as at the end of June 2005 to Kshs. 407.0 billion by the end of March 2006. Of the total stock, the Multilateral Creditors accounted for 59.5%, Bilateral Creditors 35.6%, and Commercial Banks and Export Credit accounted for 4.9% 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 third quarter ending 31<sup>st</sup> March 2006 recorded a deficit of Kshs 46.0 billion (equivalent to 3.0 percent of Gross Domestic Product (GDP)), against a target deficit of Kshs 72.6 billion (equivalent to 4.7 percent of GDP) compared to Kshs 0.8 billion deficit (equivalent to 0.1 percent of GDP) during the same period in 2004/2005. On the other hand, the fiscal balance on a commitment basis including grants recorded a deficit of Kshs 30.4 billion (equivalent to 2.0 percent of GDP), against a targeted deficit of Kshs 51.2 billion (equivalent to 3.3 percent of GDP) (*Chart 1 and Table 1*).



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

	2004/2005 Quarter III Actual	2005/2006 Quarter III Actual	2005/2006 Quarter III Targets	Deviation	2005/06 Quarter III Actual as % of GDP	2005/06 Quarter III Target % of GDP	2004/2005 Quarter III Actual % of GDP
<b>A. TOTAL REVENUE AND GRANTS</b>	219,136	232,757	249,474	(16,717)	14.9	15.9	16.2
1. Revenue	208,765	217,152	228,067	(10,915)	13.9	14.6	15.5
Ordinary Revenue	192,432	197,843	208,964	(11,121)	12.6	13.4	14.3
Import Duty	17,533	15,205	18,173	(2,968)	1.0	1.2	1.3
Excise Duty	32,414	37,886	39,574	(1,688)	2.4	2.5	2.4
Income tax	65,637	74,914	77,559	(2,645)	4.8	5.0	4.9
VAT	55,620	54,261	57,520	(3,259)	3.5	3.7	4.1
Investment Revenue	3,097	696	0	696	0.0	0.0	0.2
Others	18,131	14,881	16,138	(1,257)	1.0	1.0	1.3
Appropriation-in-Aid	16,333	19,309	19,103	206	1.2	1.2	1.2
2. Grants	10,371	15,605	21,407	(5,802)	1.0	1.4	0.8
Cash	4,230	2,966	5,469	(2,503)	0.2	0.3	0.3
Appropriation-in-Aid Programme	6,141 0	8,268 4,371	11,157 4,781	(2,889) (410)	0.5 0.3	0.7 0.3	0.5 0.0
<b>B. EXPENDITURE and NET LENDING</b>	209,526	263,186	300,683	(37,497)	16.8	19.2	15.5
1. Recurrent	181,408	217,809	235,297	(17,488)	13.9	15.1	13.5
Domestic Interest	16,368	22,772	20,849	1,923	1.5	1.3	1.2
Foreign Interest Due	6,196	8,433	6,999	1,434	0.5	0.4	0.5
Pension	9,797	15,571	17,155	(1,584)	1.0	1.1	0.7
Wages and Salaries	77,315	79,619	85,601	(5,982)	5.1	5.5	5.7
O & M/Others	71,732	91,414	104,693	(13,279)	5.9	6.7	5.3
2. Development and Net Lending	28,118	44,550	63,386	(18,836)	2.9	4.1	2.1
3. Civil Contingency Fund	0	827	2,000	(1,173)	0.1	0.1	0.0
<b>C. DEFICIT EXCL. GRANT (Commitment basis)</b>	(761)	(46,034)	(72,616)	26,745	(3.0)	(4.65)	(0.06)
<b>D. DEFICIT INCL. GRANTS (Commitment basis)</b>	9,610	(30,429)	(51,209)	20,780	(2.0)	(3.28)	0.71
<b>E. ADJUSTMENT TO CASH BASIS</b>	(6,958)	2,681	654	2,027	0.17	0.04	(0.52)
<b>F. DEFICIT INCL. GRANTS (Cash basis)</b>	2,652	(27,748)	(50,555)	22,807	(1.77)	(3.23)	0.20
<b>G. FINANCING</b>	(2,652)	27,748	50,555	(22,807)	1.77	3.23	(0.20)
1. Foreign financing	584	217	11,123	(10,906)	0.01	0.71	0.04
Disbursements	6,251	6,334	18,210	(11,876)	0.40	1.16	0.46
Programme Cash Loans	0	1,572	1,564	8	0.10	0.10	0.00
Project Cash Loans	3,499	2,608	9,192	(6,584)	0.17	0.59	0.26
Loans AIA	2,752	2,154	7,454	(5,300)	0.14	0.48	0.20
Repayment due (current)	(19,239)	(22,744)	(14,851)	(7,893)	(1.45)	(0.95)	(1.43)
Rescheduling	7,682	6,242	7,360	(1,118)	0.40	0.47	0.57
Of which principal	5,549	4,914	7,360	(2,446)	0.31	0.47	0.41
Of which interest	2,133	1,328	0	1,328	0.08	0.00	0.16
Change in arrears (current)	5,890	10,385	(1,596)	11,981	0.66	(0.10)	0.44
Repayment (arrears)	0	0	2,000	(2,000)	0.00	0.13	0.00
2. Privatization proceeds	0	0	8,000	(8,000)	0.00	0.51	0.00
3. Bank restructuring Costs	0	0	0	0	0.00	0.00	0.00
4. Domestic financing	(3,236)	27,531	31,432	(3,901)	1.76	2.01	(0.24)
<b>Memo item</b>							
Nominal GDP	1,348,830	1,563,100	1,563,100				

Source: Ministry of Finance

## 1.2 REVENUE

The total Government revenue collection for the third quarter ending 31<sup>st</sup> March 2006 amounted to Ksh 217.2 billion, which was Kshs 10.9 billion below target. Collection of ordinary revenue, amounted to Kshs 197.8 billion against a target of Kshs 209.0 billion, resulting in an under performance of Kshs 11.1 billion. The shortfalls were notable in all taxes and tariffs, while the Appropriation In Aid recorded improved collection (*Table 2 and Chart 2*).

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

	2004/2005 Quarter III Actual	2005/2006 Quarter III Actual	2005/2006 Quarter III Target	Deviation
<b>Total Revenue</b>	<b>208,765</b>	<b>217,152</b>	<b>228,067</b>	<b>(10,915)</b>
<b>(a) Ordinary Revenue</b>	<b>192,432</b>	<b>197,843</b>	<b>208,964</b>	<b>(11,121)</b>
Import Duty	17,533	15,205	18,173	(2,968)
Excise Duty	32,414	37,886	39,574	(1,688)
PAYE	36,725	42,363	44,495	(2,132)
Other Income Tax	28,911	32,551	33,065	(514)
VAT Local	31,554	29,669	31,637	(1,968)
VAT Imports	24,066	24,592	25,883	(1,291)
Investment Revenue	3,097	696	696	0
Traffic Revenue	1,899	2,153	2,153	0
Airport Revenue	1,051	-	-	-
Import/Export & Essential Supplies Revenue	5,500	6,150	6,150	0
Others 1/	9,681	6,578	7,138	(560)
<b>(b) Appropriation In Aid 2/</b>	<b>16,333</b>	<b>19,309</b>	<b>19,103</b>	<b>206</b>
<b>External Grants</b>	<b>10,371</b>	<b>15,605</b>	<b>21,407</b>	<b>(5,802)</b>
<b>Total Revenue and Grants</b>	<b>219,136</b>	<b>232,757</b>	<b>249,474</b>	<b>(16,717)</b>

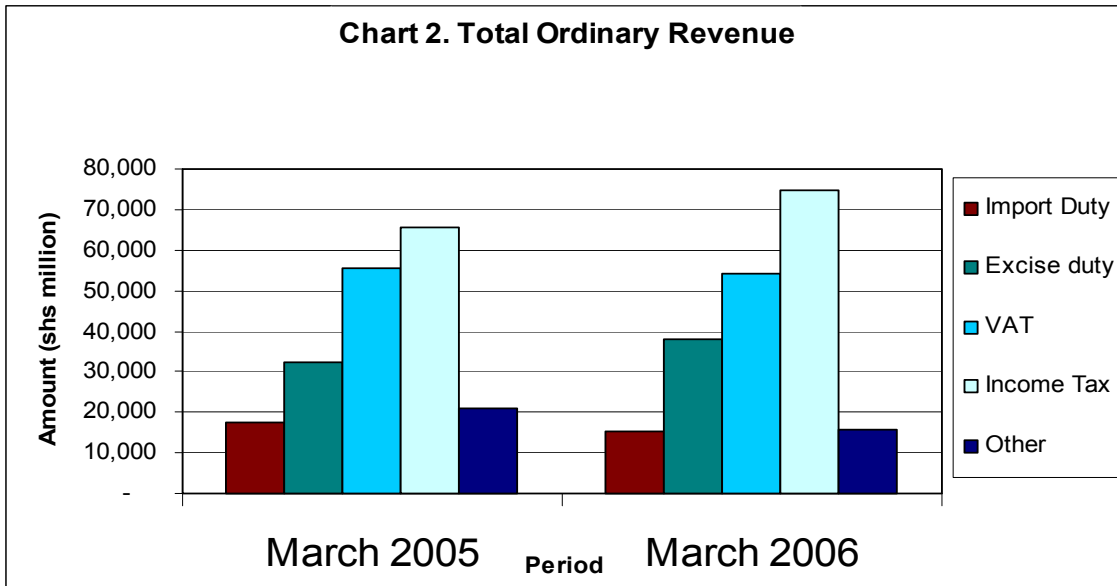
Source: Ministry of Finance

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 ratio of GDP, in the period under review amounted to 14.9 percent compared to 16.2 percent in 2004/2005. Total External Grants amounted to Kshs 15.6 billion against a target of Kshs 21.4 billion resulting in a deficit of Kshs 5.8 billion. (*Table 1 and Table 2*)





### 1.3 Expenditure

The total Government Expenditure and Net Lending, for the period under review, amounted to Kshs 263.2 billion, against a target of Kshs 300.7 billion, which was below the target by Kshs 37.5 billion. The under spending is mainly attributed to lower than targeted recurrent expenditures and low disbursement of external funds especially those meant for development related expenditures (*Table 3 and Chart 3*).

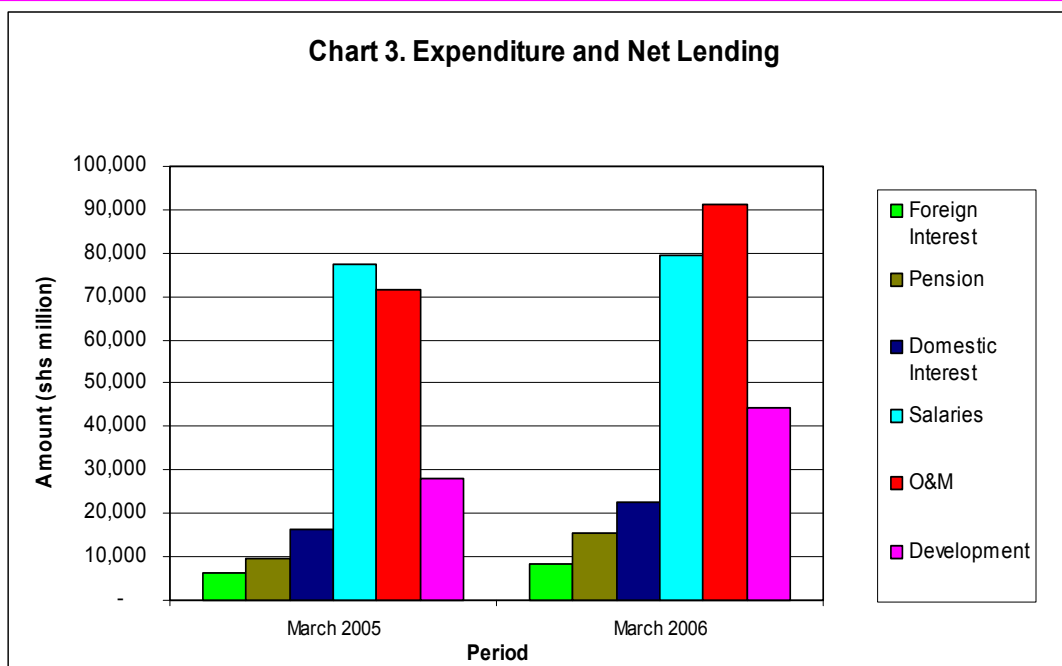
Recurrent expenditure amounted to Kshs 217.8 billion, against a target of Kshs.235.3 billion. This was due to under spending in; Operation and Maintenance (Kshs 13.4 billion) Pensions (Kshs 1.6 billion) and wages and salaries (Kshs 6.0 billion).

Scheduled foreign interest payments for the period under review amounted to Kshs 8.4 billion as compared to Kshs 6.2 billion due in a similar period during 2004/2005. Domestic interest payment amounted to Kshs 22.8 billion, which was higher than Kshs 16.4 billion paid in the corresponding period of the previous financial year.

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

	2004/2005 Quarter III Actual	2005/2006 Quarter III Actual	2005/2006 Quarter III Targets	Deviation
<b>1. RECURRENT</b>	<b>181,408</b>	<b>217,809</b>	<b>235,297</b>	<b>(17,488)</b>
Domestic Interest	16,368	22,772	20,849	1,923
Foreign Interest	6,196	8,433	6,999	1,434
Pensions	9,797	15,571	17,155	(1,584)
Wages and Salaries	77,315	79,619	85,601	(5,982)
Operation and Maintenance	71,732	91,414	104,693	(13,279)
O/W : Civil Service Reform	0	0	0	-
: Appropriation-in-Aid	13,696	18,044	17,083	961
<b>2. DEVELOPMENT</b>	<b>28,118</b>	<b>44,550</b>	<b>63,386</b>	<b>(18,836)</b>
Net Issues	15,728	32,137	41,391	(8,558)
Payment of Guaranteed Loans	860	726	499	227
Appropriation-in-Aid	11,530	11,687	21,496	(9,809)
<b>3. Civil Contingency Fund</b>	<b>0</b>	<b>827</b>	<b>2,000</b>	<b>(1,173)</b>
<b>TOTAL EXPENDITURE</b>	<b>209,526</b>	<b>263,186</b>	<b>300,683</b>	<b>(37,498)</b>

Source: Ministry of Finance



Analysis of Ministries' expenditure reveals that the Social Sector Ministries continue to spend the largest share of the total Government recurrent expenditure. In particular, the Ministries of Education, Science and Technology, and Health accounted for 40.6 percent of total recurrent expenditure during the period under review. Similarly, administrative services accounted for a significant proportion of total recurrent expenditure. The Office of the President led with Kshs 25.4 billion, which accounted for 14.6 percent of the total recurrent expenditure. The Ministry of East African Community, Public Service Commission, Ministry of Energy and the Justice and Constitutional Affairs spent the least share of the total recurrent expenditure, each accounting for 0.1 percent of the total recurrent expenditure. (*Table 4*).

On the development expenditure, the Ministry of Energy spent the largest share followed by Ministry of Finance and Ministry of Roads and Public Works; accounting for 20.4 percent, 18.3 percent and 17.4 percent of the total development expenditure, respectively. The Ministry of Foreign Affairs, Directorate of Personnel Management, Ministry of Labour and Human Resource Development, Cooperative, State Law Office and Ministry of Information spent very little expenditures during the period under review.

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

Ministries/departments	Mar-05			Mar-05			Mar-05		
	Recurrent			Development			Total		
	Actual	Target	Variance	Actual	Target	Variance	Actual	Target	Variance
1.O.O.P	25,352	23,673	1,679	3,489	2,906	583	28,841	26,579	2,262
2. State House	477	694	(217)	147	134	13	624	828	(204)
3. DPM	1,576	1,515	61	57	182	(125)	1,633	1,697	(64)
4. Foreign Affairs	5,273	3,790	1,483	9	44	(35)	5,282	3,834	1,448
5. OVP&MHA	2,918	5,505	(2,587)	348	513	(165)	3,266	6,018	(2,752)
6. Planning	555	655	(100)	382	318	64	937	973	(36)
7. Finance	6,446	7,016	(570)	7,327	8,433	(1,106)	13,773	15,449	(1,676)
8. Department of Defence	18,036	14,347	3,689	0	0	0	18,036	14,347	3,689
9. Regional Development	372	407	(35)	130	269	(139)	502	676	(174)
9. Agriculture	2,761	3,337	(576)	112	1,089	(977)	2,873	4,426	(1,553)
10. Health	11,310	13,531	(2,221)	2,114	1,514	600	13,424	15,045	(1,621)
11. Local Government	3,279	384	2,895	2,661	741	1,920	5,940	1,125	4,815
13. Roads & Public Works	9,096	8,728	368	6,972	3,768	3,204	16,068	12,496	3,572
14 Transport	2,944	1,173	1,771	396	360	36	3,340	1,533	1,807
15. Labour & Human Resources	615	592	23	26	187	(161)	641	779	(138)
16. Trade & Industry	766	1,086	(320)	364	225	139	1,130	1,311	(181)
17. Justice & Constitutional Affairs	232	352	(120)	199	72	127	431	424	7
18. Gender, Sports, Culture & SS	1,361	1,349	12	88	74	14	1,449	1,423	26
19. Livestock & Fisheries Dev.	1,929	1,870	59	123	307	(184)	2,052	2,177	(125)
20. Water & Irrigation	1,577	1,667	(90)	3,785	3,663	122	5,362	5,330	32
21. Environment & Natural Resources	1,686	1,675	11	379	254	125	2,065	1,929	136
22. Cooperative Dev. & Marketing	431	526	(95)	6	49	(43)	437	575	(138)
24. East African Community	243	317	(74)	0	0	0	243	317	(74)
25. State Law Office	496	404	92	26	14	12	522	418	104
26. Judicial Department	1,332	1,029	303	126	133	(7)	1,458	1,162	296
27. Public Service Commission	127	140	(13)	0	0	0	127	140	(13)
28. Kenya National Audit Office	638	793	(155)	0	0	0	638	793	(155)
29. National Assembly	3,144	3,163	(19)	0	0	0	3,144	3,163	(19)
30. Energy	205	91	114	8,160	1,079	7,081	8,365	1,170	7,195
31. Education,	58,939	62,559	(3,620)	1,633	2,629	(996)	60,572	65,188	(4,616)
32. Information	1,858	549	1,309	16	15	1	1,874	564	1,310
33. Electoral Commission of Kenya	550	680	(130)	0	0	0	550	680	(130)
34. KACC	618	786	(168)	0	0	0	618	786	(168)
36. Lands	1,110	1,101	9	327	137	190	1,437	1,238	199
45. National Security Intell. Service	3,735	3,900	(165)	0	0	0	3,735	3,900	(165)
46. Tourism & Wildlife	1,147	1,095	52	565	126	439	1,712	1,221	491
<b>TOTAL</b>	<b>173,133</b>	<b>170,479</b>	<b>2,654</b>	<b>39,967</b>	<b>29,235</b>	<b>10,732</b>	<b>213,100</b>	<b>199,714</b>	<b>13,386</b>

Source: Ministry of Finance

## 1.3.1 Pending Bills

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

Min/Dept.	June 2005			March 200			Change		
	Rec.	Dev	Total	Rec.	Dev.	Total	Rec.	Dev.	Total
Office Of the President	3,920.4	852.8	4,773.2	2,498.3	874.0	3,372.3	(1,422.1)	21.2	(1,400.9)
State House	68.5	15.5	84.0	35.2	11.3	46.5	(33.3)	(4.3)	(37.6)
DPM	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Foreign Affairs	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Home Affairs	721.2	0	721.2	647.1	0.0	647.1	(74.1)	0.0	(74.1)
Planning & National Develop.	47.1	14.8	61.9	27.0	0.0	27.0	(20.1)	(14.8)	(34.9)
Finance	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Defence	501.00	0	501.0	0.00	0.0	0.0	(501.0)	0.0	(501.0)
Regional Authorities	373.10	911.2	1,284.3	0.00	0.0	0.0	(373.1)	(911.2)	(1,284.3)
Agriculture	500	78	578.0	366.9	0.0	366.9	(133.1)	(78.0)	(211.1)
Health	111.1	5.6	116.7	8.4	3.5	11.9	(102.7)	(2.2)	(104.9)
Local Government	6	737.7	743.7	1.5	389.1	390.6	(4.5)	(348.6)	(353.1)
Roads and Public Works	176.6	488.8	665.4	924.2	705.4	1,629.6	747.6	216.6	964.2
Transport	64.1	0	64.1	0	0.0	0.0	(64.1)	0.0	(64.1)
Labour and Human Resources	86.1	22.3	108.4	221.4	0.0	221.4	135.3	(22.3)	113.0
Trade and Industry	1.1	0	1.1	13.4	9.9	23.3	12.3	9.9	22.2
Tourism & Wildlife	8.2	0.6	8.8	0	0.0	0.0	(8.2)	(0.6)	(8.8)
Livestock and Fisheries dev	10	0	10.0	0.1	8.6	8.7	(9.9)	8.6	(1.3)
Water and Irrigation	34.2	0.7	34.9	321.9	433.5	755.4	287.7	432.8	720.5
Environment & Nat. Resources	47.9	289.5	337.4	47.9	337.4	385.3	0.0	47.9	47.9
Cooperative Dev. & Marketing	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State Law Office	4.9	0	4.9	0.0	0.0	0.0	(4.9)	0.0	(4.9)
Judicial Department	0	0	0.0	65.0	0.0	65.0	65.0	0.0	65.0
PSC	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
National Assembly	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
Education, Science and Tech.	0	1,357.90	1,357.9	0.0	1,330.9	1,330.9	0.0	(27.0)	(27.0)
Electoral Commission of Kenya	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Justice & Constitutional Affairs	86.1	24.7	110.8	0	0	0.0	(86.1)	(24.7)	(110.8)
Lands and Settlement	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gender, Sports, & SS	100.4	0	100.4	106.6	0.0	106.6	6.2	0.0	6.2
National Security Int. Service	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
<b>Total</b>	<b>6,868.00</b>	<b>4,800.10</b>	<b>11,668.1</b>	<b>5,284.8</b>	<b>4,103.6</b>	<b>9,388.4</b>	<b>(1,583.2)</b>	<b>(696.5)</b>	<b>(2,279.7)</b>

Source: Ministry of Finance

The stock of pending bills decreased by Kshs 2.3 billion from Kshs 11.7 billion as at the end of June 30<sup>th</sup> 2005 to Kshs 9.4 billion by end March 2006. In particular, the stock of recurrent pending bills decreased by Kshs 1.6 billion, while the stock of development pending bills decreased by Kshs 696.5 million. However, there were increases in pending bills of the Ministries of Water and Irrigation by Kshs 720.5 million (mainly due to inadequate provision for utilities in the recurrent budget and personal claims due for contractors and suppliers on development), Roads and Public Works by Kshs 964.2 million, Environment and Natural Resources by Kshs 47.9 million, and Trade and

Industry by Kshs 22.2 million. These increases in pending bills were mainly due to inadequate provision and lack of liquidity to pay for the utilities (*Table 5*).

### 1.3.2 Guaranteed Loans for Parastatals

Scheduled Payments of Guaranteed Loans for Parastatals with liquidity problems amounted to Kshs 726.12 million during the third quarter of 2005/06. However these loans were rescheduled under the Paris Club and the Government will start servicing them in 2006/07 financial year. (*Table 6*).

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

	PRINCIPAL	INTEREST	TOTAL	PAID	BALANCE
Nairobi City Council	67.20	9.3	76.50	-	76.50
TARDA 1/	196.80	73.41	270.21	-	270.21
KBC 2/	236.60	92.3	328.90	-	328.90
ICDC 3/	46.20	4.31	50.51	-	50.51
<b>TOTAL</b>	<b>546.80</b>	<b>179.32</b>	<b>726.12</b>	-	<b>726.12</b>

1/ TARDA stands for Tana and Athi Rivers Development Authority

2/ KBC stands for Kenya Broadcasting Corporation

3/ ICDC stands for Industrial and Commercial Development Corporation

Source: Ministry of Finance

## 1.4 Financing the Budget

### 1.4.1 External Financing

Through to the third quarter, cumulative external financing (loans) amounted to a net repayment of Kshs 1.1 billion (which excludes rescheduled interest of Kshs 1.3 billion as in table 1) against a borrowing target of Kshs 11.1 billion. Comparatively, the external financing for the same period in the 2004/05 financial year recorded a net repayment of Kshs 1.5 billion.

Total disbursements (inflows) including Appropriations-in-Aid amounted to Kshs 6.3 billion, which included Kshs 2.6 billion from Project Cash Loans, Kshs 2.2 billion from Project Loans A.I.A and Kshs 1.6 billion from Programme loans. On the other hand, repayments (Outflows) amounted to Kshs 7.4 billion, the bulk of these being made to Multilateral and Bilateral Creditors (*Table 7*).

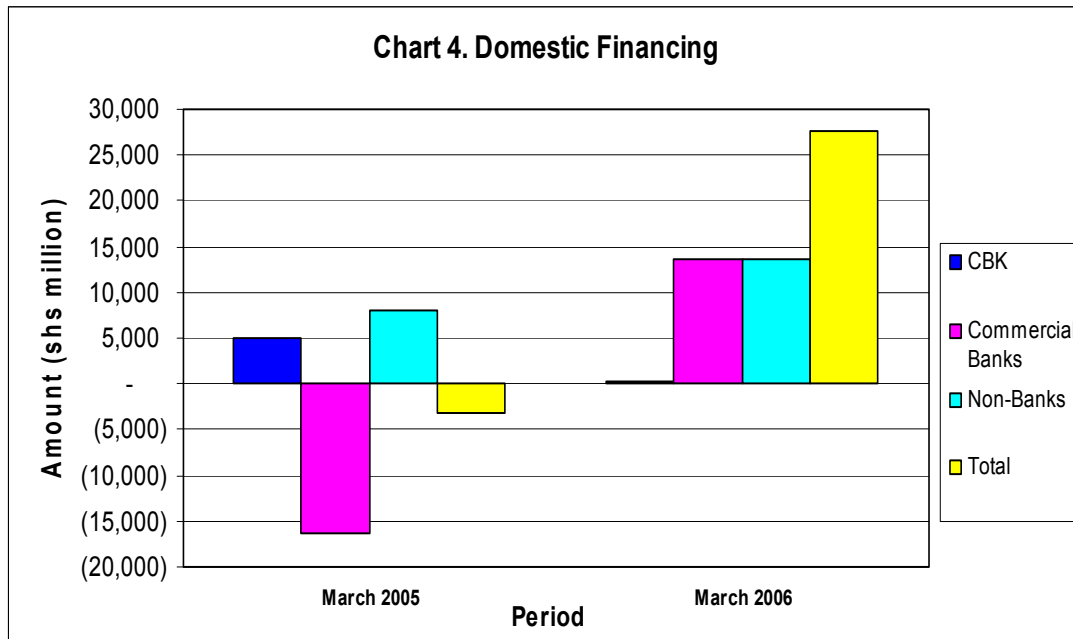
**Table 7: Net External Financing (Loans), Ending 31<sup>st</sup> March 2006  
(Kshs Million)**

	Cumulative March 2005	Quarter 1	Quarter 2	Quarter 3	Cumulative March 2006	June 2006 Target
<b>DISBURSEMENTS:</b>	<b>9,007.00</b>	<b>3,617.00</b>	<b>1,517.00</b>	<b>1,200.00</b>	<b>6,334.00</b>	<b>18,210.00</b>
Project Cash loans	2,100.00	1,432.00	354.00	822.00	2,608.00	9,192.00
Programme loans	4,366.00	1,572.00	-	-	1,572.00	1,564.00
Project loans A-I-A	2,541.00	613.00	1,163.00	378.00	2,154.00	7,454.00
<b>EXTERNAL REPAYMENTS:</b>	<b>15,440.33</b>	<b>2,495.97</b>	<b>1,868.95</b>	<b>2,963.89</b>	<b>7,445.66</b>	<b>23,628.37</b>
Bilateral	2,874.62	306.88	318.53	712.10	1,230.35	2,619.08
Multilateral	5,257.81	2,189.09	1,550.42	2,251.79	5,991.30	7,956.03
Commercial	7,307.90	-	-	-	224.11	13,053.26
<b>NET FOREIGN FINANCING</b>	<b>(6,433.33)</b>	<b>1,004.18</b>	<b>(351.95)</b>	<b>(1,763.89)</b>	<b>(1,111.66)</b>	<b>5,418.37</b>

Source: Ministry of Finance

### 1.4.2 Domestic Financing

In the third quarter of the 2005/2006 fiscal year, the cumulative net domestic financing resulted in a net borrowing of Kshs 27.5 billion. This comprised of a net borrowing of Kshs 351 million from the Central Bank, Kshs 13.7 billion from Commercial Banks, Kshs 14.1 billion from Non-Bank Financial Institutions and a net repayment of Kshs 568 million to Non Residents. Compared to a similar period in 2004/05 FY, net domestic financing recorded a net repayment of Kshs 3.2 billion, which represented a net borrowing of Kshs 4.9 billion from the Central Bank, Kshs 6.8 billion from Non-Banks Financial Institutions, Kshs 1.3 billion from Non Residents and a net repayment of Kshs 16.3 billion to Commercial Banks (*chart 4*).



The stock of Treasury Bills held by Commercial Banks and Non-Bank Financial Institutions increased by Kshs 7,247 million and Kshs 5,608 million respectively, while those held by the Central Bank and Non-Residents decreased by Kshs 5 million and Kshs 568 million respectively during the period under review. On the other hand, the Fixed Rate Treasury Bonds held by Commercial Banks, Non Bank Financial Institutions and Non Residents increased by Kshs 21,663 million, Kshs 19,107 million and Kshs 161 million respectively during the period under review. While the zero coupon bonds held by the Commercial Banks, Non-Bank Financial Institutions and Non-Residents decreased by Kshs 9,731 million, Kshs 8,971 million and Kshs 355 million, respectively during the period under review. **(Table 8)**



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

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

<sup>1</sup> 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 750.0 billion as at end of June 2005 to Kshs 753.1 billion by 31<sup>st</sup> March 2006. This was as a result of a 6.3 percent decrease in external debt and an increase in domestic debt<sup>2</sup> of 9.7 percent during the period under review. The significant reduction in external debt (Kenya Shilling terms) was mainly due to the appreciation of the Kenya Shilling against the major foreign currencies (*Table 9*).

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

	June 00	June 01	June 02	June 03	June 04	June 05	March 06
<b>EXTERNAL:</b>							
BILATERAL	138,567	132,269	129,973	142,593	162,914	157,669	144,868
MULTILATERAL	230,740	228,497	222,452	233,829	260,658	255,784	242,232
COMMERCIAL BANKS	24,913	29,423	24,031	3,597	2,911	1,776	1,457
EXPORT CREDIT	1,474	3,789	1,292	27,034	16,674	19,224	18,448
<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>407,004</b>
<b>DOMESTIC:</b>							
CENTRAL BANK <sup>3</sup>	50,986	47,196	42,841	45,290	50,774	46,617	47,481
COMMERCIAL BANKS	69,102	62,046	78,000	112,369	128,214	122,912	139,600
<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>187,081</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>158,984</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>346,065</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>753,069</b>
LESS ON-LENDING	(5,701)	(5,701)	(5,701)	(5,701)	(5,701)	(5,701)	(5,701)
LESS GOVERNMENT DEPOSITS	(37,021)	(43,877)	(29,659)	(38,046)	(48,281)	(58,600)	(62,108)
<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>685,260</b>

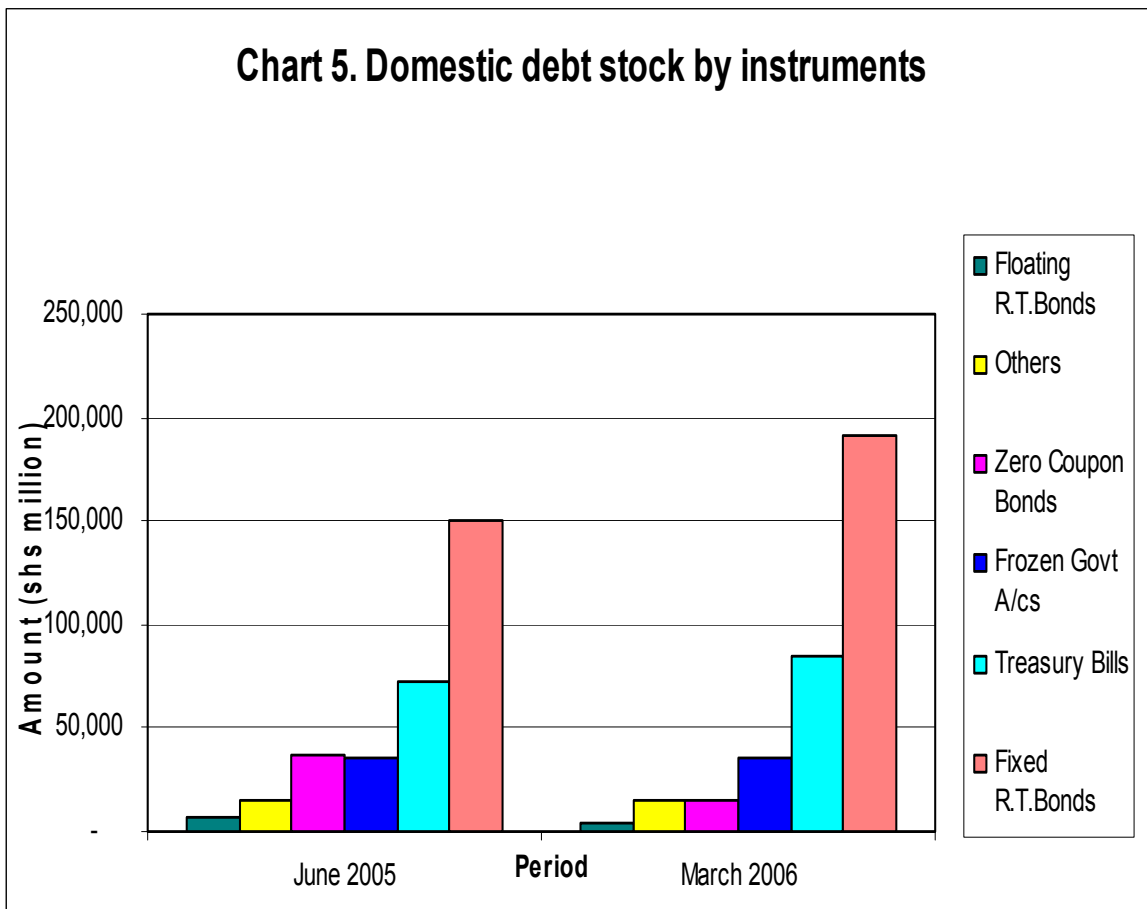
Source: Ministry of Finance

2. The domestic debt figures are net of Government deposits held in financial institutions.

3 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 346.1 billion in March 2006, reflecting a net increase of Kshs 30.5 billion or 9.6 percent (*Table 10*). The stock of Treasury Bills held by Central Bank, Commercial Banks, Non Bank Financial Institutions and Non Residents increased marginally from Kshs 71.9 billion in June 2005 to Kshs 84.9 billion in March 2006, while the stock of Treasury Bonds, Floating, Fixed Rate and Zero Coupon, increased from Kshs 193.4 billion in June 2005 to Kshs 200.9 billion in March 2006 (*chart 5*).



**Table 10: Stock of Domestic Debt, Third Quarter Ending 31<sup>st</sup> March 2006 (Kshs million)**

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

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

Source: Central Bank of Kenya

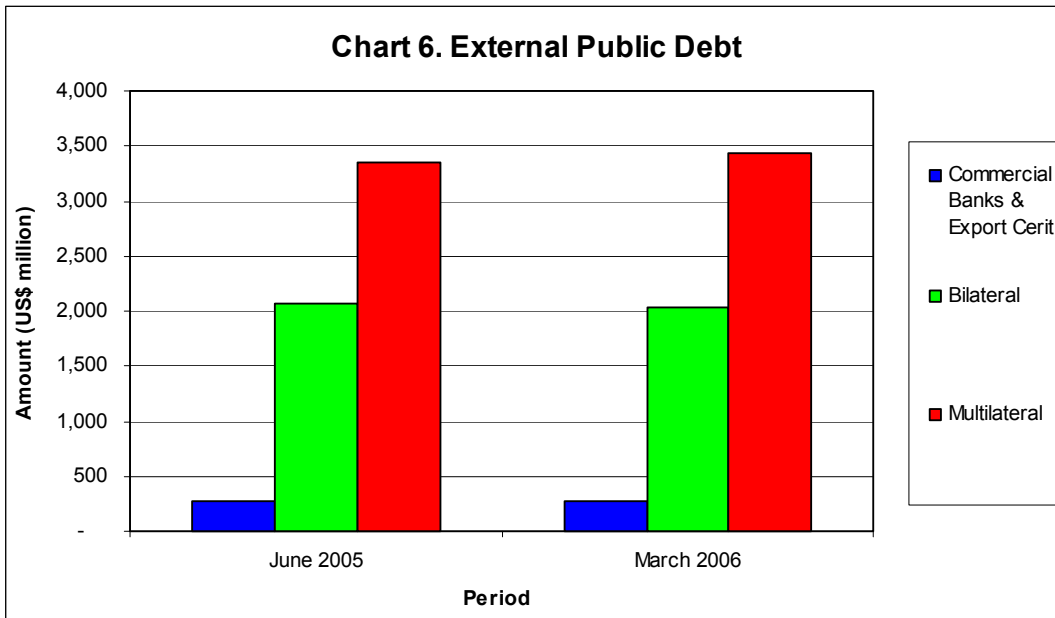
## 2.2 External Public Debt

External debt stock was estimated at US \$ 5.7 billion as at end of March 2006 which reflected a decrease of US \$ 38.2 million from the June 2005 position. Loans from multilateral agencies constituted a large portion of the Kenya's external debt owing to their favourable lending terms including low interest rates and long-term repayment period. Overall, external debt comprised of 59.5 percent Multilateral, 35.6 percent Bilateral, 4.9 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- March 2006 US (\$ Million)**

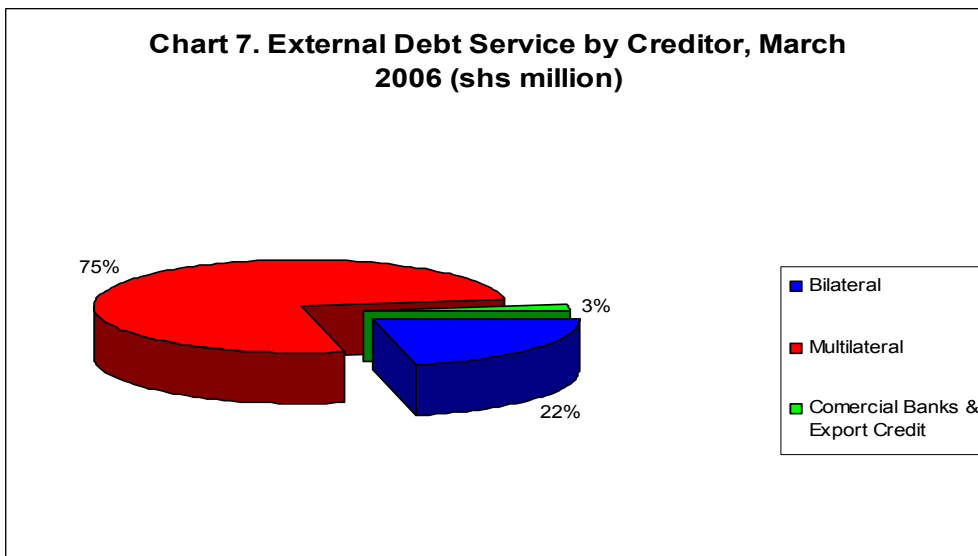
CREDITOR	June 2000	June 2001	June 2002	June 2003	June 2004	June 2005	March 2006
<b><u>BILATERAL</u></b>							
AUSTRIA	34	16.1	25.0	30.50	33.14	32.35	31.64
BELGIUM	38	30.6	29.8	30.50	59.41	68.00	68.25
CANADA	41	67.7	28.0	36.40	22.18	17.00	17.30
DENMARK	40	32.4	24.8	26.10	26.22	31.00	30.92
FINLAND	2	2.5	5.0	3.60	3.08	1.76	2.20
FRANCE	179	219.6	199.0	182.60	201.02	237.33	241.95
GERMANY	109	98.1	94.4	109.80	137.14	169.63	181.62
ITALY	82	125.8	136.1	117.90	126.33	94.14	115.75
JAPAN	1,031	922.2	824.0	1,071.00	1,058.80	1,109.50	1,045.45
NETHERLANDS	58	52.4	44.2	50.40	52.79	28.94	35.57
U.K.	37	35.8	40.82	35.80	33.35	36.94	35.14
USA	72	43.0	55.4	89.70	74.55	79.40	72.05
OTHERS	54	49.7	143.1	138.40	153.90	163.00	137.80
<b>SUBTOTAL</b>	<b>1,777</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>2,015.64</b>
<b><u>MULTILATERAL</u></b>							
ADB/ADF	308	328.4	292.8	321.50	315.10	310.00	319.40
EEC/EIB	115	156.7	148.0	115.50	128.92	111.00	170.45
IBRD	91	20.0	11.50	11.50	14.22	0.50	0.00
IDA	2,332	2,306.8	2,263.0	2,616.60	2,492.88	2,757.00	2,715.39
IMF	104	111.3	98.0	80.75	111.50	172.00	158.08
OTHERS	9	6.3	10.05	6.90	0.75	6.00	6.99
<b>SUBTOTAL</b>	<b>2,959</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>3,370.31</b>
COMMERCIAL BANKS	319	377.2	305	48.50	46.9	23.30	20.27
EXPORT CREDIT	19	48.6	16.4	364.5	200.57	252.27	256.67
<b>GRAND TOTAL</b>	<b>5,074</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>5,662.89</b>
<b>In Percentage of total Debt</b>							
<b>Bilateral</b>	35.0	33.6	34.4	35.0	36.8	36.3	35.6
<b>Multilateral</b>	58.3	58.0	58.9	57.4	58.8	58.9	59.5
<b>Commercial Banks</b>	6.3	7.5	6.4	0.9	0.7	0.4	0.4
<b>Export Credit</b>	0.4	1.0	0.3	6.6	3.8	4.4	4.5
<b>Total</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Ministry of Finance – Debt Department



### 2.3.1 External Debt Service

As at end of March 2006, the Government external debt service amounted to Kshs 10.3 billion. The debt service was mainly due to repayment of Bilateral and Multilateral loans during the period under review. The total debt service comprised of the debt 21.6 percent Bilateral , 75.9 percent Multilateral and 2.5 percent Commercial Banks & Export Credit(*Table 12*) & (*Chart 7*).



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

CATEGORY	Principal	Interest	TOTAL
<b><u>BILATERAL</u></b>			
AUSTRIA	52.81	64.99	117.8
DENMARK	0.0	0.0	0.00
FINLAND	2.37	4.03	6.4
FRANCE	101.73	193.63	295.36
ITALY	224.31	23.98	248.29
JAPAN	170.74	114.08	284.82
SAUDI FUND	157.81	105.07	262.88
KUWAIT	47.39	17.76	65.15
SPAIN	148.38	91.27	239.65
SWEDEN	1.46	1.75	3.21
SWITZERLAND	11.07	5.28	16.35
NETHERLANDS	6.67	19.67	26.34
USA	0.56	17.86	18.42
CANADA	0.00	17.31	17.31
GERMANY	98.77	32.65	131.42
UK	99.49	208.25	307.74
KOREA	28.21	8.32	36.53
BELGIUM	78.49	76.74	155.23
CHINA	0.00	0.00	0.00
INDIA	0.00	0.00	0.00
<b>TOTAL BILATERAL</b>	<b>1,230.26</b>	<b>1,002.64</b>	<b>2,232.90</b>
<b><u>MULTILATERAL</u></b>			
ADB/ADF	825.26	345.26	1,170.52
BADEA	0.00	0.65	0.65
EEC	197.04	41.18	238.22
EIB	1,310.09	166.17	1,476.26
IBRD	0.00	0.06	0.06
IDA	3,643.17	1,298.47	4,941.64
OPEC	15.73	4.57	20.34
<b>TOTAL MULTILATERAL</b>	<b>5,991.29</b>	<b>1,856.36</b>	<b>7,847.65</b>
<b>COMMERCIAL BANKS 1/</b>	<b>224.11</b>	<b>39.27</b>	<b>263.38</b>
<b>GRAND TOTAL</b>	<b>7,445.66</b>	<b>2,898.27</b>	<b>10,343.93</b>

Source: Ministry of Finance

### 3.0 CORE POVERTY PROGRAMMES

The Core Poverty Projects/Programmes (CPP) are those activities that impact positively on the lives of the poor, including 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 top priority by the government to cushion them from budget cuts and ensure that their goals are achieved as targeted. The overall expenditures on these programmes by the end of the third quarter of the F/Y. 2005/06 was Kshs 25.3 billion equivalent to 43% of the total budget allocation on the CPP.

#### 3.1 Analysis of Recurrent Expenditures

The total recurrent expenditure (non-wage) of the Core Poverty Programmes for all the ministries/departments was kshs.15.1 billion equivalent to 65% of the total allocation by the end of the third quarter. The table below is a summary of ministries/departments' total payments and commitments for the third quarter on the Core Poverty Programmes.

**Table 13: Recurrent Expenditures 2005/06 (Non-Wage) Kshs.**

MINISTRY/DEPARTMENT	Printed Estimates (NET)	Actual Payments (Cumulative)	Commitment (Cumulative)	Total Payment+Commitment
MINISTRY OF EDUCATION,SCIENCE & TECH.	9,230,675,517	2,641,472,404	401,063,074	3,042,535,478
MINISTRY OF HEALTH	4,004,245,321	1,408,806,030	945,992,675	2,354,798,705
OFFICE OF THE PRESIDENT	2,064,586,279	5,105,663,849	1,399,558,967	6,505,222,816
OVP AND MINISTRY OF HOME AFFAIRS	93,100,000	25,939,540	4,837,464	30,777,004
MINISTRY OF ENVIRONMENT & NATURAL RESOURCES	372,516,900	236,448,362	19,470,184	255,918,546
MINISTRY OF AGRICULTURE	841,626,081	109,650,303	5,329,306	114,979,609
MINISTRY OF LABOUR & HUMAN RESOURCES DEV.	39,839,577	33,086,917	3,005,548	36,092,465
KENYA ANTI-CORRUPTION COMMISSION	607,696,580	222,919,160	36,624,943	259,544,103
MINISTRY OF JUSTICE & CONSTITUTIONAL AFFAIRS	35,469,036	24,259,043	5,591,349	29,850,392
MINISTRY OF LANDS & HOUSING	95,034,675	57,000,000	0	57,000,000
MINISTRY OF LOCAL GOVERNMENT	1,116,800,000	460,000,000	0	460,000,000
MINISTRY OF ROADS & PUBLIC WORKS	3,560,000,000	1,341,777,861	148,426,834	1,490,204,695
MINISTRY OF GENDER, SPORTS, CULTURE & SOCIAL SERVICES	49,323,801	26,142,647	3,107,820	29,250,467
MINISTRY OF WATER & IRRIGATION	521,640,000	83,281,363	76,055,116	159,336,479
NATIONAL AUDIT OFFICE	239,108,876	111,568,419	15,445,936	127,014,355
STATE LAW OFFICE	23,646,173	25,106,315	2,120,916	27,227,231
MINISTRY OF LIVESTOCK & FISHERIES DEV.	190,661,200	28,186,193	2,419,143	30,605,336
MINISTRY OF COOPERATIVE DEV. & Mrt.	105,041,600	1,603,259	71,821,709	73,424,968
TOTAL	23,191,011,616	11,942,911,665	3,140,870,984	15,083,782,649

Source of data: Ministries/Departments monthly expenditure returns



### 3.2 Analysis of Development Expenditures

Notably, the expenditure absorption under the development, portfolio was very low compared to the recurrent expenditure, as at end of the period under review, with only 30% of the total budget provision spent. The ministry of Finance registered over-expenditure on the purchase of Specialised Plant, Equipment and Machinery by 48% of its allocation and on the Capital transfer to Non-Financial Public Institutions by 238%. 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	Total Printed Estimates	Total Actual Payments (Cumulative)	Commitment (Cumulative )	Total Payment+Commitment
OFFICE OF THE PRESIDENT	5,778,728,942	2,095,699,674	298,988,533	2,394,688,207
OVP AND MINISTRY OF HOME AFFAIRS	94,208,500	22,020,908	7,351,400	29,372,308
MINISTRY OF AGRICULTURE	2,878,492,400	27,251,095	23,071,751	50,322,846
MINISTRY OF HEALTH	8,720,029,971	951,614,068	1,292,804,679	2,244,418,747
MINISTRY OF ROADS & PUBLIC WORKS	1,477,000,000	74,698,866	-	74,698,866
MINISTRY OF ENVIRONMENT & NATURAL RESOURCES	345,359,544	134,833,550	22,985,632	157,819,182
MINISTRY OF EDUCATION, SCIENCE & TECHNOLOGY	1,331,457,050	792,995,925	-	792,995,925
MINISTRY OF LABOUR & HUMAN RESOURCES DEVELOPMENT	134,000,000	6,753,206	1,624,480	8,377,686
MINISTRY OF PLANNING & NATIONAL DEVELOPMENT	920,100,000	317,176,045	-	317,176,045
MINISTRY OF GENDER, SPORTS, CULTURE & SOCIAL SERVICES	111,050,000	1,867,000	139,897	2,006,897
MINISTRY OF WATER & IRRIGATION	5,155,200,000	738,477,869	602,446,807	1,340,924,676
MINISTRY OF JUSTICE & CONSTITUTION AFFAIRS	912,200,000	196,384,501	4,292,086	200,676,587
MINISTRY OF LANDS & HOUSING	532,300,000	268,199,717	226,676,286	494,876,003
MINISTRY OF TRADE & INDUSTRY	560,367,000	44,840,762	-	44,840,762
MINISTRY OF FINANCE	339,800,000	404,035,563	128,489,414	532,524,977
MINISTRY OF ENERGY	2,614,000,000	316,855,192	543,169,332	860,024,524
MINISTRY OF LIVESTOCK & FISHERIES DEVELOPMENT	1,298,860,000	137,048,751	23,341,557	160,390,308
MINISTRY OF COOPERATIVE DEVELOPMENT & MARKETING	42,600,000	9,591,505	-	9,591,505
MINISTRY OF LOCAL GOVERNMENT	1,305,788,374	469,741,657	6,366,414	476,108,071
STATE LAW OFFICE	145,250,000	12,309,251	14,086,955	26,396,206
JUDICIARY SERVICES	281,000,000	97,279,342	29,185,000	126,464,342
TOTAL	34,977,791,781	7,119,674,447	3,225,020,223	10,344,694,670

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**
A.TOTAL REVENUE	196,257	178,443	192,313	196,613	210,750	254,681	289,802	325,565
1.Revenue	173,550	163,769	175,481	175,746	190,591	226,478	265,715	291,064
Income Tax	55,235	54,402	53,429	55,862	66,744	77,410	94,095	110,016
VAT	39,205	40,944	50,298	50,871	56,135	61,725	75,989	77,732
Import Duty	28,444	28,605	28,726	21,584	18,477	22,324	23,532	21,732
Excise Duty	28,733	28,493	28,318	32,077	35,643	40,085	44,151	54,077
Other Revenue	21,933	11,325	14,710	15,352	13,592	24,934	27,948	27,507
2.Appropriation –in –Aid	22,707	14,674	16,832	20,867	20,159	28,203	24,087	34,499
B.EXPENDITURE & NET LENDING	197,341	175,119	232,921	225,760	264,144	282,187	303,373	415,104
1.Recurrent	165,331	156,535	198,941	200,807	220,618	244,476	257,746	314,360
Wages and Salaries	63,253	65,861	68,119	77,638	85,087	95,850	105,612	114,515
Interest Payments	40,055	29,387	31,035	30,384	36,026	29,700	30,470	38,280
Domestic Interest	31,743	20,752	23,232	23,744	27,567	23,281	23,375	28,478
Foreign Interest Due	8,312	8,635	7,803	6,640	8,459	6,419	7,095	9,802
Pensions, etc	5,171	5,145	6,136	8,995	9,450	13,612	12,568	21,421
Civil Service Reform	750	443	6,095	1,665	957	273	0	1,309
Operations & maintenance/ Others	56,102	55,699	71,584	82,125	89,098	105,041	107,096	138,835
Of which Appropriation-in-Aid	13,567	14,836	14,723	17,733	18,221	23,443	20,999	27,274
2.Development & Net Lending	32,010	18,584	33,980	24,953	43,526	37,711	45,627	86,944
Development Projects	13,332	7,096	9,434	11,727	16,835	25,943	28,824	59,472
Appropriation-in-Aid	17,727	10,252	11,592	14,526	17,894	12,341	15,929	26,394
Payment of guaranteed loans	(1,084)	3,324	3,957	1,862	1,799	1,368	860	1,078
3. Drought Development Expenditures	951	1,880	5,806	0	0	0	2,000	13,800
D.DEFICIT EXCL. GRANTS (Commitment Basis)	4,920	4,247	(40,608)	(29,147)	(53,394)	(27,506)	(13,571)	(89,541)
E.GRANTS	3,836	7,571	(16,528)	(22,324)	(38,452)	(11,282)	1,334	(54,409)
F.DEFICIT INCL.GRANTS (Commitment basis)	(6,107)	(5,770)	3,423	(5,085)	2,683	11,282	5,964	2,750
G. ADJUSTMENT TO CASH BASIS	(2,271)	1,801	(13,105)	(27,409)	(34,779)	0	7,298	(51,659)
H.DEFICIT INCL.GRANTS (cash basis)	2,271	(1,801)	13,105	27,409	34,779	0	(7,298)	51,659
I.FINANCING	(8,745)	(19,337)	12,489	(13,314)	(12,143)	(8,809)	(625)	5,720
Foreign Financing	11,016	17,536	616	40,723	46,922	8,809	(6,673)	45,939
Domestic Financing	11,016	17,536	616	40,723	46,922	8,809	(6,673)	36,639
Of which Domestic Borrowing	0	0	0	0	0	0	0	9,300
Others								
In Percentage of GDP								
A.TOTAL REVENUE	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.EXPENDITURE & NET LENDING	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	1.13	0.9	1.4
Civil Service Reform	0.1	0.1	0.6	0.2	0.1	0.02	0.0	0.1
O &M/ Others	8.7	7.6	7.4	8.0	8.6	8.69	7.9	8.9
of which Appropriation-in-Aid	1.3	1.8	1.5	1.7	1.8	1.94	1.6	1.7
2.Development & Net Lending	5.5	4.3	3.2	2.7	3.5	3.28	3.4	5.6
Development Projects	2.1	1.8	1.0	1.1	1.6	2.15	2.1	3.8
Appropriation-in-Aid	3.0	2.4	1.2	1.4	1.7	1.02	1.2	1.7
Payment of guaranteed loans	0.4	0.1	0.4	0.2	0.2	0.11	0.1	0.1
3. Drought Expenditures	0.0	0.0	2.6	0.0	0.0	0.00	0.1	0.9
D.DEFICIT EXCL. GRANTS (Commitment Basis)	(2.5)	(0.1)	(4.2)	(2.8)	(5.1)	(2.43)	(0.9)	(5.7)
E.GRANTS	0.8	0.7	2.5	0.7	1.4	1.34	1.1	2.2
F.DEFICIT INCL.GRANTS (Commitment basis)	(1.6)	0.5	(1.7)	(2.2)	(3.7)	(1.09)	0.2	(3.5)
G.ADJUSTMENT TO CASH BASIS	0.5	(0.8)	0.4	(0.5)	(0.3)	0.93	0.4	0.2
H.DEFICIT INCL.GRANTS (cash basis)	(1.1)	(0.3)	(1.4)	(2.7)	(3.3)	(0.16)	0.7	(3.3)
I.FINANCING	1.1	0.3	1.4	2.7	3.3	0.00	(0.5)	3.3
Foreign Financing	(1.1)	(1.2)	1.3	(1.3)	(1.2)	(0.73)	(0.0)	0.4
Domestic Financing	2.3	1.5	0.1	4.0	4.5	0.73	(0.5)	2.9
Of which Domestic Borrowing	2.3	1.5	0.1	4.0	4.5	0.73	(0.5)	2.3
Others	0.0	0.0	0.0	0.0	0.0	0.00	0.0	0.6
Memorandum Item: Nominal GDP at Market price (Kshs. million)	739,800.0	777,838.0	967,838.0	1,025,918.0	1,038,163.0	1,209,396.0	1,348,830.0	1,563,100.0

\* Revised estimates for the financial year

Source: Ministry of Finance

## ANNEX II

## 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
47	Tana & Athi River Development Authority	167,146	220,144	260,000

## 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>
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	FY 2004-05	FY 2004-05	FY 2004-05	FY 2005-06
		Budget Actuals	Approved Estimates	actual	VARIANCE	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:**

1. These figures denoted \* represent planned figures reported by the Local Authorities 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 Local Authority.