

Republic of Kenya

**Office of the Deputy Prime Minister and
Ministry of Finance**

Quarterly Economic and Budgetary Review

**First Quarter
2009/2010**

November 2009 Edition

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LIST OF ABBREVIATIONS AND ACCRONYMS

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
CBR	Credit Bank Rate
CCF	Civil Contingency Fund
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
KACC	Kenya Anti-Corruption Commission
KBC	Kenya Broadcasting Corporation
Kshs	Kenya Shillings
NBFI's	Non Bank Financial Institutions
NDA	Net Domestic Asset
NFA	Net foreign Asset
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
TARDA	Tana and Athi Rivers Development Authority
VAT	Value Added Tax

HIGHLIGHTS OF THE FIRST QUARTER ECONOMIC AND BUDGETARY REVIEW: 2009/2010

1. Recent Economic Developments

After staging a remarkable growth averaging 6.1 percent in the period 2004-2007 and peaking at 7.1 percent in 2007, the real GDP growth decelerated to 1.7 percent in 2008 due to a series of shocks- post election violence, the global economic crisis, and droughts.

2. The Overall Fiscal Balance

The Cumulative overall fiscal balance, on a commitment basis (excluding grants) registered a deficit of Kshs 25.4 billion (equivalent to 1.0 percent of GDP) through end September 2009, compared with a deficit of Kshs. 1.2 billion (equivalent to 0.1 percent of GDP) for a similar period in 2008

3. Total Revenue Collection

The Central Government cumulative revenue collection to end-first quarter of FY 2009/10 amounted to Kshs 126.7 billion (equivalent to 4.97 percent of GDP) against a target of Kshs 129.1 billion. The performance was below the target by Kshs 2.4 billion.

4. Government Expenditure and Net Lending

The Central Government expenditure and net lending for the FY ending 30th September 2009 amounted to Kshs 151.9 billion, which was KSh.21.3 billion below the target of KSh.173.2 billion. This was due to low absorption in development expenditure.

5. Guaranteed Loans

Cumulative payments of Guaranteed Loans for Parastatals with liquidity problems amounted to Kshs 586.91 million during the first quarter of FY 2009/10. This includes arrears of Kshs 392.35 million for the FY 2008/09 that was paid in July 2009.

6. External Financing

External financing in the first quarter of FY 2009/10 registered a net repayment of Kshs 2.9 billion compared to a net repayment of Kshs 428.4 million recorded in a similar period in FY 2008/09.

7. Net Domestic Borrowing

The net domestic borrowing stood at Kshs 39.7 billion (equivalent to 1.6 percent of GDP) in the first quarter of FY 2009/10. This was above the programme borrowing of Kshs 39.6 billion (equivalent to 1.6 percent of GDP).

8. Total Domestic Debt

The total domestic debt stock increased by 6.2 percent from Kshs 518.3 billion at end-June 2009 to Kshs 550.6 billion by the end of September 2009.

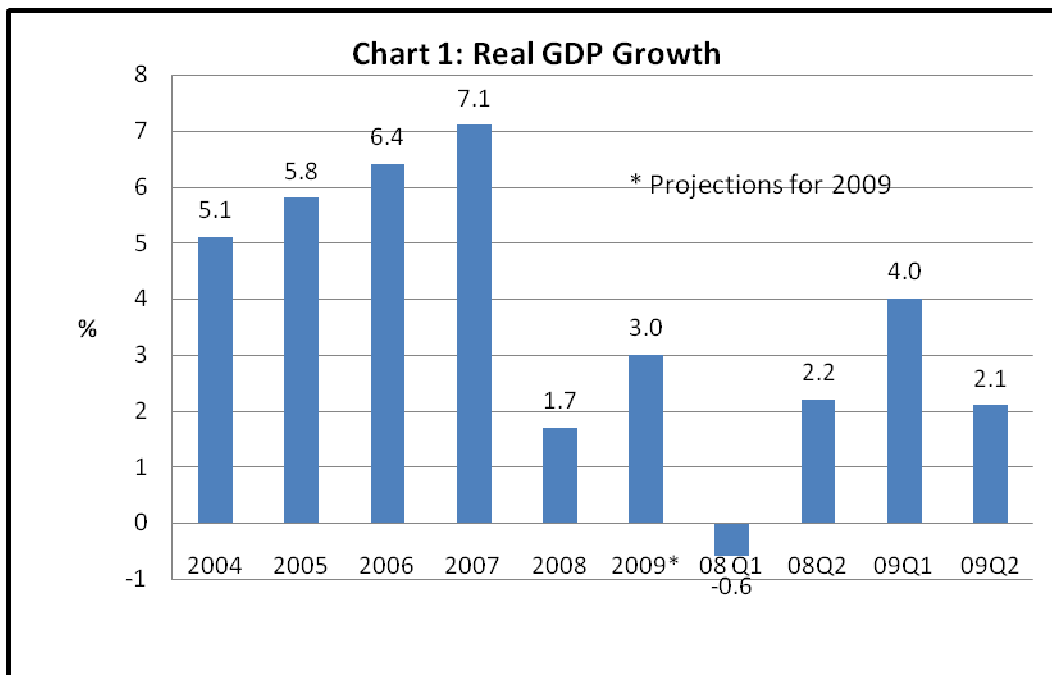
9. External Debt

The total external debt stood at Kshs. 525.0 billion at the end of first quarter ending Sept 09. The debt stock comprised of multilateral debt (59.5%), bilateral debt (35.9%) and Export Credit debt (4.5%).

1.0 RECENT ECONOMIC DEVELOPMENTS

1.1 Economic Growth

1. After staging a remarkable growth averaging 6.1 percent in the period 2004-2007 and peaking at 7.1 percent in 2007, the real GDP growth decelerated to 1.7 percent in 2008 due to a series of shocks- post election violence, the global economic crisis, and droughts.
2. Reflecting a recovery from the dismal performance in 2008, our economy attained an impressive revised growth of 4.0% and 2.1% respectively in Q1 and Q2 of 2009 compared to 0.0% and 2.2% in corresponding quarters of 2008. Hotels and restaurants, construction, transport and communication, taxes on products and financial intermediation were the key drivers of growth during the quarter (Chart 1).



3. Agricultural sector continued to decline for the second consecutive year in the second quarter having recorded declines of 1.9 per cent and 2.7 per cent in 2008 and 2009, respectively. The unfavourable weather conditions witnessed in the first half of the year continued to adversely affect the sector with production of major crops recording declines except for coffee. Tea production declined by 15.2 per cent in the second quarter of 2009 to stand at 73,483 metric tonnes compared to 86,634 metric tonnes in 2008. On the other hand, coffee deliveries increased to 17,189 metric tonnes in 2009 compared to 9,553 metric tonnes in 2008 representing a growth of 79.9 per cent.

4. Exports of horticultural produce recorded decline of 15 percent in the period January to September 2009 with cumulative export volume of 53,547.3 metric tones, compared with 63,254.4 metric tones recorded in January to September 2008 as external demand from Kenya's traditional markets remained slightly depressed. Serious drought conditions has also seen volume of exports in flowers and vegetables decline by about 8.5% and 15.8%

RECENT ECONOMIC DEVELOPMENTS

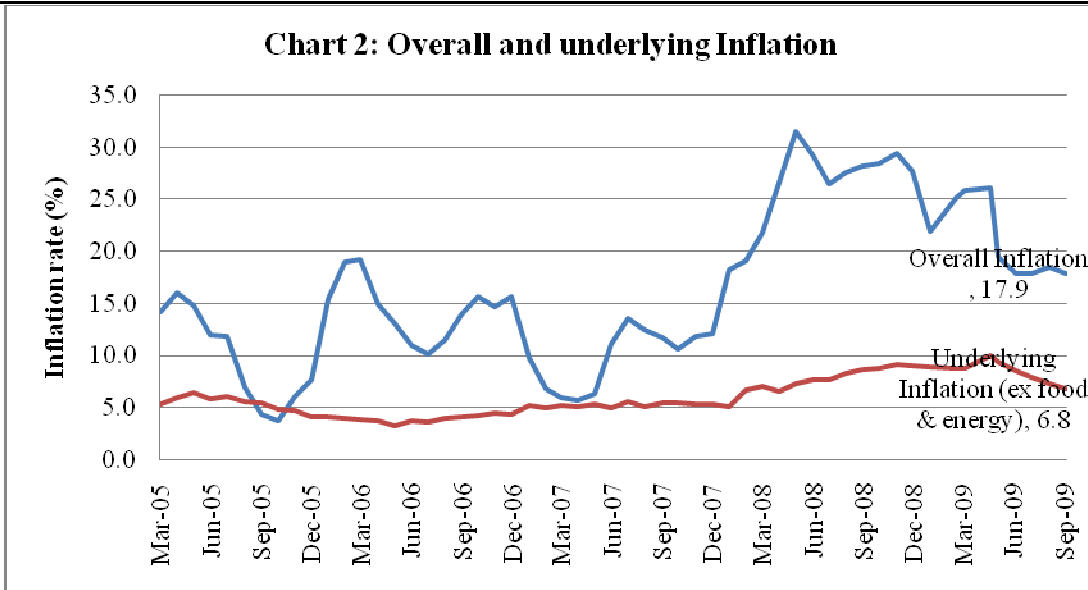
respectively for the year to September 2009 compared to 2008. Fruits on the other hand have recorded a strong growth of up to 30.6% over the same period, following a surge in demand from Uganda, especially for passion fruits.

5. The manufacturing sector is estimated to have declined by 0.7 per cent in the second quarter of 2009 compared to a growth 4.6 per cent in 2008 over the same period. Manufacture of food and beverages sub sector recorded a decline of 1.8 per cent in this quarter of 2009 due to decline in production of key commodities like beer, wheat flour and maize meal. All other manufacturing whose key indicators include cement production, manufacture of textiles clothing and footwear among others declined by 0.3 per cent in the period under review.
6. The Hotel and restaurant sector continued to record impressive growth in the first half of the year showing a recovery from the post election skirmishes. The second quarter of 2009 is estimated to have grown by 24.2 per cent compared to a decline of 37.0 per cent in 2008. The aggressive marketing of the country as a preferred tourism destination continued to bear fruits as the number of international arrivals increased during the period under review.
7. Transport and communication sector recorded a growth of 5.7 per cent in the second quarter of 2009 compared to growth of 0.6 per cent in 2008. The key indicators to the transport and storage sub sector which are the consumption of light fuel and motor spirit recorded growths of 4.4 per cent and 19.9 per cent, respectively. The number of tourist arrivals and departures which also monitors the performance of the air transport grew by 12.4 per cent and 10.2 per cent respectively. The communication sub sector recorded a growth of 2.6 per cent in the second quarter of 2009 compared to a growth of 2.4 per cent in 2008.
8. Construction sector maintained robust growth recording a growth 30.7 percent and 10.7 percent respectively in the first and the second quarter of 2009 compared to a growth of 3.9% and 13.0% in corresponding quarters in 2008. However, Mining and Quarrying recorded a decline of 7.9% and 3.2%, respectively in the first and the second quarters of 2009 compared to corresponding growth of 4.6% and 6.7% in 2008 as activity in the Magadi soda declined.
9. Wholesale and Retail trade recorded a slow down in the second quarter of 2009 by registering a growth of 2.2% compared to a similar period growth of 4.4% in 2008. The sector had recorded a 4.6% growth in the first quarter of 2009 which was a strong growth compared to a decline of 1.6 recorded in the similar period in 2008.

1.2 Inflation

10. The month-on-month overall inflation eased from the high of 18.4 percent in August 2009 to 17.9 percent in September 2009 due to decline in the prices of food items such as English potatoes, cabbages, onions and green maize. The underlying rate of inflation, measured by excluding food and energy from the CPI basket, eased from 7.3% in August 2009 to 6.8% in September 2009, but continue to remain above the 5 percent target mainly due to the second round effect of the higher than anticipated overall inflation(see chart 2).

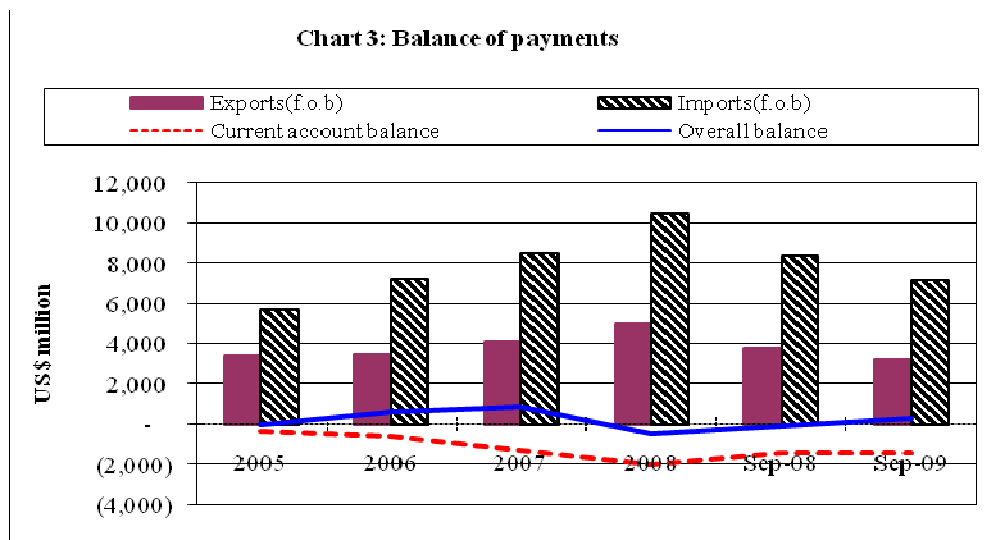
RECENT ECONOMIC DEVELOPMENTS



11. It is expected that the current high inflationary pressure will ease further in the coming months following the start of the short rains which are expected to be above average. This development will lead to improved supply of food stuff such as vegetables and bring to an end the ongoing water and power rationing.

1.3 Balance of Payments

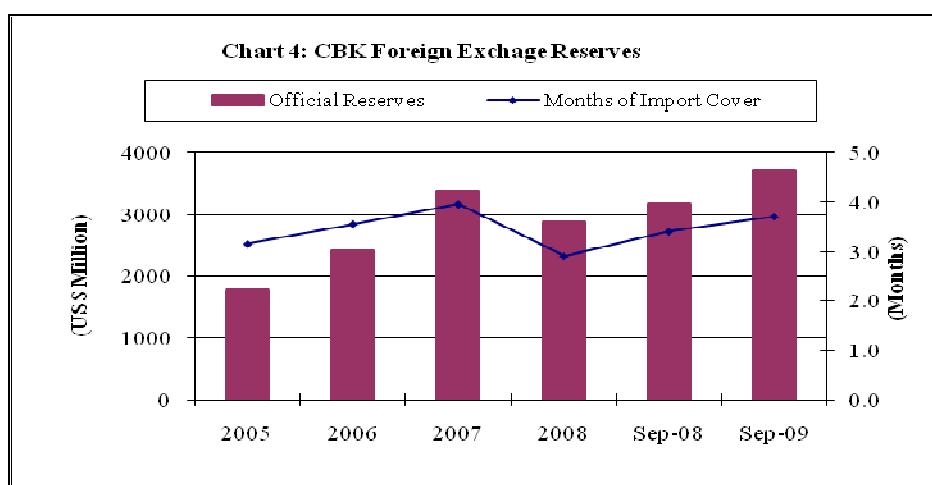
12. Kenya’s balance of payments improved from a deficit of US\$ 84 million in the year to September 2008 to a surplus of US\$ 284 million in the year to September 2009 following a slow down in the current account deficit which was fully financed by the expansion in the capital and financial account. The current account deficit eased from US\$ 1,442 million in the year to September 2008 to US\$ 1,404 million in the year to September 2009 reflecting a lower than expected growth in merchandise imports even as growth in exports of both goods and services equally slowed down (see Chart 3).



RECENT ECONOMIC DEVELOPMENTS

1.4 Foreign Exchange Reserves

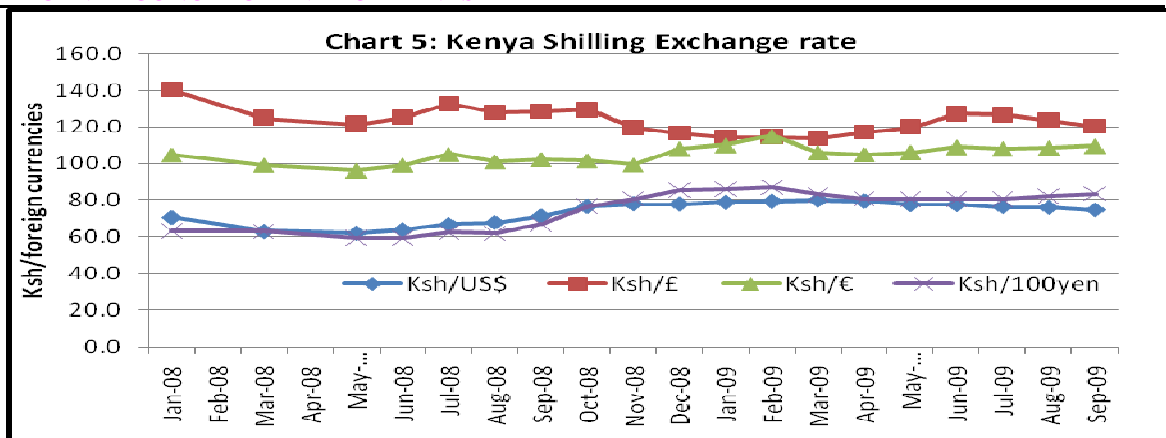
13. Following developments in the balance of payments, official foreign exchange reserves held by the Central Bank of Kenya stood at US\$ 3,708 million (3.7 months of import cover) by end September, 2009, indicating an improvement from US\$ 3151 (3.2 Months of import cover) in September 2008 (see Chart 4 above). This level of official foreign exchange reserves (in terms of Months of import coverage) is comfortable but still below the 4 months statutory minimum stipulated in the CBK Act. The improvement stems from the assistance from the IMF to help mitigate the effects of the global financial crisis and rebuilt reserves, by providing the government funds equivalent to US\$ 209 million under the ESF in June 2009. In addition in September 2009, Kenya benefited from the global allocation of SDRs by the Fund to a tune of US\$350 million (Chart 4).



1.5 Exchange Rates

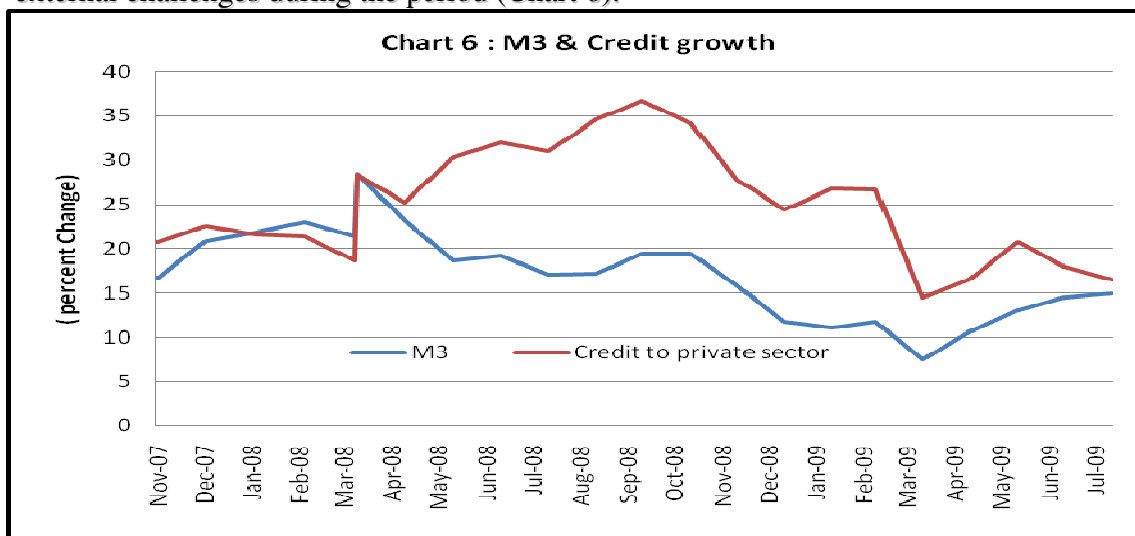
14. The Kenya Shilling had mixed performance in September 2009 as it appreciated against the US Dollar and the Sterling Pound but weakened against the Euro and the Yen. The shilling averagely exchanged against the US dollar by Kshs. 74.9 and Kshs.120.3 against the sterling pound in September compared to Kshs. 76.2 and Kshs 123 respectively exchanged in August 2009. However, the Shilling weakened against the Euro and the Japanese Yen to trade at an average of Ksh 109.7 and Kshs 83.4 respectively in September 2009 compared with Ksh 108.7 per Euro and Kshs 82.2 per 100 Japanese Yen in August 2009 (Chart 5).

RECENT ECONOMIC DEVELOPMENTS



1.6 Money and Credit

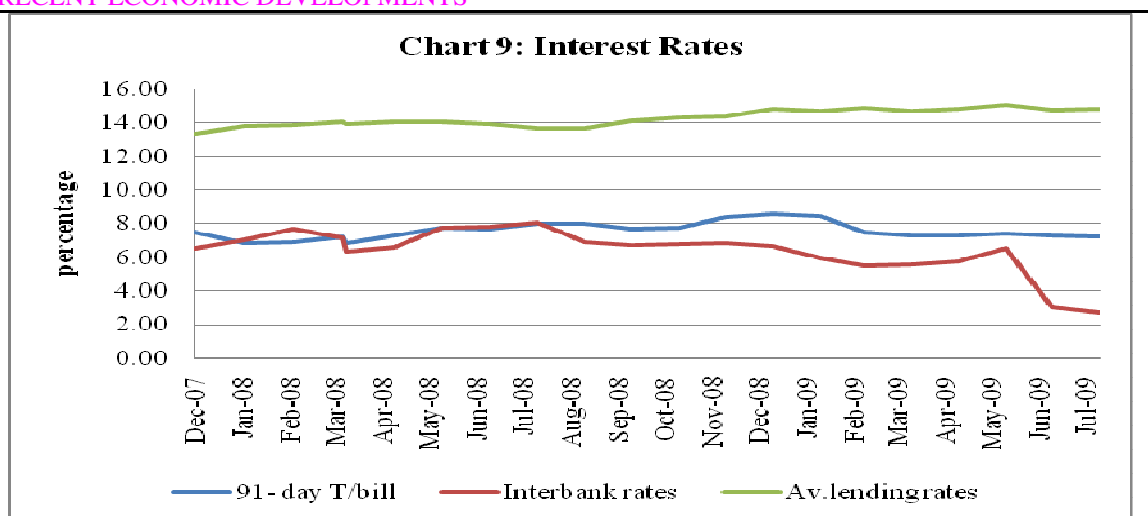
15. Expansion in broad money supply, M3, decelerated to 15.0% in the year to August 2009 compared to 17.1% over a similar period in 2008. The slower growth in money supply was due to a decline in NFA from 21.3% in August 2008 to minus 1.7% in August 2009 as a result of a slow down in capital flows in 2009. Reflecting a strong expansion in domestic credit and other items of the banking system, growth in net domestic assets (NDA) of the banking system rose sharply to 22.1% in year to August 2009 compared to 15.1% over a similar period in 2008. Meanwhile, growth of credit to the private sector slow down to 16.5% in the year to August 2009 from 18.1% in August 2008. The slow growth of credit to the private sector reflected depressed economic activity occasioned by both domestic and external challenges during the period (Chart 6).



1.7 Interest Rates

16. The average interest rate on the 91-day Treasury bill declined marginally from 7.3 percent in June 2009 to 7.2 percent in July and August 2009. The decline in T/bill rates coupled with oversubscription in the T/bill auction market reflects ample liquidity in the interbank market (Chart 7).

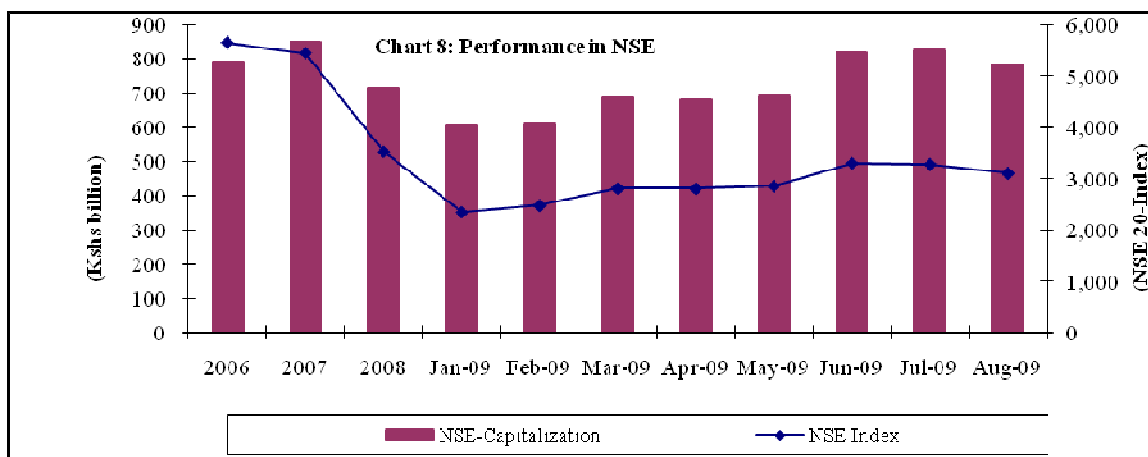
RECENT ECONOMIC DEVELOPMENTS



17. In the short-end of the money market, the average interbank rate fell sharply from 3.0 in June 2009 to 2.6 in July 2009, before rising again to 3.6% in August 2009, reflecting high liquidity condition in the money market and the Central Bank’s effort to encourage lending by commercial banks. On July 22, 2009 the MPC further reduced the Central Bank Rate (CBR) from 8.0 percent to 7.75 and lowered the cash reserve ratio to 4.5 percent from 5.0 percent. These actions are expected to support the ongoing efforts by the government to support aggregate demand and restore growth through the economic stimulus.

1.8 Capital Markets

18. Performance at the equities market remained strong fueled by positive sentiments following the presentation of the FY2009/10 budget. During the month of June 2009, The NSE Index gained 442 points to settle at 3,295 points while market capitalization went up by 18.5% to KSh 822bn from KSh 693bn recorded in May 2009 (chart 8).

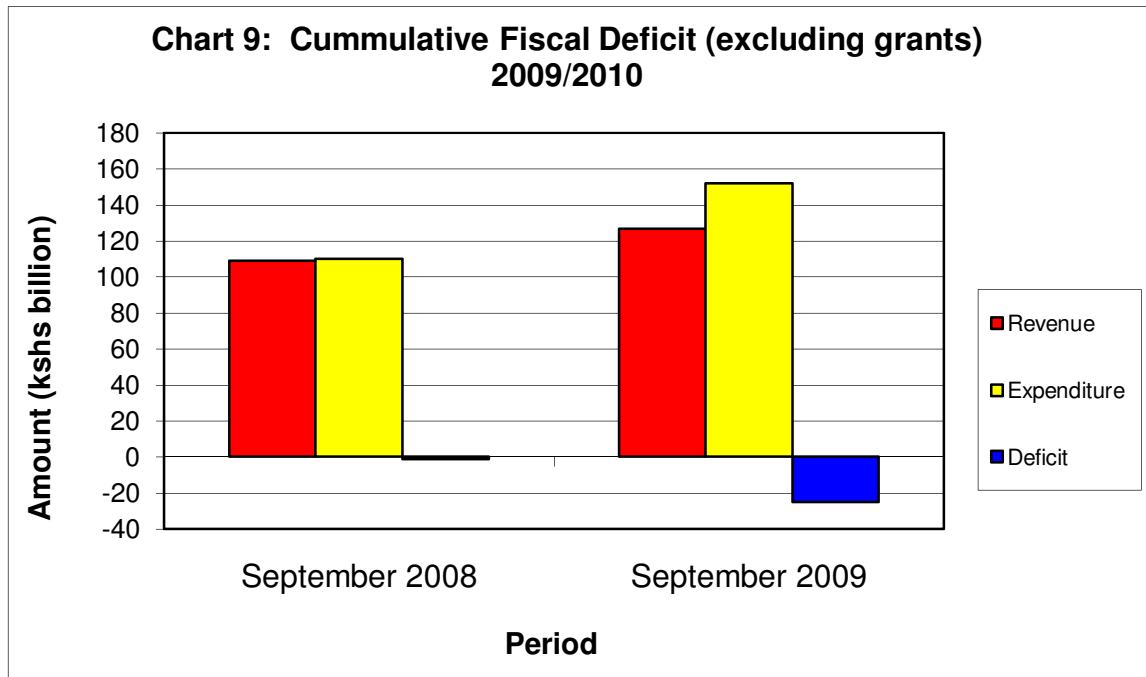


19. The improved performance of the stock exchange is attributed to the global recovery of similar markets as investors’ confidence starts to build up after prolonged effects of the global economic crisis. Performance of the NSE index to end August 2009 stood at 3,102 reflecting a slight dip by 170 points compared to 3272 recorded in July 2009. The market is expected to rebound after a raft of measures to address the governance challenges in the capital markets and the demutualization of the NSE.

2.0 FISCAL DEVELOPMENTS

2.1 Fiscal Outturn

20. The overall fiscal balance (on a commitment basis and excluding grants), in the first quarter ending 30th September 2009 recorded a deficit of Kshs. 25.4 billion (equivalent to 1.0 percent of Gross Domestic Product (GDP)), against a targeted deficit of Kshs. 44.1 billion (equivalent to 1.7 percent of GDP). This fiscal development compares to Kshs. 1.2 billion deficit (equivalent to 0.05 percent of GDP) during the same period in the FY 2008/09. On the other hand, the fiscal balance (on a commitment basis including grants) recorded a deficit of Kshs.21.96 billion (equivalent to 0.86 percent of GDP), against a targeted deficit of Kshs.40.5 billion (equivalent to 1.59 percent of GDP) (*Chart 9 and Table 1*).



FISCAL DEVELOPMENTS

Table 1: Budget Outturn, 2009/2010(Kshs Million)

	2008/09	2009/10		Quarter I Deviation	% Growth	2009/10 Quarter I as % of GDP		2008/09 Quarter I % of GDP
	Quarter I	Quarter I				Actual	Target	
	Actual	Actual	Targets			Actual	Target	
A. TOTAL REVENUE AND GRANTS	112,126	130,123	132,677	(2,553)	16	5.11	5.21	5.00
1. Revenue	108,886	126,654	129,051	(2,397)	16	4.97	5.07	4.86
Ordinary Revenue	101,553	116,701	117,982	(1,281)	15	4.58	4.63	4.53
Import Duty	7,760	9,490	9,766	(276)	22	0.37	0.38	0.35
Excise Duty	15,882	17,273	17,639	(366)	9	0.68	0.69	0.71
Income tax	39,782	45,394	46,900	(1,506)	14	1.78	1.84	1.78
VAT	31,243	34,547	35,922	(1,375)	11	1.36	1.41	1.39
Investment Revenue	36	4,307	395	3,912	11,908	0.17	0.02	0.00
Others	6,850	5,689	7,360	(1,672)	(17)	0.22	0.29	0.31
Appropriation-in-Aid	7,334	9,953	11,069	(1,116)	36	0.39	0.43	0.33
2. Grants	3,239	3,469	3,625	(156)	7	0.14	0.14	0.14
Cash	1,791	2,842	1,608	1,235	59	0.11	0.06	0.08
Appropriation-in-Aid	1,448	627	2,018	(1,391)	(57)	0.02	0.08	0.06
B. EXPENDITURE and NET LENDING	110,065	152,087	173,177	(21,090)	38	5.97	6.80	4.91
1. Recurrent	90,485	119,679	123,088	(3,409)	32	4.70	4.83	4.04
Domestic Interest	10,417	13,179	11,840	1,339	27	0.52	0.46	0.46
Foreign Interest Due	1,087	1,490	1,490	0	37	0.06	0.06	0.05
Pension	7,315	6,234	6,432	(198)	(15)	0.24	0.25	0.33
Wages and Salaries	38,111	42,808	43,375	(567)	12	1.68	1.70	1.70
O & M/Others	33,556	55,969	59,952	(3,983)	67	2.20	2.35	1.50
2. Development and Net Lending	19,580	32,408	50,089	(17,681)	66	1.27	1.97	0.87
3. CCF	0	0	0	0	0.00	0.00	0.00	0.00
C. DEFICIT EXCL.GRANT (Commitment basis)	(1,179)	(25,433)	(44,126)	18,693	2,057	(1.00)	(1.73)	(0.05)
D. DEFICIT INCL.GRANTS (Commitment basis)	2,060	(21,964)	(40,501)	18,537	(1,166)	(0.86)	(1.59)	0.09
E. ADJUSTMENT TO CASH BASIS	(27,544)	(14,856)	0	(14,856)	(46)	(0.58)	0.00	(1.23)
F. DEFICIT INCL.GRANTS (Cash basis)	(25,484)	(36,819)	(40,501)	3,682	44	(1.45)	(1.59)	(1.14)
G. FINANCING	25,484	36,819	40,501	(3,682)	44	1.45	1.59	1.14
1. Foreign financing	(404)	(2,892)	855	(3,747)	616	(0.11)	0.03	(0.02)
Disbursements	3,563	2,731	6,751	(4,020)	(23)	0.11	0.27	0.16
Programme Cash Loans	0	0	0	0	0.00	0.00	0.00	0.00
Project Cash Loans	2,969	797	2,344	(1,548)	(73)	0.03	0.09	0.13
Loans AIA	593	1,935	4,407	(2,472)	226	0.08	0.17	0.03
Repayment due (current)	(4,844)	(5,896)	(5,896)	0	22	(0.23)	(0.23)	(0.22)
Change in arrears (current)	878	273	0	273	(69)	0.01	0.00	0.04
Commercial Financing	0	0	0	0	0	0.00	0.00	0.00
Repayment (arrears)	0	0	0	0	0.00	0.00	0.00	0.00
2. Privatization proceeds	0	0	0	0	0.00	0.00	0.00	0.00
3. Domestic financing	25,888	39,711	39,646	65	53	1.56	1.56	1.16

Memo item:

GDP ESTIMATE 2,241,000 2,547,000 2,547,000

Source: Ministry of Finance

FISCAL DEVELOPMENTS

2.2 REVENUE

21. The total Government revenue collection for the first quarter of the FY 09/10 amounted to kshs. 126.7 billion against a target of kshs. 129.1 billion, resulting in an under collection of Kshs 2.4 billion. Ordinary revenue amounted to Kshs.116.7 billion against a target of Kshs.117.98 billion, resulting in an under performance of Kshs.1.3 billion. (*Table 2 and Chart 10*).

**Table 2: Government Revenue and External Grants, First Quarter
(Cumulative) Ending 30th Sept. 2009
(Kshs. Million)**

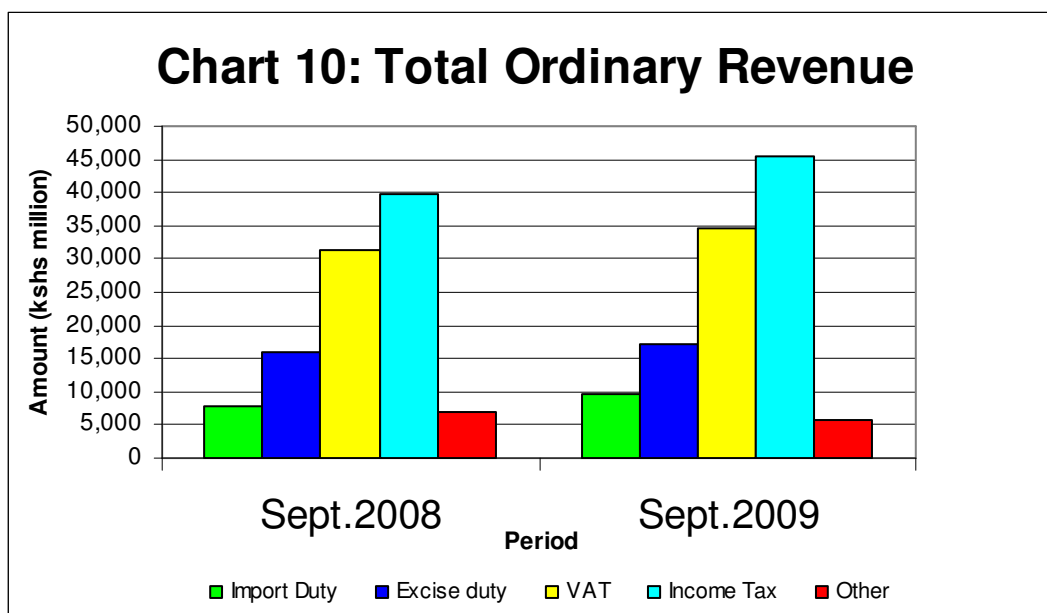
	2008/2009 Quarter I Actual	2009/2010 Quarter I		Deviation
		Actual	Target	
Total Revenue	108,887	126,654	129,051	(2,397)
(a) Ordinary Revenue	101,553	116,701	117,982	(1,281)
Import Duty	7,760	9,490	9,766	(276)
Excise Duty	15,882	17,273	17,639	(366)
PAYE	22,114	25,179	25,138	41
Other Income Tax	17,668	20,215	21,762	(1,547)
VAT Local	15,809	20,865	18,275	2,590
VAT Imports	15,434	13,682	17,647	(3,965)
Investment Revenue	36	4,307	395	3,912
Traffic Revenue	492	483	833	(349)
Essential Supplies Revenue	4,110	3,557	3,550	6
Others 1/	2,248	1,649	2,978	(1,329)
(b) Appropriation In Aid 2/	7,334	9,953	11,069	(1,116)
External Grants	3,239	3,469	3,625	(156)
Total Revenue and External Grants	112,126	130,123	132,677	(2,553)
In % of GDP	5.00	5.11	5.21	

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

2/ includes receipts from Road Maintenance Levy Fund

Source: Ministry of Finance

22. As a proportion of GDP, total revenue and grants, in the period ending September 2009, was 5.11 percent compared to 5.0 percent in the corresponding period of the FY 2008/09. External grants amounted to Kshs 3.5 billion against a target of Kshs 3.6 billion.



2.3 Expenditure

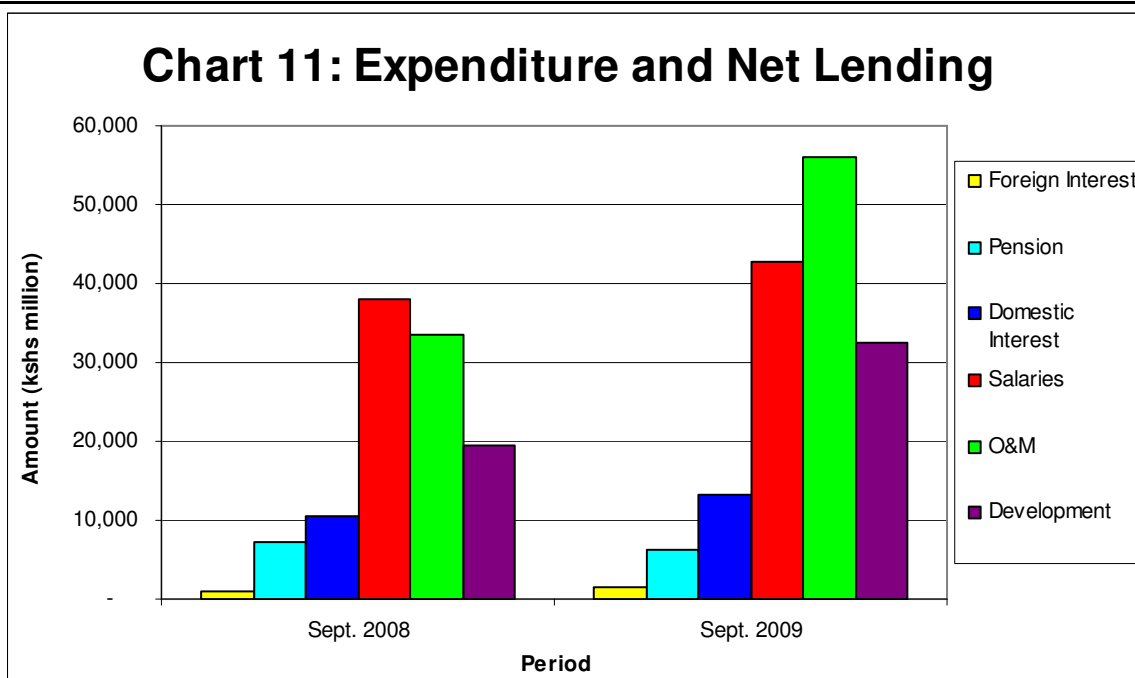
23. The total Government Expenditure and Net Lending, for the period under review, stood at Kshs 152.1 billion, against a target of Kshs 173.2 billion. The shortfall of Kshs 21.1 billion was attributed to lower absorption recorded under the Recurrent and Development expenditures by the line ministries for the period ending September 2009, (*Table 3 and Chart 11*). In particular, recurrent expenditure amounted to Kshs 119.7 billion, against a target of Kshs 123.1 billion. The KSh.3.4 billion shortfall was mainly due to low expenditures recorded in Operations and Maintenance, which accounted for Kshs 3.98 billion.

24. Similarly, scheduled foreign interest payments amounted to Kshs 1.5 billion which was higher than Kshs 1.07 billion due in the same period in the FY 2008/09. Domestic interest payment totalled Kshs 13.2 billion and was more than Kshs 10.4 billion paid in the corresponding period of the previous financial year (*Table 3 and Chart 11*).

Table 3: Expenditure and Net Lending, First Quarter Ending 30th September 2009 (Kshs Million)

	2008/2009 Quarter I Actual	2009/2010 Quarter I Actual	2009/2010 Quarter I Target	Deviation
1. RECURRENT	90,486	119,679	123,088	(3,409)
Domestic Interest	10,417	13,179	11,840	1,339
Foreign Interest due	1,087	1,490	1,490	0
Pensions, etc	7,315	6,234	6,432	(198)
Wages and Salaries	38,111	42,808	43,375	(567)
Operation and Maintenance	33,556	55,969	59,952	(3,983)
: Civil Service Reforms	1	1	0	1
: Appropriation-in-Aid	7,009	9,459	10,029	(570)
2. DEVELOPMENT	19,580	32,408	50,089	(17,681)
Development Projects (Net)	17,060	26,007	39,520	(13,513)
Scheduled Payment of Guaranteed Loans and Net lending	156	200	193	8
Appropriation-in-Aid	2,364	6,200	10,377	(4,176)
3. Civil Contingency Fund	-	-	-	-
TOTAL EXPENDITURE	110,066	152,087	173,177	(21,090)

Source: Ministry of Finance



25. Analysis of ministerial expenditure shows that the Government continued to shift budgetary resources toward priority social sector projects/programmes. In the first quarter of the FY 2009/10, the ministries of Basic Education, Higher Education, Science and Technology, Medical Services and Public Health and Sanitation, accounted for 47.6 percent of total recurrent expenditure. Administrative Services also accounted for a significant percentage of total recurrent expenditure. For instance, the Ministry of State for Provincial Administration incurred Kshs 9.3 billion, which represented 10.3 percent of the total recurrent expenditure, while the Ministries of Justice, National Cohesion & Constitutional Affairs, Energy and Nairobi Metropolitan Development were some of the ministries accounting for the least share of the total recurrent expenditures in the first quarter of FY 2009/10. Expenditures had not been received by the time of compiling the report from the following ministries Public Works, Justice, National Cohesion & Constitutional Affairs, Development of Northern Kenya and Other Arid Lands and Interim Independent Boundaries Review Commission.

26. However, on development expenditure, the Ministry of Planning, National Development & V2030 incurred the largest share, followed by the Ministries of Roads and Energy accounting for 27.7 percent, 23.4 percent, and 21.4 percent of the total development expenditure respectively. Details of the various Ministerial and Departmental expenditures for the period under review are shown in table 4.

FISCAL DEVELOPMENTS

**Table 4: Ministerial Expenditures, First Quarter
Ending 30th September 2009
(Kshs Million)**

	Sept. 2009			Sept. 2009			Sept. 2009			% of total expenditure to total target
	Recurrent			Development			Total			
	Actual	Target	Variance	Actual	Target	Variance	Actual	Target	Variance	
1 Ministry of State for Provincial Administration & Internal Security	9,318	9,589	(271)	136	873	(737)	9,454	10,462	(1,009)	90.36
2 State House	232	245	(13)	-	17	(17)	232	262	(30)	88.72
3 Ministry of State for Public Service	319	320	(2)	15	75	(60)	333	395	(62)	84.32
4 Ministry of Foreign Affairs	608	1,831	(1,223)	-	370	(370)	608	2,201	(1,593)	27.61
5 Office of the Vice-President and Ministry of Home Affairs	1,963	2,446	(483)	221	449	(228)	2,184	2,895	(711)	75.45
6 Ministry of Planning, d National Development & V2030	3,558	3,151	408	7,358	4,561	2,798	10,916	7,711	3,205	141.57
7 Office of the Deputy Prime Minister and Ministry of Finance	2,800	5,133	(2,333)	1,184	3,256	(2,073)	3,984	8,390	(4,406)	47.49
8 Ministry of State for Defence	10,615	12,201	(1,586)	-	-	0	10,615	12,201	(1,586)	87.00
9 Ministry of Regional Development Authorities	202	209	(7)	141	400	(259)	343	609	(266)	56.37
10 Ministry of Agriculture	1,934	1,882	52	613	800	(188)	2,547	2,682	(135)	94.95
11 Ministry of Medical Services	5,286	5,446	(160)	346	542	(196)	5,633	5,988	(356)	94.06
12 Office of the Deputy Prime Minister and Ministry of Local Government	182	337	(154)	297	218	79	480	555	(75)	86.47
13 Ministry of Roads	1,822	410	1,412	6,332	7,790	(1,458)	8,154	8,200	(46)	99.44
14 Ministry of Transport	325	350	(25)	46	400	(354)	371	750	(379)	49.48
15 Ministry of Labour and Human Resource Development	202	248	(46)	15	50	(35)	217	298	(81)	72.76
16 Ministry of Trade	469	446	23	35	191	(155)	504	636	(133)	79.18
17 Ministry of Justice, National Cohesion and Constitutional Affairs*	41	496	(454)	52	40	12	94	536	(442)	17.49
18 Ministry of Gender and Children	107	606	(499)	133	275	(142)	240	881	(641)	27.24
19 Ministry of Livestock	742	782	(39)	50	171	(121)	792	953	(161)	83.12
20 Ministry of Water and Irrigation	570	779	(209)	1,400	2,592	(1,192)	1,970	3,371	(1,400)	58.45
21 Ministry of Environment and Mineral Resources	304	459	(156)	169	176	(7)	473	635	(163)	74.41
22 Ministry of Cooperative Development and Marketing	125	240	(115)	37	63	(26)	162	303	(142)	53.32
23 Cabinet Office	156	271	(114)	-	50	(50)	156	321	(164)	48.81
24 Ministry of East African Community	294	314	(20)	-	14	(14)	294	328	(34)	89.67
25 State Law Office	139	262	(123)	-	9	(9)	139	271	(132)	51.23
26 Judicial Department	411	560	(148)	121	154	(34)	532	714	(182)	74.51
27 Public Service Commission	87	95	(8)	-	-	0	87	95	(8)	91.51
28 Kenya National Audit Office	307	353	(46)	-	-	0	307	353	(46)	87.01
29 National Assembly	1,295	2,006	(711)	0	-	0	1,295	2,006	(711)	64.57
30 Ministry of Energy	69	49	20	5,672	5,143	529	5,741	5,192	549	110.57
31 Ministry of Education	28,444	30,196	(1,752)	90	200	(110)	28,534	30,396	(1,862)	93.87
32 Ministry of Information and Communications	228	283	(55)	12	800	(788)	240	1,083	(843)	22.20
33 Interim Independent Electoral Commission	226	320	(94)	-	-	0	226	320	(94)	70.64
34 Kenya Anti-Corruption Commission	334	356	(22)	10	25	(15)	343	381	(38)	90.12
35 Ministry of State for Special Programmes	506	1,095	(590)	63	154	(91)	569	1,249	(681)	45.51
36 Ministry of Lands	361	416	(55)	28	100	(71)	389	516	(127)	75.40

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	Sept. 2009			Sept. 2009			Sept. 2009			% of total expenditure to total target
	Recurrent			Development			Total			
	Actual	Target	Variance	Actual	Target	Variance	Actual	Target	Variance	
37 Ministry of State for Immigration and Registration of Persons	332	246	86	174	500	(326)	506	746	(241)	67.74
38 Ministry of State for National Heritage and Culture	384	429	(45)	22	100	(78)	406	529	(123)	76.70
39 Ministry of State for Youth Affairs and Sports	1,053	1,099	(46)	482	850	(368)	1,535	1,949	(414)	78.77
40 Ministry of Higher Education, Science and Technology	7,791	5,819	1,972	341	893	(552)	8,133	6,712	1,420	121.16
41 Ministry of Housing	88	196	(109)	214	599	(385)	302	795	(494)	37.92
42 National Security Intelligence Service	2,932	2,453	478	-	-	0	2,932	2,453	478	119.49
43 Ministry of Tourism	405	497	(91)	95	180	(85)	500	677	(176)	73.94
44 Office of the Prime Minister	276	319	(43)	9	94	(85)	285	413	(128)	68.97
45 Ministry of Public Health and Sanitation	1,555	1,726	(171)	292	1,544	(1,252)	1,847	3,271	(1,423)	56.48
46 Ministry of Forestry and Wildlife	545	860	(315)	129	206	(77)	674	1,066	(392)	63.23
47 Ministry of Fisheries Development	203	257	(53)	20	653	(633)	224	910	(686)	24.57
48 Ministry of Nairobi Metropolitan Development	47	84	(37)	87	355	(268)	135	439	(304)	30.70
49 Ministry of Development of Northern Kenya and Other Arid Areas*	-	84	(84)	-	270	(270)	0	354	(354)	-
50 Ministry of Public Works*	11	231	(220)	-	1,445	(1,445)	11	1,676	(1,665)	0.65
51 Ministry of Industrialization	241	285	(44)	123	445	(322)	364	730	(366)	49.81
52 Interim Independent Boundaries Review Commission*		88	(88)		-	0	0	88		-
	90,446	98,856	(8,410)	26,564	38,093	(11,529)	117,010	136,949	(19,939)	85.44

* Ministries/Departments/Commissions that had not submitted their Expenditure returns

Source: Ministry of Finance

2.3.1 Guaranteed Loans for Parastatals

27. Cumulative scheduled payments of guaranteed loans to Parastatals with liquidity problems amounted to Kshs 200.05 million in the first quarter of FY 2009/10. During the same period Kshs 586.9 million was paid. This includes arrears of Kshs 392.35 million for the financial year 2008/09 that was paid in July 2009 (*Table 6*).

TABLE 6: SCHEDULE AND ACTUAL PAYMENTS ON GUARANTEED DEBT FOR QUARTER ENDING 30TH SEPTEMBER 2009

Borrower	Quarter I		Cumulative Set. 2009*	
	Principal	Interest	Principal +Interest	Projected
	Actual	Actual		
NCC	32.91	2.74	35.65	38.64
TARDA	124.41	34.5	158.91	161.41
KBC	310.95	81.4	392.35	0
TOTAL (QTR)	468.27	118.64	586.91	200.05

* Provisional

Source: Ministry of Finance

FISCAL DEVELOPMENTS

2.4 Financing the Budget

2.4.1 External Financing

28. The cumulative external financing to end September 2009 represented a net repayment of Kshs 2.9 billion compared to a net repayment of Kshs 428.4 million in the FY 2008/09. Total disbursements (inflows) including Appropriations-in-Aid amounted to Kshs 2.7 billion by end of the first quarter of FY 2009/10. This amount included Kshs 796.8 million Project Cash Loans and Kshs 1.9 billion Project Loans (A.I.A). Cumulative Principal repayments on the other hand amounted to Kshs 5.6 billion against the projected Kshs 5.9 billion. The deviation amounting to Kshs 273 million is attributed to exchange rate fluctuations during the year. The printed budget had an assumption of USD 82.2 and EURO 111.8 to the Kshilling, but the average actual rate for the quarter was USD 76.2 and EURO 108.9 to the Ksh. (*Table 7*).

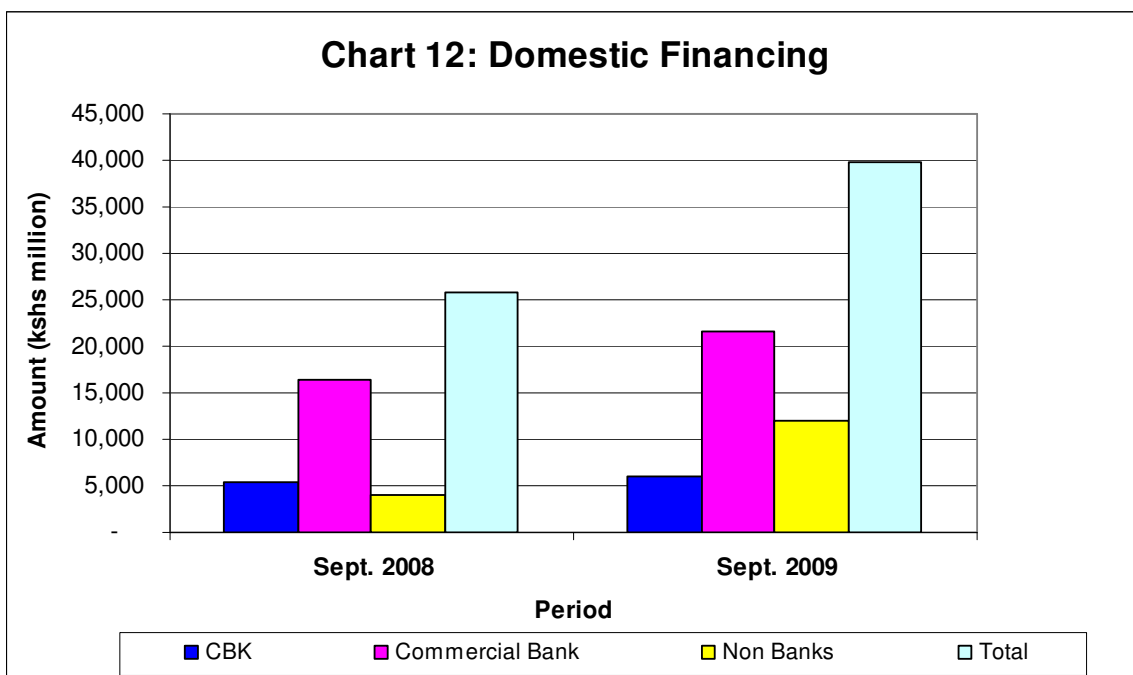
Table 7: External Financing, First Quarter Ending 30th September 2009 (Kshs Million)

	2008/2009 Quarter I Actual	2009/2010 Quarter I Actual	2009/2010 Quarter I Target
DISBURSEMENTS:	3,562.00	2,731.32	6,751.23
Project Cash loans	2,969.00	796.77	2,344.27
Programme loans	-	-	0
Project loans A-I-A	593.00	1,934.55	4,406.96
EXTERNAL REPAYMENTS:	3,990.37	5,623.69	5,896.22
Bilateral	1,917.28	2,741.02	2,823.63
Multilateral	2,073.09	2,882.67	3,072.59
Commercial	0.00	-	-
NET FOREIGN FINANCING	(428.37)	(2,892.37)	855.01

Source: Ministry of Finance

2.4.2 Domestic Financing

29. In the first quarter of the FY 2009/10, the overall performance in the Government's financial position resulted in net borrowing of Kshs 39.7 billion. This comprised of a net borrowing of Kshs 6.1 billion from the Central Bank, Kshs 21.7 billion from the Commercial Banks, Kshs 12.1 billion from Non-Bank Financial Institutions and a net repayment of Kshs 165 million to Non Residents (table 8). Comparatively, the same quarter in the FY 2008/09, net borrowing amounted to Kshs 25.9 billion, which represented a net borrowing of Kshs 5.4 billion from the Central Bank, Kshs 16.4 billion from Commercial Banks, Kshs 3.4 billion from Non-Banks Financial Institutions and Kshs 654.0 million from Non Residents (*chart 12*).



30. The stock of Treasury Bills held by the Commercial Banks and Central Bank recorded a net increase of Kshs 6.1 billion and Kshs 6.0 million respectively by the end of September 2009. However, the stock of Treasury Bills held by non-banking financial institutions and non-Residents recorded a net decrease of Kshs 1.1 billion and Kshs 157.0 million respectively during the same period. The stock of Fixed Rate Bonds held by Commercial Banks and Non-Banks recorded a net increase of Kshs 12.3 billion and Kshs 13.7 billion respectively, while those held by Non Residents financial institutions decreased by Kshs 7.0 million. (*Table 8*).

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Table 8: Domestic Financing, First Quarter Ending 30th Sept. 2009 (Kshs Million)

	SEPTEMBER	JUNE	SEPTEMBER
	2008	2009	2009
	1.CENTRAL BANK	5,445	(2,958)
Overdraft	4,393	5,124	2,889
IMF funds onlet to Govt	85	(336)	(2)
Treasury bills	(8,530)	(8,529)	6
Stocks	0	0	0
Floating rate T. Bonds	0	0	0
Fixed rate Bonds	0	9	0
Items on Transit	(1,371)	(1,454)	(1,344)
Frozen Account	0	(1,110)	0
Less Govt Deposits	10,868	3,338	4,547
2.COM. BANKS	16,429	43,563	21,668
Advances	(7)	(0)	1
Stocks	0	0	0
Treasury bills	18,970	46,505	6,139
Floating rate T. Bonds	0	0	0
Fixed rate Bonds	2,164	7,287	12,339
Special Bonds	(1,711)	(5,744)	0
Zero Coupon bonds	0	4,274	(1,451)
Infrastructure Bonds		6,456	0
Less Govt Deposits	(2,987)	(15,215)	4,640
3. NON BANKS	3,359	28,756	12,111
Stocks	0	0	0
Treasury bills	4,741	391	(1,083)
Floating Rate T. Bonds	0	0	0
Fixed rate Bonds	(2,087)	14,267	13,710
Zero Coupon bonds	706	2,096	(516)
Infrastructure Bonds		12,002	0
NON RESIDENTS	654	66	(165)
Treasury bills	670	44	(157)
Floating rate T. Bonds	0	0	0
Fixed rate Bonds	(16)	(97)	(7)
Infrastructure Bond		118	0
Zero Coupon bonds	0	1	(0)
NET CREDIT	25,887	69,427	39,711

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

FISCAL DEVELOPMENTS

3.0 PUBLIC DEBT

3.1 Overall Debt Position

31. The gross public debt in Shilling terms increased by Kshs 37.8 billion from Kshs 1,037.8 billion as at end of June 2009 to Kshs 1,075.9 billion by 30th September 2009. Out of which, external debt comprised of 48.8 percent and domestic debt comprised 51.2 percent. (Exchange rate 1 US\$ to Ksh 74.99) (*Table 9*).

Table 9: Kenya's Public and Publicly Guaranteed Debt, June 2003- September 2009 (Kshs millions)

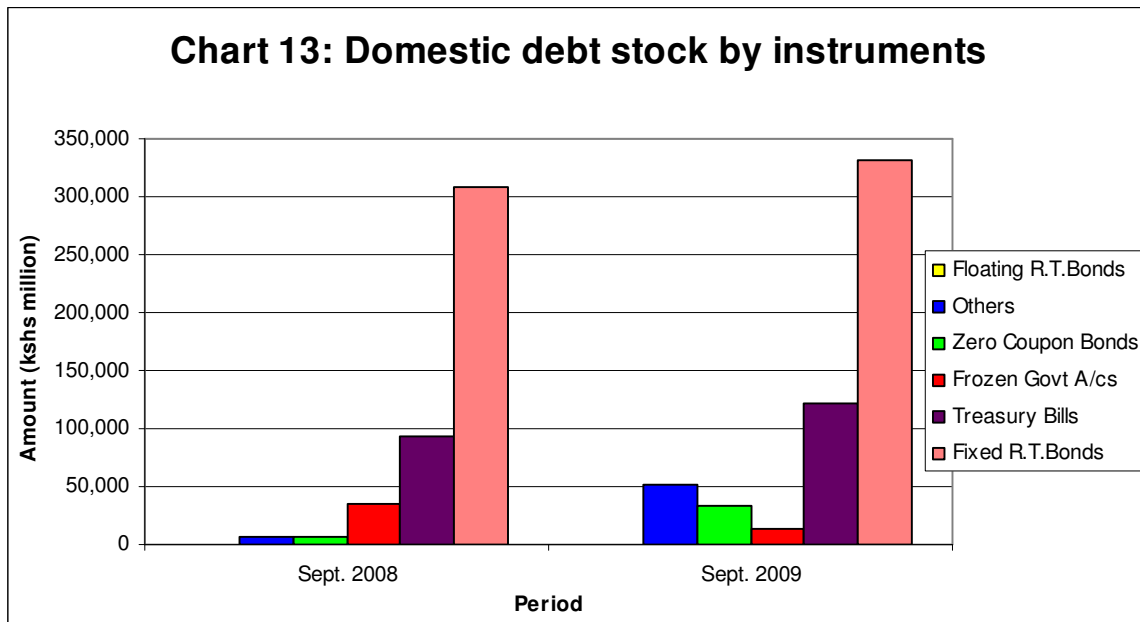
	Jun-03	Jun-04	Jun-05	Jun-06	Jun-07	Jun-08	Jun-09	Sept-09*
EXTERNAL								
BILATERAL	142,563	162,914	157,669	154,877	137,890	153,200	185,933	188,667
MULTILATERAL	233,829	260,658	255,784	255,550	240,349	268,224	311,381	312,589
COMMERCIAL BANKS	3,597	2,911	1,776	1,274	286	-	0	0
SUPPLIERS CREDIT	27,034	16,674	19,224	19,536	18,039	18,543	22,116	23,729
SUB - TOTAL	407,023	443,157	434,453	431,237	396,564	439,967	519,430	524,985
DOMESTIC:								
CENTRAL BANK	45,290	50,774	46,617	41,289	36,182	45,862	39,902	41,453
COMMERCIAL BANKS	112,369	128,214	122,912	149,473	186,802	182,905	250,708	268,976
TOTAL BANKS	157,659	178,988	169,529	190,762	222,984	228,768	290,611	310,429
NON BANKS	131,722	127,247	146,044	167,077	181,704	201,844	227,728	240,198
SUB-TOTAL	289,381	306,235	315,573	357,839	404,688	430,612	518,339	550,627
GRAND TOTAL GROSS	696,404	749,392	750,026	789,076	801,252	870,579	1,037,769	1,075,612
LESS ON-LENDING	(5,701)	(5,701)	(5,701)	(5,701)	(5,701)	(5,701)	(5,701)	(5,701)
LESS GOVERNMENT DEPOSITS	(38,046)	(48,281)	(58,600)	(74,437)	(65,687)	(92,861)	(111,115)	(113,289)
GRAND TOTAL NET	652,657	695,410	685,725	708,938	729,864	772,017	920,953	956,623

*Provisional external

Source: Ministry of Finance

3.2 Domestic Debt

32. The stock of domestic debt increased from Kshs 518.3 billion in June 2009 to Kshs 550.6 billion in September 2009, reflecting a net increase of Kshs 32.3 billion (*Table 10*). The stock of Treasury Bills held by Central Bank, Commercial Banks, Non Banks Financial Institution and Non Residents recorded an increase of Kshs 5.4 billion from Kshs 116.8 billion in June 2009 to Kshs 122.2 billion in September 2009. Similarly the stock of Treasury Bonds, Floating, Fixed Rate, Special and Zero coupon Bonds, increased from Kshs 341.0 billion in June 2009 to Kshs 366.3 billion in September 2009 (*chart 13*).



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Table 10: Stock of Domestic Debt, First Quarter 2009/2010
(Kshs million)

	Jun-08	Sep-08	Jun-09	Sep-09
1.CENTRAL BANK	36,182	49,022	45,862	40,355
Overdraft	-	4,393	5,124	8,013
Frozen Govt. Accounts	34,439	34,439	33,329	33,329
Treasury Bills	8,539	9	10	16
Items on Transit	2,885	1,514	1,430	87
Fixed rate bonds	-	9	9	9
2.COM.BANKS	182,905	202,925	250,708	268,976
Advances	427	80	93	105
Stocks	-	-	-	-
Treasury Bills	26,413	46,040	74,630	81,330
Floating Rate T. Bonds	-	-	-	-
Fixed Rate T. Bonds	129,269	131,659	138,051	151,203
Special Bonds	23,244	23,244	22,531	22,531
Zero Coupon Bonds	3,552	1,901	8,521	6,926
Infrastructure Bonds			6,883	6,883
3. NON BANKS	199,293	202,808	225,103	237,735
Stocks	755	755	755	755
Treasury Bills	39,854	44,573	40,065	38,916
Floating Rate T. Bonds	-	-	-	-
Fixed Rate T. Bonds	154,476	152,691	165,224	179,571
Tax Reserve Certificate	69	69	69	69
Zero Coupon Bonds	4,138	4,721	6,268	5,702
...Infrastructure Bonds			12,723	12,723
4. NON RESIDENTS	2,552	3,246	2,624	2,463
Treasury Bills	2,042	2,752	2,089	1,936
Floating Rate T. Bonds	-	-	-	-
Fixed Rate T. Bonds	510	494	414	406
... Zero Coupon Bonds	0	0	1	1
.....Infrastructure Bonds			121	121
5. TOTAL DEBT*	430,612	449,343	518,339	550,627
6. LESS ON-LENDING	5,701	5,701	5,701	5,701
7. Less Govt. Deposits	92,861	96,753	111,115	113,289
8. NET DEBT	332,050	346,889	401,523	431,638

* excl. IMF funds

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

Source: Central Bank of Kenya

FISCAL DEVELOPMENTS

3.3 External Public Debt

33. External public debt increased from US\$ 6.7 billion in June 2009 to US\$ 7.0 billion as at end of September 2009, reflecting a increase of 4.0 percent. The increase is attributed to disbursement under the bilateral and multilateral category. There was no disbursement under the commercial category. The increase is also attributed to cross currency exchange rate. (Table 11 and Chart 14).

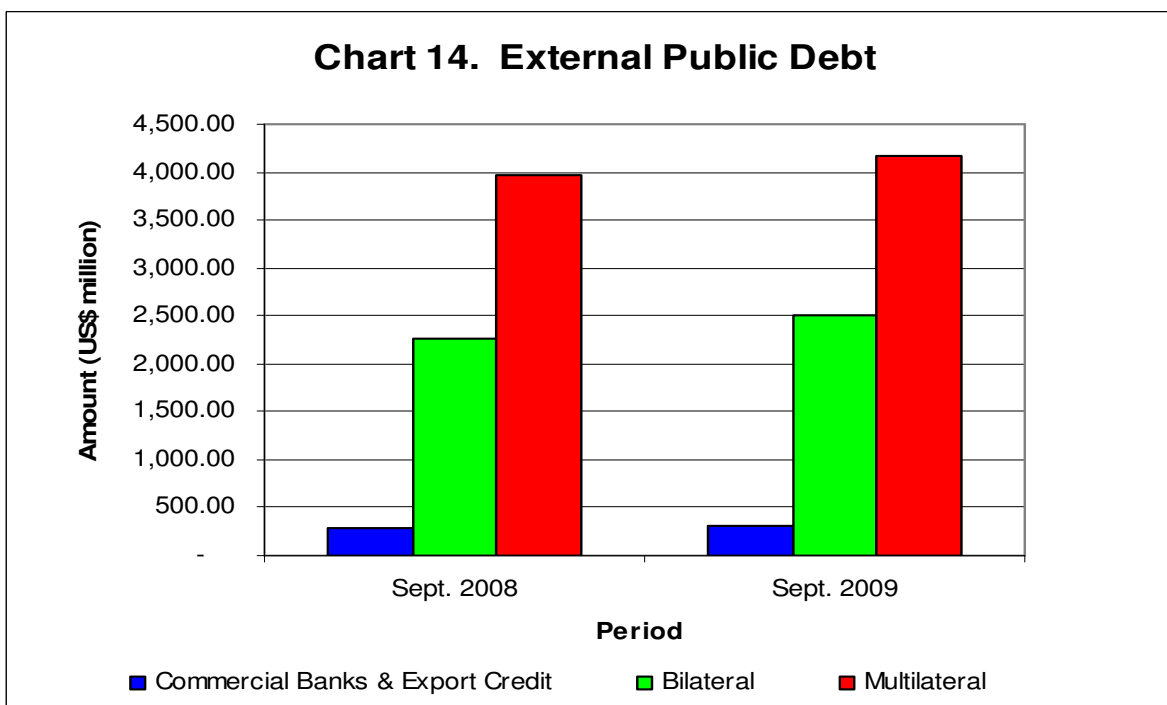
**Table 11: Kenya's External Public and Publicly Guaranteed Debt
June 2004- September 2009 (US \$ Million)**

CREDITOR	June 2004	June 2005	June 2006	June 2007	June 2008	June 2009	Sept. 2009
<u>BILATERAL</u>							
AUSTRIA	33.14	32.35	32.99	45.60	50.26	28.74	28.52
BELGIUM	59.41	68.00	71.02	69.60	73.43	91.73	98.08
CANADA	22.18	17.00	17.15	22.15	21.64	20.54	20.53
DENMARK	26.22	31.00	32.38	32.25	36.11	30.52	31.56
FINLAND	3.08	1.76	2.17	1.77	1.85	1.67	1.7
FRANCE	201.02	237.33	252.34	277.75	360.22	364.23	385.42
GERMANY	137.14	169.63	188.28	198.11	243.67	213.08	208.78
ITALY	126.33	94.14	118.31	107.61	98.06	74.53	76.61
JAPAN	1,058.80	1,109.50	1,075.58	1,006.06	1,125.98	1,177.31	1,230.04
NETHERLANDS	52.79	28.94	37.25	35.60	35.83	27.74	28.7
U.K.	33.35	36.94	36.61	39.55	37.99	30.51	29.26
USA	74.55	79.40	79.08	70.90	68.96	73.48	72.65
OTHERS	153.90	163.00	153.17	164.76	214.05	275.71	303.72
SUBTOTAL	1,981.91	2,068.99	2,096.33	2,071.67	2,368.05	2,409.79	2,515.57
<u>MULTILATERAL</u>							
ADB/ADF	315.10	310.00	349.71	353.09	465.80	423.17	470.17
EEC/EIB	128.00	111.00	180.49	150.41	173.66	143.38	146.66
IBRD	14.22	0.50	0.00	0.00	0.00	0.00	0.00
IDA	2,492.88	2,757.00	2,765.38	2,867.69	3,194.00	3,149.56	3,229.82
IMF	111.50	172.00	154.41	212.76	271.24	244.60	247.51
OTHERS	0.75	6.00	8.98	27.06	41.31	74.93	73.73
SUBTOTAL	3,062.45	3,356.50	3,458.97	3,611.01	4,146.01	4,035.64	4,167.89
COMMERCIAL BANKS	46.9	23.30	17.25	4.30	0.00	0.00	0.00
EXPORT CREDIT	200.57	252.27	264.43	271.02	286.63	286.63	316.39
GRAND TOTAL**	5,291.83	5,701.06	5,836.98	5,958.00	6,800.69	6,732.06	6,999.85
Bilateral	37.5	36.3	35.9	34.8	34.8	35.8	35.9
Multilateral	57.9	58.9	59.3	60.6	61.0	59.9	59.5
Commercial Banks	0.9	0.4	0.3	0.1	0.00	0.0	0.0
Export Credit	3.8	4.4	4.5	4.6	4.2	4.3	4.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

*Provisional

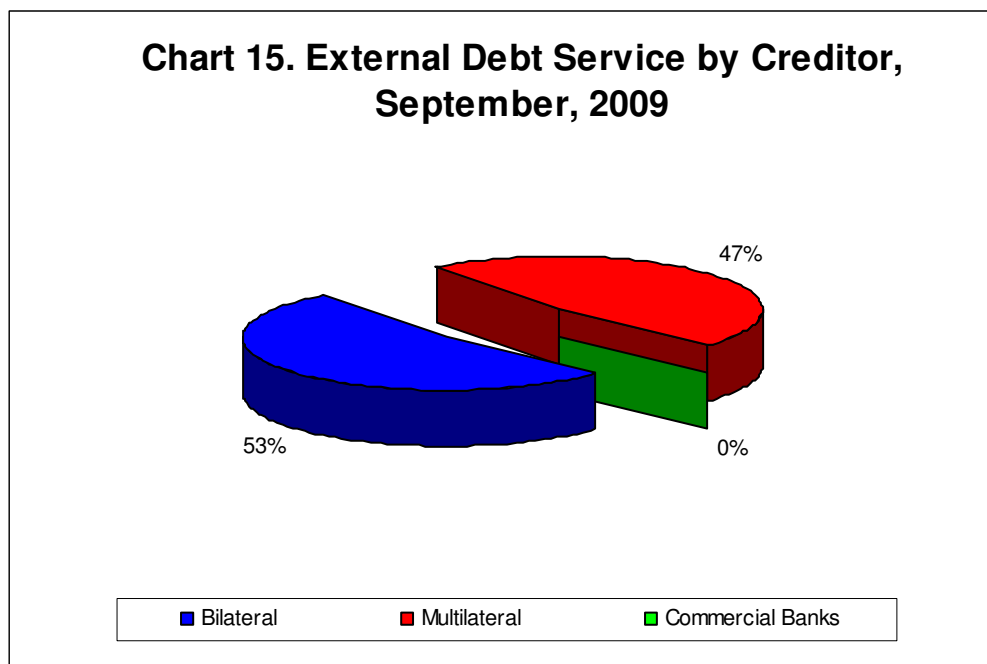
** IMF debt serviced by CBK

Source: Ministry of Finance



3.3.1 External Debt Service

34. At the end of September 2009, the total government external debt service amounted to Ksh 7.4 billion. This comprises of principal and interest repayments of Kshs 5.6 billion and Kshs 1.7 billion respectively. Conversely, total payments to bilateral creditors were Kshs 3.9 billion (53.0 percent) while payments to multilateral creditors amounted to Kshs 3.5 billion (47.0 percent). (*Table 12 and chart 15*).



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Table 12: External Debt Service, July 2009 – September 2009

(Kshs Million)

CATEGORY	PRINCIPAL	INTEREST	TOTAL
BILATERAL			
AUSTRIA	25.79	7.89	33.68
DENMARK	0	0	-
FINLAND	1.74	1.21	2.95
FRANCE	399.79	334.72	734.51
ITALY	189.2	10.18	199.38
JAPAN	1,456.03	521.45	1,977.48
SAUDI FUND	199.95	27.21	227.16
SPAIN	35.14	23.58	58.72
USA	60.52	52.22	112.74
CANADA	23.53	15.99	39.52
BELGIUM	90.72	14.09	104.81
CHINA	0	22.49	22.49
GERMANY	124.96	32.67	157.63
KUWAIT	105.17	28.38	133.55
NETHERLANDS	10.77	39.9	50.67
SWEDEN	16.86	5.81	22.67
SWITZERLAND	0	0	-
UK	0.85	1.3	2.15
KOREA	0	0	-
TOTAL BILATERAL	2,741.02	1,139.09	3,880.11
MULTILATERAL			-
ADB/ADF	274.82	75.14	349.96
BADEA	0	10.75	10.75
EEC	83.9	14.78	98.68
EIB	0	0	-
IMF	0	0	-
IDA	2,501.29	480.23	2,981.52
OPEC	22.65	8.83	31.48
NDF	0	10.77	10.77
TOTAL MULTILATERAL	2,882.66	600.50	3,483.16
			-
COMM.BANKS/ SUPPL.CREDIT	0	0	-
GRAND TOTAL	5,623.68	1,739.59	7,363.27

Source: Ministry of Finance.

FISCAL DEVELOPMENTS

4.0 CORE POVERTY PROGRAMMES (CPP)

35. The Core Poverty Projects/Programmes (CPP) are programmes/projects that impact positively on the lives of the poor by: (i) increasing their incomes or improving their quality of life or enhancing security; (ii) empowering them or improving governance; and (iii) promoting equity and equality in our society. These programmes are given high priority by the Government and are cushioned against budget cuts to ensure that the goals are achieved as planned. The overall expenditure on these programmes by the end of first quarter of FY 2009/10 was Kshs 6.1 billion equivalent to 7.2 percent of the total budget allocation to CPP. Most of the projects are being implemented at the districts and the expenditure returns had not been captured by their line ministries by the time of compiling the report.

4.1 Recurrent Expenditures

36. The total recurrent expenditure (non-wage) of the Core poverty programmes was Ksh 3.4 billion during the first quarter; this was equivalent to 10.4 percent of the total recurrent budget allocation. Table 13 below is a summary of the ministerial recurrent expenditures on CPP.

Table 13: Recurrent Expenditures 2009/10 (Non-Wage) Kshs.

MINISTRY/DEPARTMENT	PRINTED 2009/10	PAYMENTS	COMITMENTS	PAY+COMIT
MINISTRY OF EDUCATION	10,310,613,254	562,910,355	13,382,536	576,292,891
MINISTRY OF HEALTH	4,405,527,162	820,208,352	-	820,208,352
MINISTRY OF AGRICULTURE	1,278,981,063	101,575,758	3,793,814	105,369,572
MINISTRY OF LABOUR AND HUMAN RESOURCES DEVELOPMENT	29,863,546	2,078,658	3,586,975	5,665,633
KENYA ANTI-CORRUPTION COMMISSION	1,346,420,000	333,520,315		333,520,315
MINISTRY OF ROADS	8,000,000,000	608,961,376	-	608,961,376
MINISTRY OF GENDER , CHILDREN AND SOCIAL DEVELOPMENT	431,420,396	40,266,914	26,353,758	66,620,672
MINISTRY OF WATER AND IRRIGATION	529,795,308	32,629,163	61,100,540	93,729,703
KENYA NATIONAL AUDIT OFFICE	392,624,000	70,258,575	27,757,334	98,015,908
STATE LAW OFFICE	103,976,496	6,479,337	11,113,404	17,592,741
MINISTRY OF LIVESTOCK	541,978,484	6,342,173	7,341,935	13,684,108
MINISTRY OF COOPERATIVE DEVELOPMENT AND MARKETING	132,913,705	7,896,840	-	7,896,840
MINISTRY OF FORESTRY AND WILDLIFE	1,886,442,040	90,900,000	-	90,900,000
MINISTRY OF STATE FOR PROVINCIAL ADMINISTRATION & INTERNAL SECURITY	51,745,211	7,629,353	-	7,629,353
MINISTRY OF FISHERIES DEVELOPMENT	66,581,026	26,700,660	-	26,700,660
MINISTRY OF STATE FOR SPECIAL PROGRAMMES	2,386,908,385	133,074,677	325,654,370	458,729,047
MINISTRY OF PUBLIC HEALTH AND SANITATION	457,724,003	38,986,772		38,986,772
MINISTRY OF JUSTICE,NATIONAL COHESION AND CONSTITUTIONAL AFFAIRS	62,024,857		1,834,307	1,834,307
GRAND TOTAL	32,415,538,936	2,890,419,278	481,918,973	3,372,338,251

4.2 Development Expenditures

37. Under the development budget, the total expenditures on CPP in the first quarter amounted to Ksh 2.7 billion, equivalent to 5.2 percent of the total development CPP allocation. Under-performance was attributed to low absorption and also due to non-captures of the expenditures from the districts. Table 14 below gives summary details of the ministerial development CPP expenditures.

Table 14: Development Expenditures (Kshs.)

MINISTRY/DEPARTMENT	PRINTED 2009/10	PAYMENTS	COMITMENTS	PAY+COMIT
MINISTRY OF STATE FOR PROVINCIAL ADMINISTRATION & INTERNAL SECURITY	974,728,178	16,556,488	-	16,556,488
MINISTRY OF AGRICULTURE	3,302,424,365	159,248,940	-	159,248,940
MINISTRY OF HEALTH	16,220,561,065	236,399,102	-	236,399,102
MINISTRY OF ENVIRONMENT AND MINERAL RESOURCES	1,905,386,606	32,441,600	131,213,849	163,655,448
MINISTRY OF EDUCATION	6,427,999,265	19,578,700	-	19,578,700
MINISTRY OF ENERGY	8,331,150,399	1,287,776,420	44,300	1,287,820,720
MINISTRY OF LIVESTOCK DEVELOPMENT	1,089,443,902	18,191,179	28,042,740	46,233,919
JUDICIARY SERVICES	580,500,000	120,603,850		120,603,850
MINISTRY OF HOUSING	784,700,000	54,039,375	-	54,039,375
MINISTRY OF INDUSTRIALIZATION	45,000,000	37,500,000	-	37,500,000
MINISTRY OF GENDER , CHILDREN AND SOCIAL DEVELOPMENT	2,018,285,874	131,008,324	-	131,008,324
MINISTRY OF JUSTICE,NATIONAL COHESION AND CONSTITUTIONAL AFFAIRS	534,398,336	52,465,971	-	52,465,971
OFFICE OF THE DEPUTY PRIME MINISTER AND MINISTRY OF LOCAL GOVERNMENT	4,353,795,602	74,874,327	148,068,268	222,942,594
MINISTRY OF STATE FOR SPECIAL PROGRAMMES	5,060,726,288	61,000,000	-	61,000,000
MINISTRY OF PUBLIC HEALTH AND SANITATION	1,259,407,785	99,055,739	-	99,055,739
OFFICE OF THE DEPUTY PRIME MINISTER AND MINISTRY OF FINANCE	261,620,000		35,446,818	35,446,818
GRAND TOTAL	53,150,127,665	2,400,740,014	342,815,975	2,743,555,989

ANNEX I

FISCAL RESULTS, 2002/03 – 2009/2010 (Kshs. Millions)

	2002/2003	2003/2004	2004/2005	2005/06	2006/07	2007/08	2008/09*	2009/10**
A.TOTAL REVENUE	210,750	254,681	289,802	311,251	373,030	432,220	487,893	568,894
1.Revenue	190,591	226,478	265,715	283,427	340,010	396,489	455,780	522,767
Income Tax	66,744	77,410	94,095	108,897	124,855	156,832	184,447	209,267
VAT	56,135	61,725	75,989	76,263	96,270	111,939	126,854	148,353
Import Duty	18,477	22,324	23,532	20,511	27,510	32,944	36,181	40,600
Excise Duty	35,643	40,085	44,151	50,309	56,406	61,858	69,872	78,066
Other Revenue	13,592	24,934	27,948	27,447	34,970	32,916	38,426	46,482
2.Appropriation –in –Aid	20,159	28,203	24,087	27,824	33,020	35,731	32,113	46,127
B.EXPENDITURE & NET LENDING	264,144	282,187	303,373	382,818	419,570	534,842	595,719	772,376
1.Recurrent	220,618	244,476	255,746	306,515	306,847	403,368	435,542	509,099
Wages and Salaries	85,087	95,850	105,612	112,277	127,258	145,996	155,220	173,499
Interest Payments	36,026	29,700	30,470	41,247	42,537	47,877	52,058	64,317
Domestic Interest	27,567	23,281	23,375	31,445	36,860	42,181	45,949	57,976
Foreign Interest Due	8,459	6,419	7,095	9,802	5,677	5,696	6,109	6,341
Pensions, etc	9,450	13,612	12,568	19,759	20,449	24,089	27,191	25,600
Civil Service Reform	957	273	-	1,300	1,392	800	121	-
O & M/ Others	89,098	105,041	107,096	131,932	115,211	184,606	200,952	245,683
Of which Appropriation-in-Aid	18,221	23,443	20,999	23,891	28,701	32,343	40,611	41,753
2.Development & Net Lending	43,526	37,711	45,627	67,692	80,354	131,473	160,177	261,277
Development Projects	16,835	25,943	28,824	48,037	62,123	86,213	111,962	155,139
Appropriation-in-Aid	17,894	12,341	15,929	18,607	16,750	42,932	45,842	103,765
Payment of guaranteed loans	1,799	1,368	860	4,000	-	2,328	2,373	2,373
3. Drought Development	-	-	2,000	1,048	1,481	-	-	2,000
Expenditures/CCF	-	-	-	-	-	-	-	-
D.DEFICIT EXCL. GRANTS (Commitment Basis)	(53,394)	(27,506)	(13,571)	(71,567)	(46,540)	(102,622)	(107,826)	(203,482)
E.GRANTS	14,942	16,224	14,905	20,070	15,494	25,449	18,065	35,308
F.DEFICIT INCL.GRANTS (Commitment basis)	(38,452)	(11,282)	1,334	(51,497)	(30,697)	(77,173)	(89,761)	(168,174)
G. ADJUSTMENT TO CASH BASIS	2,683	11,282	5,964	15,030	(5,571)	84,738	(27,259)	-
H.DEFICIT INCL.GRANTS (cash basis)	(34,779)	-	7,298	(36,467)	(36,269)	7,566	(117,020)	(168,174)
I.FINANCING	34,779	-	(7,298)	36,467	36,269	(7,566)	117,020	168,174
Foreign Financing	(12,143)	(8,809)	(625)	1,216	(2,392)	6,326	41,143	50,175
Domestic Financing	46,922	8,809	(6,673)	35,251	38,661	(13,891)	75,876	117,999
Of which Domestic Borrowing	46,922	8,809	(6,673)	7,000	4,000	-	69,427	8,500
Others	-	-	-	-	-	-	-	-
						In Percentage of GDP		
A.TOTAL REVENUE	19.39	21.11	21.55	20.49	21.63	22.02	21.77	22.34
1.Revenue	17.54	18.78	19.76	18.66	19.72	20.20	20.34	20.52
Income Tax	6.14	6.42	7.00	7.17	7.24	7.99	8.23	8.22
VAT	5.17	5.12	5.65	5.02	5.58	5.70	5.66	5.82
Import Duty	1.70	1.85	1.75	1.35	1.60	1.68	1.61	1.59
Excise Duty	3.28	3.32	3.28	3.31	3.27	3.15	3.12	3.07
Other Revenue	1.25	2.07	2.08	1.81	2.03	1.68	1.71	1.82
2.Appropriation –in –Aid	1.86	2.34	1.79	1.83	1.92	1.82	1.43	1.81
B.EXPENDITURE & NET LENDING	24.31	23.39	22.56	25.20	24.33	27.25	26.58	30.32
1.Recurrent	20.30	20.27	19.01	20.18	17.80	20.55	19.44	19.99
Wages and Salaries	7.83	7.95	7.85	7.39	7.38	7.44	6.93	6.81
Interest Payments	3.32	2.46	2.27	2.72	2.47	2.44	2.32	2.53
Domestic Interest	2.54	1.93	1.74	2.07	2.14	2.15	2.05	2.28
Foreign Interest Due	0.78	0.53	0.53	0.65	0.33	0.29	0.27	0.25
Pensions	0.87	1.13	0.93	1.30	1.19	1.23	1.21	1.01
Civil Service Reform	0.09	0.02	-	0.09	0.08	0.04	0.01	-
O & M/ Others	8.20	8.71	7.96	8.68	6.68	9.40	8.97	9.65
of which A-in-Aid	1.68	1.94	1.56	1.57	1.66	1.65	1.81	1.64
2.Development & Net Lending	4.01	3.13	3.39	4.46	4.66	6.70	7.15	10.26
Development Projects	1.55	2.15	2.14	3.16	3.60	4.39	5.00	6.09
Appropriation-in-Aid	1.65	1.02	1.18	1.22	0.97	2.19	2.05	4.07
Payment of guaranteed loans	0.17	0.11	0.06	0.26	-	0.12	0.11	0.09
3. Drought Expenditures	-	-	0.15	0.07	0.09	-	-	0.08
D.DEFICIT EXCL. GRANTS (Commitment Basis)	(4.91)	(2.28)	(1.01)	(4.71)	(2.70)	(5.23)	(4.81)	(7.99)
E.GRANTS	1.37	1.35	1.11	1.32	0.90	1.30	0.81	1.39
F.DEFICIT INCL.GRANTS (Commitment basis)	(3.54)	(0.94)	0.10	(3.39)	(1.78)	(3.93)	(4.01)	(6.60)
G.ADJUSTMENT TO CASH BASIS	0.25	0.94	0.44	0.99	(0.32)	4.32	(1.22)	-
H.DEFICIT INCL.GRANTS (cash basis)	(3.20)	-	0.54	(2.40)	(2.10)	0.39	(5.22)	(6.60)
I.FINANCING	3.20	-	(0.54)	2.40	2.10	(0.39)	5.22	6.60
Foreign Financing	(1.12)	(0.73)	(0.05)	0.08	(0.14)	0.32	1.84	1.97
Domestic Financing	4.32	0.73	(0.50)	2.32	2.24	(0.71)	3.39	4.63
Of which Domestic Borrowing	4.32	0.73	(0.50)	0.46	0.23	-	3.10	0.33
Others	-	-	-	-	-	-	-	-
Memorandum Item:								
Nominal GDP at Mkt. price (Kshs. mn)	1,086,717.50	1,206,194.50	1,345,026.00	1,519,079.00	1,724,197.00	1,962,879.00	2,241,000.00	2,547,000.00

Note: * indicate Preliminary results and ** Printed Estimates

Source: Ministry of Finance

ANNEX II

BUDGET FOR STATE CORPORATIONS 2005/06 – 2008/09

	Name	Actual 2005/2006	Actual 2006/2007	Actual 2007/2008	Budget 2008/2009
1	Kenya Institute of Administration	157,105	150,454	197,660	225,631
2	Capital Markets Authority	126,374	161,543	187,403	294,993
3	Retirement Benefits Authority	167,839	202,905	0	
4	Kenya Revenue Authority	6,039,350	6,891,019	7,818,000	9,836,000
5	Registration Of Accountants Board	2,196	2,155	4,987	
6	Registration Of Certified Public Secretaries Board	1,299	1,256	1,283	2,043
7	KIPPRA	188,105	157,898	181,199	204,590
8	Kenya Maritime Authority	94,657	96,551	164,169	202,356
9	Kenya Industrial Research & Development Institute	154,936	234,725	250,460	292,858
10	Export Processing Zones Authority	68,241	92,264	248,482	315,123
11	Kenya Industrial Estates	145,625	147,251	151,130	165,619
12	Investment Promotion Centre	85,705	92,136	100,062	
13	Kenya Utalii College	407,020	481,613	764,653	694,887
14	Communication Commission of Kenya	950,994	1,025,245	945,931	1,305,417
15	Horticultural Crops Development Authority	308,562	320,914	460,980	530,619
16	National Irrigation Board	239,750	305,556	379,813	276,000
17	Pest Control Products Board	37,456	35,990	48,628	71,354
18	KEPHIS	317,075	368,380	528,446	589,038
19	Kenya Sugar Research Foundation	160,306	214,104	212,525	264,416
20	Kenya Sugar Board	317,625	285,297	290,362	319,612
21	Kenya Agricultural Research Institute	2,615,074	3,151,161	3,262,560	3,256,901
22	Kenya Marine & Fisheries Research Institute	406,955	433,725	395,873	471,201
23	Egerton University	1,868,340	2,139,203	2,561,969	2,618,982
24	Jomo Kenyatta University of Agriculture & Technology	1,277,786	1,588,926	2,004,374	2,499,707
25	Kenyatta University	2,424,729	2,506,715	3,221,800	3,520,067
26	Maseno University	922,335	1,015,259	1,190,879	1,615,111
27	Moi University	2,211,668	2,549,086	3,666,341	4,346,397
28	University Of Nairobi	6,722,308	5,500,501	5,764,921	6,541,308
29	High Education Loans Board	294,254	314,601	347,323	435,789
30	Kenyatta National Hospital	3,880,309	5,253,316	5,208,358	5,925,277
31	Kenya Medical Training College	1,230,870	1,362,410	1,560,672	1,936,041
32	Kenya Medical Research Institute	2,893,004	3,353,199	3,924,424	4,376,176
33	Tana & Athi River Development Authority	771,551	821,495	0	
34	Ewaso Ng'iro North Development Authority	28,795	32,071	41,832	45,904
35	Bomas of Kenya	130,779	97,894	102,519	125,391
36	National Museums of Kenya	477,333	629,597	1,011,528	814,787
37	Kenya National Library Services	479,716	444,000	443,083	639,000
38	Ewaso Nyiro South	53,056	64,752	41,832	45,904
39	Kenya Ferry Services	465,390	484,413		610,449
40	National Cereal And Produce Board	2,120,255	2,736,395	4,078,691	5,700,316
41	National Housing	428,842	554,951	606,967	668,406
42	NEMA	336,902	361,323	0	
43	Agro-Chemical And Food Company Ltd	377,336	125,295	636,199	909,952
44	Coffee Development Fund		124,820	688,533	265,198
45	Athi Water Services Board	458,136	681,278	583,522	469,430

ANNEX II

	Name	Actual 2005/2006	Actual 2006/2007	Actual 2007/2008	Budget 2008/2009
46	Kenya Investment Authority	85,705	92,136	104,555	246,540
47	Co-Operative College Of Kenya	91,111	119,980	151,271	167,486
48	Kenya Literature Bureau	381,133	377,226	0	
49	Kenya Medical Supplies Agency	245,080	353,941	450,699	556,597
50	Kenya Accountants And Secretaries National Examination Board	278,216	320,926	372,192	515,700
51	The Jomo Kenyatta Foundation	195,597	205,454	465,061	522,603
52	Kisii University	117,398	132,271	135,015	144,261
53	Kenyatta International Conference Center, (KICC)	178,428	240,526	260,411	417,912
54	Kenya Water Institute (KEWI)	62,892	92,632	0	
55	Kenya Wildlife Services (KWS)	2,637,971	3,422,622	5,809,631	4,588,887
56	Lake Victoria South Water Services Board (LVSWSB)	97,811	126,732	108,400	
57	Kenya Wines Agencies Limited (KWAL)	297,364	396,818	1,290,050	1,482,088
58	Nyayo Tea Zones Development Corporation	206,697	382,516	341,521	385,474
59	National Water Conservation & Pipeline Corporation	2,193,070	2,560,064	0	
60	Sport Stadia Management Board (SSMB)	151,057	182,704	196,829	225,173
61	The Jomo Kenyatta Foundation	195,597	205,454	465,061	522,603
62	Kenya Airports Authority	-	-	3,238,899	3,794,253
63	Kenya Broadcasting Corporation	-	-	1,388,099	1,395,894
64	Kenya coconut development authority	-	-	25,500	64,772
65	National Health Insurance Fund	-	-	4,272,850	4,980,765
66	National Social Security Fund	-	-	3,685,931	3,436,737
67	Postal Corporation of Kenya	-	-	3,030,230	3,234,270
68	South Nyanza Sugar company	-	-	2,755,966	3,236,708
69	Chemelil Sugar company	-	-	2,704,314	2,603,319
70	Athi water services Board	-	-	583,522	469,430

Source: Ministry of Finance

EXPENDITURES AND APPROVED BUDGETS FOR LOCAL AUTHORITIES

	Local Authority Name	FY 2003-04 ACTUAL	FY 2004-05 ACTUAL	FY 2005-06 ACTUAL	FY 2007-08 ACTUAL	FY 2008-09 ESTIMATES
1	Nairobi City	5,977,525,562	3,224,208,882	4,981,810,866	8,037,898,825	7,678,045,436
6	Ahero TC	NA	16,910,521	21,459,348	25,878,012	40,639,153
11	Awendo TC	23,957,709	21,454,108	30,361,315	42,521,558	52,180,526
16	Baringo CC	43,488,913	28,064,837	44,004,834	66,089,723	72,526,775
21	Bomet CC	36,397,592	36,544,076	48,168,015	84,896,187	86,221,519
26	Bomet MC	26,749,489	17,487,732	20,660,830	28,239,624	31,711,289
31	Bondo CC	35,577,979	26,241,228	40,521,098	60,417,395	69,928,561
36	Bondo TC	12,245,735	13,507,298	17,030,240	21,023,937	24,166,601
41	Bungoma CC	76,653,387	43,198,883	88,775,900	157,622,511	157,269,808
46	Bungoma MC	NA	70,047,112	39,035,554	94,604,370	99,100,407
51	Bureti CC	34,419,035	41,173,467	40,942,849	58,400,405	67,267,664
56	Burnt Forest TC	7,653,614	6,936,590	11,495,445	13,760,848	15,894,019
61	Busia CC	38,540,693	34,999,521	45,862,867	66,112,872	70,824,899
66	Busia MC	38,841,618	26,646,482	50,255,902	82,772,331	83,327,739
71	Butere-Mumias CC	68,309,949	68,828,782	75,844,086	105,322,026	118,730,156
76	Chepareria TC	3,736,242	2,816,185	5,561,445	5,955,982	7,188,768
81	Chogoria TC	12,469,513	7,079,278	11,657,057	16,863,167	16,985,683
86	Chuka MC	16,211,143	12,599,756	20,917,624	31,174,232	33,568,311
91	Eldama Ravine TC	17,379,502	17,349,618	31,134,695	28,776,202	35,864,409
96	Eldoret MC	226,830,714	254,441,783	348,949,235	411,468,413	542,697,505
101	Embu CC	25,338,834	23,605,591	31,720,815	49,856,145	49,107,573
106	Embu MC	80,069,113	35,901,048	60,957,595	83,502,273	105,254,353
111	Funyula TC	6,675,831	4,360,561	4,976,071	7,962,568	8,223,667
116	Garissa CC	35,516,291	37,280,135	45,442,531	66,481,173	76,428,559
121	Garissa MC	41,936,154	35,009,979	45,359,870	79,679,035	92,536,430
126	Gucha CC	27,223,856	37,508,967	42,407,180	70,387,310	73,918,653
131	Gusii CC	32,921,800	36,573,562	46,062,036	73,281,528	74,527,282
136	Homa Bay CC	26,730,764	27,023,848	33,480,679	45,529,420	54,891,313
141	Homa Bay MC	40,607,744	30,568,404	42,906,835	64,052,890	77,505,375
143	Ijara CC	9,114,541	10,394,766	11,780,803	18,503,995	15,661,570
146	Isiolo CC	88,897,584	19,893,750	169,987,075	181,695,585	200,324,611
151	Iten-Tambach TC	9,147,105	7,797,222	13,119,119	18,462,543	18,300,760
156	Kabarnet MC	17,709,562	13,972,905	18,853,396	26,065,316	29,530,593
161	Kajiado TC	15,790,747	9,362,104	15,326,117	20,066,096	22,747,529
166	Kakamega CC	NA	54,243,808	73,695,418	119,071,520	119,347,395
171	Kakamega MC	62,643,089	59,686,503	78,950,446	112,572,963	140,800,497
176	Kandara TC	4,933,991	5,070,919	6,381,331	10,349,898	10,930,895
181	Kangema TC	10,278,735	8,347,604	11,108,408	18,686,202	15,396,084
186	Kangundo TC	37,989,969	26,725,094	39,789,747	59,825,648	66,222,487
191	Kapenguria MC	15,318,669	15,736,619	22,417,825	34,867,242	39,783,797
196	Kapsabet MC	29,515,887	22,214,208	33,534,346	43,485,183	56,826,006
201	Karatina MC	52,113,306	35,309,087	41,882,325	48,097,605	52,311,144
206	Karuri TC	24,470,618	23,633,459	33,063,168	50,829,036	51,357,774
211	Kehancha MC	57,598,167	33,708,676	46,183,783	56,380,756	71,143,195
216	Keiyo CC	28,999,034	18,956,620	26,457,395	38,567,111	41,146,726
221	Kendu Bay TC	NA	5,022,710	7,167,568	10,680,451	115,586,605
226	Kericho MC	NA	66,379,501	78,277,952	90,643,739	123,648,131
231	Keroka TC	13,313,379	12,815,914	18,903,352	32973569	26974041

ANNEX III

		FY 2003-04	FY 2004-05	FY 2005-06	FY 2007-08	FY 2008-09
	Local Authority Name	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ESTIMATES
236	Kerugoya/Kutus MC	34,069,483	27,579,857	45,048,825	55,395,185	64,167,051
241	Kiambu CC	62,295,513	54,362,486	71,847,637	104,162,157	112,411,347
246	Kiambu MC	NA	36,560,984	55,228,338	74,849,811	76,890,733
251	Kikuyu TC	54,779,338	52,268,885	66,500,359	77,864,911	88,597,768
256	Kilifi CC	52,344,550	579,765,597	85,531,762	130,074,054	149,433,554
261	Kilifi TC	31,371,593	34,982,864	44,565,199	67,194,451	68,906,007
266	Kimilili MC	18,498,733	15,424,039	25,589,978	36,237,713	41,753,437
271	Kipkelion TC	10,241,250	7,954,821	9,843,244	14,342,708	15,728,280
276	Kipsigis CC	50,656,123	64,065,621	64,348,313	84,724,820	98,119,113
281	Kirinyaga CC	111,298,816	96,097,550	120,459,140	171,834,466	181,860,213
286	Kisii MC	46,455,782	61,488,824	75,484,132	119,660,269	119,153,911
291	Kisumu CC	27,987,395	20,576,672	28,830,507	48,433,985	46,396,889
296	Kisumu MC	283,036,079	241,673,332	381,899,824	485,836,573	766,095,631
301	Kitale MC	69,700,416	75,998,372	95,762,575	122,281,562	181,996,832
306	Kitui CC	65,247,813	59,888,764	79,498,284	113,920,899	122,695,202
311	Kitui MC	44,335,165	36,693,244	51,503,335	72,184,219	80,340,618
316	Koibatek CC	22,000,146	16,846,027	45,855,313	39,194,290	48,800,450
321	Kwale CC	66,577,347	88,161,428	115,011,021	174,711,093	204,345,626
326	Kwale TC	15,378,211	7,471,726	10,835,870	17,253,926	14,496,437
331	Laikipia CC	50,972,972	42,770,895	53,465,667	73,973,058	75,471,242
336	Lamu CC	17,678,508	18,796,815	28,404,313	42,085,310	48,260,666
341	Limuru MC	28,989,378	31,129,766	34,340,133	51,343,325	52,039,181
346	Litein TC	18,823,562	15,924,799	20,058,112	27,716,109	30,578,971
351	Lodwar MC	14,648,472	13,098,115	14,872,245	22,333,840	31,173,785
356	Londiani TC	11,310,131	9,285,811	10,593,601	13,178,600	16,603,432
361	Luanda TC	15,274,800	13,983,956	17,140,185	36,299,214	31,622,767
366	Lugari CC	NA	37,191,947	44,651,570	61,462,837	80,292,799
371	Machakos MC	60,972,181	62,974,809	92,349,988	129,292,702	138,290,873
376	Makueni CC	113,708,710	92,701,252	116,819,524	187,237,852	192,955,598
381	Makuyu TC	9,557,374	9,468,588	14,818,968	27,804,946	23,718,313
386	Malaba TC	32,817,139	8,156,223	34,098,042	55,449,202	48,220,852
391	Malakisi TC	6,259,409	6,803,201	7,770,647	12,254,786	13,728,183
396	Malava TC	11,540,637	8,665,613	15,786,574	20,727,481	22,729,377
401	Malindi CC	43,491,090	18,946,362	48,225,134	69,394,516	66,388,198
406	Malindi MC	121,794,369	76,710,045	115,588,775	151,210,471	179,641,982
411	Mandera CC	30,566,175	27,750,313	39,849,453	66,991,854	69,122,923
416	Mandera TC	25,530,726	20,236,960	30,900,665	45,059,193	48,179,040
421	Maragwa CC	52,386,898	55,723,403	72,511,626	95,089,112	102,759,057
426	Maragwa TC	8,812,924	9,110,065	16,699,999	17,854,329	21,221,876
431	Marakwet CC	23,148,701	21,517,135	28,008,581	37,440,309	42,049,968
436	Maralal TC	14,323,278	16,976,694	20,894,617	26,279,212	29,327,273
441	Mariakani TC	NA	13,030,644	25,447,609	37,790,160	39,270,289
446	Marsabit CC	28,597,160	19,582,622	30,397,046	42,346,385	45,305,953
451	Masaku CC	108,418,698	78,929,244	114,456,978	185,531,072	175,772,831
456	Masimba TC	8,596,651	6,891,346	8,212,703	12,994,314	13,392,469
461	Matuu TC	14,464,507	12,996,199	23,130,732	28,399,300	30,341,000
466	Maua MC	21,840,723	16,137,926	28,192,476	40,268,614	41,528,810
471	Mavoko MC	92,789,143	85,021,306	144,638,590	220,151,503	199,903,265
476	Mbeere CC	23,440,403	30,349,431	37,870,540	71,576,291	59,121,420
481	Mbita Point TC	9,042,098	8,352,927	12,430,459	16,723,092	18,855,822
486	Meru CC	NA	78,674,398	95,362,165	131,036,282	145,943,019
491	Meru MC	57,064,459	52,440,590	67,113,178	98,464,249	111,938,913

ANNEX III

		FY 2003-04	FY 2004-05	FY 2005-06	FY 2007-08	FY 2008-09
	Local Authority Name	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ESTIMATES
496	Meru South CC	22,408,777	22,108,792	29,862,783	39,444,901	45,390,023
501	Migori CC	31,290,985	37,480,082	53,428,611	67,713,035	82,759,464
506	Migori MC	44,042,430	28,672,359	37,880,048	52,291,427	70,311,717
511	Molo TC	24,460,155	19,516,253	33,834,447	42,899,685	45,431,469
516	Mombasa MC	NA	785,609,764	1,057,726,087	1,861,830,719	2,026,902,115
521	Mt. Elgon CC	NA	19,034,131	22,955,441	35,343,449	37,826,456
526	Moyale CC	29,070,835	24,982,019	26,352,150	41,187,219	36,233,776
531	Mtitu Andei TC	NA	9,316,464	12,589,709	16,551,362	17,494,747
536	Muhoroni TC	13,899,889	11,035,680	16,295,861	26,496,813	26,846,237
541	Mumias MC	38,564,865	30,366,188	46,549,617	73,171,164	88,786,498
546	Murang'a CC	59,820,651	52,301,896	77,216,606	107,922,639	114,915,639
551	Murang'a MC	36,294,858	25,553,111	48,129,537	69,616,038	66,387,088
556	Mwingi CC	29,350,745	34,296,788	40,187,468	70,901,749	63,672,032
561	Mwingi TC	17,600,081	16,537,325	23,330,522	30,312,407	36,214,351
566	Naivasha MC	76,240,361	62,950,771	70,791,605	104,852,387	117,943,557
571	Nakuru CC	173,067,513	160,827,505	172,269,144	261,773,250	297,725,146
576	Nakuru MC	304,008,034	341,553,490	370,393,611	574,830,925	607,125,500
581	Nambale TC	9,275,826	7,034,267	9,141,130	14,960,138	13,985,544
586	Nandi CC	57,203,535	62,009,102	72,011,509	101,425,511	119,036,068
591	Nandi Hills TC	13,801,353	12,312,861	21,098,660	33,403,856	31,871,998
596	Nanyuki MC	NA	73,788,881	158,377,491	128,844,235	174,482,430
601	Narok CC	364,837,460	37,776,739	509,465,917	709,783,309	706,770,307
606	Narok TC	20,652,275	18,885,265	33,196,619	54,423,327	51,935,391
616	Nyahururu MC	68,308,879	64,306,743	78,858,468	75,375,594	109,996,647
621	Nyamache TC	8,421,589	5,796,413	7,317,832	13,442,129	12,627,571
626	Nyamarambe TC	NA	6,579,694	8,056,920	12,507,356	13,069,554
631	Nyambene CC	50,297,683	66,906,496	87,528,299	122,614,204	142,185,243
636	Nyamira CC	41,655,903	46,007,362	58,603,822	88,360,993	102,563,098
641	Nyamira TC	12,619,683	13,019,066	16,248,939	26,521,838	27,639,997
646	Nyandarua CC	88,305,981	89,625,792	137,805,768	181,188,835	188,242,918
651	Nyando CC	29,991,254	32,635,130	41,189,091	59,698,454	66,382,905
656	Nyansiongo TC	14,504,084	9,526,703	9,523,938	14,234,472	16,167,898
661	Nyeri CC	89,222,362	79,418,779	122,249,077	158,963,346	179,540,590
667	Nyeri MC	124,181,771	93,457,889	118,160,907	174,720,737	223,481,342
671	Nzoia CC	55,432,890	55,047,187	79,799,691	124,069,686	126,316,503
676	Ogembo TC	15,856,349	9,228,831	12,187,951	21,613,748	23,384,249
681	Olkalou TC	26,101,780	19,328,360	32,860,544	43,201,928	51,275,729
686	Olkejuado CC	103,514,681	80,000,939	135,172,083	249,566,556	219,019,766
691	Othaya TC	15,073,444	12,762,103	18,632,868	26,004,995	28,398,905
696	Oyugis TC	22,175,355	21,059,770	28,383,734	32,186,273	41,130,405
701	Pokot CC	23,997,676	24,262,250	31,539,299	65,033,777	55,782,731
706	Port Victoria TC	12,163,300	5,493,024	8,655,746	12,198,534	13,513,556
711	Rachuonyo CC	27,564,319	25,284,455	31,099,362	47,704,343	52,762,908
716	Rongo TC	20,674,942	14,178,323	24,595,363	33,444,102	38,148,001
721	Ruiru MC	42,991,939	58,772,870	71,732,922	115,178,014	140,344,202
726	Rumuruti TC	11,631,737	7,770,457	13,639,383	18,998,945	20,027,924
731	Runyenjes MC	21,368,763	14,388,419	22,185,848	30,160,495	31,383,393
736	Sagana TC	11,484,338	8,808,678	11,440,458	16,941,254	16,822,040
741	Samburu CC	99,035,098	27,545,318	123,399,182	152,795,053	157,821,365
746	Siaya CC	48,806,566	39,598,340	47,175,117	72,107,604	80,287,184
751	Siaya MC	16,935,845	17,481,204	19,240,886	54,257,326	40,502,398
756	Sirisia TC	4,023,497	4,022,540	5,231,149	7,902,173	7,224,952

ANNEX III

	Local Authority Name	FY 2003-04 ACTUAL	FY 2004-05 ACTUAL	FY 2005-06 ACTUAL	FY 2007-08 ACTUAL	FY 2008-09 ESTIMATES
761	Sotik TC	10,254,471	10,189,628	17,518,541	20,388,659	21,308,443
766	Suba CC	21,185,830	20,547,093	29,864,166	53,365,158	50,694,111
771	Suneka TC	15,568,521	11,801,522	12,957,439	19,520,238	20,665,696
776	Tabaka TC	6,826,529	6,740,163	9,187,493	12,417,013	18,930,531
781	Taita Taveta CC	43,939,867	33,548,759	40,060,136	59,285,702	86,058,855
786	Tana River CC	29,010,978	33,008,334	40,141,108	58,234,253	72,296,916
791	Taveta TC	22,648,413	16,172,017	31,880,645	54,190,320	45,644,439
796	Teso CC	15,307,864	17,168,636	21,125,104	32,989,820	37,754,252
801	Tharaka CC	21,639,847	15,916,179	23,673,296	35,021,773	33,944,481
806	Thika CC	75,994,697	70,307,543	99,855,128	150,421,195	150,706,097
811	Thika MC	232,965,720	138,399	310,948,438	501,396,676	431,813,586
816	Transmara CC	90,820,150	19,823,474	106,937,804	94,496,214	131,482,413
821	Turkana CC	37,635,640	49,328,403	62,872,950	103,774,266	109,029,371
826	Ugunja TC	8,506,595	8,333,609	10,402,702	13,249,892	16,429,275
831	Ukwala TC	8,664,616	7,926,550	9,819,327	14,000,157	15,771,925
836	Vihiga CC	34,051,486	37,232,708	46,490,952	69,808,368	77,655,767
841	Vihiga MC	26,050,394	24,723,399	37,722,511	67,167,247	63,837,869
846	Voi MC	22,011,528	25,286,004	30,249,246	47,501,857	49,503,913
851	Wajir CC	52,676,267	46,305,926	61,723,007	101,299,510	106,679,578
856	Wareng CC	82,011,826	55,991,311	89,697,297	119,281,338	134,391,810
861	Webuye MC	NA	22,412,805	43,874,344	52,610,843	64,198,605
866	Wote TC	15,375,974	13,255,627	18,399,790	10,311,807	15,826,874
871	Yala TC	8,072,412	6,985,568	8,189,909	12,274,849	13,100,684
		12,988,430,149	10,685,236,721	15,522,577,495	23,412,251,496	24,736,328,537

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.
NA signifies that the information is incomplete or not yet submitted by the Local Authority.

**STATEMENT BY THE DEPUTY PRIME MINISTER AND MINISTER
FOR FINANCE HON. UHURU KENYATTA, E.G.H., DURING THE
LAUNCH OF THE ECONOMIC STIMULUS PROGRAMME AT HOLA
IRRIGATION SCHEME, ON THE 17TH AUGUST 2009**

Your Excellency The President, Hon. Mwai Kibaki;
The Prime Minister of the Republic of Kenya, the Rt. Hon.
Raila Odinga,
My colleagues, the Ministers present;
The Assistant Ministers;
The Members of Parliament present;
Distinguished guests;
Ladies and Gentlemen

I am very much delighted to be part of the Hola community to join His Excellency the President and the Rt. Honorable Prime Minister in this important official launch of the Economic Stimulus Programme and in particular the Food Production Component.

Your Excellency, the launch of the Economic Stimulus Programme here at Hola demonstrates the Government's commitment to overcoming the immediate social and economic challenges that we face. This programme is being implemented as a short to medium term, high intensity, and high impact programme aimed at jump starting the economy towards long term growth and development, securing the livelihoods of Kenyans and addressing the challenges of regional and intergenerational inequity. It focuses on sectors that will generate maximum benefit, create employment for the youths, protect the livelihood of the poor, and, restore the confidence of Kenyans in the government,

Your Excellency, very briefly allow me to provide a quick overview of the projects we are implementing under the Economic Stimulus Programme.

First, the Food Production Component we are launching today is designed to substantially enhance our food production by shifting our dependency away from rain fed agriculture to a modern and reliable form of production through rehabilitation and expansion of irrigable land. The food production components covers irrigation projects, namely Bura, Hola, Tarda, Wei Wei and Kerlo Valley, with an expected yield of about one (1) million bags of rice and maize by the end of December 2009. In addition, we have programmed to construct 200 fish ponds in 140 constituencies as a fish enterprise component of the Economic Stimulus Programme. This component is expected to improve nutrition and create over 120,000 employment and income opportunities to our people.

I am pleased to inform **Your Excellency** that we have already disbursed funds to the responsible Ministries to roll out all these projects under food production and fish enterprise components.

Second Your Excellency is the construction of Fresh Produce/Grain and Wholesale Markets Countrywide and Constituency Development Industrial Centres (CIDCs).

These projects aims to address the missing markets and facilitate commerce, trade and rural enterprise development, while the constituency industrial centres will further empower our youth to directly benefit from the massive social infrastructure projects and construction works at the constituency level.

Third, Your Excellency, we have also commenced the process of building two Primary Schools and one Center of Excellence in each constituency countrywide and we are initiating a tree planting program in at least 20 primary schools in each constituency countrywide. We are pleased to inform **Your Excellency**, that recruitment of both secondary and primary school teachers is already underway. These projects aim to augment the effort by the Government toward improving the quality of education in recognition of the need to invest in our human resource capital.

Closely linked with the Education component **Your Excellency**, is the expansion of ICT access. This project will ensure expanded ICT access to Kenyans through secondary schools at the outset and will later be expanded to the primary schools. The project will maximize on the benefits gained through the undersea cable that connects our economy to the global digital grid. The process of procurement of Mobile Computer Laboratories for each constituency for use by our high schools is at an advanced stage.

Finally, **Your Excellency** we are committed to making quality healthcare accessible to all Kenyans. This project will include building health centers, providing equipment and medical kits to facilitate operations of the health centres, recruitment of nurses, and provision of bicycles and motor cycles to enable the health workers expand their reach throughout the communities. The project aims to roll out a comprehensive program of healthcare reforms covering infrastructure development, promotion of preventive healthcare and devolved management of facilities.

Your Excellency, in terms of the implementation modalities for the projects, the responsible Ministries have come up with very good implementation frameworks, clearly detailing all functions and the roles of all the actors from the line Ministries to the District and constituency levels, including programme reporting, monitoring and evaluation mechanisms.

Your Excellency, with the commitment and resolve already displayed by all stakeholders in this program, I strongly believe all the projects will be successfully implemented and within the stipulated time frame. It is expected that the implementation of this Economic Stimulus Programme will buttress our economy against the adverse impact of global economic crisis and the domestic challenges such as drought, unemployment and poverty without losing sight of our medium to long term development objectives under the Vision 2030 and the Millennium Development Goals.

Thank you your Excellency.